

**SPRINGBORO COMMUNITY CITY  
SCHOOL DISTRICT, OHIO**

Single Audit Reports

June 30, 2007





Mary Taylor, CPA  
Auditor of State

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

We have reviewed the *Independent Auditors' Report* of the Springboro Community City School District, Warren County, prepared by Clark, Schaefer, Hackett & Co., for the audit period July 1, 2006 through June 30, 2007. 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 Springboro Community City School District is responsible for compliance with these laws and regulations.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

May 1, 2008

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# SPRINGBORO COMMUNITY CITY SCHOOL DISTRICT, OHIO

## Table of Contents

|   | <u>Page</u> |
|---|-------------|
| Schedule of Expenditures of Federal Awards  | 1           |
| Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> | 2 - 3       |
| Report on Compliance with Requirements Applicable to each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133  | 4 - 5       |
| Schedule of Findings and Questioned Costs   | 6 - 8       |
| Schedule of Prior Audit Findings  | 9           |

**SPRINGBORO COMMUNITY CITY SCHOOL DISTRICT**

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2007

| <u>Federal Grantor/Program Title</u>                 | <u>Pass Through<br/>Entity<br/>Number</u> | <u>Federal<br/>CFDA<br/>Number</u> | <u>Receipts</u>   | <u>Expenditures</u> |
|--|---|------------------------------------|-------------------|---------------------|
| <u>U.S. Department of Agriculture:</u>               |   |                                    |                   |                     |
| <i>(Passed through Ohio Department of Education)</i> |   |                                    |                   |                     |
| National School Lunch Program                        | LLP4                                      | 10.555                             | <u>113,157</u>    | <u>113,157</u>      |
| Total U.S. Department of Agriculture                 |   |                                    | <u>113,157</u>    | <u>113,157</u>      |
| <u>U.S. Department of Education:</u>                 |   |                                    |                   |                     |
| <i>(Passed through Ohio Department of Education)</i> |   |                                    |                   |                     |
| Special Education Cluster:                           |   |                                    |                   |                     |
| Special Education - Grants to States                 | 6BSF                                      | 84.027                             | 692,027           | 814,371             |
| Special Education - Preschool Grants                 | PGS1                                      | 84.173                             | <u>27,831</u>     | <u>27,831</u>       |
| Total Special Education Cluster                      |   |                                    | <u>719,858</u>    | <u>842,202</u>      |
| Safe and Drug-Free Schools and Communities           | DRS1                                      | 84.186                             | 10,667            | 11,503              |
| Innovative Education Program Strategies              | C2S1                                      | 84.298                             | 7,569             | 9,307               |
| Improving Teacher Quality State Grants               | TRS1                                      | 84.367                             | <u>48,190</u>     | <u>55,250</u>       |
| Total U.S. Department of Education                   |   |                                    | <u>786,284</u>    | <u>918,262</u>      |
| Total Federal Awards                                 |   |                                    | \$ <u>899,441</u> | <u>1,031,419</u>    |

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The schedule of expenditures of federal awards has been prepared on the cash basis of accounting.

NOTE B - MATCHING REQUIREMENTS

Certain Federal programs require that the District contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.



**Clark, Schaefer, Hackett & Co.**  
CERTIFIED PUBLIC ACCOUNTANTS  
BUSINESS CONSULTANTS

**REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Education  
Springboro Community City School District, Ohio:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Springboro Community City School District, Ohio (the School District) as of and for the year ended June 30, 2007, which collectively comprise the School District's basic financial statements and have issued our report thereon dated March 28, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is

more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies labeled as 2007-1 and 2007-2 in the accompanying schedule of findings and questioned costs as to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the School District's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the School District in a separate letter dated March 28, 2008.

The School District's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the School District's response and, accordingly, we express no opinion on it.

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

*Clark, Schaefer, Hachett & Co.*

Cincinnati, Ohio  
March 28, 2008





**Clark, Schaefer, Hackett & Co.**  
CERTIFIED PUBLIC ACCOUNTANTS  
BUSINESS CONSULTANTS

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

To the Board of Education  
Springboro Community City School District, Ohio:

Compliance

We have audited the compliance of Springboro Community City School District, Ohio (the 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, 2007. The School District's major federal programs are identified in the summary of auditors' 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 School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 School 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 School District's compliance with those requirements.

In our opinion, the 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, 2007.

Internal Control Over Compliance

The management of the School 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 School 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, but not for the purpose of

expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the School District's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified a deficiency in internal control over compliance that we consider to be a significant deficiency.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is a more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2007-3 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in a more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness.

The School District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the School District's response and accordingly, we express no opinion on it.

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School District as of and for the year ended June 30, 2007, and have issued our report thereon dated March 28, 2008. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information of management, the Board of Education, 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.

*Clark, Schaefer, Hachett & Co.*

Cincinnati, Ohio  
March 28, 2008

**SPRINGBORO COMMUNITY CITY SCHOOL DISTRICT, OHIO**

Schedule of Findings and Questioned Costs

Year Ended June 30, 2007

**Section I - Summary of Auditors' Results**

**Financial Statements**

|   |             |
|---|-------------|
| Type of auditors' report issued:  | unqualified |
| Internal control over financial reporting:  |             |
| • Material weakness(es) identified?   | none        |
| • Significant deficiency(ies) identified that are not considered to be material weaknesses? | yes         |
| Noncompliance material to financial statements noted?                                       | none        |

**Federal Awards**

|  |             |
|--|-------------|
| Internal Control over major programs:  |             |
| • Material weakness(es) identified?  | none        |
| • Significant deficiency(ies) identified not considered to be material weaknesses?                                     | yes         |
| Type of auditors' report issued on compliance for major programs:  | unqualified |
| Any audit findings disclosed that are required To be reported in accordance with section 510(a) of OMB Circular A-133? | none        |
| Identification of major programs:  |             |
| <i>Special Education Cluster:</i>  |             |
| <i>CFDA 84.027 – Special Education – Grants to States</i>  |             |
| <i>CFDA 84.173 – Special Education – Preschool Grants</i>  |             |
| Dollar threshold to distinguish between Type A and Type B Programs:  | \$300,000   |
| Auditee qualified as low-risk auditee?   | yes         |

## Section II - Financial Statement Findings

### Finding 2007-1 – Audit Adjustment

During the course of our audit, we identified a misstatement in the financial statements for the year under audit that was not initially identified by the School District's internal control. Throughout the year, the School District maintains its books and records on the cash-basis of accounting and converts its financial statements at year-end to generally accepted accounting principles. The audit adjustment was necessary to correct an error made during the School District's conversion process in the calculation of the deferred loss on the bond refunding transaction. The School District overstated the deferred loss by \$2,570,000 due to a miscalculation. A bond refunding transaction is a non-routine event that does not occur on a regular basis in the School District's accounting and reporting system.

***Management response:** The School District's GAAP Convertor (consulting firm) provided assistance to the District during the entire GAAP conversion process. The audit adjustment referred to above was due to an inadvertent mistake made by the firm in the calculation of the deferred loss which resulted in the correction. This misstatement was related to a non-routine transaction which occurred during the GAAP conversion process which is not a normal or regular part of the District's controls over the GAAP conversion process. It was an isolated situation; however, the School District and their consultant have established a process for additional review of non-routine transactions during the GAAP conversion process to ensure that such mistakes will not occur in the future.*

### Finding 2007-2 – Restated Financial Statements

As disclosed in Note 3 of the financial statements, the School District restated governmental activities net assets as of June 30, 2006 by approximately \$1,980,000 due to errors in the reporting of capital assets. During the year ended June 30, 2007, the School District completed a physical appraisal which resulted in corrections to the School District's capital asset records, which were the basis for the amounts previously reported on the financial statements for the year ended June 30, 2006. Prior period adjustments to financial statements are an indicator of a significant deficiency in internal control over financial reporting.

***Management response:** The School District acknowledges that there was a prior period adjustment to our capital asset management system due to the physical appraisal. Due to the extensive capital improvement program the School District recently completed, we believed that it was imperative to have a complete physical appraisal completed to ensure that all capital assets as reported on our capital asset reporting system were properly accounted for. Due to our due diligence, we determined that certain adjustments had to be made to our capital asset management system to agree it to the physical inventory. Some of the adjustments related to assets which were previously disposed; however, we believe that the majority of the differences were due to the method of valuation used by the appraiser for the capital improvement program completed by the School District. This has not been an issue in the past and we believe that the restatement does not reflect any lack of internal control over the capital asset management and reporting system.*

### Section III - Federal Award Findings and Questioned Costs

#### Finding 2007-3 – Schedule of Expenditures of Federal Awards

In accordance with the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, management is responsible for identifying all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the Federal agency, and name of the pass-through entity. The School District's schedule of expenditure of federal awards was not complete as a program was omitted and program expenditures were not accurate for other programs. The omitted program was subsequently added to the schedule and expenditures corrected. In addition to our opinions on the School District's financial statements, we are also required to express an "in relation to" opinion on the schedule of expenditures of federal awards. We were only able to express an unqualified opinion after correcting the School District's schedule of expenditures of federal awards. We recommend the School District review fiscal year activity to ensure that all federal programs have been accounted for accurately on the schedule.

*Management response: The Schedule of Expenditures of Federal Awards is supplementary to the financial statements and is not a required part of the basic financial statements per OMB Circular A-133. Although the schedule did exclude one program it is important to note that the financial statements upon which the auditor's opinion is rendered were complete and accurate. In the future, the schedule will include all federal program activity.*

**SPRINGBORO COMMUNITY CITY SCHOOL DISTRICT, OHIO**

Schedule of Prior Audit Findings

Year Ended June 30, 2007

The prior audit disclosed no instances of noncompliance with requirements of major federal programs. In addition, no significant deficiencies or material weaknesses with internal controls over compliance were reported in the prior year.

# Springboro Community City Schools

## COMPREHENSIVE ANNUAL FINANCIAL REPORT



Fiscal Year Ended June 30, 2007

1685 South Main Street  
Springboro, Ohio 45066



# SPRINGBORO COMMUNITY CITY SCHOOLS

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended  
June 30, 2007



Issued by the Office of the Treasurer  
Timothy W. Dettwiller, CFO  
1685 South Main Street, Springboro, Ohio 45066  
937-748-3960  
[www.springboro.org](http://www.springboro.org)



Springboro Community City School District  
Board of Education  
Fiscal Year 2007



Diane Trifiro  
President



Don Miller  
Vice President



Doug Buchy



Richard Githens



Ira Thomsen



Dr. David Baker  
Superintendent



Timothy W. Dettwiller  
Treasurer/CFO

# SPRINGBORO COMMUNITY CITY SCHOOL DISTRICT



## INTRODUCTORY SECTION

Springboro Community City School District, Ohio  
Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2007

Table of Contents

INTRODUCTORY SECTION

|                            |      |
|----------------------------|------|
| Table of Contents.....     | i    |
| Letter of Transmittal..... | iv   |
| Organization Chart.....    | xiii |

FINANCIAL SECTION

|  |    |
|--|----|
| Independent Accountants' Report.....   | 1  |
| Management's Discussion and Analysis.....  | 3  |
| Basic Financial Statements   |    |
| Government-wide Financial Statements:  |    |
| Statement of Net Assets.....   | 10 |
| Statement of Activities.....   | 11 |
| Fund Financial Statements:   |    |
| Balance Sheet – Governmental Funds.....  | 12 |
| Reconciliation of Total Governmental Fund Balances to<br>Net Assets of Governmental Activities.....  | 13 |
| Statement of Revenues, Expenditures and Changes in<br>Fund Balances – Governmental Funds.....  | 14 |
| Reconciliation of the Statement of Revenues, Expenditures and<br>Changes in Fund Balances of Governmental Funds to the<br>Statement of Activities..... | 15 |
| Statement of Revenues, Expenditures and Changes in<br>Fund Balance – Budget and Actual –<br>(Non-GAAP Budgetary Basis) General Fund.....               | 16 |
| Statement of Fiduciary Net Assets – Fiduciary Funds.....   | 17 |
| Statement of Changes in Fiduciary Net Assets – Fiduciary Funds.....  | 18 |
| Notes to the Basic Financial Statements.....   | 19 |
| Combining and Individual Fund Financial Statements and Schedules.....  | 44 |

Combining Statements – Nonmajor Governmental Funds:

|   |    |
|---|----|
| Fund Descriptions.....  | 45 |
| Combining Balance Sheet – Nonmajor Governmental Funds.....  | 48 |
| Combining Statement of Revenues, Expenditures and Changes in<br>Fund Balances – Nonmajor Governmental Funds.....    | 49 |
| Combining Balance Sheet – Nonmajor Special Revenue Funds.....   | 50 |
| Combining Statement of Revenues, Expenditures and Changes in<br>Fund Balances – Nonmajor Special Revenue Funds..... | 56 |
| Combining Balance Sheet – Nonmajor Capital Project Funds.....   | 62 |
| Combining Statement of Revenues, Expenditures and Changes in<br>Fund Balances – Nonmajor Capital Project Funds..... | 63 |
| Fund Descriptions – Fiduciary Funds.....  | 64 |
| Statement of Changes in Assets and Liabilities – Agency Fund.....   | 65 |
| Individual Fund Schedules of Revenues, Expenditures and<br>Changes in Fund Balance – Budget (Non-GAAP Basis)        |    |
| and Actual.....   | 66 |
| Debt Service Fund.....  | 67 |
| Food Service Fund.....  | 68 |
| Uniform School Supplies Fund.....   | 68 |
| Public School Support Fund.....   | 68 |
| District Managed Activities Fund.....   | 69 |
| Auxiliary Services Fund.....  | 69 |
| Gifted Education Fund.....  | 69 |
| Education Management Information Fund.....  | 70 |
| Entry Year Program Fund.....  | 70 |
| Onenet Fund.....  | 70 |
| Schoolnet Professional Development Fund.....  | 71 |
| Ohio Reads Fund.....  | 71 |
| Summer School Fund.....   | 71 |
| Vocational Education Enhancement Fund.....  | 72 |
| Miscellaneous State Grant Fund.....   | 72 |
| Title VI-B Fund.....  | 72 |
| Title V Fund.....   | 73 |
| Drug Free School Fund.....  | 73 |
| Preschool Handicapped Fund.....   | 73 |
| Telecommunications Act Grant Fund.....  | 74 |
| Improving Teacher Quality Fund.....   | 74 |
| Miscellaneous Federal Grand Fund.....   | 74 |
| Building Fund.....  | 75 |
| Permanent Improvement Fund.....   | 75 |
| Schoolnet Equipment Fund.....   | 75 |

STATISTICAL SECTION

|   |      |
|---|------|
| Statistical Section Contents.....   | S    |
| Net Asset by Component – Governmental Activities.....                                   | S-1  |
| Changes in Net Assets of Governmental Activities.....                                   | S-2  |
| Fund Balances, Governmental Funds.....  | S-4  |
| Changes in Fund Balances, Governmental Funds.....                                       | S-6  |
| Assessed and Estimated Actual Value of Taxable Property.....                            | S-8  |
| Property Tax Rates – Direct and Overlapping Governments.....                            | S-10 |
| Property Tax Levies and Collections.....  | S-11 |
| Principal Taxpayers – Real Estate Tax.....  | S-12 |
| Principal Taxpayers – Tangible Personal Property Tax.....                               | S-13 |
| Principal Taxpayers – Public Utilities Tax.....   | S-14 |
| Ratio of Outstanding Debt by Type.....  | S-15 |
| Ratio of General Bonded Debt Outstanding.....   | S-16 |
| Ratio of Debt to Assessed Value and Debt per Capita.....                                | S-18 |
| Computation of Direct and Overlapping Debt Attributable to Governmental Activities..... | S-20 |
| Computation of Legal Debt Margin.....   | S-22 |
| Demographic and Economic Statistics.....  | S-24 |
| Principal Employers.....  | S-25 |
| School District Employees by Function/Program.....                                      | S-26 |
| Operating Statistics.....   | S-27 |
| Building Statistics.....  | S-28 |



1685 S. Main Street  
Springboro, Ohio 45066  
(937) 748-3960  
(937) 748-3956 fax

March 28, 2008

Board of Education Members and Citizens  
Springboro Community City School District

Dear Board Members and Citizens:

The Comprehensive Annual Financial Report (CAFR) of the Springboro Community City School District (District) for the fiscal year ended June 30, 2007 is hereby submitted. This report was prepared by the Treasurer's Office, and includes the Independent Accountants' Report from Clark, Schaefer, Hackett & Co. Responsibility for both the accuracy of the data presented and the completeness and fairness of this presentation, including financial statements, supporting schedules and statistical tables, lies with the management of the District, specifically the Treasurer's Office. The management of the District represents that the accounting system and the budgetary and internal accounting controls of the District provide reasonable assurance that the District's assets are safeguarded against material loss and that financial records are reliable for preparing financial statements and maintaining accountability for assets. All disclosures necessary to enable the reader to gain the maximum understanding of the District's financial affairs have been included.

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

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

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

### **Reporting Entity**

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

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

**GENERAL INFORMATION CONCERNING THE BOARD AND THE SCHOOL  
DISTRICT ORGANIZATION**

**The Board and Administration**

The Board of Education of the Springboro Community City School District (the Board) is a body both politic and corporate charged with the responsibility of managing and controlling affairs of the District and is, together with the District, governed by the general laws of the State (Ohio Revised Code). The Board is comprised of five members who are elected for overlapping four-year terms. The Board members during the year ended June 30, 2007 were:

|                            | <u>Date Current Term<br/>Commenced</u> | <u>Present Term<br/>Expires</u> |
|----------------------------|--|---------------------------------|
| Diane Trifiro, President   | 01/01/06                               | 12/31/09                        |
| Don Miller, Vice-President | 01/01/06                               | 12/31/09                        |
| Ira Thomson                | 01/01/06                               | 12/31/09                        |
| Richard Githens            | 01/01/04                               | 12/31/07                        |
| Doug Buchy                 | 01/01/04                               | 12/31/07                        |

The Superintendent of Schools (Superintendent), appointed by the Board for a maximum term of five years, is the executive officer of the District and has the responsibility for directing and assigning teachers and other employees, assigning the pupils to the proper schools and grades, and performing other such duties as determined by the Board. Dr. David Baker was appointed Superintendent on August 8, 2000, and began his first term on August 15, 2000. Dr. Baker's contract was renewed effective August 2, 2006 through July 31, 2009.

The Treasurer is the chief financial officer of the District and is directly responsible to the Board for all financial operations, investments, custody of all District funds and assets, and serves as Secretary to the Board. The treasurer is appointed by the Board for a maximum of five years. On November 6, 2000, the Board hired Mr. Timothy W. Dettwiller as Treasurer. Mr. Dettwiller's contract was renewed effective January 2007 and runs from January 1, 2007 though the date of the organizational meeting in January, 2011.

**The District and Its Facilities**

This report of the District includes all funds, organizations, activities and functions of the District. The District presently does not have any component units for which the District is financially accountable or that are fiscally dependent on the District. The District covers approximately 45 square miles. According to information obtained from the City of Springboro, the City of Springboro population is estimated at 12,380 for 2006 (the latest available data). According to information obtained from the Township Trustees, the population of Clearcreek Township is estimated at 5,653 for 2006 (the latest available data).

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

### **The District and Its Facilities – Continued**

During 2007, the District's average daily membership was 5,056. Of the total membership, 951 students reported to two K-1 Schools, 1,552 students reported to four 2-5 schools, 403 students reported to a sixth grade only school, 746 students reported to one junior high, 1,404 students reported to one high school and 93 students reported to 1 career center.

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

### **Employee Relations**

The District currently has approximately 581 full-time equivalent employees. During fiscal 2007, the District paid (determined on a cash basis) from its General Fund approximately \$22.4 million in salaries and wages and \$7.3 million for fringe benefits and other labor-related costs such as employer retirement contributions, workers' compensation coverage, unemployment compensation, life insurance and medical and dental insurance premiums.

Of the current full-time employees, 302 are professionals serving as teachers, all of whom have at least a bachelor's degree. The 2007-2008 starting salary for a teacher with a bachelor's degree is \$34,563; the maximum teacher salary (for a teacher with a Ph.D. degree and 30 years' experience) is \$78,807.

The District's teachers and educational specialists are represented for collective bargaining purposes by the Springboro Education Association (SEA). The District has a collective bargaining agreement with the SEA that will expire August 1, 2008.

The Springboro Classified Employees Association (SCEA), a division of the Ohio Association of Public School Employees (OAPSE), represents classified employees (secretarial-clerical, custodial, maintenance, transportation and food services staff) of the District for collective bargaining purposes. The current OAPSE contract expires August 1, 2008.

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

### **Intergovernmental Relations**

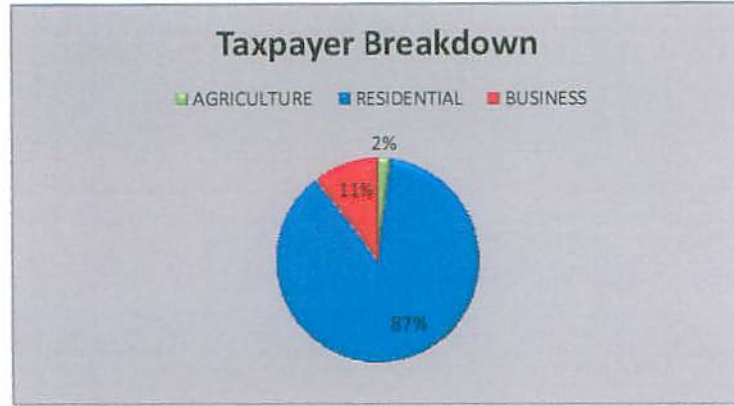
The District maintains a good working relationship with the City of Springboro, Clearcreek Township and Warren County. City of Springboro officials, Township officials and District Administrator's are communicating effectively to resolve tax abatement issues, use of surplus property and other public policy matters.



## ECONOMIC CONDITION AND OUTLOOK

### Local Economy

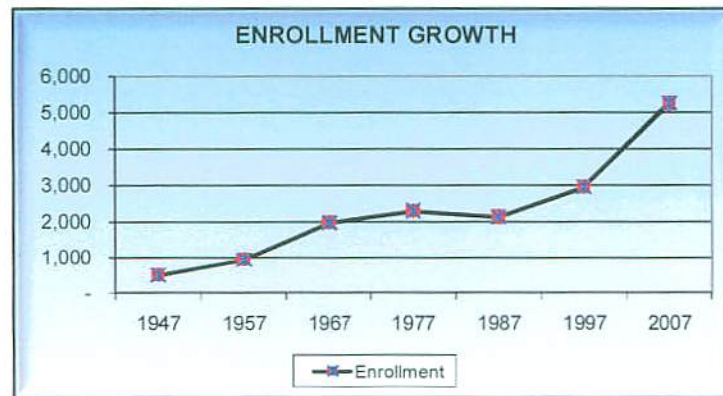
The Springboro Community's largest employer is the Springboro Community City School District. Springboro is a commuter community and Clearcreek Township is still relatively undeveloped. The City Planners have a strategic plan in place that calls for the maintaining of a "small town" atmosphere. Limited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



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

The City's average annual unemployment rates (4.7%) for 2006 continued to be below the State of Ohio (5.5%) and is comparable to the United States (4.6%) rate. Springboro is located in the southwest part of the state, approximately 15 miles south of Dayton and 30 miles north of Cincinnati. Interstate I-75 is conveniently located adjacent to the District providing easy access to the Dayton and Cincinnati markets.

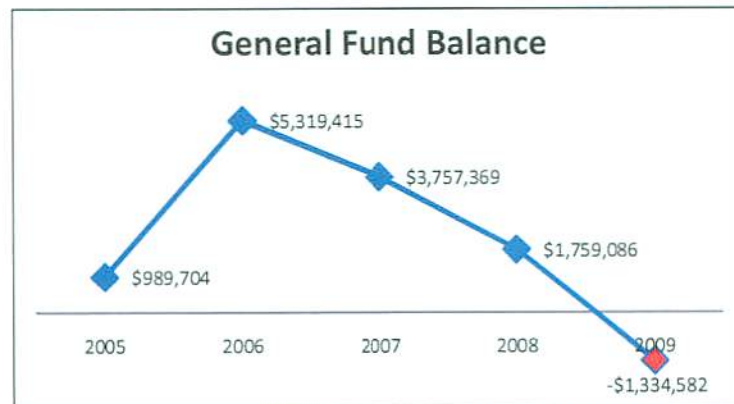
The City's strategic plan, easy access to I-75 and its close proximity to Cincinnati and Dayton have been and are the primary factors causing Springboro Schools to be one of the fastest growing districts in Southwest Ohio. The student enrollment has grown by nearly 2.5 times in the last 20 years.



## ECONOMIC CONDITION AND OUTLOOK (Continued)

### Financial Outlook and Financial Planning – District

With the passage of a 10 mill levy in November of 2005, the District's financial picture has been very positive during fiscal years 2006 and 2007. Both years ended with healthy fund (cash basis) balances of \$5.3 million and \$3.7 million respectively. The forecast for fiscal year 2008 reveals an anticipated ending balance of \$1.7 million. Beginning in fiscal year 2009 we anticipate a deficit balance of \$-1.3 million. In anticipation of this projected deficit the District has developed a five year funding plan. The first phase of this plan is the passage of a 5.99 mill continuous operating levy. This levy will generate \$5.5 million per year and will be used to fund operations. This levy will be placed on the ballot March 4, 2008. The declining projected General Fund cash balance is a reflection of the challenge of Ohio school district financing. This is due to limited revenue growth and natural inflationary growth on the expenditure costs.



## CURRENT INITIATIVES

### *Major initiatives and events-fiscal year 2007*

#### **Strategic Planning**

The school board entered into agreement with the Buckeye Association of School Administrators to provide a consultant to help us thru a new strategic plan. The plan is developed by 29 community, staff, students and administrative personnel. Eighty four volunteers worked on action plans in the following areas:

- Focused curriculum
- Comprehensive Professional Development
- Implement programs to attract involvement of all citizens
- Facility needs
- Progressive technology plan
- Develop and implement an exemplary early learning program

#### Mission Statement

*The mission of the Springboro Community City Schools, a pioneer in world class education with small town pride, is to motivate and empower all students to become life long learners, productive citizens and future leaders.*

#### **Curriculum**

New courses of study were presented to, and approved by, the board of education at their December 12, 2006 meeting.

- |                                     |                                    |
|-------------------------------------|------------------------------------|
| AP Physics                          | Sports and entertainment marketing |
| AP Art History                      | Sports Literature and composition  |
| AP Studio Art                       | U.S. History and film              |
| Retail and Fashion marketing        | French V to AP French              |
| Sports and entertainment management | Honors Geometry                    |

## **CURRENT INITIATIVES (Continued)**

### *Major initiatives and events-fiscal year 2007 (Continued)*

#### **Construction**

In September 2006 the District opened two new 1,100 student elementary buildings. Five Points Elementary was strategically placed in the north east quadrant of the District to accommodate our explosive population growth in that area. Dennis Elementary was located near the current Junior High and High School campus and will accommodate the southern half of our District.

#### **Technology**

A massive change of the infrastructure of the technology system was undertaken. Switches and routers were upgraded, allowing video streaming to all buildings. The introduction of Progress Book for parents use in checking student grades was enhanced and improved. Several computer labs were established including some portable labs. The use of Smart Boards was introduced as a pilot program in the classrooms.

#### **Business Partnerships**

The District completed negotiations with Miami Valley Hospital and Premier Health Partners in a joint effort to provide services to the community and the school district. Two million dollars was earmarked for the renovation of the football stadium. The two million dollars, (provided by Miami Valley Hospital's purchase of the naming rights to the stadium) provided for a resurfacing of the track, new field event locations, artificial turf on the football field and increased seating on both the home and visitors side of the stadium bleachers. The football field will now be called CareFlight Field.

In addition, the District will build and then lease to Miami Valley a 40,000 sq. foot facility behind the home football stands. This facility will house locker rooms, coach's' offices, training rooms, meeting rooms, and weight lifting facilities for the various teams. The second and third floors will house doctors who will provide services to the community and the school district. A part of the third floor will be dedicated to a new press box overlooking CareFlight Field.

The District has also partnered with the City and Township in providing a fuel depot at the new Springboro Schools Transportation facility. Fuel for school buses, patrol cars, fire trucks and emergency vehicles is purchased in bulk providing a substantial savings to all three governmental entities.

#### **State Testing**

The District continued its string of EXCELLENT ratings from the Ohio Department of Education. Test scores in most areas are on the rise. New and continuing in-service to the professional staff on quarterly benchmark assessments, differentiated instruction, and literacy have improved instruction and thus test scores.

#### **Graduation**

We continue to graduate over 98% of all students with our class of 2007 earning more than \$2 million in college scholarships. The class of 2007 sent a larger than normal group of young men to service in the military.

#### **Finance**

In the summer of 2007 the Treasurers office secured a contract with Information Design, Inc. to provide an on-line payment system for lunchroom purchases and classroom fees. EZ-Pay was instituted and is used by Springboro parents. To date 30% of all lunchroom collections and classroom fees are now collected electronically via EZ-Pay.

Strong economic demographics, continued excellent academic ratings and strong management of the District, as reflected in the past seven audits, have helped the District to achieve and maintain improved bond ratings from Standard & Poor's, and Moody's ratings services. The ratings currently are A, and A2, respectively. The strong ratings save the District interest through stronger credit to borrow money at lower costs to local taxpayers when construction bonds to build or totally renovate District schools have been offered for sale.

# **FINANCIAL INFORMATION**

## **Financial Condition**

This is the sixth year the District has prepared financial statements following GASB 34, "Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments." Basic financial statements for reporting on the District's financial activities are as follows:

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

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

As part of this reporting model, management is responsible for preparing a Management Discussion and Analysis of the District. This discussion is presented in the financial section of this report and provides an assessment of the District's finances for 2007.

## **Budgeting, Tax Levy and Appropriations Procedures**

The Ohio Revised Code contains detailed provisions regarding the District's budgeting, tax levy and appropriation procedures. These procedures involve review by County officials at several steps. District budgeting for a fiscal year formally begins with the preparation of a tax budget. After a public hearing, this budget is adopted by the Board prior to the fiscal year to which it pertains. Among other items, the tax budget must show the amounts required for debt service, the estimated receipts for payment from sources other than ad valorem property taxes and the net amount for which an ad valorem property tax levy must be made. The tax budget then is presented for review to the County Budget Commission, comprised of the County Auditor, County Treasurer and County Prosecuting Attorney. Upon approval of the tax budget, the County Budget Commission certifies its actions to the Board together with the approved tax rates. Thereafter, the Board levies the approved taxes and certifies them to the proper County officials. The approved and certified tax rates are reflected in the tax bills sent to property owners during the collection year. Real property taxes are payable on a calendar-year basis, generally in two installments with the first due usually in January and the second due in June.

At the start of each fiscal year, the Board adopts a temporary appropriation measure to begin that new fiscal year and then, within three months, a permanent appropriation measure for that fiscal year. Permanent appropriation measures may be amended or supplemented during the fiscal year. Annual appropriations may not exceed the County Budget Commission's official estimates of resources. The County Auditor must certify that the Board's appropriation measures, including any supplements or amendments, do not appropriate monies in excess of the amounts set forth in the latest of those official estimates. The District's legal level of control for such measures is the fund level.

## **Financial Reports and Auditing**

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

## **FINANCIAL INFORMATION (Continued)**

### **Internal Control**

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

### **Pension Plans**

Present and retired employees of the District are covered under two statewide public retirement (including disability retirement) systems. The State Teachers Retirement System (STRS) is applicable to all teachers, principals, supervisors and administrators employed by the District who are required to hold a certificate issued by the State Department of Education pursuant to the Code. All other employees are covered by the School Employees Retirement System (SERS). Pursuant to federal law, all District employees hired after March 31, 1986 are required to participate in the federal Medicare program which currently requires employee and employer contributions each equal to 1.45 percent of the employee's wages subject to the FICA wage limit. Both STRS and SERS were created by and operate pursuant to Ohio law. The General Assembly could determine to amend the format of either system and could revise rates or methods of contribution to be made by the District into the pension funds and revise benefits or benefit levels.

### **Cash Management**

The District pools its cash for maximum investing efficiency. Ohio law and District policy authorize the Treasurer to invest in various investments that are detailed in Note 5 of the Notes to the Basic Financial Statements. Investment earnings were credited to the General Fund, the Classroom Facilities Capital Projects Fund, Building Capital Projects Fund, the Endowment Permanent Fund, and the Miscellaneous Federal Grants Special Revenue Fund. Total interest earned in 2007 was \$714,658.

The cash management program's efficiency is enhanced using direct deposits and wire transfers to maximize funds available for investment; cash budgeting and the use of controlled disbursements to control expenditures; and the use of appropriate portfolio management techniques to maximize earnings.

This portfolio program, which aggregates the excess cash of substantially all funds for investment purchases, adheres to the following priorities: assuring the safety of all invested principal, providing needed liquidity to meet the District's obligations on a timely basis, and earning a market rate of return over budgetary and economic cycles.

The securities and maturities utilized are authorized by the Ohio Revised Code, Sections 135.14, 135.42, and 135.45 as amended. The District approaches investment selection in two ways: (1) it purchases eligible securities which mature at specific times to pay known obligations of the District (maturity matching); and (2) it diversifies other maturities over the permissible investment horizon, given cash flow forecasts and market conditions, by constructing a "laddered" configuration.

The District purchases Certificates of Deposit, and Treasury and Agency/Instrumentality securities permitted by the Ohio Revised Code. It also uses the State Treasurer's Star Ohio account for short-term investments. The District does not invest in derivative securities nor engage in leverage. It utilizes yield curve analysis and relative value approaches for investment selection. All investments are transacted competitively, using three bids/offers from eligible banks and dealer firms.

The District follows the procedures permitted by Ohio law regarding the safekeeping of deposits and investments. Deposits are generally secured by a pool of eligible investments, not in the District's name, held by depository institutions or at their Federal Reserve Bank account for the district.

## **FINANCIAL INFORMATION (Continued)**

### **Employee Health Care Benefits**

The District contracts with Anthem to provide a fully insured PPO for the District's employees. Employees currently pay 10% of the monthly premium while the District pays the remaining 90%. Total premiums in 2007 were \$334 for a single plan and \$919 for Family. Premiums have grown by an average of 4.6% per year over the last 3 years. Premiums are anticipated to increase by 14% per year over the next few years as catastrophic claims increased dramatically.

### **LITIGATION**

The District is party to various legal proceedings for damages or injunctive relief. The District's legal counsel estimates that the potential uninsured claims against the District resulting from those proceedings would not materially affect the financial statements of the District.

### **INDEPENDENT AUDIT**

The Independent Accounting firm of Clark, Schaefer, Hackett & Co. conducted the District's 2007 fiscal year audit. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the Federal Single Audit Act Amendments of 1996 and related OMB Circular A-133. The auditor's report on the basic financial statements is included in the financial section of this report.

### **ACKNOWLEDGEMENTS**

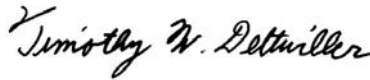
The preparation and publication of this Comprehensive Annual Financial Report on a timely basis could not have been possible without the cooperation of the entire Treasurer's Department. A special note of appreciation is extended to Balestra, Harr & Scherer Consulting, LLC for their aid in preparing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

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



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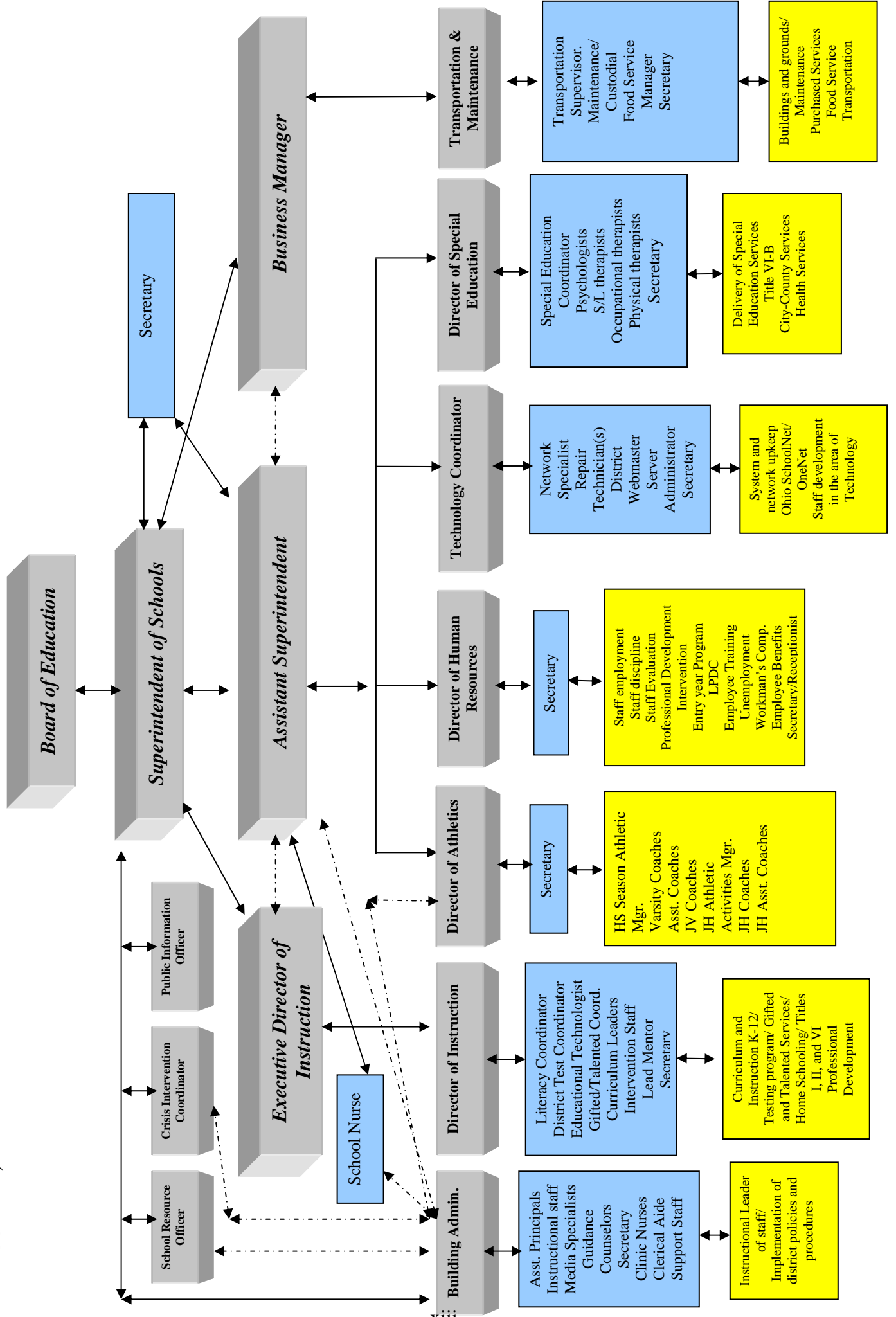
Dr. David Baker, Ph.D.  
Superintendent



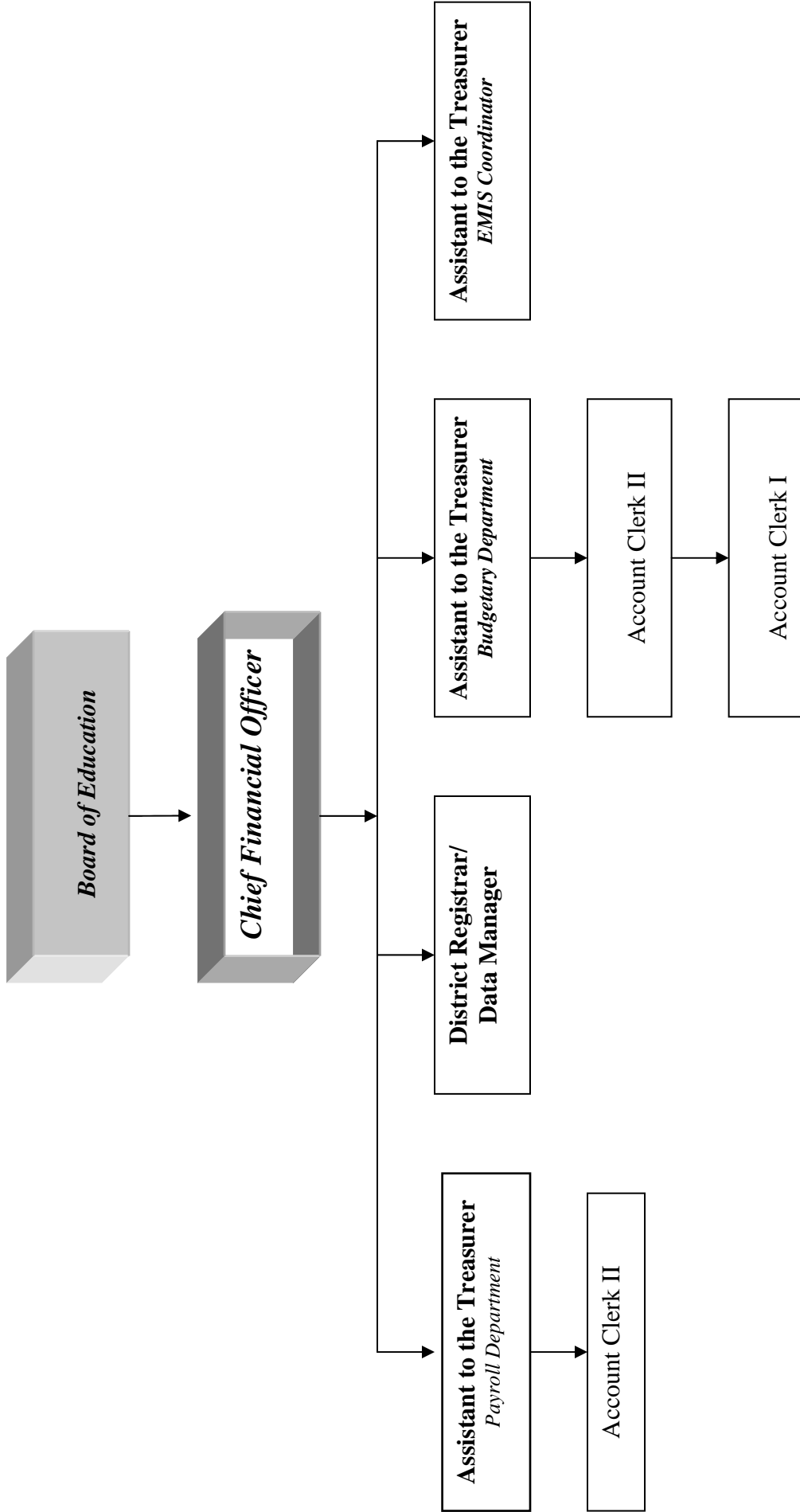
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Timothy W. Dettwiller  
Treasurer/Chief Financial Officer

**BOARD OF EDUCATION  
 SPRINGBORO COMMUNITY CITY SCHOOL DISTRICT  
 JUNE 30, 2007**



**BOARD OF EDUCATION  
SPRINGBORO COMMUNITY CITY SCHOOL DISTRICT  
JUNE 30, 2007**





# SPRINGBORO COMMUNITY CITY SCHOOL DISTRICT



## FINANCIAL SECTION



Clark, Schaefer, Hackett & Co.  
CERTIFIED PUBLIC ACCOUNTANTS  
BUSINESS CONSULTANTS

## INDEPENDENT AUDITORS' REPORT

To the Board of Education  
Springboro Community City School District, Ohio:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Springboro Community City School District, Ohio (the School District), as of and for the year ended June 30, 2007, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Springboro Community City School District, Ohio as of June 30, 2007, and the respective changes in financial position and the budgetary comparison for the General Fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2008, on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis on pages 3 through 9 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Clark, Schaefer, Hachett & Co.*

Cincinnati, Ohio  
March 28, 2008

**Springboro Community City School District, Ohio**

*Management's Discussion and Analysis*

*For the Fiscal Year Ended June 30, 2007*

*Unaudited*

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The discussion and analysis of the Springboro Community City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2007. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

**FINANCIAL HIGHLIGHTS**

**Key financial highlights for the fiscal year 2007 are as follows:**

- Net assets of governmental activities decreased \$2,694,294.
- General revenues accounted for \$47,022,558 in revenue or 92% of all revenues. Program specific revenues in the form of charges for services and sales and grants and contributions accounted for \$4,042,772 or 8% of total revenues of \$51,065,330.
- The School District had \$53,759,624 in expenses related to governmental activities; only \$4,042,772 of these expenses were offset by program specific charges for services and sales and grants and contributions.
- All governmental funds had total revenues of \$50,853,768 and other financing sources of \$52,695,817 and expenditures of \$57,723,776 and other financing uses of \$52,117,984.

**USING THIS ANNUAL FINANCIAL REPORT**

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

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

***Reporting the School District as a Whole***

*Statement of Net Assets and Statement of Activities*

While this document contains information about the large number of funds used by the School District to provide programs and activities for students, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2007?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

**Springboro Community City School District, Ohio**

*Management's Discussion and Analysis*

*For the Fiscal Year Ended June 30, 2007*

*Unaudited*

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

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

***Reporting the School District's Most Significant Funds***

*Fund Financial Statements*

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

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

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

**Springboro Community City School District, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2007*  
*Unaudited*

**THE SCHOOL DISTRICT AS A WHOLE**

Recall that the Statement of Net Assets provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net assets for 2007 compared to 2006.

Table 1  
Net Assets

|   | Governmental Activities |              |
|---|-------------------------|--------------|
|   | 2007                    | 2006*        |
| <b>Assets</b>                           |                         |              |
| Current and Other Assets                | \$49,907,568            | \$54,039,911 |
| Capital Assets                          | 86,174,050              | 85,114,593   |
| Total Assets                            | 136,081,618             | 139,154,504  |
| <b>Liabilities</b>                      |                         |              |
| Long-term Liabilities                   | 94,132,694              | 96,799,824   |
| Current and Other Liabilities           | 43,235,491              | 40,946,953   |
| Total Liabilities                       | 137,368,185             | 137,746,777  |
| <b>Net Assets</b>                       |                         |              |
| Invested in Capital Assets, Net of Debt | (4,635,547)             | 215,837      |
| Restricted                              | 4,840,112               | 2,379,204    |
| Unrestricted                            | (1,491,132)             | (1,187,314)  |
| Total Net Assets                        | (\$1,286,567)           | \$1,407,727  |

\* As restated, for further information regarding the restatement of net assets, refer to Note 3 of the basic financial statements.

The decrease in current and other assets, as well as, the increase to capital assets is due primarily to capital outlay expenditures for the District's construction projects. The decrease to long-term liabilities is due to current year principal payments and the accounting loss incurred from the refunding of debt. Current and other liabilities increased due primarily to the increase in unearned revenue caused by the increase in taxes receivable.

**Springboro Community City School District, Ohio**  
*Management's Discussion and Analysis*  
For the Fiscal Year Ended June 30, 2007  
Unaudited

Table 2 shows the changes in net assets for the fiscal year ended June 30, 2007 as compared to 2006.

Table 2  
Changes in Net Assets

|   | Governmental<br>Activities<br><u>2007</u> | Governmental<br>Activities<br><u>2006</u> |
|---|---|---|
| <b>Revenues</b>                                       |   |   |
| Program Revenues                                      |   |   |
| Charges for Services and Sales                        | \$2,037,652                               | \$2,129,029                               |
| Operating Grants and Contributions                    | 2,005,120                                 | 3,250,172                                 |
| Capital Grants and Contributions                      | 0   | 25,000                                    |
| Total Program Revenues                                | <u>4,042,772</u>                          | <u>5,404,201</u>                          |
| General Revenues                                      |   |   |
| Property Taxes  | 31,103,196                                | 25,512,323                                |
| Grants, Entitlements and Contributions Not Restricted | 14,691,174                                | 12,449,018                                |
| Gifts and Donations Not Restricted                    | 1,012                                     | 22,110                                    |
| Investment Earnings                                   | 714,658                                   | 1,488,313                                 |
| Miscellaneous   | 512,518                                   | 455,117                                   |
| Total General Revenues                                | <u>47,022,558</u>                         | <u>39,926,881</u>                         |
| Total Revenues  | <u>51,065,330</u>                         | <u>45,331,082</u>                         |
| <b>Program Expenses</b>                               |   |   |
| Instruction:  |   |   |
| Regular   | 21,740,523                                | 15,274,868                                |
| Special   | 2,897,623                                 | 2,152,937                                 |
| Vocational  | 28,666                                    | 153,485                                   |
| Other   | 306,679                                   | 91,268                                    |
| Support Services:                                     |   |   |
| Pupils  | 2,911,356                                 | 2,351,360                                 |
| Instructional Staff                                   | 3,856,005                                 | 2,327,027                                 |
| Board of Education                                    | 135,247                                   | 123,869                                   |
| Administration  | 3,243,047                                 | 1,933,157                                 |
| Fiscal  | 1,132,192                                 | 904,780                                   |
| Business  | 184,321                                   | 112,355                                   |
| Operation and Maintenance of Plant                    | 4,597,282                                 | 2,918,247                                 |
| Pupil Transportation                                  | 4,874,719                                 | 2,251,166                                 |
| Central   | 267,334                                   | 151,518                                   |
| Operation of Non-Instructional Services               | 2,473,950                                 | 1,121,488                                 |
| Extracurricular Activities                            | 1,065,237                                 | 1,012,247                                 |
| Interest and Fiscal Charges                           | 4,045,443                                 | 4,656,041                                 |
| Total Expenses  | <u>53,759,624</u>                         | <u>37,535,813</u>                         |
| Increase (Decrease) in Net Assets                     | (2,694,294)                               | 7,795,269                                 |
| Net Assets at Beginning of Year*                      | 1,407,727                                 | (6,387,542)                               |
| Net Assets at End of Year                             | <u>(\$1,286,567)</u>                      | <u>\$1,407,727</u>                        |

\* As restated, for further information regarding restatement of net assets, refer to Note 3 of the basic financial statements.

**Springboro Community City School District, Ohio**

*Management's Discussion and Analysis*

*For the Fiscal Year Ended June 30, 2007*

*Unaudited*

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**Governmental Activities**

Charges for services and sales comprised 4 percent of revenue for governmental activities, while operating grants and contributions comprised 4 percent of revenue for governmental activities of the School District for fiscal year 2007. Property tax revenue comprised 61 percent of revenue for governmental activities. Grants and Entitlements, not restricted for specific programs, comprised 29 percent of revenue for governmental activities.

The increase in tax revenue is due to the passage of a 10.06 mill operating levy by voters within the District during the previous fiscal year.

As indicated by governmental program expenses, instruction is emphasized. Regular Instruction comprised 41 percent of governmental program expenses.

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

Table 3  
Governmental Activities

|   | Total Cost<br>of Services<br>2007 | Net Cost<br>of Services<br>2007 | Total Cost<br>of Services<br>2006 | Net Cost<br>of Services<br>2006 |
|---|-----------------------------------|---------------------------------|-----------------------------------|---------------------------------|
| Program Expenses                        |                                   |                                 |                                   |                                 |
| Instruction:                            |                                   |                                 |                                   |                                 |
| Regular                                 | \$21,740,523                      | \$21,455,225                    | \$15,274,868                      | \$15,019,234                    |
| Special                                 | 2,897,623                         | 2,084,097                       | 2,152,937                         | 1,416,625                       |
| Vocational                              | 28,666                            | 28,601                          | 153,485                           | 153,206                         |
| Other                                   | 306,679                           | 305,987                         | 91,268                            | 90,983                          |
| Support Services:                       |                                   |                                 |                                   |                                 |
| Pupils                                  | 2,911,356                         | 2,839,365                       | 2,351,360                         | 1,310,471                       |
| Instructional Staff                     | 3,856,005                         | 3,610,624                       | 2,327,027                         | 2,138,168                       |
| Board of Education                      | 135,247                           | 134,942                         | 123,869                           | 123,638                         |
| Administration                          | 3,243,047                         | 3,223,405                       | 1,933,157                         | 1,917,293                       |
| Fiscal                                  | 1,132,192                         | 1,108,567                       | 904,780                           | 890,504                         |
| Business                                | 184,321                           | 183,905                         | 112,355                           | 112,080                         |
| Operation and Maintenance of Plant      | 4,597,282                         | 4,574,301                       | 2,918,247                         | 2,901,813                       |
| Pupil Transportation                    | 4,874,719                         | 4,862,950                       | 2,251,166                         | 2,245,362                       |
| Central                                 | 267,334                           | 258,287                         | 151,518                           | 141,492                         |
| Operation of Non-Instructional Services | 2,473,950                         | 616,363                         | 1,121,488                         | (405,526)                       |
| Extracurricular Activities              | 1,065,237                         | 385,414                         | 1,012,247                         | (132,878)                       |
| Interest and Fiscal Charges             | 4,045,443                         | 4,044,819                       | 4,656,041                         | 4,209,147                       |
| Total                                   | <u>\$53,759,624</u>               | <u>\$49,716,852</u>             | <u>\$37,535,813</u>               | <u>\$32,131,612</u>             |



**Springboro Community City School District, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2007*  
*Unaudited*

**THE SCHOOL DISTRICT FUNDS**

The School District's governmental funds are accounted for using the modified accrual basis of accounting. The School District has two major funds; the General Fund and the Bond Retirement Debt Service Fund. The General Fund had \$38,533,339 in revenues and \$41,291,631 in expenditures. The General Fund's balance decreased \$2,758,292 due primarily to a 21% increase in operating expenditures. This increase in General Fund expenditures was due to the addition of over 80 new staff members coupled with the cost to open and supply our two new 1,100 student elementary buildings. The Bond Retirement Fund had \$8,711,997 in revenues, \$52,695,817 in other financing sources, \$6,459,744 in expenditures, and \$52,117,984 in financing uses resulting in a \$2,830,086 increase in fund balance due to the refunding of debt and an increase in tax revenue received by the district.

***General Fund Budgeting Highlights***

The School District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. During the course of fiscal year 2007, the School District amended its General Fund budget.

For the General Fund, original budget basis revenue was \$38,911,596, above final estimates of \$37,997,314. Of this \$914,282 difference, most was due to more property tax monies being budgeted. For the General Fund, expenditures and encumbrances were \$40,845,519, above final estimates of \$40,428,989. Of this \$416,530 difference, most was due to a refund of prior year receipts. Original appropriations were \$2,853,333 more than final budgeted appropriations due to conservative budgeting by the district for transfers out, regular instruction and instructional staff. The School District's ending unobligated General Fund balance was \$4,315,743.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

***Capital Assets***

At the end of fiscal year 2007, the School District had \$86,174,050 invested in land and improvements, buildings and improvements, furniture and equipment, vehicles, and books. Table 4 shows fiscal year 2007 balances compared to 2006.

Table 4  
 Capital Assets  
 (Net of Depreciation)

|                          | Governmental Activities |              |
|--------------------------|-------------------------|--------------|
|                          | 2007                    | 2006*        |
| Land & Improvements      | \$4,742,652             | \$1,715,582  |
| Construction in Progress | -                       | 53,596,629   |
| Buildings & Improvements | 73,245,999              | 26,348,700   |
| Furniture and Equipment  | 6,037,641               | 693,353      |
| Vehicles                 | 1,218,111               | 1,435,899    |
| Books                    | 929,647                 | 1,324,430    |
| Totals                   | \$86,174,050            | \$85,114,593 |

\* As restated, for further information regarding the restatement of net assets, refer to Note 3 of the basic financial statements.

**Springboro Community City School District, Ohio**

*Management's Discussion and Analysis*

*For the Fiscal Year Ended June 30, 2007*

*Unaudited*

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The increase to capital assets is due primarily to the addition from the completion of construction in progress for the School District's construction program. For additional information on capital assets, see Note 8 to the basic financial statements.

***Debt***

At June 30, 2007, the School District had general obligation bonds outstanding of \$81,320,000. The bonds were issued for school construction. The District also had loans outstanding and capital leases payable of \$4,989,729 issued for various capital acquisition purposes. For additional information regarding debt, see Note 13 to the basic financial statements.

**CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Tim Dettwiller, Treasurer, at Springboro Community City School District, 1685 South Main Street, Springboro, Ohio 45066.



# **Basic Financial Statements**



**Springboro Community City School District, Ohio**  
*Statement of Net Assets*  
*June 30, 2007*

|   | Governmental<br>Activities |
|---|----------------------------|
| <b>Assets:</b>                                  |                            |
| Equity in Pooled Cash and Cash Equivalents      | \$ 10,699,170              |
| Accounts Receivable                             | 31,712                     |
| Intergovernmental Receivable                    | 139,129                    |
| Property Taxes Receivable                       | 38,058,796                 |
| Restricted Cash and Cash Equivalents            | 296,355                    |
| Deferred Issuance Costs                         | 682,406                    |
| Nondepreciable Capital Assets                   | 1,421,691                  |
| Depreciable Capital Assets, Net                 | 84,752,359                 |
| <br>Total Assets                                | <br>136,081,618            |
| <br><b>Liabilities:</b>                         |                            |
| Accounts Payable                                | 518,260                    |
| Accrued Wages and Benefits Payable              | 4,545,685                  |
| Accrued Interest Payable                        | 506,265                    |
| Matured Compensated Absences Payable            | 33,554                     |
| Unearned Revenue                                | 36,424,986                 |
| Intergovernmental Payable                       | 1,206,741                  |
| Long-Term Liabilities:                          |                            |
| Due Within One Year                             | 4,022,101                  |
| Due In More Than One Year                       | 90,110,593                 |
| <br>Total Liabilities                           | <br>137,368,185            |
| <br><b>Net Assets:</b>                          |                            |
| Invested in Capital Assets, Net of Related Debt | (4,635,547)                |
| Restricted for:                                 |                            |
| Capital Projects                                | 200,124                    |
| Debt Service                                    | 4,396,587                  |
| Other Purposes                                  | 243,401                    |
| Unrestricted                                    | (1,491,132)                |
| <br>Total Net Assets                            | <br>\$ (1,286,567)         |

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

**Springboro Community City School District, Ohio**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2007

|  |                      | Program Revenues                     |  | Net (Expense)<br>Revenue and<br>Changes in<br>Net Assets |
|--|----------------------|--------------------------------------|--|--|
|  | Expenses             | Charges for<br>Services<br>and Sales | Operating Grants<br>and<br>Contributions | Governmental<br>Activities                               |
| Governmental Activities  |                      |                                      |  |  |
| Instruction:   |                      |                                      |  |  |
| Regular  | \$ 21,740,523        | \$ 95,776                            | \$ 189,522                               | \$ (21,455,225)  |
| Special  | 2,897,623            | 56,437                               | 757,089                                  | (2,084,097)  |
| Vocational   | 28,666               | 65                                   | -  | (28,601)   |
| Other  | 306,679              | 692                                  | -  | (305,987)  |
| Support Services:  |                      |                                      |  |  |
| Pupils   | 2,911,356            | 20,404                               | 51,587                                   | (2,839,365)  |
| Instructional Staff  | 3,856,005            | 60,647                               | 184,734                                  | (3,610,624)  |
| Board of Education   | 135,247              | 305                                  | -  | (134,942)  |
| Administration   | 3,243,047            | 9,104                                | 10,538                                   | (3,223,405)  |
| Fiscal   | 1,132,192            | 2,203                                | 21,422                                   | (1,108,567)  |
| Business   | 184,321              | 416                                  | -  | (183,905)  |
| Operation and Maintenance of Plant                             | 4,597,282            | 17,185                               | 5,796                                    | (4,574,301)  |
| Pupil Transportation   | 4,874,719            | 10,564                               | 1,205                                    | (4,862,950)  |
| Central  | 267,334              | 2,394                                | 6,653                                    | (258,287)  |
| Operation of Non-Instructional                                 |                      |                                      |  |  |
| Services   | 2,473,950            | 1,248,347                            | 609,240                                  | (616,363)  |
| Extracurricular Activities                                     | 1,065,237            | 512,489                              | 167,334                                  | (385,414)  |
| Interest and Fiscal Charges                                    | 4,045,443            | 624                                  | -  | (4,044,819)  |
| <b>Totals</b>  | <b>\$ 53,759,624</b> | <b>\$ 2,037,652</b>                  | <b>\$ 2,005,120</b>                      | <b>(49,716,852)</b>                                      |
| General Revenues   |                      |                                      |  |  |
| Property Taxes Levied for:                                     |                      |                                      |  |  |
| General Purposes   |                      |                                      |  | 22,908,807   |
| Debt Service   |                      |                                      |  | 8,194,389  |
| Grants, Entitlements and Contributions not                     |                      |                                      |  |  |
| Restricted to Specific Programs                                |                      |                                      |  | 14,691,174   |
| Gifts and Donations not Restricted to Specific Programs        |                      |                                      |  | 1,012  |
| Investment Earnings  |                      |                                      |  | 714,658  |
| Miscellaneous  |                      |                                      |  | 512,518  |
| <b>Total General Revenues</b>                                  |                      |                                      |  | <b>47,022,558</b>  |
| Change in Net Assets   |                      |                                      |  | (2,694,294)  |
| <i>Net Assets Beginning of Year - As Restated (See Note 3)</i> |                      |                                      |  | 1,407,727  |
| <b>Net Assets End of Year</b>                                  |                      |                                      |  | <b>\$ (1,286,567)</b>                                    |

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

**Springboro Community City School District, Ohio**  
*Balance Sheet*  
*Governmental Funds*  
*June 30, 2007*

|  | General              | Bond<br>Retirement   | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|----------------------|----------------------|--------------------------------|--------------------------------|
| <b>Assets:</b>                             |                      |                      |                                |                                |
| Equity in Pooled Cash and Cash Equivalents | \$ 4,566,707         | \$ 5,423,478         | \$ 708,985                     | \$ 10,699,170                  |
| Receivables:                               |                      |                      |                                |                                |
| Property Taxes                             | 28,845,664           | 9,213,132            | -                              | 38,058,796                     |
| Accounts                                   | -                    | -                    | 31,712                         | 31,712                         |
| Interfund                                  | 149,513              | -                    | -                              | 149,513                        |
| Intergovernmental                          | 3,256                | -                    | 135,873                        | 139,129                        |
| Restricted Assets:                         |                      |                      |                                |                                |
| Cash and Cash Equivalents                  | 96,355               | -                    | 200,000                        | 296,355                        |
| <b>Total Assets</b>                        | <b>\$ 33,661,495</b> | <b>\$ 14,636,610</b> | <b>\$ 1,076,570</b>            | <b>\$ 49,374,675</b>           |
| <b>Liabilities and Fund Balances:</b>      |                      |                      |                                |                                |
| <b>Liabilities</b>                         |                      |                      |                                |                                |
| Accounts Payable                           | \$ 217,343           | \$ -                 | \$ 300,917                     | \$ 518,260                     |
| Accrued Wages and Benefits Payable         | 4,375,338            | -                    | 170,347                        | 4,545,685                      |
| Matured Compensated Absences Payable       | 33,554               | -                    | -                              | 33,554                         |
| Interfund Payable                          | -                    | -                    | 149,513                        | 149,513                        |
| Intergovernmental Payable                  | 1,143,697            | -                    | 63,044                         | 1,206,741                      |
| Deferred Revenue                           | 28,021,094           | 8,984,747            | 4,816                          | 37,010,657                     |
| <b>Total Liabilities</b>                   | <b>33,791,026</b>    | <b>8,984,747</b>     | <b>688,637</b>                 | <b>43,464,410</b>              |
| <b>Fund Balances:</b>                      |                      |                      |                                |                                |
| Reserved for Encumbrances                  | 236,142              | -                    | 733,602                        | 969,744                        |
| Reserved for Property Taxes                | 824,570              | 228,385              | -                              | 1,052,955                      |
| Reserved for Budget Stabilization          | 96,355               | -                    | -                              | 96,355                         |
| Unreserved, Undesignated, Reported in:     |                      |                      |                                |                                |
| General Fund                               | (1,286,598)          | -                    | -                              | (1,286,598)                    |
| Special Revenue Funds                      | -                    | -                    | 246,830                        | 246,830                        |
| Debt Service Funds                         | -                    | 5,423,478            | -                              | 5,423,478                      |
| Capital Projects Funds                     | -                    | -                    | (592,499)                      | (592,499)                      |
| <b>Total Fund Balances</b>                 | <b>(129,531)</b>     | <b>5,651,863</b>     | <b>387,933</b>                 | <b>5,910,265</b>               |
| <b>Total Liabilities and Fund Balances</b> | <b>\$ 33,661,495</b> | <b>\$ 14,636,610</b> | <b>\$ 1,076,570</b>            | <b>\$ 49,374,675</b>           |

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



**Springboro Community City School District, Ohio**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Assets of Governmental Activities  
 June 30, 2007*

|  |              |                      |
|--|--------------|----------------------|
| <b>Total Governmental Fund Balances</b>  |              | \$5,910,265          |
| Amounts reported for governmental activities in the statement of net assets are different because:   |              |                      |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.  |              | 86,174,050           |
| Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.   |              |                      |
| Intergovernmental  | 4,816        |                      |
| Unamortized Financing Costs  | 682,406      |                      |
| Property Taxes   | 580,855      |                      |
| Total  | 1,268,077    | 1,268,077            |
| Accrued Interest Payable related to long term obligations is not reported in the funds.  |              | (506,265)            |
| Long-Term Liabilities, including bonds, the long-term portion of compensated absences, capital leases and loans payable are not due in the current period and therefore are not reported in the funds. |              |                      |
| Compensated Absences   | (1,583,191)  |                      |
| Capital Lease Obligations  | (3,770,729)  |                      |
| School Improvement Bonds - 1996 and 1991   | (24,780,000) |                      |
| School Improvement Bonds Payable - 2005  | (10,185,000) |                      |
| Premium on Bond Payable - 2005   | (452,659)    |                      |
| Capital Appreciation Bonds - 2005  | (335,000)    |                      |
| Accreted Debt - 2005   | (864,071)    |                      |
| School Improvement Bonds - 2007  | (46,020,000) |                      |
| Premium on Bonds Payable - 2007  | (6,419,055)  |                      |
| Accounting Loss on Bonds Payable - 2007  | 1,496,011    |                      |
| Loans Payable  | (1,219,000)  |                      |
| Total  | (94,132,694) | (94,132,694)         |
| <b>Net Assets of Governmental Activities</b>   |              | <b>(\$1,286,567)</b> |

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

**Springboro Community City School District, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Fiscal Year Ended June 30, 2007*

|   | General             | Bond<br>Retirement  | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|---------------------|---------------------|--------------------------------|--------------------------------|
| <b>Revenues:</b>  |                     |                     |                                |                                |
| Taxes   | \$ 22,740,618       | \$ 8,148,454        | \$ -                           | \$ 30,889,072                  |
| Intergovernmental   | 14,737,765          | 546,497             | 1,362,879                      | 16,647,141                     |
| Investment Earnings   | 709,752             | 481                 | 4,425                          | 714,658                        |
| Customer Sales and Services   | -                   | -                   | 892,047                        | 892,047                        |
| Tuition and Fees  | 88,714              | -                   | 388,139                        | 476,853                        |
| Rent  | 3,608               | -                   | 200,000                        | 203,608                        |
| Extracurricular Activities  | 275                 | -                   | 464,869                        | 465,144                        |
| Gifts and Donations   | 1,012               | -                   | 51,715                         | 52,727                         |
| Miscellaneous   | 251,595             | 16,565              | 244,358                        | 512,518                        |
| <i>Total Revenues</i>   | <u>38,533,339</u>   | <u>8,711,997</u>    | <u>3,608,432</u>               | <u>50,853,768</u>              |
| <b>Expenditures:</b>  |                     |                     |                                |                                |
| <b>Current:</b>   |                     |                     |                                |                                |
| <b>Instruction:</b>   |                     |                     |                                |                                |
| Regular   | 17,795,061          | -                   | 481,577                        | 18,276,638                     |
| Special   | 2,416,828           | -                   | 456,490                        | 2,873,318                      |
| Vocational  | 26,212              | -                   | -                              | 26,212                         |
| Other   | 306,679             | -                   | -                              | 306,679                        |
| <b>Support Services:</b>  |                     |                     |                                |                                |
| Pupils  | 2,762,624           | -                   | 127,001                        | 2,889,625                      |
| Instructional Staff   | 3,284,219           | -                   | 465,577                        | 3,749,796                      |
| Board of Education  | 135,247             | -                   | -                              | 135,247                        |
| Administration  | 2,764,926           | -                   | 25,944                         | 2,790,870                      |
| Fiscal  | 969,645             | 155,023             | -                              | 1,124,668                      |
| Business  | 184,681             | -                   | -                              | 184,681                        |
| Operation and Maintenance of Plant                                    | 4,482,562           | -                   | 38,119                         | 4,520,681                      |
| Pupil Transportation  | 4,531,909           | -                   | 2,947                          | 4,534,856                      |
| Central   | 249,412             | -                   | 16,376                         | 265,788                        |
| Operation of Non-Instructional Services                               | 51,883              | -                   | 2,324,730                      | 2,376,613                      |
| Extracurricular Activities  | 597,304             | -                   | 411,955                        | 1,009,259                      |
| Capital Outlay  | 15,242              | -                   | 5,603,959                      | 5,619,201                      |
| <b>Debt Service:</b>  |                     |                     |                                |                                |
| Principal   | 440,398             | 2,505,000           | 17,726                         | 2,963,124                      |
| Interest and Fiscal Charges   | 276,799             | 3,221,888           | -                              | 3,498,687                      |
| Issuance Costs  | -                   | 577,833             | -                              | 577,833                        |
| <i>Total Expenditures</i>   | <u>41,291,631</u>   | <u>6,459,744</u>    | <u>9,972,401</u>               | <u>57,723,776</u>              |
| <i>Excess of Revenues Over (Under) Expenditures</i>                   | <u>(2,758,292)</u>  | <u>2,252,253</u>    | <u>(6,363,969)</u>             | <u>(6,870,008)</u>             |
| <b>Other Financing Sources (Uses):</b>                                |                     |                     |                                |                                |
| Refunding Bonds Issued  | -                   | 46,020,000          | -                              | 46,020,000                     |
| Premium on Debt Issuance  | -                   | 6,675,817           | -                              | 6,675,817                      |
| Payments to Refunded Bond Escrow Agent                                | -                   | (52,117,984)        | -                              | (52,117,984)                   |
| <i>Total Other Financing Sources (Uses)</i>                           | <u>-</u>            | <u>577,833</u>      | <u>-</u>                       | <u>577,833</u>                 |
| <i>Net Change in Fund Balances</i>                                    | <u>(2,758,292)</u>  | <u>2,830,086</u>    | <u>(6,363,969)</u>             | <u>(6,292,175)</u>             |
| <i>Fund Balances Beginning of Year -<br/>As Restated (See Note 3)</i> | <u>2,628,761</u>    | <u>2,821,777</u>    | <u>6,751,902</u>               | <u>12,202,440</u>              |
| <i>Fund Balances End of Year</i>                                      | <u>\$ (129,531)</u> | <u>\$ 5,651,863</u> | <u>\$ 387,933</u>              | <u>\$ 5,910,265</u>            |

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

**Springboro Community City School District, Ohio**  
*Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Fiscal Year Ended June 30, 2007*

**Net Change in Fund Balances - Total Governmental Funds** \$ (6,292,175)

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

Governmental funds report capital outlays as expenditures. However in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

|                           |                    |           |
|---------------------------|--------------------|-----------|
| Capital Asset Additions   | 5,584,291          |           |
| Current Year Depreciation | <u>(4,524,834)</u> |           |
| Total                     |                    | 1,059,457 |

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

|                   |                |         |
|-------------------|----------------|---------|
| Taxes             | 214,124        |         |
| Intergovernmental | <u>(2,570)</u> |         |
| Total             |                | 211,554 |

Premiums on issuance of debt are recorded as other financing sources in the governmental funds but are not reported on the statement of activities. (6,675,817)

The amortization of premium from the issuance of debt is recorded as a reduction of liability in the statement of net assets, but does not result in an expenditure in the governmental funds. 321,428

Bond issuance costs are recorded as an expenditure in the governmental funds, but are recognized as an asset and are not recorded in the statement of activities. 577,833

The amortization of debt issuance costs are reported in the statement of activities but are not reported as expenditures in the governmental funds. (40,338)

Deferred amounts on refunding are included as expenditures in the funds, but are deferred and amortized over the life of the bonds in the government-wide financial statements. (213,716)

Payments to refunded bond escrow agent are reported as other financing uses in the governmental funds, but the payment reduces liabilities in the statement of net assets and does not result in an expense in the statement of activities. 52,117,984

Repayment of bond and loan principal are expenditures in the governmental funds, but the repayment reduces liabilities in the statement of net assets and does not result in an expense in the statement of activities. 2,627,000

Repayment of capital lease obligations are expenditures in the governmental funds, but the repayment reduces liabilities in the statement of net assets and does not result in an expense in the statement of activities. 336,124

Proceeds from the sale of refunding bonds in the statement of revenues, expenditures, and changes in fund balances that are reported as other financing sources are not reported as revenues in the statement of activities. (46,020,000)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

|                                  |                  |                  |
|----------------------------------|------------------|------------------|
| Increase in Compensated Absences | (89,498)         |                  |
| Increase in Interest Payable     | (170,247)        |                  |
| Increase in Accreted Debt        | <u>(443,883)</u> |                  |
| Total                            |                  | <u>(703,628)</u> |

**Net Change in Net Assets of Governmental Activities** \$ (2,694,294)

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

**Springboro Community City School District, Ohio**  
*Statement of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Budgetary Basis) and Actual  
General Fund  
For the Fiscal Year Ended June 30, 2007*

|   | Budgeted Amounts    |                     | Actual              | Variance with<br>Final Budget |
|---|---------------------|---------------------|---------------------|-------------------------------|
|   | Original            | Final               |                     |                               |
| <b>REVENUES:</b>                                    |                     |                     |                     |                               |
| Taxes   | \$ 23,802,890       | \$ 22,772,545       | \$ 22,744,048       | \$ (28,497)                   |
| Intergovernmental                                   | 14,382,411          | 14,417,922          | 14,734,509          | 316,587                       |
| Investment Earnings                                 | 526,549             | 528,260             | 709,752             | 181,492                       |
| Tuition and Fees                                    | 65,815              | 66,029              | 88,714              | 22,685                        |
| Rent  | 2,677               | 2,685               | 3,608               | 923                           |
| Extracurricular Activities                          | 205                 | 205                 | 275                 | 70                            |
| Gifts and Donations                                 | 750                 | 753                 | 1,012               | 259                           |
| Miscellaneous                                       | 130,299             | 180,606             | 225,518             | 44,912                        |
| <b>Total Revenues</b>                               | <u>38,911,596</u>   | <u>37,969,005</u>   | <u>38,507,436</u>   | <u>538,431</u>                |
| <b>EXPENDITURES:</b>                                |                     |                     |                     |                               |
| <b>Current:</b>                                     |                     |                     |                     |                               |
| <b>Instruction:</b>                                 |                     |                     |                     |                               |
| Regular   | 18,543,763          | 17,293,305          | 17,293,305          | -                             |
| Special   | 2,469,658           | 2,290,944           | 2,290,944           | -                             |
| Vocational  | 93,510              | 90,218              | 90,218              | -                             |
| Other   | 376,497             | 232,509             | 232,509             | -                             |
| <b>Support Services:</b>                            |                     |                     |                     |                               |
| Pupils  | 2,293,657           | 2,746,268           | 2,746,268           | -                             |
| Instructional Staff                                 | 3,708,709           | 3,202,907           | 3,202,907           | -                             |
| Board of Education                                  | 166,932             | 139,994             | 139,994             | -                             |
| Administration                                      | 2,756,589           | 2,719,686           | 2,719,686           | -                             |
| Fiscal  | 906,577             | 972,920             | 972,920             | -                             |
| Business  | 311,464             | 182,277             | 182,277             | -                             |
| Operation and Maintenance of Plant                  | 4,490,313           | 4,466,793           | 4,466,793           | -                             |
| Pupil Transportation                                | 4,556,490           | 3,280,152           | 3,280,152           | -                             |
| Central   | 226,342             | 243,283             | 243,283             | -                             |
| Operation of Non-Instructional Services             | 13,291              | 51,956              | 51,956              | -                             |
| Extracurricular Activities                          | 766,760             | 588,910             | 588,910             | -                             |
| Capital Outlay                                      | 46,270              | 41,913              | 41,913              | -                             |
| <b>Debt Service:</b>                                |                     |                     |                     |                               |
| Principal   | 333,000             | 159,000             | 159,000             | -                             |
| Interest  | 200,000             | 238,454             | 238,454             | -                             |
| <b>Total Expenditures</b>                           | <u>42,259,822</u>   | <u>38,941,489</u>   | <u>38,941,489</u>   | <u>-</u>                      |
| <b>Excess of Revenues Over (Under) Expenditures</b> | <u>(3,348,226)</u>  | <u>(972,484)</u>    | <u>(434,053)</u>    | <u>538,431</u>                |
| <b>OTHER FINANCING SOURCES AND USES:</b>            |                     |                     |                     |                               |
| Refund of Prior Year Expenditures                   | -                   | 26,077              | 26,077              | -                             |
| Advances In   | -                   | 2,232               | 2,232               | -                             |
| Transfers Out                                       | (1,000,000)         | -                   | -                   | -                             |
| Refund of Prior Year Receipts                       | (2,500)             | (1,367,968)         | (1,784,498)         | (416,530)                     |
| Advances Out  | (20,000)            | (119,532)           | (119,532)           | -                             |
| <b>Total Other Financing Sources and Uses</b>       | <u>(1,022,500)</u>  | <u>(1,459,191)</u>  | <u>(1,875,721)</u>  | <u>(416,530)</u>              |
| <b>Net Change in Fund Balance</b>                   | (4,370,726)         | (2,431,675)         | (2,309,774)         | 121,901                       |
| <b>Fund Balance at Beginning of Year</b>            | 5,108,784           | 5,108,784           | 5,108,784           | -                             |
| <b>Prior Year Encumbrances Appropriated</b>         | 1,516,733           | 1,516,733           | 1,516,733           | -                             |
| <b>Fund Balance at End of Year</b>                  | <u>\$ 2,254,791</u> | <u>\$ 4,193,842</u> | <u>\$ 4,315,743</u> | <u>\$ 121,901</u>             |

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

**Springboro Community City School District, Ohio**  
*Statement of Fiduciary Net Assets*  
*Fiduciary Funds*  
*June 30, 2007*

|  | <u>Private<br/>Purpose Trust<br/>Fund</u> | <u>Agency Fund</u> |
|--|---|--------------------|
| <b>ASSETS:</b>                             |   |                    |
| Equity in Pooled Cash and Cash Equivalents | <u>\$ 78,741</u>                          | <u>\$ 152,336</u>  |
| <b>LIABILITIES:</b>                        |   |                    |
| Undistributed Monies                       | <u>-</u>                                  | <u>\$ 152,336</u>  |
| <b>NET ASSETS:</b>                         |   |                    |
| Held in Trust for Scholarships             | <u>\$ 78,741</u>                          |                    |

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

**Springboro Community City School District, Ohio**  
*Statement of Changes in Fiduciary Net Assets*  
*Fiduciary Funds*  
*For the Fiscal Year Ended June 30, 2007*

|  | Private Purpose<br>Trust Fund |
|--|-------------------------------|
| ADDITIONS:   |                               |
| Interest   | \$ 2,215                      |
| Total Additions                                      | 2,215                         |
| DEDUCTIONS:  |                               |
| Payments in Accordance with Trust Agreements         | 1,750                         |
| Change in Net Assets                                 | 465                           |
| Net Assets Beginning of Year - Restated (See Note 3) | 78,276                        |
| Net Assets End of Year                               | \$ 78,741                     |

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

**Springboro Community City School District, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2007*

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**NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

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

The School District was established in 1990 through the consolidation of existing land areas and school districts. The School District serves an area of approximately 44.7 square miles. It is located in Warren County, and includes the City of Springboro and Clearcreek Township and a small portion of Franklin Township. It is staffed by 239 non-certificated employees and 332 certificated full-time teaching personnel who provide services to 5,014 students and other community members. The School District currently operates 7 instructional buildings, 1 administrative building, and 1 garage.

**A. Reporting Entity**

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

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

The School District has no component units.

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

*Southwestern Ohio Computer Association* - The School District is a participating member of the Southwestern Ohio Computer Association (SWOCA). SWOCA provides data services needed by the participating school districts. D. Russell Lee Vocational School serves as the fiscal agent. This is a jointly governed organization and the School District's participation is discussed in Note 17 to the Basic Financial Statements.

*Warren County Career Center* - The School District became a member of a cooperative agreement to establish the Warren County Career Center to provide for the vocational and special education needs of the students. The School District is not involved in the budgeting or management of the Warren County Career Center. A board member appointed by the School District's school board members serves as a member of the Warren County Career Center Board of Education. This is a jointly governed organization and the School District's participation is discussed in Note 17 to the Basic Financial Statements.

**Springboro Community City School District, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2007*

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

*Southwestern Ohio Educational Purchasing Council* - The School District is a participating member of the Southwestern Ohio Educational Purchasing Council (the "Council"). The Council's purpose is to obtain prices for quality merchandise and services commonly used by schools. The Montgomery County Educational Service Center acts as the fiscal agent. This is a jointly governed organization and the School District's participation is discussed in Note 17 to the Basic Financial Statements.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

***A. Basis of Presentation***

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

***Government-wide Financial Statements*** The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for the fiduciary funds.

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

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



**Springboro Community City School District, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2007*

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***B. Fund Accounting***

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

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

***General Fund*** The General Fund is the operating fund of the School District and is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is available to the School District for any purpose provided it is expended or transferred according to the school laws of Ohio.

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

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

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

***C. Measurement Focus***

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

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

**Springboro Community City School District, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2007*

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***D. Basis of Accounting***

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

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

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes and grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

***Deferred/Unearned Revenue*** Deferred/Unearned Revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2007, but which were levied to finance fiscal year 2008 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred/unearned revenue.

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

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

**Springboro Community City School District, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2007*

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***E. Cash and Cash Equivalents***

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

During fiscal year 2007, investments were limited to STAR Ohio, overnight repurchase agreements, certificates of deposit and Federal Home Loan Mortgage Corp. Bonds.

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

The School District has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 2007. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio 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 STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 2007.

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, Bond Retirement Fund, and Other Governmental Funds during fiscal year 2007 amounted to \$709,752, \$481 and \$4,425, respectively.

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

***F. Capital Assets***

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated 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 possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

**Springboro Community City School District, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2007*

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

All reported capital assets, except land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

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

***G. Compensated Absences***

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributed to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability is based on the sick leave accumulated at June 30 by those employees who are eligible to receive termination payments and by those employees for whom it is probable they will become eligible to receive termination benefits in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy.

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

***H. Accrued Liabilities and Long-term Obligations***

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

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

***I. Interfund Activity***

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. Interfund transfers are eliminated in the statement of activities.

***J. Fund Balance Reserves***

The School District reserves those portions of fund balance which are legally segregated for a 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 balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances, budget stabilization and property taxes.

**Springboro Community City School District, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2007*

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The reserve for property taxes represents taxes recognized as revenue under accounting principles generally accepted in the United States of America but not available for appropriation under State statute.

***K. Net Assets***

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes represents balances in special revenue funds for grants received which are restricted as to their use by grantors and the amounts restricted for set-asides (see Note 15).

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

Of the District's \$4,840,112 restricted net assets, \$0 is restricted by enabling legislation.

***L. Estimates***

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

***M. Budgetary Process***

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

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

The appropriation resolution is subject to amendment by the Board throughout the fiscal year with the restriction that appropriations may not exceed estimated revenues. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior fiscal years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year.

As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On the GAAP basis, encumbrances outstanding at year-end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds.

**Springboro Community City School District, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2007*

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***N. Restricted Assets***

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other governments, or imposed by enabling legislation. Restricted assets in the General Fund include amounts required by state statute to be set aside for budget stabilization. See Note 15 for additional information regarding set-asides and the budget stabilization reserve. The District maintains cash in a separate bank account restricted for improvements to the new athletic facility and this amount is reported as “Restricted Cash and Cash Equivalents’ on the financial statements.

***O. Interfund Balances***

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

***P. Unamortized Bond Issuance Costs/Bond Premium and Discount***

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

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

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

**NOTE 3 - CHANGES IN ACCOUNTING PRINCIPLES/RESTATEMENT OF FUND AND NET ASSET BALANCES**

The restated fund balance amount for governmental funds and the net asset amount for government funds reflect the change in net assets for governmental funds at June 30, 2006 and were due to the reclassification of funds from a special revenue fund to an agency fund and from a private purpose trust fund to a capital project fund. The restatement also reflects the District correctly recording fees paid from the building fund to the general fund and a correction to capital assets.

|  | <u>General Fund</u> | <u>Bond Retirement Fund</u> | <u>Building Fund</u> | <u>All Other Governmental Funds</u> | <u>Total</u>         |
|--|---------------------|-----------------------------|----------------------|-------------------------------------|----------------------|
| Fund Balances, June 30, 2006   | \$ 3,168,387        | \$ 2,821,777                | \$ 4,929,046         | \$ 551,448                          | \$ 11,470,658        |
| Change in Major Fund   | -                   | -                           | (4,929,046)          | 4,929,046                           | -                    |
| Accounting Error   | (539,626)           | -                           | -                    | 539,626                             | -                    |
| Fund Reclassification from<br>Private Purpose Trust to Capital Project | -                   | -                           | -                    | 768,142                             | 768,142              |
| Fund Reclassification from<br>Special Revenue to Agency                | -                   | -                           | -                    | (36,360)                            | (36,360)             |
| Restated Fund Balances, June 30, 2006                                  | <u>\$ 2,628,761</u> | <u>\$ 2,821,777</u>         | <u>\$ -</u>          | <u>\$ 6,751,902</u>                 | <u>\$ 12,202,440</u> |

**Springboro Community City School District, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2007*

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**NOTE 3 - CHANGES IN ACCOUNTING PRINCIPLES/RESTATEMENT OF FUND AND NET ASSET BALANCES (Continued)**

|                                    | Governmental<br>Net Assets | Private<br>Purpose Trust<br>Fund |
|------------------------------------|----------------------------|----------------------------------|
| Net Assets, June 30, 2006          | \$ 2,655,454               | \$ 846,418                       |
| Modified Restatement               | 731,782                    | (768,142)                        |
| Capital Asset Restatement          | (1,979,509)                | -                                |
| Restated Net Assets, June 30, 2006 | <u>\$ 1,407,727</u>        | <u>\$ 78,276</u>                 |

**NOTE 4 - BUDGETARY BASIS OF ACCOUNTING**

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).

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

Net Change in Fund Balance

|                     |                       |
|---------------------|-----------------------|
| GAAP Basis          | \$ (2,758,292)        |
| Revenue Accruals    | 2,406                 |
| Expenditure Accrual | 726,642               |
| Encumbrances        | (280,530)             |
| Budget Basis        | <u>\$ (2,309,774)</u> |

**NOTE 5 – DEPOSITS AND INVESTMENTS**

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

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

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

**Springboro Community City School District, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2007*

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**NOTE 5 – DEPOSITS AND INVESTMENTS (Continued)**

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories.

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

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

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

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

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



**Springboro Community City School District, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2007*

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**NOTE 5 – DEPOSITS AND INVESTMENTS (Continued)**

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

As of June 30, 2007, the School District’s bank balance of \$1,230,591 was either covered by FDIC or collateralized by the financial institution’s public entity deposit pools in the manner described above.

As of June 30, 2007, the School District had the following investments and maturities:

|                      | Carrying/Fair<br>Value | Weighted<br>Average<br>Maturity<br>(Years) |
|----------------------|------------------------|--|
| STAR Ohio            | \$ 31,263              | < 1 year                                   |
| Repurchase Agreement | 9,595,107              | < 1 year                                   |
| FHLMC Bonds          | 1,023,214              | < 1 year                                   |
| Total Investments    | <u>\$ 10,649,584</u>   |  |

Interest rate risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the investment policy, the District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The School District’s investment policy limits investments to those authorized by State statute. Investments in STAR Ohio were rated AAAM by Standard & Poor’s. Investments in Federal Home Loan Mortgage Corporation Bonds were rated AAA by Standard & Poor’s and Aaa by Moody’s.

Concentration of credit risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. The School District places no limit on the amount it may invest in any one issuer. The District has invested 0.40% in STAR Ohio, 90% in Repurchase Agreements, and 9.6% in Federal Home Loan Mortgage Corporation Bonds.

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

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

**Springboro Community City School District, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2007*

**NOTE 6 - PROPERTY TAXES**

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

Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the School District. Property tax revenue received during calendar 2007 for real and public utility property taxes represents collections of calendar 2006 taxes. Property tax payments received during calendar 2007 for tangible personal property (other than public utility property) are for calendar 2007 taxes.

2007 real property taxes are levied after April 1, 2007, on the assessed value listed as of January 1, 2007, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at thirty-five percent of true value. 2007 public utility property taxes became a lien December 31, 2006, are levied after April 1, 2007, and are collected in 2007 with real property taxes.

2007 tangible personal property taxes are levied after April 1, 2006, on the value as of December 31, 2006. Collections are made in 2007. Tangible personal property assessments are twenty-five percent of true value.

Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later 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 semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

Ohio House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property will be eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces revenue lost by the District due to the phasing out of the tax. In calendar years 2006-2010, the District will be fully reimbursed at the level of calendar year 2004 assessed values for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

The assessed values upon which the fiscal year 2007 taxes were collected are:

|  | 2006 Second-Half Collections |                 | 2007 First Half Collections |                |
|--|------------------------------|-----------------|-----------------------------|----------------|
|  | Amount                       | Percent         | Amount                      | Percent        |
| Agricultural/Residential and Other Real Estate | \$678,223,290                | 93.41 %         | \$821,011,390               | 95.04%         |
| Public Utility Personal                        | 29,576,900                   | 4.07 %          | 29,625,580                  | 3.33%          |
| Tangible Personal Property                     | 18,289,481                   | 2.52 %          | 14,485,733                  | 1.63%          |
| <b>Total</b>                                   | <b>\$726,089,671</b>         | <b>100.00 %</b> | <b>\$865,122,703</b>        | <b>100.00%</b> |
| Tax Rate per \$1,000 of assessed valuation     |                              | \$65.27         |                             | \$62.86        |

**Springboro Community City School District, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2007*

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**NOTE 6 - PROPERTY TAXES (Continued)**

The School District receives property taxes from Warren County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2007, are available to finance fiscal year 2007 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real, personal property, and public utility taxes which are measurable as of June 30, 2007, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the delayed settlement of personal property tax and the amount of real property taxes available as an advance at June 30 were levied to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not levied to finance current year operations. The amount available as an advance at June 30, 2007, was \$1,052,955 and is recognized as revenue: \$824,570 in the General Fund and \$228,385 in the Bond Retirement Fund. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is deferred.

**NOTE 7 – RECEIVABLES**

Receivables at June 30, 2007, consisted of property taxes, interfund, accounts, 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>Amount</u>           |
|--|-------------------------|
| General Fund                             | \$3,256                 |
| Other Non-major Governmental Funds:      |                         |
| Food Service                             | 16,369                  |
| Ohio Reads                               | 4,816                   |
| Improving Teacher Quality                | 24,275                  |
| Title VI-B                               | 88,677                  |
| Title V                                  | 1,096                   |
| Drug Free School                         | 640                     |
| Total Other Non-major Governmental Funds | <u>135,873</u>          |
| Total All Funds                          | <u><u>\$139,129</u></u> |

**Springboro Community City School District, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2007*

**NOTE 8 – CAPITAL ASSETS**

Capital assets activity for the fiscal year ended June 30, 2007, was as follows:

|  | <u>Ending Balance</u><br><u>06/30/06*</u> | <u>Additions</u>     | <u>Deletions</u>       | <u>Ending Balance</u><br><u>06/30/07</u> |
|--|---|----------------------|------------------------|--|
| <b><u>Governmental Activities</u></b>              |   |                      |                        |  |
| <i>Capital Assets Not Being Depreciated</i>        |   |                      |                        |  |
| Land   | \$ 1,421,691                              | \$ -                 | \$ -                   | \$ 1,421,691                             |
| Construction In Progress                           | 53,596,629                                | 5,603,959            | (59,200,588)           | -  |
| <i>Total Capital Assets Not Being Depreciated</i>  | <u>55,018,320</u>                         | <u>5,603,959</u>     | <u>(59,200,588)</u>    | <u>1,421,691</u>                         |
| <i>Total Capital Assets Being Depreciated</i>      |   |                      |                        |  |
| Land Improvements                                  | 1,888,782                                 | 3,316,404            | -                      | 5,205,186                                |
| Buildings and Improvements                         | 41,659,897                                | 49,126,049           | -                      | 90,785,946                               |
| Furniture and Equipment                            | 8,171,440                                 | 6,619,555            | -                      | 14,790,995                               |
| Vehicles   | 3,894,964                                 | 118,912              | -                      | 4,013,876                                |
| Books  | 2,761,789                                 | -                    | -                      | 2,761,789                                |
| <i>Total Capital Assets Being Depreciated</i>      | <u>58,376,872</u>                         | <u>59,180,920</u>    | <u>-</u>               | <u>117,557,792</u>                       |
| <i>Less Accumulated Depreciation:</i>              |   |                      |                        |  |
| Land Improvements                                  | (1,594,891)                               | (289,334)            | -                      | (1,884,225)                              |
| Buildings and Improvements                         | (15,311,197)                              | (2,228,750)          | -                      | (17,539,947)                             |
| Furniture and Equipment                            | (7,478,087)                               | (1,275,267)          | -                      | (8,753,354)                              |
| Vehicles   | (2,459,065)                               | (336,700)            | -                      | (2,795,765)                              |
| Books  | (1,437,359)                               | (394,783)            | -                      | (1,832,142)                              |
| <i>Total Accumulated Depreciation</i>              | <u>(28,280,599)</u>                       | <u>(4,524,834)</u>   | <u>-</u>               | <u>(32,805,433)</u>                      |
| <i>Total Capital Assets Being Depreciated, Net</i> | <u>30,096,273</u>                         | <u>54,656,086</u>    | <u>-</u>               | <u>84,752,359</u>                        |
| <i>Governmental Activities Capital Assets, Net</i> | <u>\$ 85,114,593</u>                      | <u>\$ 60,260,045</u> | <u>\$ (59,200,588)</u> | <u>\$ 86,174,050</u>                     |

\* As Restated – See Note 3.

Depreciation expense was charged to government functions as follows:

|   |                     |
|---|---------------------|
| Instruction:                            |                     |
| Regular                                 | \$ 3,375,181        |
| Special                                 | 17,643              |
| Support Services:                       |                     |
| Pupils                                  | 25,501              |
| Instructional Staff                     | 103,812             |
| Administration                          | 465,882             |
| Fiscal                                  | 881                 |
| Operation and Maintenance of Plant      | 51,790              |
| Pupil Transportation                    | 335,259             |
| Central                                 | 631                 |
| Operation of Non-Instructional Services | 92,276              |
| Extracurricular Activities              | 55,978              |
| Total Depreciation Expense              | <u>\$ 4,524,834</u> |

**Springboro Community City School District, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2007*

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**NOTE 9 - RISK MANAGEMENT**

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2007, the School District contracted with Indiana Insurance Company for property insurance with a \$116,344,898 aggregate limit and a \$1,000 deductible and inland marine of \$64,000 limit and a \$500 deductible. Professional liability is protected by the Indiana Insurance Company with a per occurrence limit of \$2,000,000 and a \$2,000,000 aggregate limit with a \$10,000 deductible under a commercial umbrella policy.

The School District's vehicles are covered by the Nationwide Insurance Company, and it holds a \$250 comprehensive deductible and \$500 deductible for collision. Automobile liability has a \$1,000,000 combined single limit of liability. Vehicles are also covered under the commercial umbrella policy.

The Travelers' Insurance Company (Harcum-Hyre agency) maintains both a \$80,000 public official bond for the Treasurer and a \$10,000 blanket bond for other employees.

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

Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no significant change in coverage from last year.

The School District provides medical/surgical insurance through Anthem, dental insurance through Superior Dental and vision insurance through VSP, commercial insurance companies.

**NOTE 10 – COMPENSATED ABSENCES**

The criteria for determining vested vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees upon termination of employment. Teachers and administrators do not earn vacation time, with the exception of the Superintendent, Treasurer, Director of Educational Services, and Director of Support Services. Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 255 days. Upon retirement and after being employed in the district for ten years, payment is made for twenty-five percent of the employee's accumulated sick leave up to a maximum of sixty-four days.

**NOTE 11 - DEFINED BENEFIT PENSION PLANS**

***A. School Employees Retirement System***

The School District contributes to the School Employees Retirement System of Ohio (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 contacting SERS, 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS' website, [www.ohsers.org](http://www.ohsers.org), under Forms and Publications.

Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. For fiscal year 2007, 10.68% was the portion allocated to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS Retirement Board. The School Districts required contributions for pension obligations to SERS for the fiscal years ended June 30, 2007, 2006, and 2005 were \$797,100, \$578,537, and \$692,282 respectively; 51 percent has been contributed for fiscal year 2007 and 100 percent for fiscal years 2006 and 2005. \$389,851 representing the unpaid contribution for fiscal year 2007, is recorded as a liability within the respective funds.

**Springboro Community City School District, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2007*

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**NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)**

***B. State Teachers Retirement System***

The School District contributed to the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing multiple employer defined benefit pension plan. STRS Ohio is a statewide retirement plan for licensed teachers and other faculty members employed in the public schools of Ohio or any school, college, university, institution or other agency controlled, managed and supported in whole or in part, by the state or any political subdivision thereof. STRS Ohio provides retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to plan members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS Ohio 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 State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3371.

New members have a choice of three retirement plan options. In addition to the Defined Benefit (DB) Plan, new members are offered a Defined Contribution (DC) Plan and a Combined Plan. The DC plan allows members to allocate all their member contributions and employer contributions equal to 10.5 percent of earned compensation. The Combined Plan offers features of the DC Plan and the DB Plan. In the Combined Plan, member contributions are allocated by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. Contributions in to the DC plan and the Combined Plan are credited to member accounts as employers submit their payroll information to STRS Ohio, generally on a biweekly basis. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan.

The DB Plan Benefits are established under Chapter 3307 of the Revised Code. Any member may retire who has (i) five years of service credit and attained age 60; (ii) 25 years of service credit and attained age 55; or (iii) 30 years of service credit regardless of age. The annual retirement allowance, payable for life, is the greater of the "formula benefit" or the "money-purchase benefit" calculation. Under the "formula benefit," the retirement allowance is based on years of credited service and final average salary, which is the average of the member's three highest salary years. The annual allowance is calculated by using a base percentage of 2.2% multiplied by the total number of years of service credit (including Ohio-valued purchased credit) times the final average salary. The 31<sup>st</sup> year of earned Ohio service credit is calculated at 2.5%. An additional one-tenth of a percent is added to the calculation for every year of earned Ohio service over 31 years (2.6% for 32 years, 2.7% for 33 years and so on) until 100% of final average salary reached. For members with 35 or more years of Ohio contributing service, the first 30 years will be calculated at 2.5% instead of 2.2%. Under the "money-purchase benefit" calculation, a member's lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS Ohio funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance.

The DC Plan Benefits are established under Sections 3307.80 to 3307.89 of the Revised Code. For members who select the DC Plan, all member contributions and employer contributions at a rate 10.5% are placed in an investment account. The member determines how to allocate the member and employer money among various investment choices. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or lump-sum withdrawal. Employer contributions into members' accounts are vested after the first anniversary of the first day of paid service. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designed beneficiary is entitled to receive the member's account balance.

Member contributions for the Combined Plan Benefits are allocated by the member, and employer contributions are used to fund a defined benefit payment. A member's defined benefit is determined by multiplying 1% of the member's final average salary by the member's years of service credit. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60. The defined contribution portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50.

**Springboro Community City School District, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2007*

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**NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)**

A retiree of STRS Ohio or another Ohio public retirement system is eligible for reemployment as a teacher following the elapse of two months from the date of retirement. Contributions are made by the reemployed member and employer during the reemployment. Upon termination of reemployment or age 65, whichever comes later, the retiree is eligible for a money-purchase or a lump-sum payment in addition to the original retirement allowance.

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

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

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

For the fiscal year ended June 30, 2007, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion allocated to fund pension obligations. Contribution rates are established by STRS, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contributions for pension obligations to STRS for fiscal years ended June 30, 2007, 2006, and 2005 were \$2,476,173, \$2,155,582, and \$2,035,705 respectively; 83 percent has been contributed for fiscal year 2007 and 100 percent for fiscal years 2006 and 2005. \$424,031 represents the unpaid contribution for fiscal year 2007 and is recorded as a liability within the respective funds.

***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. As of June 30, 2007, one member of the Board of Education elected Social Security. 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 obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are on a pay-as-you-go basis.

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS 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 law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2007, the STRS Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$184,991 for fiscal year 2007.

**Springboro Community City School District, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2007*

**NOTE 12 - POSTEMPLOYMENT BENEFITS (Continued)**

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2007, the balance in the Funds was \$4.1 billion. For the year ended June 30, 2007 net health care costs paid by STRS were \$265,558,000 and STRS had 122,934 eligible benefit recipients.

The Ohio Revised Code gives SERS the discretionary authority to provide postretirement health care to retirees and their dependents. Coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, disability and survivor benefit recipients. Effective January 1, 2004, all retirees and beneficiaries are required to pay a portion of their premium for health care. The portion is based on years of service, Medicare eligibility and retirement status.

After the allocation for basic benefits, the remainder of the employer's 14% contribution is allocated to providing health care benefits. At June 30, 2007, the healthcare allocation was 3.32%. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal 2007, the minimum pay has been established as \$35,800. The surcharge, added to the unallocated portion of the 14% employer contribution rate, provides for maintenance of the asset target level for the health care fund. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2007 fiscal year equaled \$319,223.

Health care benefits are financed on a pay-as-you-go basis. Net health care costs for the year ending June 30, 2006 (the most recent information available) were \$158,751,207. The target level for the health care reserve is 150 percent of the projected claims less premium contributions for the next fiscal year. As of June 30, 2006 (the most recent information available), the value of the health care fund was \$295.6 million, which is about 221 percent of next year's projected net health care costs. SERS has 59,492 participants eligible to receive health care benefits.

**NOTE 13 - LONG TERM OBLIGATIONS**

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

|                                | Principal<br>Outstanding<br>06/30/06 | Additions           | Reductions          | Principal<br>Outstanding<br>06/30/07 | Amounts<br>Due in<br>One Year |
|--------------------------------|--------------------------------------|---------------------|---------------------|--------------------------------------|-------------------------------|
| <b>Governmental Activities</b> |                                      |                     |                     |                                      |                               |
| <i>School Improvement Bond</i> |                                      |                     |                     |                                      |                               |
| 1996 and 1991 Refunding 3.5-6% | \$ 25,045,000                        | \$ -                | \$ 265,000          | \$24,780,000                         | \$ 1,010,000                  |
| Capital Appreciation Bonds     | 321,376                              | -                   | 321,376             | -                                    | -                             |
| Accretion                      | 550,742                              | 42,882              | 593,624             | -                                    | -                             |
| <i>School Improvement Bond</i> |                                      |                     |                     |                                      |                               |
| 2005 Bonds 2.45%               | 60,100,000                           | -                   | 49,915,000          | 10,185,000                           | 1,720,000                     |
| Premium                        | 3,043,090                            | -                   | 2,590,431           | 452,659                              | -                             |
| Capital Appreciation Bonds     | 335,000                              | -                   | -                   | 335,000                              | -                             |
| Accretion                      | 463,070                              | 401,001             | -                   | 864,071                              | -                             |
| <i>School Improvement Bond</i> |                                      |                     |                     |                                      |                               |
| 2007 Refunding Bonds 4%        | -                                    | 46,020,000          | -                   | 46,020,000                           | 705,000                       |
| Premium                        | -                                    | 6,675,817           | 256,762             | 6,419,055                            | -                             |
| Accounting Loss                | -                                    | (1,709,727)         | (213,716)           | (1,496,011)                          | -                             |
| Capital Funding Loan Payable   | 1,341,000                            | -                   | 122,000             | 1,219,000                            | 122,000                       |
| Capital Leases Payable         | 4,106,853                            | -                   | 336,124             | 3,770,729                            | 279,240                       |
| Compensated Absences           | 1,493,693                            | 1,583,191           | 1,493,693           | 1,583,191                            | 185,861                       |
| Total Governmental Activities  |                                      |                     |                     |                                      |                               |
| Long-Term Liabilities          | <u>\$ 96,799,824</u>                 | <u>\$53,013,164</u> | <u>\$55,680,294</u> | <u>\$94,132,694</u>                  | <u>\$ 4,022,101</u>           |



**Springboro Community City School District, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2007*

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**NOTE 13 - LONG TERM OBLIGATIONS (Continued)**

Springboro High School Addition General Obligation Bonds - On February 7, 1996, the School District issued \$32,664,632 in voted general obligation bonds for the purpose of constructing a new high school building and to refund a 1991 School Improvement bond issuance. \$6,535,000 were issued as serial bonds with interest rates ranging from 3.50% to 4.40%, and maturity dates of December 1, 1996 to December 1, 2003. \$25,045,000 are term bonds with interest rates ranging from 5.10% to 6.00%, and maturity dates of December 1, 2011, 2016, and 2023. \$1,084,632 are capital appreciation bonds with maturity dates of December 1, 2004, 2005, and 2006, with maturity amounts of \$910,000, \$965,000, and \$915,000 respectively. The December 1, 2004 and 2005 capital appreciation bonds were paid off in prior years and the December 1, 2006 capital appreciation bond was paid off during fiscal 2007. The capital appreciation bonds were accreted \$42,882 in fiscal year 2007. The bonds were issued for a twenty-five year period. The bond value at final maturity will be \$28,655,000. The bonds will be retired from the debt service fund.

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

Springboro School Improvement General Obligation Bonds – In July 15, 2004, Springboro Community City School District issued \$61,500,000 in General Obligation Bonds to replace the Bond Anticipation notes issued in the previous fiscal year. The balance above includes a premium received and accreted debt. The bonds will be retired from the Debt Service Fund. Of the \$61,165,000, \$31,210,000 are serial bonds with interest rates ranging from 2.0-5.125% and will mature in 2025. \$10,360,000, \$4,570,000, and \$9,025,000 are term bonds with interest rates of 5.00%, 4.75%, and 5.00% respectively. The maturity of these term bonds are 2027, 2029, and 2032 respectively. \$335,000 of the total is capital appreciation bonds. \$175,000 of these capital appreciation bonds have an interest rate of 36.26% and will mature in 2010. \$160,000 of the capital appreciation bonds have an interest rate of 36.22% and will mature in 2011. The capital appreciation bonds were accreted \$401,001 in fiscal year 2007.

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

Although the refunding will result in the recognition of an accounting loss of \$1,709,727 for the year ended June 30, 2007, the District in effect lowered its aggregated debt service payments and resulted in an economic gain of \$2,425,000.

Compensated absences will be paid from the fund from which the person is paid, with the general fund being the most significant. Capital lease obligations will be paid from the general fund.

In prior years, the School District defeased School Improvement obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the School District's financial statements.

The overall debt margin of the School District as of June 30, 2007, was (\$1,339,777), with an unvoted debt margin of \$888,669. The Board of Education received approval to become a special needs district and issue bonds in an amount in excess of the nine percent debt limitation.

**Springboro Community City School District, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2007*

**NOTE 13 - LONG TERM OBLIGATIONS (Continued)**

Principal and interest requirements to retire the school improvement bonds and the OASBO Loans outstanding at June 30, 2007, are as follows:

| Fiscal Year Ending<br>June 30, | School Improvement Bonds |                     |                      | OASBO Loans        |                  |                    |
|--------------------------------|--------------------------|---------------------|----------------------|--------------------|------------------|--------------------|
|                                | Principal                | Interest            | Total                | Principal          | Interest         | Total              |
| 2008                           | \$3,435,000              | \$3,898,061         | \$7,333,061          | \$122,000          | \$55,098         | \$177,098          |
| 2009                           | 3,100,000                | 3,773,828           | 6,873,828            | 122,000            | 49,584           | 171,584            |
| 2010                           | 2,200,000                | 3,665,053           | 5,865,053            | 122,000            | 44,070           | 166,070            |
| 2011                           | 1,395,000                | 4,871,278           | 6,266,278            | 122,000            | 38,556           | 160,556            |
| 2012                           | 1,450,000                | 5,211,938           | 6,661,938            | 122,000            | 33,042           | 155,042            |
| 2013-2017                      | 13,845,000               | 15,641,622          | 29,486,622           | 609,000            | 82,530           | 691,530            |
| 2018-2022                      | 20,260,000               | 12,078,087          | 32,338,087           | -                  | -                | -                  |
| 2023-2027                      | 17,520,000               | 7,300,050           | 24,820,050           | -                  | -                | -                  |
| 2028-2032                      | 15,110,000               | 2,568,038           | 17,678,038           | -                  | -                | -                  |
| 2033                           | 3,005,000                | 78,881              | 3,083,881            | -                  | -                | -                  |
|                                | <u>\$81,320,000</u>      | <u>\$59,086,836</u> | <u>\$140,406,836</u> | <u>\$1,219,000</u> | <u>\$302,880</u> | <u>\$1,521,880</u> |

**NOTE 14 – INTERFUND ACTIVITY**

As of June 30, 2007 receivables and payables that resulted from various interfund transactions were as follows:

| Fund                               | Interfund<br>Receivable | Interfund<br>Payable |
|------------------------------------|-------------------------|----------------------|
| General Fund (Major Fund)          | \$ 149,513              | \$ -                 |
| Non-major Governmental Funds:      |                         |                      |
| Food Service                       | -                       | 110,119              |
| Auxiliary                          | -                       | 6,691                |
| Preschool Grant                    | -                       | 1,251                |
| Ohio Reads                         | -                       | 3,596                |
| Vocational Education Enhancement   | -                       | 2,267                |
| Title VI-B                         | -                       | 8,633                |
| Title V                            | -                       | 6,501                |
| Improving Teacher Quality          | -                       | 10,455               |
| Total Non-major Governmental Funds | -                       | 149,513              |
| Total All Funds                    | <u>\$ 149,513</u>       | <u>\$ 149,513</u>    |

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

**Springboro Community City School District, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2007*

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**NOTE 15 – SET-ASIDE CALCULATIONS AND FUND RESERVES**

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition or construction of capital improvements. Amounts not spent by year-end or offset by similarly restricted resources received during the year must be held in restricted cash at year-end and carried forward to be used for the same purposes in future years.

As of fiscal year ended June 30, 2003, the School District was no longer required to set aside funds in the budget reserve set-aside, with the exception of monies received from the Bureau of Workers' Compensation, which must be retained for budget stabilization or spent for specified purposes.

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

|   | <u>Textbook<br/>Reserve</u> | <u>Capital<br/>Maintenance<br/>Reserve</u> | <u>Budget<br/>Stabilization<br/>Reserve</u> |
|---|-----------------------------|--|---|
| Set Aside Reserve Cash Balance 07/01/2006             | \$0                         | \$0  | \$96,355                                    |
| Current Year Set-Aside Requirement                    | 693,844                     | 693,844                                    | 0   |
| Offset Credits and Prior Year Carryover               | (2,808,128)                 | (46,642,791)                               | 0   |
| Qualifying Expenditures                               | <u>(3,038,090)</u>          | <u>(8,685,393)</u>                         | <u>0</u>                                    |
| Balance Carried Forward to FY 2008                    | <u>(\$5,152,374)</u>        | <u>(\$54,634,340)</u>                      | <u>\$96,355</u>                             |
| Set Aside Reserve Cash Balance<br>as of June 30, 2007 | \$0                         | \$0  | \$96,355                                    |

The School District had qualifying disbursements during the year that reduced the set-aside amounts below zero in the Capital Acquisition and Textbook set-asides. These extra amounts may be carried forward and used to reduce the set-aside requirements of future years.

**NOTE 16 – CAPITALIZED LEASES – LESSEE DISCLOSURE**

In previous years, the School District entered into capitalized leases for the purchase of buses, modular classrooms, computers, copiers and to construct a new central office. The terms of each agreement provide options to purchase the equipment. Each lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, *Accounting for Leases*, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service in the financial statements for the governmental funds. These expenditures are reflected as program/function expenditures on a budgetary basis.

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

Springboro Refunding/Lease-Purchase Agreement – In June 2004 Springboro City Community School District entered into a lease-purchase agreement in the amount of \$988,000 to refinance a capital lease and part of the school bus purchase loan. The agreement is for 28 years with a final maturity in 2032. The debt will be paid from the Capital Projects Building Fund.

**Springboro Community City School District, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2007*

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**NOTE 16 – CAPITALIZED LEASES – LESSEE DISCLOSURE (Continued)**

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

Computer Lease - During 2005 Springboro City Community School District entered into a lease agreement in the amount of \$55,683 to purchase computers. The agreement is for 36 months, to be paid quarterly, with a final maturity in 2007. The debt will be paid from the Public School Support Fund.

Copier Lease - During 2005 Springboro City Community School District entered into a lease agreement in the amount of \$709,939 to purchase 21 copiers. The agreement is for 60 months, to be paid monthly, with a final maturity in 2010. The debt will be paid from the General Fund.

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

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2007.

| <u>Fiscal Year Ending June 30,</u>          | <u>Minimum Lease<br/>Payment</u> |
|---|----------------------------------|
| 2008  | \$462,172                        |
| 2009  | 462,504                          |
| 2010  | 409,072                          |
| 2011  | 300,892                          |
| 2012  | 300,777                          |
| 2013-2017                                   | 1,432,994                        |
| 2018-2022                                   | 850,498                          |
| 2023-2027                                   | 715,802                          |
| 2028-2032                                   | 710,498                          |
| 2033-2034                                   | 131,352                          |
| Total                                       | <u>5,776,561</u>                 |
| Less: Amount Representing Interest          | <u>(2,005,832)</u>               |
| Present Value of Net Minimum Lease Payments | <u><u>\$3,770,729</u></u>        |

**NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS**

*Southwestern Ohio Computer Association-* The School District is a participant in the Southwestern Ohio Computer Association (SWOCA) which is a computer consortium. SWOCA is an association of public school districts within the boundaries of Warren, Butler, and Preble Counties and Loveland City Schools. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts.

The governing board of SWOCA consists of two representatives from each county elected by majority vote of all charter member school districts within each county plus one representative from the fiscal agent. Financial information can be obtained from Michael Crumley, Executive Director, at 3603 Hamilton-Middletown Road, Hamilton, Ohio 45011.

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

**Springboro Community City School District, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2007*

**NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS (Continued)**

*Southwestern Ohio Educational Purchasing Council* - The School District participates in the Southwestern Ohio Educational Purchasing Council (SOEPC). The Montgomery County Educational Service Center acts as the fiscal agent for the group. The purpose of the cooperative is to obtain prices for quality merchandise and services commonly used by schools. All member districts are obligated to pay all fees, charges or other assessments as established by the SOEPC. Each member district has one voting representative. Title to any and all equipment, furniture and supplies purchased by the SOEPC is held in trust for the member districts by the Fiscal Agent. Any district withdrawing from the SOEPC shall forfeit its claim to any and all SOEPC assets. One year prior notice is necessary for withdrawal from the group. During this time, the withdrawing member is liable for all member obligations. Payments to SOEPC are made from the general fund. The School District gave no financial contributions during the fiscal year. To obtain financial information, write to the Southwestern Ohio Educational Purchasing Council, Robert Brown, who serves as Director, at 1831 Harshman Road, Dayton 45424.

**NOTE 18 - CONTINGENCIES**

**A. Grants**

The School District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. 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, 2007.

**B. Litigation**

The School District is not currently party to legal proceedings.

**NOTE 19 – CONTRACT COMMITMENTS**

As of June 30, 2007, the School District had contractual purchase commitments for construction as follows:

| <u>Contractor</u> | <u>Contract<br/>Amount</u> | <u>Amount<br/>Expended</u> | <u>Balance at<br/>6/30/07</u> |
|-------------------|----------------------------|----------------------------|-------------------------------|
| A. H. Sturgill    | \$ 925,870                 | \$ -                       | \$ 925,870                    |

**NOTE 20 – ACCOUNTABILITY AND COMPLIANCE**

**A. Accountability**

At June 30, 2007, the General Fund, Building Fund, Food Service, Education Management Information System, Ohio Reads, Title V, and Preschool Grant special revenue funds had deficit fund balances of \$129,531, \$88,041, \$297,649, \$21,425, \$1,050, \$5,405, and \$1,250. The deficits in these funds are due to adjustments for accrued liabilities and the timing of grant awards. The General Fund provides transfers when cash is required, not when expenditures are incurred.

**Springboro Community City School District, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2007*

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**NOTE 20 – ACCOUNTABILITY AND COMPLIANCE (Continued)**

B. Compliance

Contrary to Ohio Revised Code Section 5705.39, the following funds had final appropriations in excess of final estimated resources:

| <u>Fund Name</u>            | <u>Amount</u> |
|-----------------------------|---------------|
| Food Service                | \$ 87,968     |
| District Managed Activities | 21,447        |
| Title VI-B                  | 1,740         |
| Ohio Reads                  | 1,714         |
| Title V                     | 2,735         |
| Improving Teacher Quality   | 17,774        |
| Building                    | 749,546       |

Contrary to Ohio Revised Code Section, 5705.41(B) the following funds had expenditures in excess of appropriations plus encumbrances:

| <u>Fund Name</u>               | <u>Amount</u> |
|--------------------------------|---------------|
| General                        | \$ 416,530    |
| Food Service                   | 6,982         |
| Auxiliary Services             | 262,588       |
| Management Information Systems | 13,472        |

Contrary to Ohio Revised Code Section 5705.36(A)(4), the following funds appropriations exceeded available resources :

| <u>Fund Name</u>          | <u>Amount</u> |
|---------------------------|---------------|
| Food Service              | \$ 399        |
| Auxiliary Services        | 926           |
| Title VI-B                | 1,740         |
| Improving Teacher Quality | 7,319         |
| Building                  | 749,546       |

**NOTE 21 – LEASE AGREEMENTS**

On May 15, 2007 the District entered into a lease agreement with the Miami Valley Hospital regarding funding to be provided to rebuild and upgrade the high school football and track facility. The term of the contract is for a period of 15 years, through May 14, 2022.

On May 15, 2007 the District entered into a sub-lease agreement with the Miami Valley Hospital for a parcel of land. The land will be utilized by the District for the purpose of constructing the high school football and track facility. The term of the contract is for a period of 22 years, through May 2029.

**NOTE 22 – SUBSEQUENT EVENTS**

On July 12, 2007, the District participated in the OASBO Expanded Asset Pooled Financing Program, as a result of the lease agreements signed with the Miami Valley Hospital (see Note 21). The monies received from this program are to finance the costs and expenses of construction. To date the District has drawn down \$986,014 for the project.



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



**Springboro Community City School District  
Fund Descriptions**

**Special Revenue Funds**

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

*Nonmajor Special Revenue Funds*

*Food Service*

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

*Uniform School Supplies*

A fund to account for the purchase and sale of school supplies as adopted by the Board of Education for use in the School District. Revenues derived from sales are used for school purposes or activities in connection with the school.

*Public School Support*

A fund provided to account for specific local revenue sources, other than taxes (i.e., profits from vending machines, sales of pictures, etc.), that are restricted to expenditures for specific purposes approved by the Board. Such expenditures may include curricular and extracurricular related purchases.

*District Managed Activities*

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

*Auxiliary Services*

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

*Gifted Education*

A fund provided to account for research and demonstration projects and other purposes as established under appropriation line item 200-521, Gifted Pupil Program.

*Education Management Information*

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

*Entry Year Programs*

A fund to implement entry-year programs pursuant to division (T) of section 3317.024 of the Revised Code.

*Onenet*

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

*Schoolnet Professional Development*

A fund used to account for a limited number of professional development subsidy grants.

*Ohio Reads*

A fund used to account for monies received from the State of Ohio for the purpose of implementing community involvement with students in the elementary grades to supplement and enhance the reading proficiency of students.

**Springboro Community City School District**  
**Fund Descriptions**

*Nonmajor Special Revenue Funds (Continued)*

Summer School

A fund used to account for student intervention services satisfying criteria defined in division (E) of section 3313.608 of the Revised Code.

Vocational Education Enhancement

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

Miscellaneous State Grants

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

Title VI-B

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

Title V

A fund to account for monies used to assist State and local educational agencies in the reform of elementary and secondary education. Funds may be used for various materials, technology, and projects implementing school improvement and parental involvement activities authorized under ESEA, Title I. This program is subject to non-supplanting requirements and must use a restricted indirect cost rate which is referenced under 34 CFR 76.564-76.569.

Drug-Free School

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

Preschool-Handicapped

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

Telecommunications Act Grant (E-Rate)

A fund used to account for monies used to provide discounts on telecommunications services, Internet Access, and internal connections for all eligible schools and libraries in the United States.

Improving Teacher Quality

To help schools improve student achievement by adding additional teachers in grades 1-3.

Miscellaneous Federal Grants

A fund used to account for monies received through state agencies from the federal government or directly from the federal government which are not classified elsewhere.

**Springboro Community City School District  
Fund Descriptions**

*Nonmajor Capital Projects Funds*

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

*Building*

The Building Capital Projects Fund accounts for revenues received from the sale of School Improvement Bonds for school construction and renovation purposes.

*Permanent Improvement*

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

*SchoolNet Equipment*

A fund used to account for monies used to obtain computers and related educational technology equipment and/or the necessary infrastructure for educational technology.

**Springboro Community City School District**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*June 30, 2007*

|  | Nonmajor<br>Special<br>Revenue<br>Funds | Nonmajor<br>Capital<br>Projects<br>Funds | Total<br>Nonmajor<br>Governmental<br>Funds |
|--|---|--|--|
|  | <u>          </u>                       | <u>          </u>                        | <u>          </u>                          |
| <b><i>Assets:</i></b>                        |   |  |  |
| Equity in Pooled Cash and Cash Equivalents   | \$ 515,431                              | \$ 193,554                               | \$ 708,985                                 |
| Accounts Receivable                          | 31,712                                  | -  | 31,712                                     |
| Intergovernmental Receivable                 | 135,873                                 | -  | 135,873                                    |
| Restricted Cash and Cash Equivalents         | <u>-</u>                                | <u>200,000</u>                           | <u>200,000</u>                             |
| <i>Total Assets</i>                          | <u><u>683,016</u></u>                   | <u><u>393,554</u></u>                    | <u><u>1,076,570</u></u>                    |
| <br>   |   |  |  |
| <b><i>Liabilities and Fund Balances:</i></b> |   |  |  |
| <b><i>Liabilities</i></b>                    |   |  |  |
| Accounts Payable                             | 19,446                                  | 281,471                                  | 300,917                                    |
| Accrued Wages and Benefits                   | 170,347                                 | -  | 170,347                                    |
| Interfund Payable                            | 149,513                                 | -  | 149,513                                    |
| Intergovernmental Payable                    | 63,044                                  | -  | 63,044                                     |
| Deferred Revenue                             | <u>4,816</u>                            | <u>-</u>                                 | <u>4,816</u>                               |
| <i>Total Liabilities</i>                     | <u>407,166</u>                          | <u>281,471</u>                           | <u>688,637</u>                             |
| <br>   |   |  |  |
| <b><i>Fund Balances:</i></b>                 |   |  |  |
| Reserved for Encumbrances                    | 29,020                                  | 704,582                                  | 733,602                                    |
| Undesignated - Reported in:                  |   |  |  |
| Special Revenue                              | 246,830                                 | -  | 246,830                                    |
| Capital Projects                             | <u>-</u>                                | <u>(592,499)</u>                         | <u>(592,499)</u>                           |
| <i>Total Fund Balances</i>                   | <u>275,850</u>                          | <u>112,083</u>                           | <u>387,933</u>                             |
| <br>   |   |  |  |
| <i>Total Liabilities and Fund Balances</i>   | <u><u>\$ 683,016</u></u>                | <u><u>\$ 393,554</u></u>                 | <u><u>\$ 1,076,570</u></u>                 |

**Springboro Community City School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Fiscal Year Ended June 30, 2007*

|   | Nonmajor<br>Special<br>Revenue<br>Funds | Nonmajor<br>Capital<br>Projects<br>Funds | Total<br>Nonmajor<br>Governmental<br>Funds |
|---|---|--|--|
|   | <u>          </u>                       | <u>          </u>                        | <u>          </u>                          |
| <b>Revenues:</b>                          |   |  |  |
| Intergovernmental                         | \$ 1,362,879                            | \$ -                                     | \$ 1,362,879                               |
| Investment Earnings                       | 1,941                                   | 2,484                                    | 4,425                                      |
| Tuition and Fees                          | 388,139                                 | -  | 388,139                                    |
| Extracurricular Activities                | 464,869                                 | -  | 464,869                                    |
| Gifts and Donations                       | 51,715                                  | -  | 51,715                                     |
| Customer Sales and Services               | 892,047                                 | -  | 892,047                                    |
| Rent                                      | -                                       | 200,000                                  | 200,000                                    |
| Miscellaneous                             | 133,639                                 | 110,719                                  | 244,358                                    |
|   | <u>          </u>                       | <u>          </u>                        | <u>          </u>                          |
| <i>Total Revenues</i>                     | <u>3,295,229</u>                        | <u>313,203</u>                           | <u>3,608,432</u>                           |
| <b>Expenditures:</b>                      |   |  |  |
| Current:                                  |   |  |  |
| Instruction:                              |   |  |  |
| Regular                                   | 466,577                                 | 15,000                                   | 481,577                                    |
| Special                                   | 456,490                                 | -  | 456,490                                    |
| Support Services:                         |   |  |  |
| Pupils                                    | 127,001                                 | -  | 127,001                                    |
| Instructional Staff                       | 454,793                                 | 10,784                                   | 465,577                                    |
| Administration                            | 25,944                                  | -  | 25,944                                     |
| Operation and Maintenance of Plant        | 14,270                                  | 23,849                                   | 38,119                                     |
| Pupil Transportation                      | 2,947                                   | -  | 2,947                                      |
| Central                                   | 16,376                                  | -  | 16,376                                     |
| Operation of Non-Instructional Services   | 1,494,812                               | 829,918                                  | 2,324,730                                  |
| Extracurricular Activities                | 411,955                                 | -  | 411,955                                    |
| Capital Outlay                            | -                                       | 5,603,959                                | 5,603,959                                  |
| Debt Service:                             |   |  |  |
| Principal                                 | 17,726                                  | -  | 17,726                                     |
|   | <u>          </u>                       | <u>          </u>                        | <u>          </u>                          |
| <i>Total Expenditures</i>                 | <u>3,488,891</u>                        | <u>6,483,510</u>                         | <u>9,972,401</u>                           |
| <i>Net Change in Fund Balances</i>        | (193,662)                               | (6,170,307)                              | (6,363,969)                                |
| <i>Fund Balances at Beginning of Year</i> | <u>469,512</u>                          | <u>6,282,390</u>                         | <u>6,751,902</u>                           |
| <i>Fund Balances at End of Year</i>       | <u>\$ 275,850</u>                       | <u>\$ 112,083</u>                        | <u>\$ 387,933</u>                          |

**Springboro Community City School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*June 30, 2007*

|  | Food<br>Service  | Uniform<br>School<br>Supplies | Public<br>School<br>Support | District<br>Managed<br>Activities |
|--|------------------|-------------------------------|-----------------------------|-----------------------------------|
| <b>Assets:</b>                                   |                  |                               |                             |                                   |
| Equity in Pooled Cash and Cash Equivalents       | \$0              | \$174,496                     | \$210,411                   | \$80,668                          |
| Accounts Receivable                              | 0                | 0                             | 0                           | 0                                 |
| Intergovernmental Receivable                     | 16,369           | 0                             | 0                           | 0                                 |
| <i>Total Assets</i>                              | <u>\$16,369</u>  | <u>\$174,496</u>              | <u>\$210,411</u>            | <u>\$80,668</u>                   |
| <br><b>Liabilities and Fund Balances:</b>        |                  |                               |                             |                                   |
| <b>Liabilities</b>                               |                  |                               |                             |                                   |
| Accounts Payable                                 | \$0              | \$457                         | \$1,922                     | \$4,205                           |
| Accrued Wages and Benefits                       | 147,211          | 0                             | 0                           | 0                                 |
| Interfund Payable                                | 110,119          | 0                             | 0                           | 0                                 |
| Intergovernmental Payable                        | 56,688           | 0                             | 0                           | 52                                |
| Deferred Revenue                                 | 0                | 0                             | 0                           | 0                                 |
| <i>Total Liabilities</i>                         | <u>314,018</u>   | <u>457</u>                    | <u>1,922</u>                | <u>4,257</u>                      |
| <br><b>Fund Balances:</b>                        |                  |                               |                             |                                   |
| Reserved for Encumbrances                        | 400              | 0                             | 4,953                       | 952                               |
| Unreserved, Undesignated - Special Revenue Funds | (298,049)        | 174,039                       | 203,536                     | 75,459                            |
| <i>Total Fund Balances</i>                       | <u>(297,649)</u> | <u>174,039</u>                | <u>208,489</u>              | <u>76,411</u>                     |
| <i>Total Liabilities and Fund Balances</i>       | <u>\$16,369</u>  | <u>\$174,496</u>              | <u>\$210,411</u>            | <u>\$80,668</u>                   |

| <u>Auxiliary<br/>Services</u> | <u>Gifted<br/>Education</u> | <u>Education<br/>Management<br/>Information</u> | <u>Entry Year<br/>Program</u> | <u>Onenet</u>   | <u>Schoolnet<br/>Professional<br/>Development</u> |
|-------------------------------|-----------------------------|---|-------------------------------|-----------------|---|
| \$8,268                       | \$65                        | \$2,197   | \$4,135                       | \$16,438        | \$2,756   |
| 31,712                        | 0                           | 0   | 0                             | 0               | 0   |
| 0                             | 0                           | 0   | 0                             | 0               | 0   |
| <u>\$39,980</u>               | <u>\$65</u>                 | <u>\$2,197</u>                                  | <u>\$4,135</u>                | <u>\$16,438</u> | <u>\$2,756</u>                                    |
| \$2,436                       | \$0                         | \$159   | \$40                          | \$0             | \$0   |
| 0                             | 0                           | 23,136  | 0                             | 0               | 0   |
| 6,691                         | 0                           | 0   | 0                             | 0               | 0   |
| 3,095                         | 0                           | 327   | 0                             | 0               | 0   |
| 0                             | 0                           | 0   | 0                             | 0               | 0   |
| <u>12,222</u>                 | <u>0</u>                    | <u>23,622</u>                                   | <u>40</u>                     | <u>0</u>        | <u>0</u>  |
| 6,769                         | 0                           | 41  | 79                            | 0               | 0   |
| 20,989                        | 65                          | (21,466)  | 4,016                         | 16,438          | 2,756   |
| <u>27,758</u>                 | <u>65</u>                   | <u>(21,425)</u>                                 | <u>4,095</u>                  | <u>16,438</u>   | <u>2,756</u>                                      |
| <u>\$39,980</u>               | <u>\$65</u>                 | <u>\$2,197</u>                                  | <u>\$4,135</u>                | <u>\$16,438</u> | <u>\$2,756</u>                                    |

(Continued)

**Springboro Community City School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*June 30, 2007*

|  | Ohio<br>Reads  | Summer<br>School | Vocational<br>Education<br>Enhancement |
|--|----------------|------------------|--|
| <b><i>Assets:</i></b>                            |                |                  |  |
| Equity in Pooled Cash and Cash Equivalents       | \$2,546        | \$1,524          | \$5,069                                |
| Accounts Receivable                              | 0              | 0                | 0                                      |
| Intergovernmental Receivable                     | 4,816          | 0                | 0                                      |
| <i>Total Assets</i>                              | <b>\$7,362</b> | <b>\$1,524</b>   | <b>\$5,069</b>                         |
| <br><b><i>Liabilities and Fund Balances:</i></b> |                |                  |  |
| <b><i>Liabilities</i></b>                        |                |                  |  |
| Accounts Payable                                 | \$0            | \$0              | \$150                                  |
| Accrued Wages and Benefits                       | 0              | 0                | 0                                      |
| Interfund Payable                                | 3,596          | 0                | 2,267                                  |
| Intergovernmental Payable                        | 0              | 0                | 0                                      |
| Deferred Revenue                                 | 4,816          | 0                | 0                                      |
| <i>Total Liabilities</i>                         | 8,412          | 0                | 2,417                                  |
| <br><b><i>Fund Balances:</i></b>                 |                |                  |  |
| Reserved for Encumbrances                        | 664            | 0                | 1,733                                  |
| Unreserved, Undesignated - Special Revenue Funds | (1,714)        | 1,524            | 919                                    |
| <i>Total Fund Balances</i>                       | (1,050)        | 1,524            | 2,652                                  |
| <i>Total Liabilities and Fund Balances</i>       | <b>\$7,362</b> | <b>\$1,524</b>   | <b>\$5,069</b>                         |



| Miscellaneous<br>State<br>Grants | Title<br>VI-B   | Title V        | Drug<br>Free<br>School | Preschool -<br>Handicapped |
|----------------------------------|-----------------|----------------|------------------------|----------------------------|
| \$2,000                          | \$387           | \$0            | \$1,581                | \$1                        |
| 0                                | 0               | 0              | 0                      | 0                          |
| 0                                | 88,677          | 1,096          | 640                    | 0                          |
| <u>\$2,000</u>                   | <u>\$89,064</u> | <u>\$1,096</u> | <u>\$2,221</u>         | <u>\$1</u>                 |
| \$0                              | \$9,634         | \$0            | \$164                  | \$0                        |
| 0                                | 0               | 0              | 0                      | 0                          |
| 0                                | 8,633           | 6,501          | 0                      | 1,251                      |
| 0                                | 2,882           | 0              | 0                      | 0                          |
| 0                                | 0               | 0              | 0                      | 0                          |
| <u>0</u>                         | <u>21,149</u>   | <u>6,501</u>   | <u>164</u>             | <u>1,251</u>               |
| 0                                | 2,128           | 0              | 1,372                  | 0                          |
| 2,000                            | 65,787          | (5,405)        | 685                    | (1,250)                    |
| <u>2,000</u>                     | <u>67,915</u>   | <u>(5,405)</u> | <u>2,057</u>           | <u>(1,250)</u>             |
| <u>\$2,000</u>                   | <u>\$89,064</u> | <u>\$1,096</u> | <u>\$2,221</u>         | <u>\$1</u>                 |

(Continued)

**Springboro Community City School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*June 30, 2007*

|  | Improving<br>Teacher<br>Quality | Total<br>Nonmajor<br>Special Revenue<br>Funds |
|--|---------------------------------|---|
| <b><i>Assets:</i></b>                            |                                 |   |
| Equity in Pooled Cash and Cash Equivalents       | \$2,889                         | \$515,431                                     |
| Accounts Receivable                              | 0                               | 31,712  |
| Intergovernmental Receivable                     | 24,275                          | 135,873                                       |
| <i>Total Assets</i>                              | <b>\$27,164</b>                 | <b>\$683,016</b>                              |
| <br><b><i>Liabilities and Fund Balances:</i></b> |                                 |   |
| <b><i>Liabilities</i></b>                        |                                 |   |
| Accounts Payable                                 | \$279                           | \$19,446                                      |
| Accrued Wages and Benefits                       | 0                               | 170,347                                       |
| Interfund Payable                                | 10,455                          | 149,513                                       |
| Intergovernmental Payable                        | 0                               | 63,044  |
| Deferred Revenue                                 | 0                               | 4,816   |
| <i>Total Liabilities</i>                         | 10,734                          | 407,166                                       |
| <br><b><i>Fund Balances:</i></b>                 |                                 |   |
| Reserved for Encumbrances                        | 9,929                           | 29,020  |
| Unreserved, Undesignated-Special Revenue Funds   | 6,501                           | 246,830                                       |
| <i>Total Fund Balances</i>                       | 16,430                          | 275,850                                       |
| <i>Total Liabilities and Fund Balances</i>       | <b>\$27,164</b>                 | <b>\$683,016</b>                              |



**Springboro Community City School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Fiscal Year Ended June 30, 2007*

|   | Food<br>Service   | Uniform<br>School<br>Supplies | Public<br>School<br>Support |
|---|-------------------|-------------------------------|-----------------------------|
|   | <u>          </u> | <u>          </u>             | <u>          </u>           |
| <b>Revenues:</b>                                    |                   |                               |                             |
| Intergovernmental                                   | \$131,434         | \$0                           | 0                           |
| Investment Earnings                                 | 0                 | 0                             | 0                           |
| Tuition and Fees                                    | 0                 | 349,066                       | 39,073                      |
| Extracurricular Activities                          | 0                 | 0                             | 175,063                     |
| Gifts and Donations                                 | 0                 | 0                             | 37,213                      |
| Customer Sales and Services                         | 892,047           | 0                             | 0                           |
| Miscellaneous                                       | 0                 | 0                             | 66,704                      |
|   | <u>          </u> | <u>          </u>             | <u>          </u>           |
| <i>Total Revenues</i>                               | 1,023,481         | 349,066                       | 318,053                     |
|   | <u>          </u> | <u>          </u>             | <u>          </u>           |
| <b>Expenditures:</b>                                |                   |                               |                             |
| Current:  |                   |                               |                             |
| Instruction:  |                   |                               |                             |
| Regular   | 0                 | 351,347                       | 37,102                      |
| Special   | 0                 | 0                             | 0                           |
| Support Services:                                   |                   |                               |                             |
| Pupils  | 0                 | 0                             | 33,536                      |
| Instructional Staff                                 | 0                 | 0                             | 76,127                      |
| Administration                                      | 0                 | 0                             | 22,429                      |
| Operation and Maintenance of Plant                  | 0                 | 0                             | 578                         |
| Pupil Transportation                                | 0                 | 0                             | 0                           |
| Central   | 0                 | 0                             | 0                           |
| Operation of Non-Instructional Services             | 1,199,269         | 0                             | 40,484                      |
| Extracurricular Activities                          | 0                 | 0                             | 62,545                      |
| Debt Service:                                       |                   |                               |                             |
| Principal   | 0                 | 0                             | 17,726                      |
|   | <u>          </u> | <u>          </u>             | <u>          </u>           |
| <i>Total Expenditures</i>                           | 1,199,269         | 351,347                       | 290,527                     |
|   | <u>          </u> | <u>          </u>             | <u>          </u>           |
| <i>Net Change in Fund Balances</i>                  | (175,788)         | (2,281)                       | 27,526                      |
|   | <u>          </u> | <u>          </u>             | <u>          </u>           |
| <i>Fund Balances (Deficit) at Beginning of Year</i> | (121,861)         | 176,320                       | 180,963                     |
|   | <u>          </u> | <u>          </u>             | <u>          </u>           |
| <i>Fund Balances (Deficit) at End of Year</i>       | (\$297,649)       | \$174,039                     | \$208,489                   |
|   | <u>          </u> | <u>          </u>             | <u>          </u>           |

| <u>District<br/>Managed<br/>Activities</u> | <u>Auxiliary<br/>Services</u> | <u>Gifted<br/>Education</u> | <u>Education<br/>Management<br/>Information</u> | <u>Entry Year<br/>Programs</u> |
|--|-------------------------------|-----------------------------|---|--------------------------------|
| \$0  | \$220,798                     | \$12,255                    | \$16,395  | \$23,200                       |
| 0  | 1,941                         | 0                           | 0   | 0                              |
| 0  | 0                             | 0                           | 0   | 0                              |
| 289,806                                    | 0                             | 0                           | 0   | 0                              |
| 14,502                                     | 0                             | 0                           | 0   | 0                              |
| 0  | 0                             | 0                           | 0   | 0                              |
| 31,494                                     | 31,712                        | 0                           | 0   | 0                              |
| <u>335,802</u>                             | <u>254,451</u>                | <u>12,255</u>               | <u>16,395</u>                                   | <u>23,200</u>                  |
| 0  | 0                             | 0                           | 0   | 0                              |
| 0  | 0                             | 19,610                      | 0   | 0                              |
| 0  | 0                             | 0                           | 0   | 0                              |
| 0  | 0                             | 0                           | 159   | 21,577                         |
| 0  | 0                             | 0                           | 0   | 0                              |
| 0  | 0                             | 0                           | 0   | 0                              |
| 0  | 0                             | 0                           | 0   | 0                              |
| 0  | 0                             | 0                           | 14,743  | 0                              |
| 0  | 253,737                       | 0                           | 71  | 0                              |
| 346,974                                    | 2,436                         | 0                           | 0   | 0                              |
| <u>0</u>                                   | <u>0</u>                      | <u>0</u>                    | <u>0</u>  | <u>0</u>                       |
| <u>346,974</u>                             | <u>256,173</u>                | <u>19,610</u>               | <u>14,973</u>                                   | <u>21,577</u>                  |
| (11,172)                                   | (1,722)                       | (7,355)                     | 1,422   | 1,623                          |
| <u>87,583</u>                              | <u>29,480</u>                 | <u>7,420</u>                | <u>(22,847)</u>                                 | <u>2,472</u>                   |
| <u>\$76,411</u>                            | <u>\$27,758</u>               | <u>\$65</u>                 | <u>(\$21,425)</u>                               | <u>\$4,095</u>                 |

(Continued)

**Springboro Community City School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Fiscal Year Ended June 30, 2007*

|   | Onenet          | Schoolnet<br>Professional<br>Development | Ohio<br>Reads    |
|---|-----------------|--|------------------|
| <b>Revenues:</b>                                    |                 |  |                  |
| Intergovernmental                                   | \$27,000        | \$3,300                                  | \$23,184         |
| Investment Earnings                                 | 0               | 0  | 0                |
| Tuition and Fees                                    | 0               | 0  | 0                |
| Extracurricular Activities                          | 0               | 0  | 0                |
| Gifts and Donations                                 | 0               | 0  | 0                |
| Customer Sales and Services                         | 0               | 0  | 0                |
| Miscellaneous                                       | 0               | 0  | 0                |
| <i>Total Revenues</i>                               | <u>27,000</u>   | <u>3,300</u>                             | <u>23,184</u>    |
| <b>Expenditures:</b>                                |                 |  |                  |
| Current:  |                 |  |                  |
| Instruction:  |                 |  |                  |
| Regular   | 10,562          | 1,334                                    | 29,489           |
| Special   | 0               | 0  | 0                |
| Support Services:                                   |                 |  |                  |
| Pupils  | 0               | 0  | 0                |
| Instructional Staff                                 | 0               | 3,534                                    | 0                |
| Administration                                      | 0               | 0  | 0                |
| Operation and Maintenance of Plant                  | 0               | 0  | 0                |
| Pupil Transportation                                | 0               | 0  | 0                |
| Central   | 0               | 0  | 0                |
| Operation of Non-Instructional Services             | 0               | 0  | 0                |
| Extracurricular Activities                          | 0               | 0  | 0                |
| Debt Service:                                       |                 |  |                  |
| Principal   | 0               | 0  | 0                |
| <i>Total Expenditures</i>                           | <u>10,562</u>   | <u>4,868</u>                             | <u>29,489</u>    |
| <i>Net Change in Fund Balances</i>                  | 16,438          | (1,568)                                  | (6,305)          |
| <i>Fund Balances (Deficit) at Beginning of Year</i> | <u>0</u>        | <u>4,324</u>                             | <u>5,255</u>     |
| <i>Fund Balances (Deficit) at End of Year</i>       | <u>\$16,438</u> | <u>\$2,756</u>                           | <u>(\$1,050)</u> |

| Summer<br>School | Vocational<br>Education<br>Enhancement | Miscellaneous<br>State Grants | Title VI-B      |
|------------------|--|-------------------------------|-----------------|
| \$0              | \$17,000                               | \$2,000                       | \$780,704       |
| 0                | 0                                      | 0                             | 0               |
| 0                | 0                                      | 0                             | 0               |
| 0                | 0                                      | 0                             | 0               |
| 0                | 0                                      | 0                             | 0               |
| 0                | 0                                      | 0                             | 0               |
| 0                | 3,000                                  | 0                             | 0               |
| <u>0</u>         | <u>20,000</u>                          | <u>2,000</u>                  | <u>780,704</u>  |
| 0                | 15,344                                 | 0                             | 6,046           |
| 0                | 0                                      | 0                             | 436,880         |
| 0                | 18                                     | 0                             | 65,616          |
| 0                | 0                                      | 0                             | 304,338         |
| 0                | 2,952                                  | 0                             | 0               |
| 0                | 0                                      | 0                             | 0               |
| 0                | 0                                      | 0                             | 2,947           |
| 0                | 0                                      | 0                             | 0               |
| 0                | 0                                      | 0                             | 0               |
| 0                | 0                                      | 0                             | 0               |
| <u>0</u>         | <u>0</u>                               | <u>0</u>                      | <u>0</u>        |
| <u>0</u>         | <u>18,314</u>                          | <u>0</u>                      | <u>815,827</u>  |
| 0                | 1,686                                  | 2,000                         | (35,123)        |
| <u>1,524</u>     | <u>966</u>                             | <u>0</u>                      | <u>103,038</u>  |
| <u>\$1,524</u>   | <u>\$2,652</u>                         | <u>\$2,000</u>                | <u>\$67,915</u> |

(Continued)

**Springboro Community City School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Fiscal Year Ended June 30, 2007*

|   | <u>Title V</u>          | <u>Drug<br/>Free<br/>School</u> | <u>Preschool -<br/>Handicapped</u> |
|---|-------------------------|---------------------------------|------------------------------------|
| <b>Revenues:</b>                                    |                         |                                 |                                    |
| Intergovernmental                                   | \$6,653                 | \$11,307                        | \$27,831                           |
| Investment Earnings                                 | 0                       | 0                               | 0                                  |
| Tuition and Fees                                    | 0                       | 0                               | 0                                  |
| Extracurricular Activities                          | 0                       | 0                               | 0                                  |
| Gifts and Donations                                 | 0                       | 0                               | 0                                  |
| Customer Sales and Services                         | 0                       | 0                               | 0                                  |
| Miscellaneous                                       | 0                       | 0                               | 0                                  |
| <i>Total Revenues</i>                               | <u>6,653</u>            | <u>11,307</u>                   | <u>27,831</u>                      |
| <b>Expenditures:</b>                                |                         |                                 |                                    |
| Current:  |                         |                                 |                                    |
| Instruction:  |                         |                                 |                                    |
| Regular   | 9,305                   | 3,280                           | 0                                  |
| Special   | 0                       | 0                               | 0                                  |
| Support Services:                                   |                         |                                 |                                    |
| Pupils  | 0                       | 0                               | 27,831                             |
| Instructional Staff                                 | 0                       | 0                               | 0                                  |
| Administration                                      | 0                       | 563                             | 0                                  |
| Operation and Maintenance of Plant                  | 0                       | 6,574                           | 0                                  |
| Pupil Transportation                                | 0                       | 0                               | 0                                  |
| Central   | 0                       | 0                               | 0                                  |
| Operation of Non-Instructional Services             | 0                       | 1,251                           | 0                                  |
| Extracurricular Activities                          | 0                       | 0                               | 0                                  |
| Debt Service:                                       |                         |                                 |                                    |
| Principal   | 0                       | 0                               | 0                                  |
| <i>Total Expenditures</i>                           | <u>9,305</u>            | <u>11,668</u>                   | <u>27,831</u>                      |
| <i>Net Change in Fund Balances</i>                  | (2,652)                 | (361)                           | 0                                  |
| <i>Fund Balances (Deficit) at Beginning of Year</i> | <u>(2,753)</u>          | <u>2,418</u>                    | <u>(1,250)</u>                     |
| <i>Fund Balances (Deficit) at End of Year</i>       | <u><u>(\$5,405)</u></u> | <u><u>\$2,057</u></u>           | <u><u>(\$1,250)</u></u>            |



| Telecommunications<br>Act Grant | Improving<br>Teacher<br>Quality | Miscellaneous<br>Federal<br>Grants | Total Nonmajor<br>Special Revenue<br>Funds |
|---------------------------------|---------------------------------|------------------------------------|--|
| \$0                             | \$59,818                        | \$0                                | \$1,362,879                                |
| 0                               | 0                               | 0                                  | 1,941                                      |
| 0                               | 0                               | 0                                  | 388,139                                    |
| 0                               | 0                               | 0                                  | 464,869                                    |
| 0                               | 0                               | 0                                  | 51,715                                     |
| 0                               | 0                               | 0                                  | 892,047                                    |
| 0                               | 729                             | 0                                  | 133,639                                    |
| 0                               | 60,547                          | 0                                  | 3,295,229                                  |
| 0                               | 2,768                           | 0                                  | 466,577                                    |
| 0                               | 0                               | 0                                  | 456,490                                    |
| 0                               | 0                               | 0                                  | 127,001                                    |
| 0                               | 49,058                          | 0                                  | 454,793                                    |
| 0                               | 0                               | 0                                  | 25,944                                     |
| 0                               | 0                               | 7,118                              | 14,270                                     |
| 0                               | 0                               | 0                                  | 2,947                                      |
| 1,633                           | 0                               | 0                                  | 16,376                                     |
| 0                               | 0                               | 0                                  | 1,494,812                                  |
| 0                               | 0                               | 0                                  | 411,955                                    |
| 0                               | 0                               | 0                                  | 17,726                                     |
| 1,633                           | 51,826                          | 7,118                              | 3,488,891                                  |
| (1,633)                         | 8,721                           | (7,118)                            | (193,662)                                  |
| 1,633                           | 7,709                           | 7,118                              | 469,512                                    |
| \$0                             | \$16,430                        | \$0                                | \$275,850                                  |

**Springboro Community City School District**  
*Combining Balance Sheet*  
*Nonmajor Capital Project Funds*  
*June 30, 2007*

|   | <u>Building</u>         | <u>Permanent<br/>Improvement</u> | <u>Schoolnet<br/>Equipment</u> | <u>Total<br/>Nonmajor<br/>Capital Projects<br/>Funds</u> |
|---|-------------------------|----------------------------------|--------------------------------|--|
| <b>Assets:</b>                                      |                         |                                  |                                |  |
| Equity in Pooled Cash and Cash Equivalents          | \$193,430               | \$0                              | \$124                          | \$193,554  |
| Restricted Cash and Cash Equivalents                | <u>0</u>                | <u>200,000</u>                   | <u>0</u>                       | <u>200,000</u>   |
| <i>Total Assets</i>                                 | <u><u>\$193,430</u></u> | <u><u>\$200,000</u></u>          | <u><u>\$124</u></u>            | <u><u>\$393,554</u></u>                                  |
| <b>Liabilities and Fund Balances:</b>               |                         |                                  |                                |  |
| <b>Liabilities:</b>                                 |                         |                                  |                                |  |
| Accounts Payable                                    | <u>281,471</u>          | <u>0</u>                         | <u>0</u>                       | <u>281,471</u>   |
| <i>Total Liabilities</i>                            | <u>281,471</u>          | <u>0</u>                         | <u>0</u>                       | <u>281,471</u>   |
| <b>Fund Balances:</b>                               |                         |                                  |                                |  |
| Reserved:   |                         |                                  |                                |  |
| Reserved for Encumbrances                           | 704,582                 | 0                                | 0                              | 704,582  |
| Unreserved, Undesignated:<br>Capital Projects Funds | <u>(792,623)</u>        | <u>200,000</u>                   | <u>124</u>                     | <u>(592,499)</u>   |
| <i>Total Fund Balances</i>                          | <u>(88,041)</u>         | <u>200,000</u>                   | <u>124</u>                     | <u>112,083</u>   |
| <i>Total Liabilities and Fund Balances</i>          | <u><u>\$193,430</u></u> | <u><u>\$200,000</u></u>          | <u><u>\$124</u></u>            | <u><u>\$393,554</u></u>                                  |

**Springboro Community City School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Capital Project Funds*  
*For the Fiscal Year Ended June 30, 2007*

|   | <u>Building</u>          | <u>Permanent<br/>Improvement</u> | <u>Schoolnet<br/>Equipment</u> | <u>Total<br/>Nonmajor<br/>Capital Projects<br/>Funds</u> |
|---|--------------------------|----------------------------------|--------------------------------|--|
| <b>Revenues:</b>                          |                          |                                  |                                |  |
| Investment Earnings                       | \$0                      | \$2,484                          | \$0                            | \$2,484  |
| Rent                                      | 0                        | 200,000                          | 0                              | 200,000  |
| Miscellaneous                             | 51,427                   | 59,292                           | 0                              | 110,719  |
| <i>Total Revenues</i>                     | <u>51,427</u>            | <u>261,776</u>                   | <u>0</u>                       | <u>313,203</u>   |
| <b>Expenditures:</b>                      |                          |                                  |                                |  |
| Current:                                  |                          |                                  |                                |  |
| Instruction:                              |                          |                                  |                                |  |
| Regular                                   | 0                        | 0                                | 15,000                         | 15,000   |
| Support Services:                         |                          |                                  |                                |  |
| Instructional Staff                       | 0                        | 0                                | 10,784                         | 10,784   |
| Operation and Maintenance Of Plant        | 23,849                   | 0                                | 0                              | 23,849   |
| Operation of Non-Instructional Services   | 0                        | 829,918                          | 0                              | 829,918  |
| Capital Outlay                            | 5,584,291                | 19,668                           | 0                              | 5,603,959  |
| <i>Total Expenditures</i>                 | <u>5,608,140</u>         | <u>849,586</u>                   | <u>25,784</u>                  | <u>6,483,510</u>   |
| <i>Net Change in Fund Balances</i>        | (5,556,713)              | (587,810)                        | (25,784)                       | (6,170,307)  |
| <i>Fund Balances at Beginning of Year</i> | <u>5,468,672</u>         | <u>787,810</u>                   | <u>25,908</u>                  | <u>6,282,390</u>   |
| <i>Fund Balances at End of Year</i>       | <u><u>(\$88,041)</u></u> | <u><u>\$200,000</u></u>          | <u><u>\$124</u></u>            | <u><u>\$112,083</u></u>                                  |

**Springboro Community City School District  
Fund Descriptions**

**Fiduciary Funds**

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

*Student Activities Fund*

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

**Springboro Community City School District**

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

Year Ended June 30, 2007

|  | <u>Balance<br/>07/01/06</u> | <u>Additions</u>        | <u>Deductions</u>       | <u>Balance<br/>06/30/07</u> |
|--|-----------------------------|-------------------------|-------------------------|-----------------------------|
| <b>STUDENT MANAGED ACTIVITIES</b>          |                             |                         |                         |                             |
| <b>Assets</b>                              |                             |                         |                         |                             |
| Equity in Pooled Cash and Cash Equivalents | <u>\$138,122</u>            | <u>\$293,166</u>        | <u>\$278,952</u>        | <u>\$152,336</u>            |
| Total Assets                               | <u><u>\$138,122</u></u>     | <u><u>\$293,166</u></u> | <u><u>\$278,952</u></u> | <u><u>\$152,336</u></u>     |
| <b>Liabilities</b>                         |                             |                         |                         |                             |
| Undistributed Monies                       | <u>\$138,122</u>            | <u>\$293,166</u>        | <u>\$278,952</u>        | <u>152,336</u>              |
| Total Liabilities                          | <u><u>\$138,122</u></u>     | <u><u>\$293,166</u></u> | <u><u>\$278,952</u></u> | <u><u>\$152,336</u></u>     |

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

**Springboro Community City School District  
Schedule of Revenues, Expenditures and Changes  
in Fund Balances - Budget and Actual  
(Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2007**

|                                   | <u>Budgeted Amounts</u>   |                           | <u>Actual</u>             | Variance with<br>Final Budget:<br>Positive<br>(Negative) |
|-----------------------------------|---------------------------|---------------------------|---------------------------|--|
|                                   | <u>Original</u>           | <u>Final</u>              |                           |  |
| <b>Debt Service Fund</b>          |                           |                           |                           |  |
| Total Revenues and Other Sources  | \$6,668,476               | \$8,708,612               | \$8,708,612               | \$0  |
| Total Expenditures and Other Uses | <u>6,476,311</u>          | <u>5,881,911</u>          | <u>5,881,911</u>          | <u>0</u>   |
| Net Change in Fund Balance        | 192,165                   | 2,826,701                 | 2,826,701                 | 0  |
| Fund Balance, July 1              | <u>2,596,777</u>          | <u>2,596,777</u>          | <u>2,596,777</u>          | <u>0</u>   |
| Fund Balance, June 30             | <u><u>\$2,788,942</u></u> | <u><u>\$5,423,478</u></u> | <u><u>\$5,423,478</u></u> | <u><u>\$0</u></u>  |

**Springboro Community City School District**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balances - Budget and Actual**  
**(Non-GAAP Budgetary Basis)**  
**For the Fiscal Year Ended June 30, 2007**

|                                      | <u>Budgeted Amounts</u> |                   | <u>Actual</u>    | <u>Variance with<br/>Final Budget:<br/>Positive<br/>(Negative)</u> |
|--------------------------------------|-------------------------|-------------------|------------------|--|
|                                      | <u>Original</u>         | <u>Final</u>      |                  |  |
| <b>Food Service Fund</b>             |                         |                   |                  |  |
| Total Revenues and Other Sources     | \$988,800               | \$1,006,350       | \$1,100,901      | \$94,551   |
| Total Expenditures and Other Uses    | 996,827                 | 1,102,346         | 1,109,328        | (6,982)  |
| Net Change in Fund Balance           | (8,027)                 | (95,996)          | (8,427)          | 87,569   |
| Fund Balance, July 1                 | 8,028                   | 8,028             | 8,028            | 0  |
| Fund Balance, June 30                | <u>\$1</u>              | <u>(\$87,968)</u> | <u>(\$399)</u>   | <u>\$87,569</u>  |
| <b>Uniform School Supplies Fund</b>  |                         |                   |                  |  |
| Total Revenues and Other Sources     | \$324,400               | \$348,657         | \$349,066        | \$409  |
| Total Expenditures and Other Uses    | 318,734                 | 351,450           | 350,890          | 560  |
| Net Change in Fund Balance           | 5,666                   | (2,793)           | (1,824)          | 969  |
| Fund Balance, July 1                 | 174,215                 | 174,215           | 174,215          | 0  |
| Prior Year Encumbrances Appropriated | 2,100                   | 2,100             | 2,100            | 0  |
| Fund Balance, June 30                | <u>\$181,981</u>        | <u>\$173,522</u>  | <u>\$174,491</u> | <u>\$969</u>   |
| <b>Public School Support Fund</b>    |                         |                   |                  |  |
| Total Revenues and Other Sources     | \$353,000               | \$570,181         | \$318,053        | (\$252,128)  |
| Total Expenditures and Other Uses    | 322,046                 | 297,698           | 297,182          | 516  |
| Net Change in Fund Balance           | 30,954                  | 272,483           | 20,871           | (251,612)  |
| Fund Balance, July 1                 | 176,372                 | 176,372           | 176,372          | 0  |
| Prior Year Encumbrances Appropriated | 6,684                   | 6,684             | 6,684            | 0  |
| Fund Balance, June 30                | <u>\$214,010</u>        | <u>\$455,539</u>  | <u>\$203,927</u> | <u>(\$251,612)</u>   |



**Springboro Community City School District  
Schedule of Revenues, Expenditures and Changes  
in Fund Balances - Budget and Actual  
(Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2007**

|   | <u>Budgeted Amounts</u> |                          | <u>Actual</u>          | <u>Variance with<br/>Final Budget:<br/>Positive<br/>(Negative)</u> |
|---|-------------------------|--------------------------|------------------------|--|
|   | <u>Original</u>         | <u>Final</u>             |                        |  |
| <b>District Managed Activities Fund</b> |                         |                          |                        |  |
| Total Revenues and Other Sources        | \$331,000               | \$234,881                | \$335,802              | \$100,921  |
| Total Expenditures and Other Uses       | <u>353,518</u>          | <u>348,116</u>           | <u>347,866</u>         | <u>250</u>   |
| Net Change in Fund Balance              | (22,518)                | (113,235)                | (12,064)               | 101,171  |
| Fund Balance, July 1                    | 59,570                  | 59,570                   | 59,570                 | 0  |
| Prior Year Encumbrances Appropriated    | <u>32,218</u>           | <u>32,218</u>            | <u>32,218</u>          | <u>0</u>   |
| Fund Balance, June 30                   | <u><u>\$69,270</u></u>  | <u><u>(\$21,447)</u></u> | <u><u>\$79,724</u></u> | <u><u>\$101,171</u></u>  |
| <b>Auxiliary Services Fund</b>          |                         |                          |                        |  |
| Total Revenues and Other Sources        | \$235,117               | \$0                      | \$229,430              | \$229,430  |
| Total Expenditures and Other Uses       | <u>0</u>                | <u>0</u>                 | <u>262,588</u>         | <u>(262,588)</u>   |
| Net Change in Fund Balance              | 235,117                 | 0                        | (33,158)               | (33,158)   |
| Fund Balance, July 1                    | <u>32,232</u>           | <u>32,232</u>            | <u>32,232</u>          | <u>0</u>   |
| Fund Balance, June 30                   | <u><u>\$267,349</u></u> | <u><u>\$32,232</u></u>   | <u><u>(\$926)</u></u>  | <u><u>(\$33,158)</u></u>   |
| <b>Gifted Education Fund</b>            |                         |                          |                        |  |
| Total Revenues and Other Sources        | \$11,500                | \$12,255                 | \$12,255               | \$0  |
| Total Expenditures and Other Uses       | <u>11,945</u>           | <u>19,610</u>            | <u>19,610</u>          | <u>0</u>   |
| Net Change in Fund Balance              | (445)                   | (7,355)                  | (7,355)                | 0  |
| Fund Balance, July 1                    | <u>7,419</u>            | <u>7,419</u>             | <u>7,419</u>           | <u>0</u>   |
| Fund Balance, June 30                   | <u><u>\$6,974</u></u>   | <u><u>\$64</u></u>       | <u><u>\$64</u></u>     | <u><u>\$0</u></u>  |

**Springboro Community City School District**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balances - Budget and Actual**  
**(Non-GAAP Budgetary Basis)**  
**For the Fiscal Year Ended June 30, 2007**

|  | <u>Budgeted Amounts</u> |                        | <u>Actual</u>          | <u>Variance with<br/>Final Budget:<br/>Positive<br/>(Negative)</u> |
|--|-------------------------|------------------------|------------------------|--|
|  | <u>Original</u>         | <u>Final</u>           |                        |  |
| <b>Education Management Information Fund</b> |                         |                        |                        |  |
| Total Revenues and Other Sources             | \$15,000                | \$16,395               | \$16,395               | \$0  |
| Total Expenditures and Other Uses            | <u>14,271</u>           | <u>1,365</u>           | <u>14,837</u>          | <u>(13,472)</u>  |
| Net Change in Fund Balance                   | 729                     | 15,030                 | 1,558                  | (13,472)   |
| Fund Balance, July 1                         | <u>441</u>              | <u>441</u>             | <u>441</u>             | <u>0</u>   |
| Fund Balance, June 30                        | <u><u>\$1,170</u></u>   | <u><u>\$15,471</u></u> | <u><u>\$1,999</u></u>  | <u><u>(\$13,472)</u></u>   |
| <br>   |                         |                        |                        |  |
| <b>Entry Year Programs Fund</b>              |                         |                        |                        |  |
| Total Revenues and Other Sources             | \$8,800                 | \$23,200               | \$23,200               | \$0  |
| Total Expenditures and Other Uses            | <u>9,519</u>            | <u>21,656</u>          | <u>21,656</u>          | <u>0</u>   |
| Net Change in Fund Balance                   | (719)                   | 1,544                  | 1,544                  | 0  |
| Fund Balance, July 1                         | <u>2,475</u>            | <u>2,475</u>           | <u>2,475</u>           | <u>0</u>   |
| Fund Balance, June 30                        | <u><u>\$1,756</u></u>   | <u><u>\$4,019</u></u>  | <u><u>\$4,019</u></u>  | <u><u>\$0</u></u>  |
| <br>   |                         |                        |                        |  |
| <b>Onenet Fund</b>                           |                         |                        |                        |  |
| Total Revenues and Other Sources             | \$0                     | \$27,000               | \$27,000               | \$0  |
| Total Expenditures and Other Uses            | <u>0</u>                | <u>10,562</u>          | <u>10,562</u>          | <u>0</u>   |
| Net Change in Fund Balance                   | 0                       | 16,438                 | 16,438                 | 0  |
| Fund Balance, July 1                         | <u>0</u>                | <u>0</u>               | <u>0</u>               | <u>0</u>   |
| Fund Balance, June 30                        | <u><u>\$0</u></u>       | <u><u>\$16,438</u></u> | <u><u>\$16,438</u></u> | <u><u>\$0</u></u>  |

**Springboro Community City School District**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balances - Budget and Actual**  
**(Non-GAAP Budgetary Basis)**  
**For the Fiscal Year Ended June 30, 2007**

|  | <u>Budgeted Amounts</u> |                         | <u>Actual</u>         | <u>Variance with<br/>Final Budget:<br/>Positive<br/>(Negative)</u> |
|--|-------------------------|-------------------------|-----------------------|--|
|  | <u>Original</u>         | <u>Final</u>            |                       |  |
| <b>Schoolnet Professional Development Fund</b> |                         |                         |                       |  |
| Total Revenues and Other Sources               | \$3,000                 | \$3,300                 | \$3,300               | \$0  |
| Total Expenditures and Other Uses              | <u>3,000</u>            | <u>5,002</u>            | <u>4,868</u>          | <u>134</u>   |
| Net Change in Fund Balance                     | 0                       | (1,702)                 | (1,568)               | 134  |
| Fund Balance, July 1                           | <u>4,323</u>            | <u>4,323</u>            | <u>4,323</u>          | <u>0</u>   |
| Fund Balance, June 30                          | <u><u>\$4,323</u></u>   | <u><u>\$2,621</u></u>   | <u><u>\$2,755</u></u> | <u><u>\$134</u></u>  |
| <b>Ohio Reads Fund</b>                         |                         |                         |                       |  |
| Total Revenues and Other Sources               | \$22,000                | \$23,184                | \$26,780              | \$3,596  |
| Total Expenditures and Other Uses              | <u>22,000</u>           | <u>30,153</u>           | <u>30,153</u>         | <u>0</u>   |
| Net Change in Fund Balance                     | 0                       | (6,969)                 | (3,373)               | 3,596  |
| Fund Balance, July 1                           | <u>5,255</u>            | <u>5,255</u>            | <u>5,255</u>          | <u>0</u>   |
| Fund Balance, June 30                          | <u><u>\$5,255</u></u>   | <u><u>(\$1,714)</u></u> | <u><u>\$1,882</u></u> | <u><u>\$3,596</u></u>  |
| <b>Summer School Fund</b>                      |                         |                         |                       |  |
| Total Revenues and Other Sources               | \$0                     | \$0                     | \$0                   | \$0  |
| Total Expenditures and Other Uses              | <u>0</u>                | <u>0</u>                | <u>0</u>              | <u>0</u>   |
| Net Change in Fund Balance                     | 0                       | 0                       | 0                     | 0  |
| Fund Balance, July 1                           | <u>1,525</u>            | <u>1,525</u>            | <u>1,525</u>          | <u>0</u>   |
| Fund Balance, June 30                          | <u><u>\$1,525</u></u>   | <u><u>\$1,525</u></u>   | <u><u>\$1,525</u></u> | <u><u>\$0</u></u>  |

**Springboro Community City School District**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balances - Budget and Actual**  
**(Non-GAAP Budgetary Basis)**  
**For the Fiscal Year Ended June 30, 2007**

|  | Budgeted Amounts |                  | Actual           | Variance with<br>Final Budget:<br>Positive<br>(Negative) |
|--|------------------|------------------|------------------|--|
|  | Original         | Final            |                  |  |
| <b>Vocational Education Enhancement Fund</b> |                  |                  |                  |  |
| Total Revenues and Other Sources             | \$20,000         | \$20,000         | \$22,267         | \$2,267  |
| Total Expenditures and Other Uses            | 18,404           | 20,153           | 20,153           | 0  |
| Net Change in Fund Balance                   | 1,596            | (153)            | 2,114            | 2,267  |
| Fund Balance, July 1                         | (1,405)          | (1,405)          | (1,405)          | 0  |
| Prior Year Encumbrances Appropriated         | 2,476            | 2,476            | 2,476            | 0  |
| Fund Balance, June 30                        | <u>\$2,667</u>   | <u>\$918</u>     | <u>\$3,185</u>   | <u>\$2,267</u>   |
| <b>Miscellaneous State Grants Fund</b>       |                  |                  |                  |  |
| Total Revenues and Other Sources             | \$0              | \$2,000          | \$2,000          | \$0  |
| Total Expenditures and Other Uses            | 0                | 0                | 0                | 0  |
| Net Change in Fund Balance                   | 0                | 2,000            | 2,000            | 0  |
| Fund Balance, July 1                         | 0                | 0                | 0                | 0  |
| Fund Balance, June 30                        | <u>\$0</u>       | <u>\$2,000</u>   | <u>\$2,000</u>   | <u>\$0</u>   |
| <b>Title VI-B Fund</b>                       |                  |                  |                  |  |
| Total Revenues and Other Sources             | \$780,704        | \$692,027        | \$692,027        | \$0  |
| Total Expenditures and Other Uses            | 832,206          | 816,498          | 816,498          | 0  |
| Net Change in Fund Balance                   | (51,502)         | (124,471)        | (124,471)        | 0  |
| Fund Balance, July 1                         | 120,470          | 120,470          | 120,470          | 0  |
| Prior Year Encumbrances Appropriated         | 2,261            | 2,261            | 2,261            | 0  |
| Fund Balance, June 30                        | <u>\$71,229</u>  | <u>(\$1,740)</u> | <u>(\$1,740)</u> | <u>\$0</u>   |

**Springboro Community City School District**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balances - Budget and Actual**  
**(Non-GAAP Budgetary Basis)**  
**For the Fiscal Year Ended June 30, 2007**

|                                   | Budgeted Amounts      |                         | Actual             | Variance with<br>Final Budget:<br>Positive<br>(Negative) |
|-----------------------------------|-----------------------|-------------------------|--------------------|--|
|                                   | Original              | Final                   |                    |  |
| <b>Title V Fund</b>               |                       |                         |                    |  |
| Total Revenues and Other Sources  | \$8,665               | \$7,569                 | \$10,304           | \$2,735  |
| Total Expenditures and Other Uses | <u>8,665</u>          | <u>10,304</u>           | <u>10,304</u>      | <u>0</u>   |
| Net Change in Fund Balance        | 0                     | (2,735)                 | 0                  | 2,735  |
| Fund Balance, July 1              | <u>0</u>              | <u>0</u>                | <u>0</u>           | <u>0</u>   |
| Fund Balance, June 30             | <u><u>\$0</u></u>     | <u><u>(\$2,735)</u></u> | <u><u>\$0</u></u>  | <u><u>\$2,735</u></u>                                    |
| <br>                              |                       |                         |                    |  |
| <b>Drug-Free School Fund</b>      |                       |                         |                    |  |
| Total Revenues and Other Sources  | \$8,887               | \$10,667                | \$10,667           | \$0  |
| Total Expenditures and Other Uses | <u>9,171</u>          | <u>13,045</u>           | <u>13,040</u>      | <u>5</u>   |
| Net Change in Fund Balance        | (284)                 | (2,378)                 | (2,373)            | 5  |
| Fund Balance, July 1              | <u>2,419</u>          | <u>2,419</u>            | <u>2,419</u>       | <u>0</u>   |
| Fund Balance, June 30             | <u><u>\$2,135</u></u> | <u><u>\$41</u></u>      | <u><u>\$46</u></u> | <u><u>\$5</u></u>  |
| <br>                              |                       |                         |                    |  |
| <b>Preschool-Handicapped Fund</b> |                       |                         |                    |  |
| Total Revenues and Other Sources  | \$27,831              | \$27,831                | \$27,831           | \$0  |
| Total Expenditures and Other Uses | <u>27,831</u>         | <u>27,831</u>           | <u>27,831</u>      | <u>0</u>   |
| Net Change in Fund Balance        | 0                     | 0                       | 0                  | 0  |
| Fund Balance, July 1              | <u>0</u>              | <u>0</u>                | <u>0</u>           | <u>0</u>   |
| Fund Balance, June 30             | <u><u>\$0</u></u>     | <u><u>\$0</u></u>       | <u><u>\$0</u></u>  | <u><u>\$0</u></u>  |

**Springboro Community City School District**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balances - Budget and Actual**  
**(Non-GAAP Budgetary Basis)**  
**For the Fiscal Year Ended June 30, 2007**

|                                      | <u>Budgeted Amounts</u>   |                           | <u>Actual</u>             | <u>Variance with<br/>Final Budget:<br/>Positive<br/>(Negative)</u> |
|--------------------------------------|---------------------------|---------------------------|---------------------------|--|
|                                      | <u>Original</u>           | <u>Final</u>              |                           |  |
| <b>Building Fund</b>                 |                           |                           |                           |  |
| Total Revenues and Other Sources     | \$0                       | \$51,427                  | \$51,427                  | \$0  |
| Total Expenditures and Other Uses    | <u>7,472,088</u>          | <u>9,483,811</u>          | <u>9,483,811</u>          | <u>0</u>   |
| Net Change in Fund Balance           | (7,472,088)               | (9,432,384)               | (9,432,384)               | 0  |
| Fund Balance, July 1                 | 591,148                   | 591,148                   | 591,148                   | 0  |
| Prior Year Encumbrances Appropriated | <u>8,091,690</u>          | <u>8,091,690</u>          | <u>8,091,690</u>          | <u>0</u>   |
| Fund Balance, June 30                | <u><u>\$1,210,750</u></u> | <u><u>(\$749,546)</u></u> | <u><u>(\$749,546)</u></u> | <u><u>\$0</u></u>  |
| <b>Permanent Improvement Fund</b>    |                           |                           |                           |  |
| Total Revenues and Other Sources     | \$96,554                  | \$261,776                 | \$261,776                 | \$0  |
| Total Expenditures and Other Uses    | <u>86,738</u>             | <u>849,586</u>            | <u>849,586</u>            | <u>0</u>   |
| Net Change in Fund Balance           | 9,816                     | (587,810)                 | (587,810)                 | 0  |
| Fund Balance, July 1                 | <u>787,810</u>            | <u>787,810</u>            | <u>787,810</u>            | <u>0</u>   |
| Fund Balance, June 30                | <u><u>\$797,626</u></u>   | <u><u>\$200,000</u></u>   | <u><u>\$200,000</u></u>   | <u><u>\$0</u></u>  |
| <b>Schoolnet Equipment Fund</b>      |                           |                           |                           |  |
| Total Revenues and Other Sources     | \$15,000                  | \$0                       | \$0                       | \$0  |
| Total Expenditures and Other Uses    | <u>30,000</u>             | <u>25,784</u>             | <u>25,784</u>             | <u>0</u>   |
| Net Change in Fund Balance           | (15,000)                  | (25,784)                  | (25,784)                  | 0  |
| Fund Balance, July 1                 | <u>25,909</u>             | <u>25,909</u>             | <u>25,909</u>             | <u>0</u>   |
| Fund Balance, June 30                | <u><u>\$10,909</u></u>    | <u><u>\$125</u></u>       | <u><u>\$125</u></u>       | <u><u>\$0</u></u>  |

**Springboro Community City School District**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balances - Budget and Actual**  
**(Non-GAAP Budgetary Basis)**  
**For the Fiscal Year Ended June 30, 2007**

|  | <u>Budgeted Amounts</u> |                          | <u>Actual</u>           | <u>Variance with<br/>Final Budget:<br/>Positive<br/>(Negative)</u> |
|--|-------------------------|--------------------------|-------------------------|--|
|  | <u>Original</u>         | <u>Final</u>             |                         |  |
| <b>Telecommunications Act Grant Fund</b> |                         |                          |                         |  |
| Total Revenues and Other Sources         | \$0                     | \$0                      | \$0                     | \$0  |
| Total Expenditures and Other Uses        | <u>0</u>                | <u>1,635</u>             | <u>1,635</u>            | <u>0</u>   |
| Net Change in Fund Balance               | 0                       | (1,635)                  | (1,635)                 | 0  |
| Fund Balance, July 1                     | <u>1,635</u>            | <u>1,635</u>             | <u>1,635</u>            | <u>0</u>   |
| Fund Balance, June 30                    | <u><u>\$1,635</u></u>   | <u><u>\$0</u></u>        | <u><u>\$0</u></u>       | <u><u>\$0</u></u>  |
| <br>                                     |                         |                          |                         |  |
| <b>Improving Teacher Quality Fund</b>    |                         |                          |                         |  |
| Total Revenues and Other Sources         | \$72,426                | \$48,919                 | \$59,374                | \$10,455   |
| Total Expenditures and Other Uses        | <u>68,392</u>           | <u>66,693</u>            | <u>66,693</u>           | <u>0</u>   |
| Net Change in Fund Balance               | 4,034                   | (17,774)                 | (7,319)                 | 10,455   |
| Fund Balance, July 1                     | (9,359)                 | (9,359)                  | (9,359)                 | 0  |
| Prior Year Encumbrances Appropriated     | <u>9,359</u>            | <u>9,359</u>             | <u>9,359</u>            | <u>0</u>   |
| Fund Balance, June 30                    | <u><u>\$4,034</u></u>   | <u><u>(\$17,774)</u></u> | <u><u>(\$7,319)</u></u> | <u><u>\$10,455</u></u>   |
| <br>                                     |                         |                          |                         |  |
| <b>Miscellaneous Federal Grants Fund</b> |                         |                          |                         |  |
| Total Revenues and Other Sources         | \$0                     | \$0                      | \$0                     | \$0  |
| Total Expenditures and Other Uses        | <u>7,118</u>            | <u>7,118</u>             | <u>7,118</u>            | <u>0</u>   |
| Net Change in Fund Balance               | (7,118)                 | (7,118)                  | (7,118)                 | 0  |
| Fund Balance, July 1                     | <u>7,118</u>            | <u>7,118</u>             | <u>7,118</u>            | <u>0</u>   |
| Fund Balance, June 30                    | <u><u>\$0</u></u>       | <u><u>\$0</u></u>        | <u><u>\$0</u></u>       | <u><u>\$0</u></u>  |

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# SPRINGBORO COMMUNITY CITY SCHOOL DISTRICT



## STATISTICAL SECTION

## STATISTICAL TABLES

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

| <b>CONTENTS</b>   | <b>PAGES</b> |
|---|--------------|
| Financial Trends  | S-1 to S-7   |
| These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.  |              |
| Revenue Capacity  | S-8 to S-14  |
| These schedules contain information to help the reader assess the School District's most significant local revenue sources.   |              |
| Debt Capacity   | S-15 to S-23 |
| These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.                   |              |
| Demographic and Economic Information  | S-24 to S-25 |
| These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.  |              |
| Operating information   | S-26 to S-29 |
| These schedules contain service and capital asset data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs. |              |

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

**Springboro Communtiy City School District**  
*Net Assets by Component*  
*Last Five Fiscal Years*  
*(accrual basis of accounting)*  
**Governmental Activities**

|  | 2003             | 2004                 | 2005                 | 2006*              | 2007                 |
|--|------------------|----------------------|----------------------|--------------------|----------------------|
| Invested in Capital Assets,<br>Net of Related Debt | (\$362,854)      | (\$61,515,030)       | (\$4,938,955)        | \$215,837          | (\$4,635,547)        |
| Restricted for:                                    |                  |                      |                      |                    |                      |
| Capital Projects                                   | 112,247          | 60,813,940           | 0                    | 0                  | 200,124              |
| Debt Service                                       | 1,185,783        | 978,349              | 2,150,978            | 2,890,902          | 4,396,587            |
| Other Purposes                                     | 692,649          | 379,927              | 514,587              | 444,697            | 243,401              |
| Unrestricted (Deficit)                             | (1,450,403)      | (3,966,349)          | (2,654,105)          | (2,143,709)        | (1,491,132)          |
| <b>Total Net Assets</b>                            | <b>\$177,422</b> | <b>(\$3,309,163)</b> | <b>(\$4,927,495)</b> | <b>\$1,407,727</b> | <b>(\$1,286,567)</b> |

Source: School District Financial Records.

\* Amount Restated - See Note 3.

Fiscal Year 2003 is the first year reported in accordance with GASB Statement No. 34.  
The remaining years are not presented for that reason.

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

|   | 2003                | 2004                | 2005                | 2006                | 2007                |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Expenses</b>                         |                     |                     |                     |                     |                     |
| Regular Instruction                     | \$14,862,510        | \$16,204,860        | \$16,333,041        | \$15,274,868        | \$21,740,523        |
| Special Instruction                     | 1,685,723           | 1,765,986           | 2,174,697           | 2,152,937           | 2,897,623           |
| Vocational Instruction                  | 245,607             | 11,151              | 96,083              | 153,485             | 28,666              |
| Other                                   | 119,489             | 198,926             | 351,680             | 91,268              | 306,679             |
| Pupil Support                           | 1,332,355           | 1,566,009           | 1,748,915           | 2,351,360           | 2,911,356           |
| Instructional Staff Support             | 1,778,749           | 2,297,840           | 2,545,738           | 2,327,027           | 3,856,005           |
| Board of Education                      | 118,078             | 147,308             | 147,778             | 123,869             | 135,247             |
| Administration                          | 1,946,770           | 1,949,871           | 1,977,435           | 1,933,157           | 3,243,047           |
| Fiscal                                  | 742,409             | 733,718             | 851,117             | 904,780             | 1,132,192           |
| Business                                | 115,296             | 153,541             | 109,650             | 112,355             | 184,321             |
| Operation and Maintenance of Plant      | 2,079,986           | 1,874,802           | 2,689,833           | 2,918,247           | 4,597,282           |
| Pupil Transportation                    | 2,051,344           | 2,232,970           | 2,514,956           | 2,251,166           | 4,874,719           |
| Central                                 | 237,081             | 294,238             | 101,522             | 151,518             | 267,334             |
| Operation of Non-Instructional Services | 1,498,791           | 1,205,159           | 1,287,512           | 1,121,488           | 2,473,950           |
| Extracurricular Activities              | 837,981             | 941,997             | 1,118,062           | 1,012,247           | 1,065,237           |
| Interest and Fiscal Charges             | 1,758,508           | 1,858,151           | 5,479,224           | 4,656,041           | 4,045,443           |
| <i>Total Expenses</i>                   | <u>\$31,410,677</u> | <u>\$33,436,527</u> | <u>\$39,527,243</u> | <u>\$37,535,813</u> | <u>\$53,759,624</u> |
| <b>Program Revenues</b>                 |                     |                     |                     |                     |                     |
| Charges for Services                    |                     |                     |                     |                     |                     |
| Regular Instruction                     | \$316,974           | \$304,218           | \$81,973            | \$75,702            | \$95,776            |
| Special                                 | 5,310               | 134,559             | 48,335              | 45,463              | 56,437              |
| Vocational                              | 885                 | 310                 | 185                 | 279                 | 65                  |
| Other                                   | 443                 | 542                 | 676                 | 285                 | 692                 |
| Pupils                                  | 32,326              | 32,525              | 9,484               | 21,442              | 20,404              |
| Instructional Staff                     | 44,487              | 131,779             | 40,245              | 43,596              | 60,647              |
| Board of Education                      | 443                 | 1,804               | 644                 | 231                 | 305                 |
| Administration                          | 14,078              | 26,523              | 5,681               | 6,514               | 9,104               |
| Fiscal                                  | 2,478               | 3,353               | 1,444               | 1,430               | 2,203               |
| Business                                | 354                 | 387                 | 196                 | 275                 | 416                 |
| Operation and Maintenance of Plant      | 11,339              | 42,297              | 6,080               | 5,611               | 17,185              |
| Pupil Transportation                    | 6,903               | 6,118               | 4,643               | 4,845               | 10,564              |
| Central                                 | 708                 | 9,277               | 4,058               | 2,340               | 2,394               |
| Operation of Non-Instructional Services | 645,623             | 611,430             | 912,431             | 995,632             | 1,248,347           |
| Extracurricular Activities              | 266,357             | 199,893             | 590,695             | 924,905             | 512,489             |
| Interest & Fiscal Charges               | -                   | 1,417               | 457                 | 479                 | 624                 |
| <i>Total Charges for Services</i>       | <u>\$1,348,708</u>  | <u>\$1,506,432</u>  | <u>\$1,707,227</u>  | <u>\$2,129,029</u>  | <u>\$2,037,652</u>  |

Source: School District Financial Records.

Fiscal Year 2003 is the first year reported in accordance with GASB Statement No. 34.  
The remaining years are not presented for that reason.

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

(continued)

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

|  | 2003                  | 2004                  | 2005                  | 2006                  | 2007                  |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Operating Grants and Contributions</b>                      |                       |                       |                       |                       |                       |
| Regular Instruction  | \$86,368              | \$191,160             | \$218,869             | \$177,945             | \$189,522             |
| Special Instruction  | 434,898               | 515,993               | 641,901               | 690,849               | 757,089               |
| Other  | 5,158                 | -                     | -                     | -                     | -                     |
| Pupil Support  | 49,101                | 20,336                | 25,415                | 1,019,447             | 51,587                |
| Instructional Support  | 298,884               | 90,496                | 146,300               | 145,123               | 184,734               |
| Board of Education   | 2,500                 | 1,017                 | 1,487                 | -                     | -                     |
| Administration   | 2,708                 | 15,252                | 7,919                 | 9,350                 | 10,538                |
| Fiscal   | 0                     | 7,290                 | 4,959                 | 11,727                | 21,422                |
| Operation and Maintenance of Plant                             | 27,790                | 24,404                | 4,110                 | 1,628                 | 5,796                 |
| Pupil Transportation   | 791,248               | 887,381               | 953,436               | 959                   | 1,205                 |
| Central  | 14,784                | 6,101                 | 15,926                | 7,686                 | 6,653                 |
| Operation of Non-Instructional Services                        | 609,691               | 430,109               | 541,282               | 531,382               | 609,240               |
| Extracurricular Activities                                     | 23,791                | 142,353               | 193,421               | 220,220               | 167,334               |
| Interest and Fiscal Charges                                    | 0                     | 267,484               | 331,020               | 433,856               | -                     |
| <b>Total Operating Grants and Contributions</b>                | <b>2,346,921</b>      | <b>2,599,376</b>      | <b>3,086,045</b>      | <b>3,250,172</b>      | <b>2,005,120</b>      |
| <b>Capital Grants and Contributions</b>                        |                       |                       |                       |                       |                       |
| Regular Instruction  | 51,521                | -                     | 310                   | 1,987                 | -                     |
| Instructional Support  | -                     | 405                   | 1,056                 | 140                   | -                     |
| Fiscal   | -                     | -                     | 3,969                 | 1,119                 | -                     |
| Operation and Maintenance of Plant                             | -                     | 13,875                | -                     | 9,195                 | -                     |
| Interest and Fiscal Charges                                    | -                     | 720                   | 42,845                | 12,559                | -                     |
| <b>Total Capital Grants and Contributions</b>                  | <b>51,521</b>         | <b>15,000</b>         | <b>48,180</b>         | <b>25,000</b>         | <b>-</b>              |
| <b>Total Program Revenues</b>                                  | <b>3,747,150</b>      | <b>4,120,808</b>      | <b>4,841,452</b>      | <b>5,404,201</b>      | <b>4,042,772</b>      |
| <b>Net Expense</b>   | <b>(\$27,663,527)</b> | <b>(\$29,315,719)</b> | <b>(\$34,685,791)</b> | <b>(\$32,131,612)</b> | <b>(\$49,716,852)</b> |
| <b>General Revenues</b>  |                       |                       |                       |                       |                       |
| Property Taxes Levied for:                                     |                       |                       |                       |                       |                       |
| General Purposes   | \$14,103,015          | \$12,883,388          | \$15,178,960          | \$19,211,459          | \$22,908,807          |
| Debt Service   | 2,186,687             | 1,845,970             | 3,851,161             | 6,300,864 (1)         | 8,194,389 (1)         |
| Gifts and Donations not<br>Restricted to Specific Programs     | -                     | -                     | -                     | 22,110                | 1,012                 |
| Grants and Entitlements not<br>Restricted to Specific Programs | 10,821,674            | 10,894,303            | 11,615,074            | 12,449,018            | 14,691,174            |
| Investment Earnings  | 75,118                | 45,702                | 1,758,679 (2)         | 1,488,313 (2)         | 714,658               |
| Miscellaneous  | 236,638               | 245,964               | 669,566               | 455,117               | 512,518               |
| <b>Total General Revenues</b>                                  | <b>27,423,132</b>     | <b>25,915,327</b>     | <b>33,073,440</b>     | <b>39,926,881</b>     | <b>47,022,558</b>     |
| <b>Change in Net Assets</b>                                    | <b>(\$240,395)</b>    | <b>(\$3,400,392)</b>  | <b>(\$1,612,351)</b>  | <b>\$7,795,269</b>    | <b>(\$2,694,294)</b>  |

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

|   | <u>1998</u>                | <u>1999</u>               | <u>2000</u>               | <u>2001</u>               |
|---|----------------------------|---------------------------|---------------------------|---------------------------|
| General Fund                              |                            |                           |                           |                           |
| Reserved                                  | \$748,337                  | \$905,159                 | \$1,081,669               | \$1,368,022               |
| Unreserved                                | <u>(986,146)</u>           | <u>(2,192,630)</u>        | <u>(2,167,419)</u>        | <u>(1,564,492)</u>        |
| <i>Total General Fund</i>                 | <u>(237,809)</u>           | <u>(1,287,471)</u>        | <u>(1,085,750)</u>        | <u>(196,470)</u>          |
| All Other Governmental Funds              |                            |                           |                           |                           |
| Reserved                                  | 8,452,281                  | 1,527,937                 | 558,478                   | 522,715                   |
| Unreserved, Undesignated,<br>Reported in: |                            |                           |                           |                           |
| Special Revenue Funds                     | 266,096                    | 330,437                   | 474,391                   | 590,389                   |
| Debt Service Funds                        | 743,788                    | 896,663                   | 821,115                   | 460,620                   |
| Capital Projects Funds                    | <u>995,529</u>             | <u>476,083</u>            | <u>1,576,918</u>          | <u>(202,906)</u>          |
| Total All Other Governmental Funds        | <u>10,457,694</u>          | <u>3,231,120</u>          | <u>3,430,902</u>          | <u>1,370,818</u>          |
| <i>Total Governmental Funds</i>           | <u><u>\$10,219,885</u></u> | <u><u>\$1,943,649</u></u> | <u><u>\$2,345,152</u></u> | <u><u>\$1,174,348</u></u> |

Source: School District Financial Records.

(continued)

| 2002                          | 2003                            | 2004                             | 2005                              | 2006                              | 2007                              |
|-------------------------------|---------------------------------|----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| \$656,285<br>(647,636)        | \$1,927,087<br>(1,816,722)      | \$928,024<br>(3,628,464)         | \$542,405<br>(3,688,585)          | \$2,417,044<br>751,343            | \$1,157,067<br>(1,286,598)        |
| 8,649                         | 110,365                         | (2,700,440)                      | (3,146,180)                       | 3,168,387                         | (129,531)                         |
| 365,086                       | 379,243                         | 5,845,888                        | 41,453,387                        | 6,183,300                         | 961,987                           |
| 634,059<br>732,195<br>594,053 | 701,143<br>760,625<br>(123,110) | 399,452<br>813,249<br>55,094,315 | 500,248<br>2,013,360<br>6,414,813 | 449,231<br>2,596,777<br>(927,037) | 246,830<br>5,423,478<br>(592,499) |
| 2,325,393                     | 1,717,901                       | 62,152,904                       | 50,381,808                        | 8,302,271                         | 6,039,796                         |
| <u>\$2,334,042</u>            | <u>\$1,828,266</u>              | <u>\$59,452,464</u>              | <u>\$47,235,628</u>               | <u>\$11,470,658</u>               | <u>\$5,910,265</u>                |

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

|   | 1998                  | 1999                 | 2000              | 2001               |
|---|-----------------------|----------------------|-------------------|--------------------|
| <b>Revenues</b>                                     |                       |                      |                   |                    |
| Taxes   | \$10,336,207          | \$11,067,176         | \$13,030,053      | \$13,803,214       |
| Intergovernmental                                   | 5,458,704             | 5,751,139            | 6,690,904         | 7,629,926          |
| Investment Earnings                                 | 1,419,923             | 257,911              | 259,599           | 237,423            |
| Tuition and Fees                                    | 97,912                | 134,259              | 118,420           | 79,593             |
| Extracurricular Activities                          | 249,706               | 264,627              | 280,988           | 309,421            |
| Gifts and Donations                                 | 78,507                | 99,162               | 60,317            | 95,673             |
| Customer Sales and Services                         | 526,652               | 578,613              | 646,880           | 750,608            |
| Rental  | -                     | 585                  | 6,202             | 3,133              |
| Miscellaneous                                       | 309,242               | 110,821              | 145,730           | 427,506            |
| <i>Total Revenues</i>                               | <u>18,476,853</u>     | <u>18,264,293</u>    | <u>21,239,093</u> | <u>23,336,497</u>  |
| <b>Expenditures</b>                                 |                       |                      |                   |                    |
| Current:  |                       |                      |                   |                    |
| Instruction:  |                       |                      |                   |                    |
| Regular   | 7,807,435             | 8,471,432            | 8,615,669         | 9,262,497          |
| Special   | 615,473               | 668,602              | 784,872           | 1,001,347          |
| Vocational  | 55,837                | 54,109               | 57,895            | 59,715             |
| Other   | -                     | -                    | -                 | 64,359             |
| Support Services:                                   |                       |                      |                   |                    |
| Pupils  | 606,200               | 654,074              | 730,130           | 747,293            |
| Instructional Staff                                 | 363,006               | 509,202              | 742,674           | 981,750            |
| Board of Education                                  | 99,454                | 90,702               | 108,084           | 117,829            |
| Administration                                      | 1,229,687             | 1,209,328            | 1,356,493         | 1,372,178          |
| Fiscal  | 465,086               | 452,174              | 278,796           | 836,699            |
| Business  | 72,332                | 79,559               | 65,603            | 99,231             |
| Operation and Maintenance of Plant                  | 1,199,706             | 1,575,939            | 1,921,714         | 2,105,076          |
| Pupil Transportation                                | 827,590               | 945,598              | 1,214,511         | 2,035,811          |
| Central   | 157,415               | 143,473              | 168,808           | 198,576            |
| Operation of Non-Instructional Services             | 676,366               | 1,415,747            | 897,755           | 1,069,733          |
| Extracurricular Activities                          | 527,939               | 529,523              | 568,855           | 613,608            |
| Capital Outlay                                      | 17,269,950            | 6,600,748            | 225,357           | 1,183,322          |
| Debt Service:                                       |                       |                      |                   |                    |
| Principal   | 1,102,761             | 1,124,758            | 1,254,740         | 1,386,069          |
| Interest and Fiscal Charges                         | 1,643,350             | 1,594,933            | 1,549,924         | 1,539,187          |
| Issuance Costs                                      | -                     | -                    | -                 | -                  |
| <i>Total Expenditures</i>                           | <u>34,719,587</u>     | <u>26,119,901</u>    | <u>20,541,880</u> | <u>24,674,280</u>  |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>(16,242,734)</u>   | <u>(7,855,608)</u>   | <u>697,213</u>    | <u>(1,337,783)</u> |
| <b>Other Financing Sources (Uses)</b>               |                       |                      |                   |                    |
| Sale of Capital Assets                              | 2,516                 | 211                  | 50                | 134                |
| Proceeds from Sale of Notes                         | -                     | -                    | -                 | 513,000            |
| General Obligation/Refunding Bonds Issued           | -                     | -                    | -                 | -                  |
| Premium on Bonds Issued                             | -                     | -                    | -                 | -                  |
| Inception of Capital Lease                          | 260,116               | -                    | -                 | 19,320             |
| Payments to Refunded Bond Escrow Agent              | -                     | -                    | -                 | -                  |
| Transfers In  | 118,579               | 348,103              | -                 | 932,789            |
| Transfers Out                                       | (118,579)             | (348,103)            | (307,599)         | (932,789)          |
| <i>Total Other Financing Sources (Uses)</i>         | <u>262,632</u>        | <u>211</u>           | <u>(307,549)</u>  | <u>532,454</u>     |
| <i>Net Change in Fund Balances</i>                  | <u>(\$15,980,102)</u> | <u>(\$7,855,397)</u> | <u>\$389,664</u>  | <u>(\$805,329)</u> |
| Debt Service as a Percentage of                     |                       |                      |                   |                    |
| Noncapital Expenditures (1)                         | 15.74%                | 13.93%               | 13.80%            | 12.45%             |

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

Source: School District Financial Records.

(continued)



| 2002               | 2003               | 2004                | 2005                  | 2006                  | 2007                 |
|--------------------|--------------------|---------------------|-----------------------|-----------------------|----------------------|
| \$13,436,308       | \$16,572,202       | \$14,446,858        | \$18,647,748          | \$26,039,265          | \$30,889,072         |
| 11,136,586         | 12,462,146         | 13,460,091          | 14,690,575            | 15,653,186            | 16,647,141           |
| 114,138            | 75,118             | 45,702              | 1,484,178             | 1,764,930             | 714,658              |
| 103,706            | 351,696            | 359,981             | 381,965               | 405,502               | 476,853              |
| 367,698            | 370,823            | 451,107             | 541,644               | 863,708               | 465,144              |
| 71,969             | 82,757             | 62,937              | 56,600                | 87,853                | 52,727               |
| 821,572            | 626,189            | 683,496             | 778,657               | 850,690               | 892,047              |
| 2,833              | -                  | -                   | 4,960                 | 9,130                 | 203,608              |
| 110,384            | 236,638            | 245,964             | 667,450               | 455,117               | 512,518              |
| <u>26,165,194</u>  | <u>30,777,569</u>  | <u>29,756,136</u>   | <u>37,253,777</u>     | <u>46,129,381</u>     | <u>50,853,768</u>    |
| 11,498,645         | 12,883,793         | 14,633,438          | 15,208,637            | 15,288,438            | 18,276,638           |
| 1,486,022          | 1,696,229          | 1,745,837           | 2,125,397             | 2,137,866             | 2,873,318            |
| 65,619             | 67,923             | 70,540              | 82,119                | 151,583               | 26,212               |
| 239,077            | 119,489            | 198,977             | 351,680               | 91,268                | 306,679              |
| 918,750            | 1,319,238          | 1,532,486           | 1,731,589             | 2,321,336             | 2,889,625            |
| 1,363,860          | 1,759,790          | 2,242,805           | 2,543,128             | 2,277,830             | 3,749,796            |
| 166,245            | 118,088            | 147,289             | 148,127               | 125,664               | 135,247              |
| 1,369,543          | 1,919,879          | 1,904,060           | 1,980,201             | 1,919,273             | 2,790,870            |
| 628,324            | 711,160            | 745,897             | 847,257               | 909,953               | 1,124,668            |
| 114,739            | 114,032            | 138,711             | 111,111               | 107,971               | 184,681              |
| 2,347,901          | 2,598,500          | 2,316,194           | 2,648,612             | 2,906,965             | 4,520,681            |
| 1,459,315          | 1,941,638          | 2,177,397           | 2,465,153             | 2,372,020             | 4,534,856            |
| 215,259            | 237,489            | 250,918             | 147,292               | 149,816               | 265,788              |
| 1,223,547          | 1,398,280          | 1,167,324           | 1,292,362             | 1,135,267             | 2,376,613            |
| 678,475            | 831,608            | 936,870             | 1,104,007             | 1,030,322             | 1,009,259            |
| 2,413,069          | 1,197,981          | 1,375,998           | 13,891,091            | 43,248,337            | 5,619,201            |
| 1,221,120          | 950,254            | 2,544,446           | 62,660,924            | 2,404,503             | 2,963,124            |
| 1,483,590          | 1,561,128          | 1,644,669           | 4,883,605             | 4,338,289             | 3,498,687            |
| -                  | -                  | -                   | 900,668               | -                     | 577,833              |
| <u>28,893,100</u>  | <u>31,426,499</u>  | <u>35,773,856</u>   | <u>115,122,960</u>    | <u>82,916,701</u>     | <u>57,723,776</u>    |
| <u>(2,727,906)</u> | <u>(648,930)</u>   | <u>(6,017,720)</u>  | <u>(77,869,183)</u>   | <u>(36,787,320)</u>   | <u>(6,870,008)</u>   |
| -                  | 4,730              | -                   | -                     | -                     | -                    |
| 2,670,000          | -                  | 61,500,000          | -                     | -                     | -                    |
| -                  | -                  | -                   | 61,500,000            | -                     | 46,020,000           |
| -                  | -                  | -                   | 3,186,396             | -                     | 6,675,817            |
| 843,600            | 142,345            | 2,157,662           | 971,932               | 1,234,670             | -                    |
| -                  | -                  | -                   | -                     | -                     | (52,117,984)         |
| 338,750            | 254,046            | -                   | -                     | 859,136               | -                    |
| <u>(338,750)</u>   | <u>(254,046)</u>   | <u>-</u>            | <u>-</u>              | <u>(859,136)</u>      | <u>-</u>             |
| <u>3,513,600</u>   | <u>147,075</u>     | <u>63,657,662</u>   | <u>65,658,328</u>     | <u>1,234,670</u>      | <u>577,833</u>       |
| <u>\$785,694</u>   | <u>(\$501,855)</u> | <u>\$57,639,942</u> | <u>(\$12,210,855)</u> | <u>(\$35,552,650)</u> | <u>(\$6,292,175)</u> |
| 10.21%             | 8.31%              | 12.18%              | 67.61%                | 17.00%                | 13.51%               |

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

| Collection<br>Year | Real Property                |                              |                              | Tangible Personal Property |                              |
|--------------------|------------------------------|------------------------------|------------------------------|----------------------------|------------------------------|
|                    | Assessed Value               |                              | Estimated<br>Actual<br>Value | Public Utility             |                              |
|                    | Residential/<br>Agricultural | Commercial/<br>Industrial/PU |                              | Assessed<br>Value          | Estimated<br>Actual<br>Value |
| 1998               | \$306,470,930                | \$19,058,420                 | \$930,083,857                | \$32,587,350               | \$37,031,080                 |
| 1999               | 328,480,770                  | 19,821,620                   | 995,149,686                  | 33,120,250                 | 37,636,648                   |
| 2000               | 350,292,500                  | 20,068,570                   | 1,058,174,486                | 33,092,530                 | 37,605,148                   |
| 2001               | 428,173,780                  | 26,866,200                   | 1,300,114,229                | 33,478,690                 | 38,043,966                   |
| 2002               | 454,748,330                  | 28,679,840                   | 1,381,223,343                | 25,955,990                 | 29,495,443                   |
| 2003               | 484,328,440                  | 30,855,800                   | 1,471,954,971                | 26,717,040                 | 30,360,273                   |
| 2004               | 549,279,050                  | 34,222,080                   | 1,667,146,086                | 27,503,270                 | 31,253,716                   |
| 2005               | 588,129,690                  | 38,496,590                   | 1,790,360,800                | 30,451,610                 | 34,604,102                   |
| 2006               | 635,791,290                  | 42,432,000                   | 1,937,780,829                | 29,576,900                 | 33,610,114                   |
| 2007               | 763,930,020                  | 57,081,370                   | 2,345,746,829                | 29,625,580                 | 33,665,432                   |

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

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

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

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

(continued)

| Tangible Personal Property |                              | Total         |                 |        | Weighted<br>Average<br>Tax Rate |
|----------------------------|------------------------------|---------------|-----------------|--------|---------------------------------|
| General Business           |                              | Assessed      | Estimated       | Ratio  |                                 |
| Assessed<br>Value          | Estimated<br>Actual<br>Value | Value         | Value           |        |                                 |
| \$20,233,223               | \$80,932,892                 | \$378,349,923 | \$1,048,047,829 | 36.10% | \$51.71                         |
| 21,081,557                 | 84,326,228                   | 402,504,197   | 1,117,112,562   | 36.03% | 51.70                           |
| 20,190,961                 | 80,763,844                   | 423,644,561   | 1,176,543,478   | 36.01% | 54.88                           |
| 23,888,710                 | 95,554,840                   | 512,407,380   | 1,433,713,035   | 35.74% | 51.96                           |
| 24,067,880                 | 96,271,520                   | 533,452,040   | 1,506,990,306   | 35.40% | 51.86                           |
| 22,656,210                 | 90,624,840                   | 564,557,490   | 1,592,940,084   | 35.44% | 50.91                           |
| 23,073,800                 | 92,295,200                   | 634,078,200   | 1,790,695,002   | 35.41% | 49.91                           |
| 23,973,070                 | 95,892,280                   | 681,050,960   | 1,920,857,182   | 35.46% | 55.76                           |
| 18,289,481                 | 73,157,924                   | 726,089,671   | 2,044,548,867   | 35.51% | 65.27                           |
| 14,485,733                 | 77,257,243                   | 865,122,703   | 2,456,669,504   | 35.22% | 62.86                           |

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

| Calendar Year | Overlapping Rates    |               |                    |                     |                                  |  |                      |                   |                               |  |
|---------------|----------------------|---------------|--------------------|---------------------|----------------------------------|--|----------------------|-------------------|-------------------------------|--|
|               | District Direct Rate | Warren County | City of Springboro | Clearcreek Township | Joint Vocational School District | Warren-Clinton Community Mental Health | Turtlecreek Township | Franklin Township | Warren County Health District |  |
| 1997          | 51.71                | 5.00          | 1.11               | 11.62               | 4.50                             | 1.00                                   | 5.62                 | 3.62              | 0.50                          |  |
| 1998          | 51.70                | 4.75          | 1.11               | 11.62               | 4.50                             | 1.00                                   | 5.62                 | 3.62              | 0.50                          |  |
| 1999          | 54.88                | 4.00          | 1.11               | 13.12               | 4.50                             | 1.00                                   | 5.62                 | 3.62              | 0.50                          |  |
| 2000          | 51.96                | 4.00          | 1.11               | 13.12               | 4.50                             | 1.00                                   | 5.62                 | 3.62              | 0.50                          |  |
| 2001          | 51.86                | 4.00          | 1.11               | 16.97               | 4.50                             | 1.00                                   | 5.62                 | 3.62              | 0.50                          |  |
| 2002          | 50.91                | 4.96          | 1.11               | 16.97               | 4.50                             | 1.00                                   | 5.62                 | 3.62              | 0.50                          |  |
| 2003          | 49.91                | 6.53          | 1.11               | 16.97               | 4.50                             | 1.00                                   | 5.62                 | 3.62              | 0.50                          |  |
| 2004          | 55.76                | 6.46          | 1.11               | 16.97               | 4.50                             | 1.00                                   | 5.62                 | 3.62              | 0.50                          |  |
| 2005          | 65.27                | 6.46          | 1.11               | 16.97               | 4.50                             | 1.00                                   | 5.62                 | 3.62              | 0.50                          |  |
| 2006          | 62.86                | 6.71          | 1.11               | 16.97               | 4.50                             | 1.00                                   | 5.62                 | 3.62              | 0.50                          |  |

**Source:** County Auditor and Ohio Department of Taxation

**Springboro Community City School District**

*Property Tax Levies and Collections*

*Last Ten Years*

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| <u>Collection<br/>Year</u> | <u>Current<br/>Tax<br/>Levy (1)</u> | <u>Current Tax<br/>Collections (1)</u> | <u>Percent of<br/>Current Tax<br/>Collections to<br/>Current<br/>Tax Levy</u> | <u>Delinquent<br/>Tax<br/>Collections</u> | <u>Total Tax<br/>Collections (1)</u> | <u>Percent of<br/>Total Tax<br/>Collections to<br/>Current Tax Levy</u> |
|----------------------------|-------------------------------------|--|---|---|--------------------------------------|---|
| 1998                       | \$11,961,288                        | \$11,713,209                           | 97.93   | \$356,355                                 | \$12,069,564                         | 100.91  |
| 1999                       | 12,745,882                          | 12,453,590                             | 97.71   | 254,181                                   | 12,707,771                           | 99.70   |
| 2000                       | 14,779,607                          | 14,367,070                             | 97.21   | 288,750                                   | 14,655,820                           | 99.16   |
| 2001                       | 16,029,944                          | 15,408,446                             | 96.12   | 314,669                                   | 15,723,115                           | 98.09   |
| 2002                       | 15,863,175                          | 15,405,058                             | 97.11   | 563,975                                   | 15,969,033                           | 100.67  |
| 2003                       | 16,625,450                          | 16,245,548                             | 97.71   | 415,507                                   | 16,661,055                           | 100.21  |
| 2004                       | 18,045,684                          | 17,646,831                             | 97.79   | 343,944                                   | 17,990,775                           | 99.70   |
| 2005                       | 15,186,393                          | 14,524,317                             | 95.64   | 384,140                                   | 14,908,457                           | 98.17   |
| 2006                       | 31,464,204                          | 30,620,358                             | 97.32   | 670,894                                   | 31,291,252                           | 99.45   |
| 2007                       | 33,967,049                          | 32,850,972                             | 96.71   | 874,626                                   | 33,725,598                           | 99.29   |

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

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

**Springboro Community City School District**

*Principal Taxpayers*

*Real Estate Tax*

*2007 and 1998 (1)*

| Name of Taxpayer           | 2007           |   |
|----------------------------|----------------|---|
|                            | Assessed Value | Percent of Real Property Assessed Value |
| Texas Eastern Trnasmission | \$ 4,602,601   | 0.56%                                   |
| Duke Energy Ohio           | 2,782,549      | 0.34%                                   |
| Promotional Wholesaler     | 2,708,167      | 0.33%                                   |
| Gayston Corp               | 2,328,386      | 0.28%                                   |
| Coffman Falls Apartments   | 2,262,358      | 0.28%                                   |
| Sycamore CK County Club    | 1,896,864      | 0.23%                                   |
| Stolle Properties          | 1,854,220      | 0.23%                                   |
| Springboro Shopping Center | 1,456,319      | 0.18%                                   |
| Springboro Pointe Inc      | 1,408,340      | 0.17%                                   |
| Coffman Springboro         | 1,376,904      | 0.17%                                   |
| Totals                     | \$ 22,676,708  | 2.76%                                   |
| Total Assessed Valuation   | \$821,011,390  |   |

| Name of Taxpayer            | 1998           |   |
|-----------------------------|----------------|---|
|                             | Assessed Value | Percent of Real Property Assessed Value |
| Texas Eastern Transmissions | \$ 4,164,605   | 1.28%                                   |
| Coffman Development         | 3,346,704      | 1.03%                                   |
| CG & E                      | 3,007,809      | 0.92%                                   |
| Stoneridge Development      | 2,863,956      | 0.88%                                   |
| Sycamore CK Country Club    | 1,663,344      | 0.51%                                   |
| Ohio Bell Telephone         | 1,630,150      | 0.50%                                   |
| Springboro Pointe Inc       | 1,062,061      | 0.33%                                   |
| ANR Pipeline Co             | 996,146        | 0.31%                                   |
| K & W Development Inc       | 906,367        | 0.28%                                   |
| Miami Valley Hospital       | 902,048        | 0.28%                                   |
| Totals                      | \$ 20,543,190  | 6.31%                                   |
| Total Assessed Valuation    | \$325,529,350  |   |

(1) The amounts presented represent the assessed values upon which 2007 and 1998 collections were based.

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

**Springboro Community City School District**

*Principal Taxpayers*

*Tangible Personal Property Tax*

*2007 and 1998 (1)*

| Name of Taxpayer                | 2007                |  |
|---------------------------------|---------------------|--|
|                                 | Assessed Value      | Percent of Tangible Personal Property Assessed Value |
| Marathon Ashland                | \$2,541,110         | 17.54%   |
| Pioneer Automotive Tech         | 1,433,810           | 9.90%  |
| Ohio Bell Telephone             | 1,244,810           | 8.59%  |
| T E Products Texas Eastern      | 1,037,980           | 7.17%  |
| Miami Luken Dayton              | 997,600             | 6.89%  |
| Wilmington Air Park             | 932,220             | 6.44%  |
| Gayston Corp                    | 661,510             | 4.57%  |
| Brothers Trading                | 547,990             | 3.78%  |
| Time Warner Co                  | 279,470             | 1.93%  |
| A J Stapleton                   | 228,030             | 1.57%  |
| <b>Total</b>                    | <b>\$9,904,530</b>  | <b>68.37%</b>  |
| <b>Total Assessed Valuation</b> | <b>\$14,485,733</b> |  |

| Name of Taxpayer                | 1998                |  |
|---------------------------------|---------------------|--|
|                                 | Assessed Value      | Percent of Tangible Personal Property Assessed Value |
| Brothers Trading                | \$3,143,120         | 15.53%   |
| Gayston Corp                    | 2,528,450           | 12.50%   |
| Marathon Ashland                | 1,408,440           | 6.96%  |
| Miami Luken Dayton              | 1,370,130           | 6.77%  |
| T E Products Texas Eastern      | 1,298,370           | 6.42%  |
| H W A Fong Rubber               | 1,194,060           | 5.90%  |
| Premier Farnell Corp            | 1,147,920           | 5.67%  |
| Springwater Cookie              | 646,490             | 3.20%  |
| Mound Steel Co                  | 515,320             | 2.55%  |
| Media One of Ohio               | 446,530             | 2.21%  |
| <b>Total</b>                    | <b>\$13,698,830</b> | <b>67.70%</b>  |
| <b>Total Assessed Valuation</b> | <b>\$20,233,223</b> |  |

(1) The amounts presented represent the assessed values upon which 2007 and 1998 collections were based.

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

**Springboro Community City School District**

*Principal Taxpayers*

*Public Utilities Tax*

*2007 and 1998(1)*

| Name of Taxpayer                | 2007                |  |
|---------------------------------|---------------------|--|
|                                 | Assessed Value      | Percent of Public Utility Assessed Value |
| Texas Eastern Transmission      | \$11,671,510        | 39.40%                                   |
| Duke Energy Ohio                | 9,743,650           | 32.89%                                   |
| ANR Pipeline Co                 | 2,823,070           | 9.53%                                    |
| DP & L Co                       | 1,187,000           | 4.01%                                    |
| Vectren Energy Delivery         | 835,180             | 2.82%                                    |
| <b>Total</b>                    | <b>\$26,260,410</b> | <b>88.64%</b>                            |
| <b>Total Assessed Valuation</b> | <b>\$29,625,580</b> |  |

| Name of Taxpayer                | 1998                |  |
|---------------------------------|---------------------|--|
|                                 | Assessed Value      | Percent of Public Utility Assessed Value |
| CG & E                          | \$10,964,880        | 33.65%                                   |
| Texas Eastern Transmission      | 10,743,390          | 32.97%                                   |
| Ohio Bell Telephone Co          | 4,364,290           | 13.39%                                   |
| ANR Pipeline Co                 | 2,669,830           | 8.19%                                    |
| DP & L Co                       | 2,336,530           | 7.17%                                    |
| <b>Total</b>                    | <b>\$31,078,920</b> | <b>95.37%</b>                            |
| <b>Total Assessed Valuation</b> | <b>\$32,587,350</b> |  |

(1) The amounts presented represent the assessed values upon which 2007 and 1998 collections were based.

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



**Springboro Community City School District**  
*Ratio of Outstanding Debt By Type*

*Last Ten Fiscal Years*

| Fiscal Year | Governmental Activities      |                                   |                    | Total Primary Government | (2) Percentage of Personal Income | (2) Per Capita |
|-------------|------------------------------|-----------------------------------|--------------------|--------------------------|-----------------------------------|----------------|
|             | (1) General Obligation Bonds | (1) Long Term Notes/Loans Payable | (1) Capital Leases |                          |                                   |                |
| 1998        | \$31,935,000                 | \$409,000                         | \$239,069          | \$32,583,069             | 11.73%                            | 2,317          |
| 1999        | 30,860,000                   | -                                 | 189,311            | 31,049,311               | 10.90%                            | 2,143          |
| 2000        | 29,660,000                   | -                                 | 118,620            | 29,778,620               | 10.46%                            | 1,968          |
| 2001        | 28,330,000                   | 513,000                           | 81,871             | 28,924,871               | 10.47%                            | 1,349          |
| 2002        | 28,596,028                   | 2,670,000                         | 841,371            | 32,107,399               | 11.63%                            | 1,409          |
| 2003        | 28,066,998                   | 2,548,000                         | 885,462            | 31,500,460               | 7.57%                             | 1,302          |
| 2004        | 88,968,152                   | 1,585,000                         | 2,281,678          | 92,834,830               | 22.30%                            | 3,639          |
| 2005        | 91,600,565                   | 1,463,000                         | 3,124,686          | 96,188,251               | 23.10%                            | 3,588          |
| 2006        | 89,858,278                   | 1,341,000                         | 4,106,853          | 95,306,131               | 18.91%                            | 3,386          |
| 2007        | 87,559,774                   | 1,219,000                         | 3,770,729          | 92,549,503               | 18.36%                            | 3,191          |

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

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

**Springboro Community City School District**  
*Ratio of General Bonded Debt Outstanding*

*Last Ten Fiscal Years*

| Fiscal<br>Year | General<br>Bonded Debt | Resources<br>Available to<br>Pay Principal | Net General<br>Bonded Debt | Ratio of Net<br>Bonded Debt<br>to Assessed<br>Value | Net<br>Bonded<br>Debt per<br>Capita |
|----------------|------------------------|--|----------------------------|---|-------------------------------------|
| 1998           | \$31,935,000           | \$882,177                                  | \$31,052,823               | 7.71%   | \$2,208                             |
| 1999           | 30,860,000             | 1,059,705                                  | 29,800,295                 | 7.03%   | 2,056                               |
| 2000           | 29,660,000             | 1,128,442                                  | 28,531,558                 | 5.57%   | 1,886                               |
| 2001           | 28,330,000             | 696,836                                    | 27,633,164                 | 5.18%   | 1,289                               |
| 2002           | 28,596,028             | 822,095                                    | 27,773,933                 | 4.92%   | 1,219                               |
| 2003           | 28,066,998             | 1,065,495                                  | 27,001,503                 | 4.26%   | 1,116                               |
| 2004           | 88,968,152             | 813,249                                    | 88,154,903                 | 12.94%  | 3,455                               |
| 2005           | 91,600,565             | 2,150,978                                  | 89,449,587                 | 12.32%  | 3,337                               |
| 2006           | 89,858,278             | 2,821,777                                  | 87,036,501                 | 10.06%  | 3,093                               |
| 2007           | 87,559,774             | 5,651,863                                  | 81,907,911                 | 9.12%   | 2,824                               |



**Springboro Community City School District**

*Ratio of Debt*

*to Estimated Actual Value and Debt per Capita*

*Last Ten Fiscal Years*

| Fiscal Year | Population (1) | Estimated Actual Value of Taxable Property(2) | General Obligation Debt             |                                      |                         | Ratio of Net Bonded Debt to Estimated Actual Value | Net Bonded Debt per Capita |
|-------------|----------------|---|-------------------------------------|--------------------------------------|-------------------------|--|----------------------------|
|             |                |   | General Obligation Debt Outstanding | Resources Available to Pay Principal | Net General Bonded Debt |  |                            |
| 1998        | 14,061         | \$1,048,047,829                               | \$31,935,000                        | \$882,177                            | \$31,052,823            | 3.05%  | \$2,208                    |
| 1999        | 14,492         | 1,117,112,562                                 | 30,860,000                          | 1,059,705                            | 29,800,295              | 2.76%  | 2,056                      |
| 2000        | 15,129         | 1,176,543,478                                 | 29,660,000                          | 1,128,442                            | 28,531,558              | 2.52%  | 1,886                      |
| 2001        | 21,441         | 1,433,713,035                                 | 28,330,000                          | 696,836                              | 27,633,164              | 1.98%  | 1,289                      |
| 2002        | 22,785         | 1,506,990,306                                 | 28,596,028                          | 822,095                              | 27,773,933              | 1.90%  | 1,219                      |
| 2003        | 24,201         | 1,592,940,084                                 | 28,066,998                          | 1,065,495                            | 27,001,503              | 1.76%  | 1,116                      |
| 2004        | 25,514         | 1,790,695,002                                 | 88,968,152                          | 813,249                              | 88,154,903              | 4.97%  | 3,455                      |
| 2005        | 26,807         | 1,920,857,182                                 | 91,600,565                          | 2,150,978                            | 89,449,587              | 4.77%  | 3,337                      |
| 2006        | 28,144         | 2,044,548,867                                 | 89,858,278                          | 2,821,777                            | 87,036,501              | 4.40%  | 3,093                      |
| 2007        | 29,001         | 2,456,669,504                                 | 87,559,774                          | 5,651,863                            | 81,907,911              | 3.56%  | 2,824                      |

**Sources:** (1) U.S. Bureau of Census, Census of Population

(2) Warren County Auditor

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General Debt

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| General<br>Obligation Debt<br>Outstanding | Capital<br>Leases | Long-Term<br>Notes/Loans<br>Payable | Total<br>Debt | Ratio of<br>General Debt to<br>Estimated<br>Actual Value | General<br>Debt<br>Per Capita |
|---|-------------------|-------------------------------------|---------------|--|-------------------------------|
| \$31,052,823                              | \$239,069         | \$409,000                           | \$31,700,892  | 3.02%  | \$2,255                       |
| 29,800,295                                | 189,311           | 0                                   | 29,989,606    | 2.68%  | 2,069                         |
| 28,531,558                                | 118,620           | 0                                   | 28,650,178    | 2.44%  | 1,894                         |
| 27,633,164                                | 81,871            | 513,000                             | 28,228,035    | 1.97%  | 1,317                         |
| 27,773,933                                | 841,371           | 2,670,000                           | 31,285,304    | 2.08%  | 1,373                         |
| 27,001,503                                | 885,462           | 2,548,000                           | 30,434,965    | 1.91%  | 1,258                         |
| 88,154,903                                | 2,281,678         | 1,585,000                           | 92,021,581    | 5.14%  | 3,607                         |
| 89,449,587                                | 3,124,686         | 1,463,000                           | 94,037,273    | 4.90%  | 1,609                         |
| 87,036,501                                | 4,106,853         | 1,341,000                           | 92,484,354    | 4.52%  | 1,641                         |
| 81,907,911                                | 3,770,729         | 1,219,000                           | 86,897,640    | 3.54%  | 1,620                         |

**Springboro Community City School District**

*Computation of Direct and Overlapping*

*Debt Attributable to Governmental Activities*

*June 30, 2007*

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|                                   | Debt<br>Attributable to<br>Governmental<br>Activities | Percentage<br>Applicable to<br>School District (1) | Amount of<br>Direct and<br>Overlapping<br>Debt |
|-----------------------------------|---|--|--|
| Overlapping Debt:                 |   |  |  |
| Warren County                     | \$20,726,409  | 13.84%   | \$2,868,535                                    |
| City of Springboro                | 8,586,000   | 87.94%   | 7,550,528                                      |
| Montgomery County                 | 53,418,947  | 0.19%  | 101,496  |
| Turtle Creek Township             | 2,700,000   | 1.44%  | 38,880   |
| Clearcreek Township               | <u>1,050,000</u>                                      | 86.11%   | <u>904,155</u>                                 |
| Total Overlapping Debt            | \$86,481,356  |  | \$11,463,594                                   |
| Direct Debt                       | <u>88,778,774</u>                                     | 100.00%  | <u>88,778,774</u>                              |
| Total Direct and Overlapping Debt | <u><u>\$175,260,130</u></u>                           |  | <u><u>\$100,242,368</u></u>                    |

**Source:** Ohio Municipal Advisory Council

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



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

|  | 1998                 | 1999                 | 2000                 | 2001                 |
|--|----------------------|----------------------|----------------------|----------------------|
| Tax Valuation  | <u>\$378,349,923</u> | <u>\$402,504,197</u> | <u>\$485,100,000</u> | <u>\$514,153,800</u> |
| Debt Limit - 9% of Taxable Valuation (1)                               | <u>34,051,493</u>    | <u>36,225,378</u>    | <u>43,659,000</u>    | <u>46,273,842</u>    |
| Amount of Debt Applicable to Debt Limit                                |                      |                      |                      |                      |
| General Obligation Bonds   | 31,935,000           | 30,860,000           | 29,660,000           | 28,330,000           |
| Less Amount Available in Debt Service                                  | <u>(882,177)</u>     | <u>(1,059,705)</u>   | <u>(1,128,442)</u>   | <u>(696,836)</u>     |
| Amount of Debt Subject to Limit  | <u>31,052,823</u>    | <u>29,800,295</u>    | <u>28,531,558</u>    | <u>27,633,164</u>    |
| Legal Debt Margin  | <u>\$2,998,670</u>   | <u>\$6,425,083</u>   | <u>\$15,127,442</u>  | <u>\$18,640,678</u>  |
| Legal Debt Margin as a Percentage of the<br>Debt Limit                 | 8.81%                | 17.74%               | 34.65%               | 40.28%               |
| Unvoted Debt Limit - .10% of Taxable Valuation (1)                     | 378,350              | 402,504              | 485,100              | 514,154              |
| Amount of Debt Subject to Limit  | <u>0</u>             | <u>0</u>             | <u>0</u>             | <u>0</u>             |
| Unvoted Legal Debt Margin  | <u>\$378,350</u>     | <u>\$402,504</u>     | <u>\$485,100</u>     | <u>\$514,154</u>     |
| Unvoted Legal Debt Margin as a Percentage of<br>the Unvoted Debt Limit | 100.00%              | 100.00%              | 100.00%              | 100.00%              |

**Source:** Warren County Auditor and School District Financial Records

- (1) Ohio Bond Law sets a limit of 9% for overall debt and 1/10 of 1% for unvoted debt.
- (2) The Board of Education received approval to become a special needs district and issue bonds in an amount in excess of the nine percent debt limitation.

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

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

(continued)



| 2002                                  | 2003                                    | 2004                                  | 2005 (2)                                | 2006 (2)                                | 2007                                    |
|---------------------------------------|---|---------------------------------------|---|---|---|
| <u>\$538,763,240</u>                  | <u>\$574,540,610</u>                    | <u>\$634,078,200</u>                  | <u>\$698,128,730</u>                    | <u>\$746,588,919</u>                    | <u>\$888,669,143</u>                    |
| <u>48,488,692</u>                     | <u>51,708,655</u>                       | <u>57,067,038</u>                     | <u>62,831,586</u>                       | <u>67,193,003</u>                       | <u>79,980,223</u>                       |
| <u>27,700,000</u><br><u>(822,095)</u> | <u>28,655,000</u><br><u>(1,065,495)</u> | <u>89,335,000</u><br><u>(813,249)</u> | <u>88,425,000</u><br><u>(2,150,978)</u> | <u>85,801,376</u><br><u>(2,821,777)</u> | <u>81,320,000</u><br><u>(5,651,863)</u> |
| <u>26,877,905</u>                     | <u>27,589,505</u>                       | <u>88,521,751</u>                     | <u>86,274,022</u>                       | <u>82,979,599</u>                       | <u>75,668,137</u>                       |
| <u>\$21,610,787</u>                   | <u>\$24,119,150</u>                     | <u>(\$31,454,713)</u>                 | <u>(\$23,442,436)</u>                   | <u>(\$15,786,596)</u>                   | <u>\$4,312,086</u>                      |
| 44.57%                                | 46.64%                                  | -55.12%                               | -37.31%                                 | -23.49%                                 | 5.39%                                   |
| 538,763                               | 574,541                                 | 634,078                               | 698,129                                 | 746,589                                 | 888,669                                 |
| <u>0</u>                              | <u>0</u>                                | <u>0</u>                              | <u>0</u>                                | <u>0</u>                                | <u>0</u>                                |
| <u>\$538,763</u>                      | <u>\$574,541</u>                        | <u>\$634,078</u>                      | <u>\$698,129</u>                        | <u>\$746,589</u>                        | <u>\$888,669</u>                        |
| 100.00%                               | 100.00%                                 | 100.00%                               | 100.00%                                 | 100.00%                                 | 100.00%                                 |

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

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| Year | Population (1) | Personal Income<br>(in thousands) | Per Capita<br>Personal<br>Income | Unemployment<br>Rate (2) |
|------|----------------|-----------------------------------|----------------------------------|--------------------------|
| 1998 | 14,061         | \$277,845,360                     | \$19,760                         | 3.00%                    |
| 1999 | 14,492         | 284,738,816                       | 19,648                           | 2.90%                    |
| 2000 | 15,129         | 284,727,780                       | 18,820                           | 3.30%                    |
| 2001 | 21,441         | 276,160,080                       | 12,880                           | 3.60%                    |
| 2002 | 22,785         | 276,154,200                       | 12,120                           | 4.50%                    |
| 2003 | 24,201         | 416,329,803                       | 17,203                           | 5.00%                    |
| 2004 | 25,514         | 416,337,452                       | 16,318                           | 4.50%                    |
| 2005 | 26,807         | 416,312,710                       | 15,530                           | 4.70%                    |
| 2006 | 28,144         | 504,002,752                       | 17,908                           | 4.90%                    |
| 2007 | 29,001         | 503,979,378                       | 17,378                           | 4.60%                    |

**Sources:** 1) Bureau of Census  
2) Ohio Department of Job and Family Services

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

| Employer                                    | Nature of Business | 2007                |      |                                | 1998                |      |                                    |
|---|--------------------|---------------------|------|--------------------------------|---------------------|------|------------------------------------|
|   |                    | Number of Employees | Rank | Percentage of Total Employment | Number of Employees | Rank | Percentage of Total Employment (1) |
| Springboro Community Schools                | School District    | 914                 | 1    | 0.90%                          | (1)                 | N/A  |                                    |
| Sourcelink Ohio, LLC                        | Marketing          | 384                 | 2    | 0.38%                          | (1)                 | N/A  |                                    |
| DLM Springboro, LLC                         | Retail Grocery     | 366                 | 3    | 0.36%                          | (1)                 | N/A  |                                    |
| Miami Valley Dinner Theatre                 | Restaurant Theatre | 342                 | 4    | 0.34%                          | (1)                 | N/A  |                                    |
| Hillspring Rehabilitation Center            | Health Care        | 301                 | 5    | 0.30%                          | (1)                 | N/A  |                                    |
| Pioneer Automotive Tech                     | Manufacturing      | 286                 | 6    | 0.28%                          | (1)                 | N/A  |                                    |
| Dayton Metro YMCA                           | Non-Profit         | 276                 | 7    | 0.27%                          | (1)                 | N/A  |                                    |
| Kroger                                      | Retail             | 271                 | 8    | 0.27%                          | (1)                 | N/A  |                                    |
| J & A Management Co, Inc                    | Restaurant         | 221                 | 9    | 0.22%                          | (1)                 | N/A  |                                    |
| Gaytson                                     | Manufacturing      | 213                 | 10   | 0.21%                          | (1)                 | N/A  |                                    |
| Total                                       |                    | <u>3,574</u>        |      |                                | <u>0</u>            |      |                                    |
| Total Employment within the School District |                    | <u>101,500</u>      |      |                                | <u>(1)</u>          |      |                                    |

Source: Auditor of Warren County, City of Springboro  
(1) Information Not Available

**Springboro Community City School District**

*School District Employees by Function/Program*

*Last Three Fiscal Years*

| Function/Program                       | 2005          | 2006          | 2007          |
|--|---------------|---------------|---------------|
| <b>Regular Instruction</b>             |               |               |               |
| Elementary Classroom Teachers (K-5)    | 95.00         | 95.00         | 116.00        |
| Middle School Classroom Teachers (6-8) | 51.00         | 49.00         | 55.00         |
| High School Classroom Teachers (9-12)  | 58.00         | 59.00         | 66.00         |
| <b>Special Instruction</b>             |               |               |               |
| Elementary Classroom Teachers (K-5)    | 14.00         | 14.00         | 17.00         |
| Middle School Classroom Teachers (6-8) | 8.00          | 8.00          | 9.00          |
| Gifted Education Teachers              | 2.00          | 2.00          | 4.00          |
| High School Classroom Teachers (9-12)  | 8.00          | 8.00          | 9.00          |
| <b>Pupil Support Services</b>          |               |               |               |
| Guidance Counselors                    | 8.00          | 8.00          | 8.00          |
| Librarians                             | 2.00          | 2.00          | 2.00          |
| Psychologists                          | 0.00          | 44.00         | 4.00          |
| Speech and Language Pathologists       | 3.00          | 6.00          | 5.00          |
| Nurses                                 | 4.00          | 3.00          | 3.00          |
| Teacher Aides                          | 26.00         | 31.00         | 37.00         |
| Technology                             | 3.00          | 3.00          | 4.00          |
| Secretaries                            | 14.00         | 14.00         | 16.00         |
| <b>Administrators</b>                  |               |               |               |
| District                               | 10.00         | 11.00         | 14.00         |
| Elementary                             | 2.00          | 2.00          | 7.00          |
| Middle School                          | 2.00          | 2.00          | 2.00          |
| High School                            | 3.00          | 3.00          | 3.00          |
| Secretaries                            | 13.00         | 13.00         | 15.00         |
| Fiscal Services                        | 5.00          | 5.00          | 6.00          |
| <b>Operation of Plant</b>              |               |               |               |
| Custodians                             | 21.00         | 23.00         | 32.00         |
| Maintenance                            | 6.00          | 5.00          | 6.00          |
| <b>Pupil Transportation</b>            |               |               |               |
| Bus Drivers                            | 53.00         | 51.00         | 66.00         |
| <b>Extracurricular Activities</b>      |               |               |               |
| Secretaries                            | 1.00          | 1.00          | 1.00          |
| <b>Food Service Program</b>            |               |               |               |
| Elementary Cooks                       | 10.00         | 11.00         | 16.00         |
| Middle School Cooks                    | 10.00         | 10.00         | 8.00          |
| High School Cooks                      | 11.00         | 9.00          | 13.00         |
| <b>Totals:</b>                         | <u>443.00</u> | <u>492.00</u> | <u>544.00</u> |

**Method:** Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee. The count is performed on September 1 of each year.

Information prior to 2005 is not available.

**Springboro Community City School District**  
*Operating Statistics*  
*Last Five Fiscal Years*

| Fiscal<br>Year | Expenses     | Enrollment | Cost<br>Per Pupil | Percentage<br>Change | Teaching<br>Staff | Pupil/<br>Teacher<br>Ratio |
|----------------|--------------|------------|-------------------|----------------------|-------------------|----------------------------|
| 2003           | \$31,410,677 | 4,051      | \$7,754           | N/A                  | 221               | 18.3                       |
| 2004           | 33,436,527   | 4,321      | 7,738             | -0.20%               | 226               | 19.1                       |
| 2005           | 39,527,243   | 4,522      | 8,741             | 12.96%               | 233               | 19.4                       |
| 2006           | 37,535,813   | 4,785      | 7,844             | -10.26%              | 232               | 20.6                       |
| 2007           | * 53,759,624 | 5,056      | 10,633            | 35.55%               | 305               | 16.6                       |

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

N/A - Not applicable

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

**Springboro Community City School District**

*Building Statistics*

*Last Three Fiscal Years*

|                                 | 2005    | 2006    | 2007    |
|---------------------------------|---------|---------|---------|
| <b>FE Elementary School (1)</b> |         |         |         |
| Total Building Square Footage   |         |         | 126,795 |
| Enrollment                      |         |         | 401     |
| Regular Instruction Classrooms  |         |         | 25      |
| Regular Instruction Teachers    |         |         | 25      |
| Special Instruction Classrooms  |         |         | 2       |
| Special Instruction Teachers    |         |         | 2       |
| <b>FW Elementary (1)</b>        |         |         |         |
| Total Building Square Footage   |         |         | 126,795 |
| Enrollment                      |         |         | 325     |
| Regular Instruction Classrooms  |         |         | 14      |
| Regular Instruction Teachers    |         |         | 14      |
| Special Instruction Classrooms  |         |         | 2       |
| Special Instruction Teachers    |         |         | 2       |
| <b>SI Elementary</b>            |         |         |         |
| Total Building Square Footage   | 79,163  | 79,163  | 79,163  |
| Enrollment                      | 711     | 747     | 403     |
| Regular Instruction Classrooms  | 35      | 35      | 19      |
| Regular Instruction Teachers    | 35      | 35      | 19      |
| Special Instruction Classrooms  | 7       | 6       | 3       |
| Special Instruction Teachers    | 7       | 6       | 3       |
| <b>JH Middle School</b>         |         |         |         |
| Total Building Square Footage   | 103,948 | 103,948 | 133,948 |
| Enrollment                      | 1,039   | 1,077   | 746     |
| Regular Instruction Classrooms  | 59      | 49      | 36      |
| Regular Instruction Teachers    | 59      | 49      | 36      |
| Special Instruction Classrooms  | 8       | 8       | 6       |
| Special Instruction Teachers    | 8       | 8       | 6       |

**Springboro Community City School District**

*Building Statistics*

*Last Three Fiscal Years*

|   | 2005    | 2006    | 2007    |
|---|---------|---------|---------|
| <b>JW Elementary School</b>             |         |         |         |
| Total Building Square Footage           | 52,583  | 52,582  | 52,582  |
| Enrollment                              | 747     | 769     | 450     |
| Regular Instruction Classrooms          | 27      | 33      | 17      |
| Regular Instruction Teachers            | 27      | 33      | 17      |
| Special Instruction Classrooms          | 3       | 5       | 1       |
| Special Instruction Teachers            | 3       | 5       | 1       |
| <br>                                    |         |         |         |
| <b>CC Elementary School</b>             |         |         |         |
| Total Building Square Footage           | 58,003  | 58,003  | 58,003  |
| Enrollment Grades K-5                   | 732     | 769     | 450     |
| Regular Instruction Classrooms          | 33      | 33      | 17      |
| Regular Instruction Teachers            | 33      | 33      | 17      |
| Special Instruction Classrooms          | 4       | 5       | 1       |
| Special Instruction Teachers            | 4       | 5       | 1       |
| <br>                                    |         |         |         |
| <b>DE Elementary School (1)</b>         |         |         |         |
| Total Building Square Footage           |         |         | 126,795 |
| Enrollment Grades K-5                   |         |         | 366     |
| Regular Instruction Classrooms          |         |         | 23      |
| Regular Instruction Teachers            |         |         | 23      |
| Special Instruction Classrooms          |         |         | 3       |
| Special Instruction Teachers            |         |         | 3       |
| <br>                                    |         |         |         |
| <b>DW Elementary School (1)</b>         |         |         |         |
| Total Building Square Footage           |         |         | 126,795 |
| Enrollment Grades 6-8                   |         |         | 460     |
| Regular Instruction Classrooms          |         |         | 20      |
| Regular Instruction Teachers            |         |         | 20      |
| Special Instruction Classrooms          |         |         | 5       |
| Special Instruction Teachers            |         |         | 5       |
| <br>                                    |         |         |         |
| <b>Springboro Community High School</b> |         |         |         |
| Total Building Square Footage           | 217,523 | 217,523 | 284,523 |
| Enrollment Grades 9-12                  | 1,293   | 940     | 1,404   |
| Regular Instruction Classrooms          | 58      | 59      | 66      |
| Regular Instruction Teachers            | 58      | 59      | 66      |
| Special Instruction Classrooms          | 8       | 8       | 9       |
| Special Instruction Teachers            | 8       | 8       | 9       |

Source: School District Capital Asset and Average Daily Membership Records.

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







**Mary Taylor, CPA**  
Auditor of State

**SPRINGBORO COMMUNITY CITY SCHOOL DISTRICT**

**WARREN COUNTY**

**CLERK'S CERTIFICATION**

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
MAY 13, 2008**