

**Springfield City School District
Clark County, Ohio**

Basic Financial Statements

June 30, 2009

with Independent Auditors' Report



Mary Taylor, CPA
Auditor of State

Board of Education
Springfield City School District
1500 W Jefferson Street
Springfield, Ohio 45506

We have reviewed the *Independent Auditors' Report* of the Springfield City School District, Clark County, prepared by Clark, Schaefer, Hackett & Co., for the audit period July 1, 2008 through June 30, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

March 4, 2010

This Page is Intentionally Left Blank.

TABLE OF CONTENTS

Independent Auditors' Report	1-2
<u>Basic Financial Statements:</u>	
Management's Discussion and Analysis	3-9
Statement of Net Assets	10
Statement of Activities	11
Balance Sheet – Governmental Funds	12
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities	13
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	15
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP) and Actual – General Fund	16
Statement of Net Assets – Internal Service Fund	17
Statement of Changes in Net Assets – Internal Service Fund	18
Statement of Cash Flows – Internal Service Fund	19
Statement of Fiduciary Net Assets – Fiduciary Funds	20
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds	21
Notes to the Basic Financial Statements	22-55
Schedule of Expenditures of Federal Awards	56
Notes to the Schedule of Expenditures of Federal Awards	57
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>	58-59
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	60-61
Schedule of Findings and Questioned Costs	62-63
Independent Accountants' Report on Applying Agreed Upon Procedures	64-65

INDEPENDENT AUDITORS' REPORT

Board of Education
Springfield City School District
1500 W Jefferson Street
Springfield, Ohio 45506

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Springfield City School District (the District) as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 the 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 District, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2009, on our consideration of the 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 assessing 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.

2525 north limestone street, ste. 103
springfield, oh 45503

www.cshco.com
p. 937.399.2000
f. 937.399.5433

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the District. 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.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
December 31, 2009

Springfield City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
Unaudited

The discussion and analysis of the Springfield City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2009. 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 the financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2009 are as follows:

Total net assets increased \$584,429 from fiscal year 2008.

General revenues accounted for \$74,550,677 of total revenues. Program specific revenues in the form of charges for services and operating grants, contributions, and interest accounted for \$28,956,877 of total revenues of \$103,507,554.

The School District had \$102,923,125 in expenses related to governmental activities; only \$28,956,877 of these expenses were offset by program specific charges for services, grants, contributions, and interest. General revenues (primarily grants and entitlements and property taxes) of \$74,550,677 were adequate to provide for these programs.

Using this Basic 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 Springfield City School District as a financial whole, an entire operating entity.

The Statement of Net Assets and the Statement of Activities provide information about the activities of the whole School District, presenting both an aggregated view of the School District's finances and a longer-term view of those statements. 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 nonmajor funds presented in total in one column.

Reporting the School District as a Whole

One of the most important questions asked about the School District is "How did we do financially during fiscal year 2009?" The Statement of Net Assets and the Statement of Activities, which appear first in the School District's financial statements, report information on the School District as a whole and its activities in a way that helps answer this question. These government-wide financial statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current fiscal year's revenues and expenses regardless of when cash is received or paid.

Springfield City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
Unaudited

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. However, the School District's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the School District's property tax base, current property tax laws in Ohio restricting revenue growth, required educational programs and other factors.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 7. Fund financial reports 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 major funds. The major funds for Springfield City School District 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 government 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.

Proprietary Fund

Proprietary funds use the same basis of accounting as business-type activities. The Internal Service Fund is used to report activities that provide services to the School District's other funds and departments.

Fiduciary Funds

The School District's fiduciary funds are private purpose trust funds and an agency fund. All of the School District's fiduciary funds are reported in a separate Statement of Fiduciary Net Assets. We exclude these activities from the School District's other financial statements because the School District cannot use these assets to finance its operations. The School District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Fiduciary funds use the accrual basis of accounting.

Springfield City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
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 fiscal 2009 compared to fiscal year 2008:

TABLE 1
NET ASSETS, JUNE 30

	2009	2008
ASSETS:		
Current and Other Assets	\$ 76,531,876	83,921,859
Capital Assets	188,920,460	187,122,441
Total Assets	265,452,336	271,044,300
 LIABILITIES		
Current Liabilities	40,765,048	47,149,500
Noncurrent Liabilities	41,525,388	41,317,329
Total Liabilities	82,290,436	88,466,829
 NET ASSETS:		
Invested in Capital Assets, Net of Debt	157,096,582	154,126,291
Restricted	17,127,725	25,439,929
Unrestricted	8,937,593	3,011,251
Total Net Assets	\$ 183,161,900	182,577,471

Current Assets decreased \$7,389,983 as a result of a decrease in investments with its escrow agent and intergovernmental receivables due to the School District completing the building project as part of the Ohio School Facilities Project.

The increase in Capital Assets, Net of \$1,798,019 and Invested in Capital Assets, Net of Related Debt of \$2,970,291 is due to the completion of the final building project from the Ohio School Facilities Project. The decrease in Other Liabilities of \$6,384,452 is due to the reduction of Contracts Payable and Retainage Payable that were associated with the completion of the new high school.

Restricted Net Assets decreased \$8,312,204 due to the Ohio School Facilities Commission project being completed.

Unrestricted Net Assets increased \$5,926,342. Increases occurred in Property Taxes, due to increased tax collections by Clark County and intergovernmental revenue due to an increase in State foundation payments.

Springfield City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
Unaudited

Table 2 shows the changes in net assets for fiscal years 2009 and 2008.

TABLE 2
CHANGE IN NET ASSETS, JUNE 30

	2008	2009
REVENUES:		
Program Revenues:		
Charges for Services	\$ 3,148,028	2,616,078
Operating Grants and Contributions	30,453,610	26,340,799
Capital Grants and Contributions	-	-
General Revenues:		
Property Taxes	26,730,802	26,902,394
Income Taxes	-	-
Grants and Entitlements	43,674,024	46,431,981
Investment Earnings	1,774,771	665,442
Other	445,563	550,860
Total Revenues	106,226,798	103,507,554
PROGRAM EXPENSES:		
Instruction	51,613,691	54,051,173
Support Services:		
Pupils and Instructional Staff	12,888,779	12,795,895
Board of Education, Administration		
Fiscal and Business	8,099,489	8,844,273
Operation and Maintenance of Plant	8,981,875	8,374,131
Pupil Transportation	1,953,952	2,188,121
Central	790,228	527,764
Operation of Non-Instructional Services	6,326,691	7,573,260
Extracurricular Activities	953,138	1,214,731
Interest and Fiscal Charges	2,643,336	2,596,675
Depreciation Expense	3,250,259	4,757,102
Total Expenses	97,501,438	102,923,125
Change in Net Assets	\$ 8,725,360	584,429

Operating Grants, Contributions, and Interest decreased \$4,112,811 due to a decrease in drawdowns for the Safe Schools Healthy Students program offered by the School District. Investment Earnings decreased \$1,109,329 due to a decline in investment balances from the prior as a result of the completion of the high school. Grants and Entitlements not Restricted to Specific Programs increased \$2,757,957 due to an increase in State funding. Total expenses increased \$5,421,687 due to an increase in salaries, the operation of the Food Service Fund, other community services provided by the School District and unallocated depreciation.

Springfield City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
Unaudited

Regular Instruction increased \$2,118,747 from the prior fiscal year due to salary increases and related material and supplies needed to support the instruction of students. Operation and Maintenance of Plant decreased \$607,744 due to decreased costs of maintenance of the buildings and utility costs relating to the energy conservation improvements. Operation of Non-instructional Services increased \$1,246,569 due to the increased cost association with food service operations and other community services provided by the School District. Unallocated depreciation increased \$1,506,843 due to depreciation on the new high school.

Grants and Entitlements not Restricted to Specific Programs made up \$46,431,981 of the total revenues for governmental activities of the Springfield City School District for fiscal year 2009. Property Tax revenues made up \$26,902,394 of the total revenues for governmental activities for a total of \$73,334,375, or 71 percent of all revenues coming from Property Taxes and Grants and Entitlements not Restricted to Specific Programs.

The School District's Funds

Information about the School District's major funds begins on page 12. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$105,331,804 and expenditures of \$107,479,199. The net change in fund balances was most significant in the General Fund with an increase of \$7,310,645. The increase in the General Fund is due to the increase in property tax collections and an increase in State foundation payments.

The fund balance for the Bond Retirement Debt Service Fund decreased \$42,176, or less than a one percent change. The Bond Retirement Debt Service fund had an ending fund balance of \$6,962,224.

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 2009, the School District revised its budget as it attempted to deal with unexpected changes in revenues and expenditures. A summary of the General Fund original and final budgeted amounts, as well as the actual amounts, is listed on page 16. A variance comparison is presented between the final budgeted amount and the actual amounts.

For the General Fund, original budget basis revenues were \$72,537,697 with final budget basis revenues of \$73,926,896. The difference of \$1,389,199 is due to an increase in intergovernmental revenue relating to an increase in State foundation payments.

Springfield City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
Unaudited

Original budget basis appropriations were \$70,399,811 with final budget basis appropriations of \$72,469,811. The difference of \$2,070,000 was due primarily to the original appropriations being based upon a percentage of the prior fiscal year appropriations, while final appropriations reflected appropriation changes made during the fiscal year for increased costs relating to instructional materials and supplies.

The School District's ending unobligated cash balance was \$731,850 above the final budgeted amount.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2009, the School District had \$188,920,460 invested in land, buildings, furniture and equipment, and vehicles in governmental activities. The primary increase was due to the construction of the new high school. (See Note 8 of the Notes to the Basic Financial Statements).

Debt

At June 30, 2009, the School District had total bonded debt outstanding in the amount of \$37,727,063, which includes \$5,629,258 of accretion. \$3,670,000 of the total bonded debt outstanding is due within one year. The School District also had capital lease obligations outstanding of \$227,296, of which \$65,984 is due within one year.

See Note 13 of the Notes to the Basic Financial Statements for capital lease details, Note 14 for details on the long-term obligations, and Note 15 for details on the short-term obligations.

As of June 30, 2009, the overall legal debt margin was \$41,703,567 with an unvoted debt margin of \$7,698,958, and an Energy Conservation debt margin of \$3,566,610 at June 30, 2009.

Current Financial Issues and Concerns

The School District has prepared a five year forecast which projects positive balances in all of the next five fiscal years. In November 2009, the taxpayers provided a vote of confidence and renewed a 7.0 mill tax levy.

During the past four fiscal years the School District has experienced an increasing number of students leaving the School District to attend publicly funded community schools. According to the Ohio Department of Education's SF-3 for June 30, 2009, 704 students opted to leave the Springfield City School District to attend community schools. However, the good news is that the loss of students has slowed and with the new facilities, the School District expects to see small increases in student enrollment in the next few years.

The School District is in the process of understanding the funding implications of the Governor's new Pathway to Student Success model as well as working with the Federal Stimulus money and the impact in fiscal years 2010 and 2011.

The School District was successfully removed from fiscal emergency by the Auditor of State in March 2009.

Springfield City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
Unaudited

The School District completed an extensive building project. The School District has built ten new elementary buildings; four new middle schools; a new alternative school and a new high school. The voters of the Springfield City School District approved a \$38.1 million bond issue in November, 2000, which allowed the School District to contribute 18 percent of the total cost of the \$165 million building project. The State of Ohio is contributing the remaining 82 percent. The new high school, Springfield High School, opened September 8, 2008, with much excitement and expectation of a great year for Springfield students.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, 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 questions about this report or need additional financial information, contact the Treasurer's Office at Springfield City School District, 1500 West Jefferson Street, Springfield, Ohio 45505, or call (937) 505-2811.

Springfield City School District

Statement of Net Assets

June 30, 2009

	<u>Governmental Activities</u>
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$36,591,564
Materials and Supplies Inventory	43,265
Accrued Interest Receivable	19,230
Accounts Receivable	10,389
Cash and Cash Equivalents with Fiscal Agents	2,684,703
Cash and Cash Equivalents with Escrow Agents	75,553
Investments	73,802
Property Taxes Receivable	32,889,035
Intergovernmental Receivable	3,810,935
Deferred Charges	333,400
Capital Assets:	
Land and Construction in Progress	14,769,496
Depreciable Capital Assets, Net	<u>174,150,964</u>
<i>Total Assets</i>	<u>265,452,336</u>
<u>Liabilities:</u>	
Accounts Payable	1,251,814
Accrued Wages and Benefits Payable	6,023,861
Intergovernmental Payable	3,156,633
Accrued Interest Payable	216,401
Matured Compensated Absences Payable	290,525
Retainage Payable	75,553
Deferred Revenue	21,401,332
Claims Payable	1,348,929
Notes Payable	7,000,000
Long-Term Liabilities:	
Due Within One Year	4,693,040
Due in More Than One Year	<u>36,832,348</u>
<i>Total Liabilities</i>	<u>82,290,436</u>
<u>Net Assets:</u>	
Invested in Capital Assets, Net of Related Debt	157,096,582
Restricted for:	
Debt Service	7,096,700
Capital Outlay	2,746,974
Food Service Operation	766,344
Classroom Facilities Maintenance	1,866,966
Poverty Aid	1,389,235
Other Purposes	2,608,545
Set-Asides	652,961
Unrestricted	<u>8,937,593</u>
<i>Total Net Assets</i>	<u><u>\$183,161,900</u></u>

See accompanying notes to the basic financial statements

Springfield City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2009

	<u>Program Revenues</u>			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants, Contributions, and Interest	Governmental Activities
<u>Governmental Activities:</u>				
Instruction:				
Regular	\$41,317,982	\$9,835	\$5,823,785	(\$35,484,362)
Special	10,467,442	627,922	6,844,018	(2,995,502)
Vocational	191,489	18,820	167,138	(5,531)
Adult/Continuing	145,162	0	153,602	8,440
Student Intervention Services	1,929,098	0	1,719,071	(210,027)
Support Services:				
Pupils	5,855,781	0	1,940,751	(3,915,030)
Instructional Staff	6,940,114	183,791	4,396,402	(2,359,921)
Board of Education	207,244	0	0	(207,244)
Administration	6,679,185	0	663,710	(6,015,475)
Fiscal	1,562,836	0	44,573	(1,518,263)
Business	395,008	0	0	(395,008)
Operation and Maintenance of Plant	8,374,131	19,912	5,953	(8,348,266)
Pupil Transportation	2,188,121	0	423,175	(1,764,946)
Central	527,764	0	73,616	(454,148)
Operation of Non-Instructional Services	7,573,260	1,430,653	4,013,120	(2,129,487)
Extracurricular Activities	1,214,731	325,145	71,885	(817,701)
Interest and Fiscal Charges	2,596,675	0	0	(2,596,675)
Unallocated Depreciation *	4,757,102	0	0	(4,757,102)
Total Governmental Activities	\$102,923,125	\$2,616,078	\$26,340,799	(73,966,248)

General Revenues:

Property Taxes Levied for:	
General Purposes	22,126,066
Debt Service	3,812,724
Capital Outlay	713,133
Facilities Maintenance	250,471
Grants and Entitlements not Restricted to Specific Programs	46,431,981
Investment Earnings	665,442
Miscellaneous	550,860
Total General Revenues	74,550,677
Change in Net Assets	584,429
Net Assets at Beginning of Year	182,577,471
Net Assets at End of Year	\$183,161,900

* This amount excludes the depreciation that is included in the direct expenses of the various programs.

See accompanying notes to the basic financial statements

Springfield City School District

Balance Sheet
Governmental Funds
June 30, 2009

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$15,952,635	\$6,398,209	\$9,540,133	\$31,890,977
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	699,074	0	0	699,074
Cash and Cash Equivalents with Fiscal Agents	0	0	2,684,703	2,684,703
Cash and Cash Equivalents with Escrow Agents	0	0	75,553	75,553
Investments	0	0	73,802	73,802
Receivables:				
Property Taxes	26,957,201	4,773,875	1,157,959	32,889,035
Accounts	1,001	0	9,388	10,389
Intergovernmental	0	0	3,810,935	3,810,935
Accrued Interest	19,075	0	155	19,230
Interfund	1,296,179	0	0	1,296,179
Materials and Supplies Inventory	0	0	43,265	43,265
<i>Total Assets</i>	<u>\$44,925,165</u>	<u>\$11,172,084</u>	<u>\$17,395,893</u>	<u>\$73,493,142</u>
<u>Liabilities:</u>				
Accounts Payable	\$517,409	\$0	\$734,405	\$1,251,814
Accrued Wages and Benefits Payable	4,868,085	0	1,155,776	6,023,861
Intergovernmental Payable	2,351,470	0	805,163	3,156,633
Accrued Interest Payable	22,817	0	9,675	32,492
Interfund Payable	0	0	1,296,179	1,296,179
Retainage Payable	0	0	75,553	75,553
Matured Compensated Absences Payable	190,825	0	99,700	290,525
Notes Payable	4,300,000	0	2,700,000	7,000,000
Deferred Revenue	21,553,505	4,209,860	3,782,210	29,545,575
<i>Total Liabilities</i>	<u>33,804,111</u>	<u>4,209,860</u>	<u>10,658,661</u>	<u>48,672,632</u>
<u>Fund Balances:</u>				
Reserved for Encumbrances	634,746	0	2,917,469	3,552,215
Reserved for Property Taxes	5,406,553	564,015	198,701	6,169,269
Reserved for Textbooks and Instructional Materials	652,961	0	0	652,961
Reserved for Bus Purchases	46,113	0	0	46,113
Unreserved, Undesignated, Reported in:				
General Fund	4,380,681	0	0	4,380,681
Special Revenue Funds	0	0	2,727,072	2,727,072
Debt Service Fund	0	6,398,209	0	6,398,209
Capital Projects Funds	0	0	893,990	893,990
<i>Total Fund Balances</i>	<u>11,121,054</u>	<u>6,962,224</u>	<u>6,737,232</u>	<u>24,820,510</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$44,925,165</u>	<u>\$11,172,084</u>	<u>\$17,395,893</u>	<u>\$73,493,142</u>

See accompanying notes to the basic financial statements

Springfield City School District
 Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 June 30, 2009

Total Governmental Fund Balances \$24,820,510

*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. These assets consist of:

Land	14,769,496	
Other Capital Assets	206,557,860	
Accumulated Depreciation	<u>(32,406,896)</u>	
Total Capital Assets		188,920,460

Some of the School District's revenues will be collected after fiscal year-end, but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.

Property Taxes	5,318,434	
Intergovernmental	2,754,566	
Investment Earnings	<u>71,243</u>	
		8,144,243

The Internal Service Fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Assets. 2,652,584

Bond issuance costs reported as an expenditure in governmental funds are allocated as an expense over the life of the debt on a full accrual basis. 333,400

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Bonds Payable	(37,194,018)	
Loss from Refunding	1,107,149	
Premium on Bonds	(1,640,194)	
Accrued Interest on Bonds	(183,909)	
Capital Leases	(227,296)	
Compensated Absences	<u>(3,571,029)</u>	
Total Liabilities		<u>(41,709,297)</u>

Net Assets of Governmental Activities \$183,161,900

See accompanying notes to the basic financial statements

Springfield City School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2009

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
<u>Revenues:</u>				
Property Taxes	\$22,559,480	\$3,856,412	\$981,187	\$27,397,079
Intergovernmental	50,035,099	642,657	23,423,663	74,101,419
Investment Earnings	399,298	0	191,732	591,030
Tuition and Fees	848,443	0	347,498	1,195,941
Extracurricular Activities	40,974	0	238,419	279,393
Rentals	19,912	0	0	19,912
Charges for Services	4	0	1,120,828	1,120,832
Contributions and Donations	0	0	75,338	75,338
Miscellaneous	294,491	2,335	254,034	550,860
<i>Total Revenues</i>	<u>74,197,701</u>	<u>4,501,404</u>	<u>26,632,699</u>	<u>105,331,804</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	34,566,983	0	5,587,605	40,154,588
Special	7,907,963	0	2,244,775	10,152,738
Vocational	213,312	0	0	213,312
Adult/Continuing	0	0	141,456	141,456
Student Intervention Services	5,000	0	1,877,924	1,882,924
Support Services:				
Pupils	3,829,734	0	1,857,603	5,687,337
Instructional Staff	1,989,552	0	4,687,920	6,677,472
Board of Education	202,439	0	0	202,439
Administration	5,632,190	0	806,682	6,438,872
Fiscal	1,360,725	74,729	94,739	1,530,193
Business	362,042	0	0	362,042
Operation and Maintenance of Plant	7,392,004	0	634,034	8,026,038
Pupil Transportation	2,077,018	0	8,549	2,085,567
Central	406,612	0	69,646	476,258
Operation of Non-Instructional Services	844	0	7,046,744	7,047,588
Extracurricular Activities	521,177	0	649,506	1,170,683
Capital Outlay	24,235	0	9,417,729	9,441,964
Debt Service:				
Principal Retirement	62,715	3,270,000	721,788	4,054,503
Interest and Fiscal Charges	321,511	1,198,851	141,277	1,661,639
Issuance Costs	0	0	71,586	71,586
<i>Total Expenditures</i>	<u>66,876,056</u>	<u>4,543,580</u>	<u>36,059,563</u>	<u>107,479,199</u>
Excess of Revenues Over (Under) Expenditures	<u>7,321,645</u>	<u>(42,176)</u>	<u>(9,426,864)</u>	<u>(2,147,395)</u>
<u>Other Financing Sources (Uses):</u>				
Proceeds from Sale of Capital Assets	0	0	115,564	115,564
Energy Conservation Bonds Issued	0	0	3,064,000	3,064,000
Premium on Debt Issuance	0	0	71,586	71,586
Transfers In	0	0	11,000	11,000
Transfers Out	(11,000)	0	0	(11,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(11,000)</u>	<u>0</u>	<u>3,262,150</u>	<u>3,251,150</u>
<i>Net Change in Fund Balances</i>	7,310,645	(42,176)	(6,164,714)	1,103,755
<i>Fund Balances at Beginning of Year</i>	<u>3,810,409</u>	<u>7,004,400</u>	<u>12,901,946</u>	<u>23,716,755</u>
<i>Fund Balances at End of Year</i>	<u>\$11,121,054</u>	<u>\$6,962,224</u>	<u>\$6,737,232</u>	<u>\$24,820,510</u>

See accompanying notes to the basic financial statements

Springfield City School District
 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, 2009

Net Change in Fund Balances - Total Governmental Funds \$1,103,755

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

Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital Assets Additions	7,260,532	
Depreciation Expense	(5,384,758)	
Excess of Capital Outlay Over Depreciation Expense		1,875,774

The proceeds from the sale of capital assets are reported as revenue in the governmental funds. However, the cost of capital assets is removed from the capital assets account in the Statement of Net Assets and offset against the proceeds from the sale of capital assets resulting in a gain on the sale of capital assets in the Statement of Activities.

Proceeds from Sale of Capital Assets	(115,564)	
Gain on Disposal of Capital Assets	37,809	
		(77,755)

Because some revenues will not be collected for several months after the School District's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds.

Delinquent Property Taxes	(494,685)	
Intergovernmental	(1,409,896)	
Investment Earnings	24,392	
		(1,880,189)

Bond proceeds are reported as other financing sources in governmental funds and thus contribute to the change in fund balances. In the government-wide statements, however, issuing debt increases long-term liabilities in the Statement of Net Assets and does not affect the Statement of Activities.

Proceeds of Energy Conservaion Bonds	(3,064,000)	
Premium on Bonds	(71,586)	
		(3,135,586)

Governmental funds report bond issuance costs as expenditures, whereas these amounts are deferred and amortized in the Statement of Activities.

71,586

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. The difference in the amount of interest on the Statement of Activities is the result of the following:

Amortization of Bond Issuance Costs	(22,184)	
Amortization of Bond Premium	112,485	
Amortization of Loss	(76,355)	
Accretion on Bonds	(951,894)	
Decrease in Accrued Interest	2,912	
		(935,036)

The Internal Service Fund used by management to charge the cost of insurance to individual funds is reported in the entity-wide Statement of Activities.

(246,864)

Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. In the current fiscal year, these amounts consist of:

Bond Principal Retirement	3,270,000	
Capital Lease Payments	784,503	
Total Long-term Debt Repayment		4,054,503

Some items 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.

These activities consist of:

Increase in Compensated Absences Payable	(211,212)	
Grants Cancelled	(34,547)	
Total Decrease		(245,759)

Change in Net Assets of Governmental Activities

\$584,429

See accompanying notes to the basic financial statements

Springfield City School District
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$26,337,697	\$21,626,352	\$20,687,641	(\$938,711)
Intergovernmental	44,209,000	50,046,544	50,035,099	(11,445)
Investment Earnings	883,000	1,000,000	383,377	(616,623)
Tuition and Fees	872,000	987,000	877,662	(109,338)
Extracurricular Activities	49,000	56,000	40,974	(15,026)
Rentals	9,000	10,000	19,912	9,912
Charges for Services	0	0	4	4
Contributions and Donations	1,000	1,000	0	(1,000)
Miscellaneous	177,000	200,000	272,478	72,478
<i>Total Revenues</i>	<u>72,537,697</u>	<u>73,926,896</u>	<u>72,317,147</u>	<u>(1,609,749)</u>
<u>Expenditures:</u>				
Current:				
Salaries and Wages	34,703,461	34,703,461	33,898,410	805,051
Fringe Benefits	13,499,646	13,499,646	13,079,898	419,748
Purchased Services	16,572,214	18,572,214	17,759,341	812,873
Materials and Supplies	2,758,476	2,758,476	2,089,290	669,186
Capital Outlay	456,866	456,866	224,992	231,874
Miscellaneous	794,073	809,073	801,474	7,599
Debt Service:				
Principal Retirement	1,300,000	1,300,000	1,300,000	0
Interest and Fiscal Charges	315,075	315,075	315,075	0
<i>Total Expenditures</i>	<u>70,399,811</u>	<u>72,414,811</u>	<u>69,468,480</u>	<u>2,946,331</u>
Excess of Revenues Over Expenditures	<u>2,137,886</u>	<u>1,512,085</u>	<u>2,848,667</u>	<u>1,336,582</u>
<u>Other Financing Sources (Uses):</u>				
Refund of Prior Year Expenditures	0	10,000	24,298	14,298
Proceeds from Sale of Fixed Assets	0	5,000	0	(5,000)
Transfers Out	0	(55,000)	(11,000)	44,000
Advances In	0	0	78,570	78,570
Advances Out	0	0	(736,600)	(736,600)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(40,000)</u>	<u>(644,732)</u>	<u>(604,732)</u>
<i>Net Change in Fund Balance</i>	2,137,886	1,472,085	2,203,935	731,850
<i>Fund Balance at Beginning of Year</i>	12,628,556	12,628,556	12,628,556	0
<i>Prior Year Encumbrances Appropriated</i>	<u>1,066,496</u>	<u>1,066,496</u>	<u>1,066,496</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$15,832,938</u>	<u>\$15,167,137</u>	<u>\$15,898,987</u>	<u>\$731,850</u>

See accompanying notes to the basic financial statements

Springfield City School District
Statement of Fund Net Assets
Internal Service Fund
June 30, 2009

	<u>Self-Insurance</u>
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$4,001,513
<u>Liabilities:</u>	
Claims Payable	<u>1,348,929</u>
<u>Net Assets:</u>	
Unrestricted	<u><u>\$2,652,584</u></u>

See accompanying notes to the basic financial statements

Springfield City School District
Statement of Revenues, Expenses
and Changes in Fund Net Assets
Internal Service Fund
For the Fiscal Year Ended June 30, 2009

	Self-Insurance
<u>Operating Revenues:</u>	
Charges for Services	\$9,317,209
<u>Operating Expenses:</u>	
Salaries	2,569
Fringe Benefits	624
Purchased Services	561,411
Claims	9,055,408
<i>Total Operating Expenses</i>	9,620,012
<i>Operating Loss</i>	(302,803)
<u>Non-Operating Revenues:</u>	
Investment Earnings	55,939
<i>Change in Net Assets</i>	(246,864)
<i>Net Assets at Beginning of Year</i>	2,899,448
<i>Net Assets at End of Year</i>	\$2,652,584

See accompanying notes to the basic financial statements

Springfield City School District
Statement of Cash Flows
Internal Service Fund
For the Fiscal Year Ended June 30, 2009

	<u>Self-Insurance</u>
<i>Increase (Decrease) in Cash and Cash Equivalents:</i>	
<u>Cash Flows From Operating Activities:</u>	
Receipts from Interfund Services Provided	\$9,317,209
Cash Payments to Suppliers for Goods and Services	(561,411)
Cash Payments to Employees for Services	(2,569)
Cash Payments for Employee Benefits	(624)
Cash Payments for Claims	<u>(8,821,100)</u>
<i>Net Cash Used For Operating Activities</i>	(68,495)
<u>Cash Flows From Investing Activities:</u>	
Investment Earnings	<u>55,939</u>
<i>Decrease in Cash and Cash Equivalents</i>	(12,556)
<i>Cash and Cash Equivalents at Beginning of Year</i>	<u>4,014,069</u>
<i>Cash and Cash Equivalents at End of Year</i>	<u><u>\$4,001,513</u></u>
<i>Reconciliation of Operating Loss to Net Cash</i>	
<u>Used For Operating Activities:</u>	
Operating Loss	(\$302,803)
<i>Adjustments to Reconcile Operating Loss to</i>	
<u>Net Cash Used For Operating Activities:</u>	
Increase in Claims Payable	<u>234,308</u>
<i>Net Cash Used For Operating Activities</i>	<u><u>(\$68,495)</u></u>

See accompanying notes to the basic financial statements

Springfield City School District
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2009

	Private Purpose Trust	Agency
<u>Assets:</u>		
Equity in Pooled Cash and Cash Equivalents	\$61,262	\$809,500
<u>Liabilities:</u>		
Due To Students	0	\$809,500
<u>Net Assets:</u>		
Restricted - Nonexpendable	10,000	
Held in Trust for Scholarships	51,262	
<i>Total Net Assets</i>	\$61,262	

See accompanying notes to the basic financial statements

Springfield City School District
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2009

	Private Purpose Trust
<u>Additions:</u>	
Investment Earnings	\$795
Gifts And Donations	2,683
Miscellaneous	4,691
<i>Total Additions</i>	8,169
<u>Deductions:</u>	
Payment in Accordance With Trust Agreements	12,830
<i>Change in Net Assets</i>	(4,661)
<i>Net Assets at Beginning of Year</i>	65,923
<i>Net Assets at End of Year</i>	\$61,262

See accompanying notes to the basic financial statements

Springfield City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Springfield 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 first official body designated as the Springfield Board of Education was formed on April 28, 1855. The School District provides educational services as authorized by State statute and federal guidelines.

The Board controls the School District's 18 instructional/support facilities staffed by 318 non-certificated employees, 540 certificated full-time teaching personnel and 69 administrative employees who provide services to 7,647 students and other community members.

Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. 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 Springfield 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 following activities are included within the reporting entity:

Parochial Schools - Within the School District boundaries, Catholic Central, Catholic Central Lagonda Elementary, Central Catholic Limestone Elementary, Springfield Christian, Maiden Lane Christian Educare, and Nightingale Montessori School are operated as private schools. Current State legislation provides funding to these parochial schools. These monies are received and disbursed on behalf of the parochial schools by the Treasurer of the School District, as directed by the parochial schools. This activity is reflected in a nonmajor special revenue fund for financial reporting purposes.

Springfield City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

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

The School District participates in three jointly governed organizations and one insurance purchasing pool. These organizations are the Clark County Family and Children First Council, the Southwestern Ohio Educational Purchasing Council, the Springfield/Clark County Joint Vocational School and the Ohio School Plan. These organizations are presented in Notes 17 and 18 to the basic financial statements.

On February 28, 2005 the School District was placed in “Fiscal Emergency” status by the Auditor of State of Ohio because the School District attempted, but failed to develop a financial recovery plan to address the School District’s deteriorating financial condition. Fiscal emergency is the most severe declaration regarding a school district’s financial solvency. This situation prompts the creation of a commission to develop a financial recovery plan to alleviate the School District’s financial crisis. The commission must adopt and submit the financial recovery plan to the Ohio Department of Education within 120 days. Once the plan has been adopted, the Board of Education’s discretion is limited in that all financial activities of the School District must be in accordance with the plan. The recovery plan was adopted and submitted on June 3, 2005. On September 22, 2006, the commission revised the recovery plan and resubmitted it to the Ohio Department of Education. The School District was released from Fiscal Emergency by the Auditor of State on March 18, 2009.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Springfield City School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standards-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities and to its Internal Service Fund provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District’s accounting policies are described below.

A. Basis of Presentation

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.

Springfield City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 fiduciary funds. The activity of the Internal Service Fund is eliminated to avoid “doubling up” revenues and expenses. The government-wide financial statements usually distinguish between activities that are governmental and those that are considered business-type. The School District, however, has no activities which are reported as business-type.

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 are therefore 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, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District with certain limited exceptions. 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 by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The Internal Service Fund is presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

B. Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. All funds of the School District fall within three categories: governmental, proprietary and fiduciary.

Springfield City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental Funds

Governmental funds are those through which most governmental functions of the School District 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 balance is available to the School District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Bond Retirement Fund - The Bond Retirement Debt Service Fund is used to account for financial resources, including property taxes, for the repayment of principal, interest and related costs of general long-term obligations.

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

Proprietary Fund

Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. Proprietary funds are classified as enterprise or internal service; the School District has no enterprise funds.

Internal Service Fund - The Self-Insurance Internal Service Fund is used to account for medical benefits provided to employees.

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. 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. The School District has two private purpose trust funds. Both funds provide scholarships to its students, one from donations and the other from an endowment. The School District also has one agency fund, used to account for student activity programs which consist of a student body, student president, student treasurer, and faculty advisor.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the School District are included on the Statement of Net Assets. The Statement of Activities presents increases (e.g., revenues) and decreases (e.g., 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.

Like the government-wide statements, the Internal Service Fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the Statement of Fund Net Assets. The Statement of Revenues, Expenses and Changes in Fund Net Assets presents increases (e.g., revenues) and decreases (e.g., expenses) in total net assets. The Statement of Cash Flows provides information about how the School District finances and meets the cash flow needs of its internal service activities.

The private purpose trust funds are reported using the economic resources measurement focus.

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 and the financial statements of the proprietary and fiduciary funds are prepared using 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.

Springfield City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means that the amount of the transaction can be determined, and "available" means that the resources are collectible 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 60 days of fiscal year-end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an 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 fiscal year when the resources are required to be used or the fiscal 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 non-exchange 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 for advance, tuition and fees, grants, and accrued interest.

Deferred Revenue

Deferred 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, 2009, but which were levied to finance fiscal year 2010 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Expenses/Expenditures

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

Springfield City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

E. Cash and Cash Equivalents

To improve cash management, all cash received by the School District is pooled. Monies for all funds are maintained in this pool except monies to be used for construction of the new high school. Individual fund integrity is maintained through the School District's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements. The School District utilizes financial institutions to service tax anticipation notes as principal and interest payments come due and to hold retainage amounts still owed to contractors. These amounts are presented as "Restricted Assets: Cash and Cash Equivalents with Fiscal Agents" and "Restricted Assets: Cash and Cash Equivalents with Escrow Agents", respectively, on the balance sheet. The School District utilizes a financial institution to hold monies to be used for the construction of the new high school. The monies are presented as "Restricted Assets: Investments" on the financial statements.

During fiscal year 2009, the School District's investments were limited to STAROhio and Federal Home Loan Bank Bonds. Investments are reported at fair value which is based on quoted market prices or current share prices.

The School District has invested funds in the State Treasury Asset Reserve of Ohio (STAROhio). STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2009.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Investment earnings credited to the General Fund during fiscal year 2009 amounted to \$399,298, of which \$234,223 was earned by other funds.

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 presented on the financial statements as cash and cash equivalents.

Springfield City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. 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 externally imposed by creditors, contributors, grantors, or laws of other governments or are imposed by law through constitutional provisions or enabling legislation. Restricted assets in the General Fund represent cash and cash equivalents legally required to be set aside by the School District for the purchase of textbooks and instructional materials and unexpended revenues restricted for the purchase of buses. Cash is also restricted in Other Governmental Funds for amounts held in escrow accounts for payment of retainage on construction contracts and with a fiscal agent for tax anticipation notes retirement.

G. Inventory

Inventories are presented at cost on a first-in, first-out basis and are expensed/expensed when used. Inventories consists of materials and supplies held for consumption and purchased and donated food held for resale.

H. Capital Assets

The School District's only capital assets are general capital assets. General capital assets are those assets specifically related to governmental activities. General capital 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.

Capital assets are capitalized at cost (or estimated historical cost, which is determined by indexing the current replacement cost back to the year of acquisition) and updated for additions and retirements during the fiscal year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of \$2,500. 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 capitalized.

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:

<u>Description</u>	<u>Estimated Lives</u>
Buildings	40 years
Furniture and Equipment	7 - 20 years
Vehicles	7 years

Springfield City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “Interfund Receivable” and “Interfund Payable”. These amounts are eliminated in the governmental activities column of the Statement of Net Assets.

J. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees’ rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the School District’s past experience of making termination payments.

The entire compensated absences liability is reported on the government-wide financial statements.

On the governmental fund financial statements, compensated absences are reported as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account “Matured Compensated Absences Payable” in the funds from which the employees are paid.

K. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from the Internal Service Fund are reported on the proprietary fund 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, 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 in the current fiscal year. Long-term bonds and capital leases that will be paid from governmental funds are recognized as an expenditure and liability in the governmental fund financial statements when due.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Bond Premiums/Issuance Costs/Compounded Interest on Capital Appreciation Bonds

On the government-wide financial statements, bond premiums and issuance costs are deferred and amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method. Capital appreciation bonds are accreted each fiscal year for the compounded interest accrued during the fiscal year. Bond premiums and the compounded interest on the capital appreciation bonds are presented as a reduction/addition of the face amount of the bonds payable whereas issuance costs are recorded as deferred charges.

On the governmental fund financial statements, issuance costs and bond premiums are recognized in the period in which the debt is issued.

M. Loss on Advance Refunding

On the government-wide financial statements an advance refunding resulting in the defeasance of debt generates an accounting loss calculated by comparing the reacquisition price and the net carrying amount of the old debt. This accounting loss is amortized as interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as a reduction of the face amount of the new debt.

N. Fund Balance Reserves

The School District reserves those portions of fund equity 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 equity which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances, property taxes, textbooks and instructional materials and bus purchases.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute.

O. 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 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 include resources restricted for student activities and federal and State grants restricted to expenditures for specified purposes.

Springfield City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

P. Internal Activity

Transfers within governmental activities are eliminated on the government-wide financial statements.

Internal allocations of overhead expenses from one function to another or within the same function are eliminated of the Statement of Activities. Payments for interfund services provided and used are not eliminated.

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.

Q. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the Internal Service Fund. For the School District, these revenues are charges for services for health insurance. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the fund. Revenues and expenses that do not meet these definitions are reported as non-operating.

R. 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 sets 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 except for the General Fund, which is at the fund and object level. The Treasurer has been authorized to allocate Board appropriations to the object level within each fund.

Springfield City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as final budgeted amounts reflect the amounts in the amended certificate in effect at the time the final appropriations were passed by the Board of Education.

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 in the budgetary statements 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, including all supplemental appropriations.

S. Estimates

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

NOTE 3 - ACCOUNTABILITY

At June 30, 2009, the following funds had deficit fund balances:

<u>Funds</u>	<u>Amounts</u>
Special Revenue Funds:	
Basic Education Foundation	\$12,501
OhioReads	11,732
Alternative Schools	12,154
Title VI-B	118,235
Preschool	5,953
Title VI-R	14,654
Miscellaneous Federal Grants	1,113,637
Capital Projects Fund:	
Project Construction	2,433,849

The General Fund provides transfers to cover deficit balances in other funds; however, this is done when cash is needed rather than when accruals occur.

Springfield City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

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

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures 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).
4. Advances In and Advances Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

The following table summarizes the adjustments necessary to reconcile the GAAP and budgetary basis statements for the General Fund.

<u>Net Change in Fund Balance</u>	
GAAP Basis	\$7,310,645
Adjustments:	
Revenue Accruals	(1,856,256)
Expenditure Accruals	(1,297,421)
Advances	(658,030)
Encumbrances	(1,295,003)
Budget Basis	<u><u>\$2,203,935</u></u>

Springfield City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 5 - DEPOSITS AND INVESTMENTS

Monies held by the School District are classified by State statute into three categories.

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

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit, or by savings or deposit accounts, including passbook accounts.

Interim monies held by the School District 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;
4. Bonds and other obligations of the State of Ohio;
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);

Springfield City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

7. The State Treasurer’s investment pool (STAROhio); and
8. Commercial paper and bankers’ acceptances if training requirements have been meet.

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. Investments may only be made through specified dealers and institutions.

A. Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At fiscal year-end, \$6,864,511 of the School District’s bank balance of \$22,574,353 was exposed to custodial credit risk because it was collateralized with securities held by the pledging financial institution.

The School District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by eligible securities pledged to and deposited either with the School District or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least 105 percent of the deposits being secured.

B. Investments

As of June 30, 2009, the School District had the following investments. All investments are in an internal investment pool except monies held by an escrow agent for retainage payable and the Ohio School Facilities Project Construction Fund.

	Fair Value	Investment Maturities		S & P Rating	Percentage of Total Investments
		Less Than 1 Year	1 - 2		
STAROhio	\$18,430,250	\$18,430,250	\$0	AAAm	97.37%
Federal Home Loan Bank Bonds	\$497,611	\$0	\$497,611	AAA	2.63%
Totals	\$18,927,861	\$18,430,250	\$497,611		100.00%

Springfield City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

Interest Rate Risk

As a means of limiting its exposure to fair value losses caused by rising interest rates, the School District's investment policy requires that, to the extent possible, investments will match anticipated cash flow requirements. No investment shall be made unless the Treasurer, at the time of making the investment, reasonably expects it can be held to its maturity. Unless matched to a specific obligation or debt of the School District, the School District will not directly invest in securities maturing more than five years from the date of investment.

Credit Risk

The Standard and Poor's rating of the School District's investments is listed in the table above. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service and that the Money Market Mutual Fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service. The School District's investment policy limits investments to those authorized by State statute.

Concentration of Credit Risk

The School District's investment policy provides that the School District will diversify its investments in securities by maturity, issue, and class. The percentage that each investment represents of the total investments is listed in the table above.

NOTE 6 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the School District's 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 property (used in business) located in the School District. Real property tax revenue received in calendar year 2009 represents collections of calendar year 2008 taxes. Real property taxes received in calendar year 2009 were levied after April 1, 2008, on the assessed value listed as of January 1, 2008, the lien date.

Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Springfield City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 6 - PROPERTY TAXES (continued)

Public utility property tax revenue received in calendar year 2009 represents collections of calendar year 2008 taxes. Public utility real and tangible personal property taxes received in calendar year 2009 became a lien December 31, 2007, were levied after April 1, 2008 and are collected in calendar year 2009 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar year 2009 (other than public utility property tax) represents the collection of calendar year 2009 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property taxes received from telephone companies in calendar year 2009 were levied after October 1, 2008, on the value as of December 31, 2008. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

The School District receives property taxes from Clark 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, 2009, are available to finance fiscal year 2009 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents the late personal property tax settlement, real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2009, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 and the late tangible personal property tax settlement were levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

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.

The amount available as an advance at June 30, 2009, was \$6,169,269 and is recognized as revenue: \$5,406,553 in the General Fund, \$564,015 in the Bond Retirement Debt Service Fund, \$149,951 in the Permanent Improvement Capital Projects Fund and \$48,750 in the Classroom Facilities Maintenance Special Revenue Fund. The amount available as an advance at June 30, 2008, was \$4,032,216 and consisted of: \$3,534,714 in the General Fund, \$366,698 in the Bond Retirement Debt Service Fund, \$98,935 in the Permanent Improvement Capital Projects Fund and \$31,869 in the Classroom Facilities Maintenance Special Revenue Fund.

Springfield City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 6 - PROPERTY TAXES (continued)

The assessed values upon which fiscal year 2009 taxes were collected are:

	2008 Second- Half Collections		2009 First- Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$713,794,280	92.24%	\$711,225,030	96.23%
Public Utility Personal	24,683,340	3.19%	25,631,950	3.47%
General Business Personal	35,358,462	4.57%	2,210,900	0.30%
Total Assessed Value	<u>\$773,836,082</u>	<u>100.00%</u>	<u>\$739,067,880</u>	<u>100.00%</u>

Tax rate per \$1,000 of assessed valuation	\$63.25	\$63.73
---	---------	---------

NOTE 7 - RECEIVABLES

Receivables at June 30, 2009, consisted of property taxes, accounts, intergovernmental grants, accrued interest, and interfund. All receivables are considered collectible in full. With the exception of delinquent property taxes, all receivables will be received within one year. Property taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

<u>Governmental Activities:</u>	<u>Amounts</u>
Food Service - Federal Reimbursements	\$141,060
Mental Health/Early Start	18,180
Other Grants	9,674
Entry Year	6,300
OhioReads	35,977
Alternative School	58,721
Adult Basic Education	37,777
Title VI-B	202,207
Title I	1,987,202
Title VI	6,843
Drug Free School Grant	53,261
Preschool Grant	9,637
Title VI-R	289,984
Miscellaneous Federal Grants	954,112
Total Intergovernmental Receivable	<u>\$3,810,935</u>

Springfield City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 8 - CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2009, was as follows:

	Balance at 6/30/08	Additions	Deductions	Balance at 6/30/09
<u>Governmental Activities:</u>				
Capital Assets Not Being Depreciated:				
Land	\$14,769,496	\$0	\$0	\$14,769,496
Construction in Progress	52,898,083	6,426,340	(59,324,423)	0
Total Capital Assets Not Being Depreciated	67,667,579	6,426,340	(59,324,423)	14,769,496
Depreciable Capital Assets:				
Buildings	138,294,486	59,324,423	0	197,618,909
Furniture and Equipment	6,326,295	732,869	(370,003)	6,689,161
Vehicles	2,165,427	101,323	(16,960)	2,249,790
Total Depreciable Capital Assets	146,786,208	60,158,615	(386,963)	206,557,860
Less Accumulated Depreciation:				
Buildings	(20,568,078)	(4,757,102)	0	(25,325,180)
Furniture and Equipment	(4,679,747)	(574,707)	292,248	(4,962,206)
Vehicles	(2,083,521)	(52,949)	16,960	(2,119,510)
Total Accumulated Depreciation	(27,331,346)	(5,384,758) *	309,208	(32,406,896)
Depreciable Capital Assets, Net	119,454,862	54,773,857	(77,755)	174,150,964
Governmental Activities Capital Assets, Net	<u>\$187,122,441</u>	<u>\$61,200,197</u>	<u>(\$59,402,178)</u>	<u>\$188,920,460</u>

Springfield City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 8 - CAPITAL ASSETS (continued)

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$37,792
Special	36,361
Student Intervention Services	215
Support Services:	
Pupils	41,920
Instructional Staff	779
Administration	5,473
Fiscal	1,367
Business	15,468
Operation and Maintenance of Plant	37,256
Pupil Transportation	41,057
Central	38,815
Operation of Non-Instructional Services	361,288
Extracurricular Activities	9,865
Allocated Depreciation Expense	<u>627,656</u>
Unallocated Depreciation	<u>4,757,102</u>
Total Depreciation Expense	<u><u>\$5,384,758</u></u>

NOTE 9 - RISK MANAGEMENT

A. Workers' Compensation

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

B. Property and Liability

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. The School District, along with other school districts in Ohio, participates in the Ohio School Plan (OSP), an insurance purchasing pool. Each individual School District enters into an agreement with OSP and its premium is based on types of coverage, limits of coverage, and deductibles that it selects. The School District pays this annual premium to the OSP. (See Note 18). During fiscal year 2009, the School District contracted with the Ohio School Plan for property, inland marine, crime, automobile liability and general liability insurance coverage.

Springfield City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 9 - RISK MANAGEMENT (continued)

Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There was a significant reduction in insurance from last fiscal year. The School District did carry \$48,000,000 in builders' risk insurance through Cincinnati Insurances but this coverage was terminated during fiscal year 2009 upon completion of the building project.

C. Employee Insurance

The School District is self-insured for health benefits with Anthem Blue Cross and Blue Shield as the plan administrator. It is the stated goal of the insurance committee to maintain a balance of one to two months' average claims history.

The liability for unpaid claims of \$1,348,929 reported in the fund at June 30, 2009, as estimated by an analysis of claims payments, is based on the requirements of GASB Statement No. 30, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues," which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claims adjustment expenses and does not include other allocated or unallocated claims adjustment expenses.

Changes in claims activity for the past two fiscal years are as follows:

	Balance at Beginning of Year	Current Year Claims	Claims Payments	Balance at End of Year
2008	\$765,305	\$7,902,697	\$7,553,381	\$1,114,621
2009	1,114,621	9,055,408	8,821,100	1,348,929

NOTE 10 - DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

Plan Description – The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer 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 Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746.

Springfield City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District’s contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2009, 9.09 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School District’s required contributions for pension obligations to SERS for the fiscal years ended June 30, 2009, 2008 and 2007 were \$861,733, \$856,191 and \$863,493, respectively; 45.36 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

B. State Teachers Retirement System of Ohio

Plan Description – The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad Street, Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio website at www.strsoh.org.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member’s lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

Springfield City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

A DB or Combined Plan member with five or more years of 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. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – For the fiscal year ended June 30, 2009, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2009, 2008 and 2007 were \$4,575,339, \$4,868,764 and \$4,521,216, respectively; 83.66 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007. Contributions to the DC and Combined Plans for fiscal year 2009 were \$31,240 made by the School District and \$67,370 made by the plan members.

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 of Ohio have an option to choose Social Security or the School Employees Retirement System. As of June 30, 2009, four members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages.

NOTE 11 - POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

Plan Description – The School District participates in two cost-sharing multiple employer defined benefit OPEB plans administered by the School Employees Retirement System (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by SERS based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746.

Springfield City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 11 - POSTEMPLOYMENT BENEFITS (continued)

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2009, 4.16 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2009, this amount was \$35,800.

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The School District's contributions for health care for the fiscal years ended June 30, 2009, 2008 and 2007 were \$536,746, \$574,484 and \$495,538, respectively; 45.36 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare Part B Fund. For 2009, this actuarially required allocation was 0.75 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2009, 2008 and 2007 were \$71,100, \$61,691 and \$70,871, respectively; 45.36 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

B. State Teachers Retirement System of Ohio

Plan Description – The School District contributes to the cost-sharing, multiple-employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post employment health care may be deducted from employer contributions. For 2009, STRS Ohio allocated employer contributions equal to one percent of covered payroll to the Health Care Stabilization Fund. The School District's contributions for health care for the fiscal years ended June 30, 2009, 2008 and 2007 were \$351,949, \$374,520 and \$361,970, respectively; 83.66 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

NOTE 12 - EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees and administrators earn 10 to 25 days of vacation per fiscal year, depending upon length of service, except for the Superintendent and the Treasurer. The Superintendent receives 25 days and the Treasurer receives 20 days per fiscal year. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 246 days for teachers, 3,120 hours for classified employees, and 320 days for administrative personnel. Upon retirement, payment is made for one-fourth of the total sick leave accumulation up to a maximum of 61.5 days for teachers. For administrators, payment is made for one-fourth of the total sick leave accumulation. For classified personnel, payment is made for one-fourth of the total sick leave accumulation up to a maximum of 512 hours.

B. Insurance

The School District provides life insurance and accidental death and dismemberment insurance to most employees through various life insurance companies. The School District provides health benefits to employees through a self-insurance plan administered through Anthem Blue Cross and Blue Shield. Dental insurance is provided by the School District to all employees through MetLife.

C. Deferred Compensation

School District employees may participate in the ING Financial, VALIC or Ohio Public Employees Deferred Compensation plans in accordance with Internal Revenue Code Section 457. The employees may also participate in a qualified annuity plan, sponsored by multiple providers, in accordance with Internal Revenue Code Section 403(b). Participation is on a voluntary payroll deduction basis. The plans permit deferral of compensation until future years. According to the plans, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

Springfield City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 13 - LEASES - LESSEE DISCLOSURE

In prior fiscal years, the School District entered into capitalized leases for food service equipment, copiers and a booklet machine. All leases meet the criteria of a capital lease as defined by *Statement of Financial Accounting Standards No. 13, "Accounting for Leases,"* which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements for the governmental funds. These expenditures are reflected as program/function expenditures on a budgetary basis.

Capital assets acquired by lease were initially capitalized in the amount of \$335,000, which is equal to the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded on the Statement of Net Assets for governmental activities. Principal payments in fiscal year 2009 totaled \$784,503 and were paid from the General Fund and the Food Service Special Revenue Fund. The lease for the food service equipment was paid off early during fiscal year 2009.

The assets acquired through capital leases as of June 30, 2009, are as follows:

	Asset Value	Accumulated Depreciation	Net Book Value
Copiers and Booklet Machine	\$335,000	(\$83,750)	\$251,250

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2009:

Fiscal Year Ending June 30,	Total Payments
2010	\$76,030
2011	76,030
2012	76,031
2013	19,008
Total	247,099
Less: Amount Representing Interest	(19,803)
Present Value of Net Minimum Lease Payments	\$227,296

Springfield City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 14 - LONG-TERM OBLIGATIONS

The changes in the School District's long-term obligations during fiscal year 2009 were as follows:

<u>Governmental Activities:</u>	<u>Outstanding 6/30/08</u>	<u>Additions</u>	<u>Deductions</u>	<u>Outstanding 6/30/09</u>	<u>Due Within One Year</u>
1996 School Improvement					
Refunding Bonds					
Serial Bonds 5.05% to 5.15%	\$1,630,000	\$0	\$1,630,000	\$0	\$0
Capital Appreciation					
Bonds 5.35% to 5.55%	1,648,669	0	0	1,648,669	452,794
Accretion on Capital					
Appreciation Bonds	3,490,021	535,701	0	4,025,722	1,262,206
2001 Classroom Facilities					
Assistance Bonds					
Serial Bonds 4.0% to 4.6%	7,890,000	0	1,450,000	6,440,000	1,505,000
Capital Appreciation					
Bonds 5.2% to 5.3%	937,996	0	0	937,996	0
Accretion on Capital					
Appreciation Bonds	999,675	211,219	0	1,210,894	0
Bond Premium	107,179	0	7,146	100,033	0
2006 Various Purpose					
Refunding Bonds					
Serial Bonds 3.0% to 5.0%	17,650,000	0	190,000	17,460,000	200,000
Capital Appreciation					
Bonds 4.25% to 4.3%	2,014,095	0	0	2,014,095	0
Accretion on Capital					
Appreciation Bonds	187,668	140,054	0	327,722	0
Bond Premium	1,573,914	0	101,543	1,472,371	0
Loss on Refunding	(1,183,504)	0	(76,355)	(1,107,149)	0
Energy Conservation Bonds					
Serial Bonds 3.5% to 4.5%	0	2,920,000	0	2,920,000	250,000
Capital Appreciation					
Bonds 5.25%		144,000		144,000	0
Accretion on Capital					
Appreciation Bonds		64,920		64,920	0
Bond Premium		71,586	3,796	67,790	0
Compensated Absences	3,359,817	672,319	461,107	3,571,029	957,056
Capital Leases	1,011,799	0	784,503	227,296	65,984
Total Governmental Activities					
Long-Term Obligations	<u>\$41,317,329</u>	<u>\$4,759,799</u>	<u>\$4,551,740</u>	<u>\$41,525,388</u>	<u>\$4,693,040</u>

Springfield City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 14 - LONG-TERM OBLIGATIONS (continued)

Annual debt service requirements to maturity for governmental long-term obligations are:

Fiscal Year Ending June 30,	Serial	Serial	Capital	Capital	Total
	Bond Principal	Bond Interest	Appreciation Bond Principal	Appreciation Bond Interest	
2010	\$1,955,000	\$1,143,736	\$452,794	\$1,262,206	\$4,813,736
2011	2,030,000	1,060,890	423,708	1,291,292	4,805,890
2012	2,120,000	972,953	398,618	1,316,382	4,807,953
2013	2,210,000	879,520	373,550	1,336,450	4,799,520
2014	500,000	821,963	493,220	1,306,780	3,121,963
2015-2019	10,455,000	3,207,181	444,775	1,355,225	15,462,181
2020-2024	7,550,000	578,500	2,158,095	3,751,905	14,038,500
Total	<u>\$26,820,000</u>	<u>\$8,664,743</u>	<u>\$4,744,760</u>	<u>\$11,620,240</u>	<u>\$51,849,743</u>

The School District's overall legal debt margin was \$41,703,567 with an unvoted debt margin of \$7,698,958, and an Energy Conservation debt margin of \$3,566,610 at June 30, 2009.

1996 School Improvement Refunding Bonds - On December 1, 1996, Springfield City School District issued general obligation bonds in the amount of \$17,073,669 to defease the School Improvement general obligation bonds. The proceeds of the new bonds were placed 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 bonds were issued for a 16 year period with final maturity during December 2012. The bonds will be retired from the Bond Retirement Debt Service Fund.

The capital appreciation bonds, issued at \$1,648,669, are not subject to prior redemption. The capital appreciation bonds will mature in fiscal years 2010, 2011, 2012 and 2013. The maturity amounts of the capital appreciation bonds are \$1,715,000, \$1,715,000, \$1,715,000 and \$1,710,000, respectively. Accretion on the capital appreciation bonds for fiscal year 2009 was \$535,701.

2001 Classroom Facilities Assistance Bonds - On May 23, 2001, the School District issued \$38,102,996 in voted general obligation bonds for the purpose of acquiring land, constructing 15 new classroom facilities and two major renovations. The bonds were issued for a 22 year period with final maturity in December 2023. The bonds will be retired from the Bond Retirement Debt Service Fund.

Springfield City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 14 - LONG-TERM OBLIGATIONS (continued)

The serial bonds, issued at \$17,275,000 with bonds maturing on December 1, 2005 to December 1, 2012 are subject to optional redemption, in whole or in part on any date and by lot within a maturity, at the option of the School District, on or after December 1, 2011 as follows:

<u>Redemption Dates</u>	<u>Redemption Rate</u>
December 1, 2011 through November 30, 2012	102%
December 1, 2012 through November 30, 2013	101%
December 1, 2013 and thereafter	100%

The capital appreciation bonds, issued at \$937,996, are not subject to redemption prior to scheduled maturity. The capital appreciation bonds will mature in fiscal years 2014 and 2015. The maturity amount of the capital appreciation bonds is \$1,800,000 in fiscal years 2014 and 2015. Accretion on the capital appreciation bonds for fiscal year 2009 was \$211,219.

2006 Various Purpose Refunding Bonds - On December 21, 2006, the School District issued bonds for the purpose of advance refunding the \$19,890,000 outstanding 2001 Classroom Facilities Assistance General Obligation Term Bonds. The refunded bonds outstanding at June 30, 2009 were \$19,890,000.

The serial bonds, issued at \$17,875,000, maturing on December 1, 2007 to December 1, 2021, are subject to optional redemption. Bonds maturing on December 1, 2017 and thereafter are subject to optional redemption, in whole or in part on any date and by lot within a maturity, at the option of the School District on or after December 1, 2016 at par plus accrued interest to the date of redemption.

The capital appreciation bonds, issued at \$2,014,095, are not subject to prior redemption. The capital appreciation bonds will mature in fiscal years 2023 and 2024. The maturity amounts of the capital appreciation bonds are \$2,775,000 in fiscal years 2023 and 2024. Accretion on the capital appreciation bonds for fiscal year 2009 was \$140,054.

2008 School Energy Conservation Improvement Bonds - On November 6, 2008, the School District issued bonds for the purpose of making energy conservation improvements to the School District's various buildings. The bonds were issued in the amount of \$3,064,000. The serial bonds, issued at \$2,920,000, maturing on December 1, 2009 to December 1, 2018, are not subject to redemption prior to scheduled maturity.

The capital appreciation bonds, issued at \$144,000, are not subject to prior redemption. The capital appreciation bonds will mature in fiscal year 2020. The maturity amount of the capital appreciation bonds is \$360,000. Accretion on the capital appreciation bonds for fiscal year 2009 was \$64,920.

Capital leases from the General Fund and the Food Service Special Revenue Fund and compensated absences will be paid from the fund which the employee is paid.

Springfield City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 15 - FUND OBLIGATIONS

A summary of the short-term note transactions for the fiscal year ended June 30, 2009 follows:

Types / Issues	Balance 6/30/08	Issued	Retired	Balance 6/30/09
2005 - 4.3% Permanent Improvement Tax				
Anticipation Notes \$4,400,000	\$3,100,000	\$0	\$400,000	\$2,700,000
2006 - 6.35% Current Expense Tax Anticipation				
Notes \$6,462,000	5,600,000	0	1,300,000	4,300,000
Total Governmental Activities	<u>\$8,700,000</u>	<u>\$0</u>	<u>\$1,700,000</u>	<u>\$7,000,000</u>

On August 8, 2005 the School District issued 4.3 percent Permanent Improvement Tax Anticipation Notes in the amount of \$4,400,000. The School District has pledged property tax revenue to meet the annual note payments from the permanent improvement levy. The permanent improvement levy generates approximately \$730,000 annually. The notes will mature on December 1, 2014. The notes will be retired from the Project Construction Capital Projects Fund.

On April 4, 2006 the School District issued 6.35 percent Current Expense Tax Anticipation Notes in the amount of \$6,462,000. The notes were issued to provide revenue that was to be collected on a 9.0 mill emergency levy passed by the voters in February 2006 that generates \$6,462,900 annually for the School District. The revenue collected from this levy has been pledged to make the annual note payments. The notes will mature on December 7, 2011. The notes will be retired from the General Fund.

Fiscal Year Ending June 30,	Tax Anticipation Notes Principal	Tax Anticipation Notes Interest	Total
2010	\$1,800,000	\$ 336,850	\$2,136,850
2011	1,800,000	230,750	2,030,750
2012	1,900,000	121,100	2,021,100
2013	500,000	53,750	553,750
2014	500,000	32,250	532,250
2015	500,000	10,750	510,750
	<u>\$7,000,000</u>	<u>\$785,450</u>	<u>\$7,785,450</u>

Springfield City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 16 - INTERFUND ACTIVITY

Transfers made during the fiscal year ended June 30, 2009 were as follows:

	Transfers From	
	<u>General Fund</u>	
Transfers To		
Other Governmental Funds	<u>\$11,000</u>	

Transfers are made to move unrestricted balances to support programs and projects accounted for in other funds.

Interfund balances at June 30, 2009, consist of the following interfund receivables and payables:

	Receivable	
	<u>General</u>	
Payable		
Other Governmental Funds	<u>\$1,296,179</u>	

General Fund advances are made to move unrestricted balances to support programs and projects accounted for in other funds. Advancing monies to other funds is necessary due to timing differences in the receiving of grant monies. When the monies are finally received, the grant fund will use those restricted monies to reimburse the General Fund for the initial advance.

NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS

A. Clark County Family and Children First Council

The School District participates in the Clark County Family and Children First Council. The Council coordinates and integrates services within Clark County, which are available for families and children, and establishes a comprehensive, coordinated, multi-disciplinary, interagency system for the delivery of such services in order to more effectively meet the needs of families and children. A board of 18 trustees, one of which is the Superintendent of the Springfield City School District, governs the Council. During fiscal year 2009, the School District contributed \$10,385 to the Council. Financial information can be obtained from Marilyn Demma, Executive Director, at 6 West High Street, Arcue Building, Suite 500, Springfield, Ohio 45502.

Springfield City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS (continued)

B. Southwestern Ohio Educational Purchasing Council

The Southwestern Ohio Educational Purchasing Council (SOEPC) is a purchasing council made up of nearly 100 school districts in 12 counties. 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 district. Any district withdrawing from SOEPC forfeits its claim to any and all SOEPC assets. One year prior notice is necessary for withdrawal from the SOEPC. During this time, the withdrawing member is liable for all member obligations. Payments to SOEPC are made from the General Fund. The School District made no financial contributions to the SOEPC during fiscal year 2009. To obtain financial information, write to the Southwestern Ohio Educational Purchasing Council, Ken Swink, who serves as Director, at 303 Corporate Center Drive, Vandalia, Ohio 45377.

C. Springfield/Clark County Joint Vocational School

Springfield/Clark County Joint Vocational School is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one or two representatives from each of the eight participating school districts' and educational service centers' elected boards, which possesses its own budgeting and taxing authority. One member is appointed from the following: Clark-Shawnee Local School District, Greenon Local School District, Northeastern Local School District, Northwestern Local School District, Southeastern Local School District, Tecumseh Local School District, and the Clark County Educational Service Center. Two members are appointed from the Springfield City School District. The School District made no financial contributions to the Joint Vocational School during fiscal year 2009. To obtain financial information, write to the Springfield/Clark County Joint Vocational School, Pamela Mustovich, who serves as Treasurer, at 1901 Selma Road, Springfield, Ohio 45505-4329.

Springfield City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 18 - INSURANCE PURCHASING POOL

Ohio School Plan

The School District participates in the Ohio School Plan (OSP), an insurance purchasing pool. The OSP was created and organized pursuant to and as authorized by Section 2744.081 of the Ohio Revised Code. The OSP is an unincorporated, non-profit association of its members and an instrumentality for each member for the sole purpose of enabling members of the OSP to provide for a formalized, jointly administered self-insurance program to maintain adequate self-insurance protection, risk management programs and other administrative services. The OSP's business and affairs are conducted by a 13 member Board of Directors consisting of school district superintendents and treasurers. The OSP has an agreement with Hylant Administrative Services, LLC to provide underwriting, claims management, risk management, accounting, system support services, sales and marketing for the OSP. Hylant Administrative Services, LLC also coordinates reinsurance brokerage services for the OSP.

NOTE 19 - 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 and construction of capital improvements. Amounts not spent by fiscal year-end or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year-end and carried forward to be used for the same purposes in future fiscal years.

The following cash basis information describes the change in the fiscal year-end amounts for textbooks and instructional materials and capital improvements. Disclosure of this information is required by State statute.

	Textbooks and Instructional Materials	Capital Improvements
Set-aside Reserve Balance as of June 30, 2008	\$726,007	\$0
Current Fiscal Year Set-aside Requirement	1,268,793	1,268,793
Current Fiscal Year Offsets	0	(1,268,793)
Qualifying Disbursements	(1,341,839)	0
Set-aside Reserve Balance as of June 30, 2009	<u>\$652,961</u>	<u>\$0</u>
Required Set-aside Balances Carried Forward to fiscal year 2010	<u>\$652,961</u>	<u>\$0</u>

Amounts of offsets and qualifying disbursements presented in the table for capital improvements were limited to those necessary to reduce the fiscal year-end balance to zero. Although the School District may have had additional offsets and qualifying disbursements for capital improvements during the fiscal year, this extra amount may not be used to reduce the set-aside requirements of future fiscal years.

Springfield City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 20 - CONTINGENCIES

A. Grants

The School District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2009.

B. Litigation

The School District is currently not party to any pending litigation.

Springfield City School District
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

Federal Grantor/Program Title	Pass Through Entity Number	Federal CFDA Number	Award Receipts	Award Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
<i>Passed Through Ohio Department of Education</i>				
Child Nutrition Cluster				
Non-Cash Assistance (Food Distribution):				
National School Lunch Program	N/A	10.555	\$ 180,525	180,525
Cash Assistance				
National School Breakfast Program	PU	10.553	685,084	685,084
National School Lunch Program	LLP	10.555	1,889,234	1,889,234
Summer Food Service Program	24PU	10.559	<u>97,149</u>	<u>97,149</u>
Total U.S. Department of Agriculture			<u>2,851,992</u>	<u>2,851,992</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
<i>Direct Program</i>				
Safe Schools / Healthy Students	N/A	84.184L	1,526,134	2,276,283
<i>Passed Through Ohio Department of Education</i>				
Adult Education	AB	84.002	284,771	291,154
Title I Grant	C1S	84.010	4,744,312	4,742,606
Special Education Cluster:				
Title VI-B	6B	84.027	2,078,190	2,047,279
Preschool Disabilities Grant	PGS	84.173	<u>72,143</u>	<u>74,825</u>
Total Special Education Cluster			2,150,333	2,122,104
Safe and Drug-Free Schools and Communities State Grant	DRS	84.186	43,399	38,957
Even Start Family Literacy Grant	EVS	84.213	164,654	175,277
21st Century Community Learning Centers	T1S	84.287	146,911	117,381
Innovative Strategy (Title V)	C2S	84.298	22,566	30,855
Technology Literacy Challenge (Title II-D)	TJS	84.318	298,231	282,833
Reading First	RSS	84.357	444,108	589,839
English Language Acquisition (Title III)	T3S	84.365	29,629	31,937
Teacher Quality Grant (Title II-A)	TRS	84.367	<u>882,235</u>	<u>880,760</u>
Total U.S. Department of Education			<u>10,737,283</u>	<u>11,579,986</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<i>Direct Program</i>				
TANF Afterschool Readiness	N/A	93.558	229,720	212,400
Medical Assistance Program	N/A	93.778	<u>151,537</u>	<u>151,537</u>
Total U.S. Department of Health and Human Services			<u>381,257</u>	<u>363,937</u>
U.S. DEPARTMENT OF HOMELAND SECURITY				
<i>Direct Program</i>				
Hazard Mitigation	N/A	97.036	<u>8,588</u>	<u>8,588</u>
TOTAL FEDERAL AWARD EXPENDITURES			\$ <u>13,979,120</u>	<u>14,804,503</u>

See accompanying notes to federal award expenditures

Springfield City School District
Notes to the Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards is a summary activity of all federal awards programs of the Springfield City School District. The schedule has been prepared on the cash basis of accounting.

NOTE 2 – U.S. DEPARTMENT OF AGRICULTURE PROGRAMS

Non-monetary assistance, such as food received from the U.S. Department of Agriculture, is reported on the schedule of expenditures of federal awards at the market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.

NOTE 3 – SAFE SCHOOLS HEALTHY STUDENTS PROGRAM

Safe Schools Healthy Students is a collaborative program that is supported by the U.S. Department of Education, U.S. Department of Health and Human Services and U.S. Department of Justice. The District receives direct funding for this grant through the U.S. Department of Health and Human Services; however, on the accompanying Schedule of Expenditures of Federal Awards the grant is reported as a direct award from the Department of Education because of the CFDA funding number.

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

Board of Education
Springfield City School District
1500 W. Jefferson St.
Springfield, Ohio 45506

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Springfield City School District (the District), as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 31, 2009. 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 District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the 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 and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a deficiency in internal control over financial reporting that we consider to be a significant deficiency.

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 District'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 District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control. We consider the deficiency described in the accompanying schedule of findings and questioned costs as Finding 2009-001 to be a significant deficiency 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 District's internal control.

2525 north limestone street, ste. 103
springfield, oh 45503

www.cshco.com
p. 937.399.2000
f. 937.399.5433

Our consideration of the 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 the 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 are material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 District, in a separate letter dated December 31, 2009.

The 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 District's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the finance committee, 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, Hackett & Co.

Springfield, Ohio
December 31, 2009

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

Board of Education
Springfield City School District
1500 W. Jefferson St
Springfield, Ohio 45506

Compliance

We have audited the compliance of the Springfield City School District (the 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, 2009. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with 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 District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the 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, 2009.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the 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 District's internal control over compliance.

2525 north limestone street, ste. 103
springfield, oh 45503

www.cshco.com
p. 937.399.2000
f. 937.399.5433

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 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.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in 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.

Our consideration of internal control over compliance 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 or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the finance committee, others within the entity, 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, Hackett & Co.

Springfield, Ohio
December 31, 2009

**Springfield City School District
Schedule of Findings and Questioned Costs
Fiscal Year Ended June 30, 2009**

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued:	Unqualified
Internal control over financial reporting:	
• Material weakness(es) identified?	None noted
• Significant deficiency(ies) identified not considered to be material weakness(es)?	Yes
Noncompliance material to financial statements noted?	None noted

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	None noted
• Significant deficiency(ies) identified not considered to be material weakness(es)?	None noted
Type of auditors’ report issued on compliance for major programs:	Unqualified
Any audit findings that are required to be reported in accordance with 510(a) of Circular A-133?	None noted
Identification of major programs:	
Special Education Cluster:	
CFDA 84.027 – Title VIB	
CFDA 84.173 – Preschool Grant	
CFDA 84.357 – Reading First	
CFDA 84.184L – Safe Schools Healthy Students	
Dollar threshold to distinguish between Type A and Type B programs:	\$444,135
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings

Finding Number 2009-001

The District did not properly identify all grant receivable balances and there were errors in the determination of measureable and available revenues. Although the error was not considered material, the amount was significant enough to require an audit adjustment.

The District should implement appropriate procedures to ensure grants receivable is complete and revenue is recognized in accordance with the available period.

Management Response:

The District has implemented procedures to correct the control deficiency noted above.

Section III – Federal Awards Findings and Questioned Costs

None noted

Section IV – Summary of Prior Audit Findings and Questioned Costs

Finding 2008-001 – Audit adjustments were required to present financial statements in accordance with GAAP in the prior year. Finding repeated in fiscal year 2009 as finding 2009-001.

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Education
Springfield City School District:

Ohio Revised Code Section 117.53 states “the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school.”

Accordingly, we have performed the procedures enumerated below, which were agreed to by the Board, solely to assist the Board in evaluating whether Springfield City School District (the District) has adopted an anti-harassment policy in accordance with Ohio Revised Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Board. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

1. We noted the Board adopted an anti-harassment policy at its meeting in November 1986 and revised June 19, 1997.

2. We read the policy, noting it included the following requirements from Ohio Rev. Code Section 3313.666(B):

- (1) A statement prohibiting harassment, intimidation, or bullying of any student on school property or at school-sponsored events;
- (2) A strategy for protecting a victim from additional harassment, intimidation, or bullying, and from retaliation following a report;

3. We read the policy, noting it did not include the following requirements from Ohio Rev. Code Section 3313.666(B):

- (1) A definition of harassment, intimidation, or bullying that includes the definition in division (A) of Ohio Rev. Code Section 3313.666;
- (2) A procedure for reporting prohibited incidents;
- (3) A requirement that school personnel report prohibited incidents of which they are aware to the school principal or other administrator designated by the principal;
- (4) A procedure for documenting any prohibited incident that is reported;

2525 north limestone street, ste. 103
springfield, oh 45503

www.cshco.com
p. 937.399.2000
f. 937.399.5433

- (5) A requirement that the district administration semiannually provide the president of the district board a written summary of all reported incidents.
- (6) A requirement that parents or guardians of any student involved in a prohibited incident be notified and, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," Stat. 571, 20 O.S.C. 1232q, as amended, have access to any written reports pertaining to the prohibited incident
- (7) A procedure for responding to and investigating any reported incident;
- (8) A disciplinary procedure for any student guilty of harassment, intimidation, or bullying, which shall not infringe on any student's rights under the first amendment to the Constitution of the United States.
- (9) A requirement to post the semi-annual written summary on its web site, if the district has a web site, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board and is not intended to be and should not be used by anyone other than these specified parties.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
December 31, 2009



Mary Taylor, CPA
Auditor of State

SPRINGFIELD CITY SCHOOL DISTRICT
CLARK 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
MARCH 16, 2010