

SPRINGFIELD LOCAL SCHOOL DISTRICT

LUCAS COUNTY

GENERAL PURPOSE FINANCIAL STATEMENTS

For The Year Ended June 30, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

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Springfield Local School District
6900 Hall Street
Holland, Ohio 4328

We have reviewed the Independent Auditor's Report of the Springfield Local School District, Lucas County, prepared by LaVallee & Company, CPAs, for the audit period July 1, 1999 through June 30, 2000. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

JIM PETRO
Auditor of State

April 3, 2001

SPRINGFIELD LOCAL SCHOOL DISTRICT

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SPRINGFIELD LOCAL SCHOOL DISTRICT

ELECTED OFFICIALS AND
ADMINISTRATIVE PERSONNEL

As of June 30, 2000

<u>NAME</u>	<u>TITLE</u>	<u>TERM OF OFFICE/ CONTRACT PERIOD</u>
<u>Board of Education</u>		
Everett Harris	President	1/1/98 - 12/31/02
Kieran Menacher	Vice President	1/1/96 - 12/31/99
Michael Doyle	Member	1/1/98 - 12/31/02
Nancy Decker	Member	1/1/96 - 12/31/99
Kenneth Musch	Member	1/1/96 - 12/31/99

Legal Counsel

Spengler Nathanson
Attorneys at Law
608 Madison Avenue
Suite 1000
Toledo, OH 43604-1169

Administrative Personnel

Dr. Cynthia Beekley	Superintendent	3/1/99 - 07/31/03
Robert W. Moellenberg	Treasurer	Organizational Meeting 1998 - Organizational Meeting 2002

SPRINGFIELD LOCAL SCHOOL DISTRICT

INDEX OF FUNDS

GOVERNMENTAL FUND TYPES:

General Fund Type:

General Fund

Special Revenue Fund Types:

Public School Support Fund

Athletic Fund

Auxiliary Services Fund

Teacher Development

Education Management Information Systems Fund

Disadvantaged Pupil Impacted Aid Fund

Textbooks/Instructional Material Subsidy

Ohio Reads

Alternative Schools

Miscellaneous State Grants

Eisenhower Grant

Title VI-B-Elementary Secondary Education Act

Chapter 1- Education Consolidation and Improvement Act Fund

Chapter 2- Education Consolidation and Improvement Act Fund

Drug Free Schools

Miscellaneous Federal Grants

Debt Service Fund Type:

Bond Retirement Fund

Capital Projects Fund Types:

Building and Construction Fund

PROPRIETARY FUND TYPES:

Enterprise Fund Type:

Food Services Fund

Internal Service Fund Types:

Library Pioneer Fund

Community Arts Fund

FIDUCIARY FUND TYPES:

Trust and Agency Fund Types:

Expendable Trust Fund:

Community Scholarship Trust Fund

Nonexpendable Trust Funds:

Whitman Trust Fund

Strawberry Festival Scholarship Trust Fund

Eric Shier Memorial Scholarship Fund

Agency Fund Types:

Student Managed Activity Funds

ACCOUNT GROUPS:

General Long-Term Debt Account Group

General Fixed Assets Account Group

LaVallee & Company

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

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Lima, Ohio 45805
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FAX(419)222-2968

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

February 8, 2001

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

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying general purpose financial statements of the Springfield Local School District, Holland, Ohio, as of and for the year ended June 30, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of the Springfield Local School District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

We were unable to obtain an accurate listing of the School District's equipment associated with the General Fixed Asset Account Group nor were we able to satisfy ourselves as to the accuracy by other auditing procedures. The equipment is included in the General Fixed Asset Account Group and represents 14% of the General Fixed Asset Account Group. See footnote 9.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to obtain an accurate equipment listing or had we been able to satisfy ourselves as to those financial activities by other auditing procedures, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Springfield Local School District, Holland, Ohio, as of June 30, 2000, and the results of its operations and cash flows of its proprietary fund types and non expendable trust funds for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 8, 2000 on our consideration of the Springfield Local School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

LaVallee & Company CPAs

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SPRINGFIELD LOCAL SCHOOL DISTRICT
Combined Balance Sheet
All Fund Types and Account Groups
June 30, 2000

	Governmental Fund Types			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
ASSETS AND OTHER DEBITS				
Equity in Pooled Cash and Cash Equivalents	\$ 46,660	\$ 449,064	\$ 2,032,001	\$ 58,024
Receivables:				
Taxes	17,036,014	-	2,060,117	968,882
Accounts	-	2,142	-	-
Intergovernmental	-	-	-	-
Materials and Supplies Inventory	-	-	-	-
Prepaid Items	40,945	-	-	-
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	304,862	-	-	-
Advances to Other Funds	4,608	-	-	-
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	-	-	-	-
Amount Available in Debt Service Fund	-	-	-	-
Amount to be Provided for Retirement of General Long-Term Debt	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Other Debits	<u>\$ 17,433,089</u>	<u>\$ 451,206</u>	<u>\$ 4,092,118</u>	<u>\$ 1,026,906</u>
LIABILITIES, FUND EQUITY AND OTHER CREDITS				
Liabilities:				
Accounts Payable	\$ 89,137	\$ 26,178	\$ -	\$ 92,354
Accrued Salaries and Benefits	2,604,115	121,145	-	-
Intergovernmental Payable	364,989	15,098	-	-
Due to Students	-	-	-	-
Compensated Absences Payable	47,295	1,098	-	-
Deferred Revenue	16,193,638	-	1,950,315	908,612
Advances From Other Funds	-	4,608	-	-
Notes Payable	-	-	-	-
Capital Lease Payable	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>19,299,174</u>	<u>168,127</u>	<u>1,950,315</u>	<u>1,000,966</u>
Fund Equity and Other Credits:				
Investment in General Fixed Assets	-	-	-	-
Retained Earnings	-	-	-	-
Fund Balance:				
Reserved for Encumbrances	266,335	85,874	-	482,880
Reserved for Prepaids	40,945	-	-	-
Reserved for Property Taxes	842,376	-	109,802	60,270
Reserved for Budget Stabilization	304,862	-	-	-
Unreserved	<u>(3,320,603)</u>	<u>197,205</u>	<u>2,032,001</u>	<u>(517,210)</u>
Total Fund Equity and Other Credits	<u>(1,866,085)</u>	<u>283,079</u>	<u>2,141,803</u>	<u>25,940</u>
Total Liabilities, Fund Equity and Other Credits	<u>\$ 17,433,089</u>	<u>\$ 451,206</u>	<u>\$ 4,092,118</u>	<u>\$ 1,026,906</u>

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

<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Account Groups</u>		<u>Totals (Memorandum Only)</u>
<u>Enterprise</u>	<u>Internal Service</u>	<u>Trust and Agency</u>	<u>General Fixed Assets</u>	<u>General Long-Term Obligations</u>	
\$ 37,395	\$ -	\$ 163,840	\$ -	\$ -	\$ 2,786,984
-	-	-	-	-	20,065,013
-	-	10	-	-	2,152
42,043	-	-	-	-	42,043
14,600	-	-	-	-	14,600
-	-	-	-	-	40,945
-	-	-	-	-	304,862
-	-	-	-	-	4,608
135,674	-	-	32,203,563	-	32,339,237
-	-	-	-	2,141,803	2,141,803
-	-	-	-	14,321,862	14,321,862
<u>\$ 229,712</u>	<u>\$ -</u>	<u>\$ 163,850</u>	<u>\$ 32,203,563</u>	<u>\$ 16,463,665</u>	<u>\$ 72,064,109</u>
\$ 2,064	\$ -	\$ 2,652	\$ -	\$ -	\$ 212,385
56,672	-	-	-	-	2,781,932
79,759	-	-	-	149,764	609,610
-	-	75,643	-	-	75,643
41,938	-	-	-	1,901,418	1,991,749
9,939	-	-	-	-	19,062,504
-	-	-	-	-	4,608
-	-	-	-	14,360,000	14,360,000
-	-	-	-	52,483	52,483
<u>190,372</u>	<u>-</u>	<u>78,295</u>	<u>-</u>	<u>16,463,665</u>	<u>39,150,914</u>
-	-	-	32,203,563	-	32,203,563
39,340	-	39,903	-	-	79,243
-	-	4,299	-	-	839,388
-	-	-	-	-	40,945
-	-	-	-	-	1,012,448
-	-	-	-	-	304,862
-	-	41,353	-	-	(1,567,254)
<u>39,340</u>	<u>-</u>	<u>85,555</u>	<u>32,203,563</u>	<u>-</u>	<u>32,913,195</u>
<u>\$ 229,712</u>	<u>\$ -</u>	<u>\$ 163,850</u>	<u>\$ 32,203,563</u>	<u>\$ 16,463,665</u>	<u>\$ 72,064,109</u>

SPRINGFIELD LOCAL SCHOOL DISTRICT
Combined Statement of Revenues, Expenditures
and Changes in Fund Balances
All Governmental Fund Types and Similar Fiduciary Funds
For the Fiscal Year Ended June 30, 2000

	Governmental Fund Types	
	<u>General</u>	<u>Special Revenue</u>
Revenues:		
Taxes	\$ 16,054,154	\$ -
Tuition and Fees	164,902	21,701
Intergovernmental	6,893,962	1,642,110
Interest	302,156	6,784
Extracurricular Activities	-	279,844
Customer Services	18,403	-
Gifts and Donations	28,825	-
Rent	42,086	-
Miscellaneous	31,986	-
	<hr/>	<hr/>
Total Revenues	23,536,474	1,950,439
Expenditures:		
Current:		
Instruction:		
Regular	11,396,989	269,619
Special	2,245,155	316,564
Vocational	301,966	
Other	831,306	12
Support Services:		
Pupils	709,080	215,985
Instructional Staff	574,969	10,170
Board of Education	29,473	-
Administration	2,161,642	48,925
Fiscal	478,785	-
Operation and Maintenance of Plant	2,390,064	-
Pupil Transportation	1,354,229	-
Central Services	-	19,549
Non-Instructional Services	-	723,591
Extracurricular Activities	533,693	301,624
Debt Service:		
Principal	18,814	-
Interest	5,501	-
	<hr/>	<hr/>
Total Expenditures	23,031,666	1,906,039
Excess (Deficiency) of Revenues Over (Under) Expenditures	504,808	44,400
Other Financing Sources (Uses):		
Operating Transfers In	666,785	9,680
Proceeds from Sale of Fixed Assets	241	-
Operating Transfers Out	(711,465)	-
	<hr/>	<hr/>
Total Other Financing Sources (Uses)	(44,439)	9,680
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	460,369	54,080
Fund Balances (Deficits) at Beginning of Year	(2,326,454)	228,999
Fund Balances (Deficits) at End of Year	<u>\$ (1,866,085)</u>	<u>\$ 283,079</u>

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

<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	Totals
<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	<u>(Memorandum Only)</u>
\$ 2,200,121	\$ 466,659	\$ -	\$ 18,720,934
-	-	-	186,603
246,009	50,697	-	8,832,778
-	-	2,408	311,348
-	-	10	279,854
-	-	-	18,403
-	-	19,393	48,218
-	-	-	42,086
-	-	-	31,986
<u>2,446,130</u>	<u>517,356</u>	<u>21,811</u>	<u>28,472,210</u>
-	44,542	-	11,711,150
-	-	-	2,561,719
-	-	-	301,966
-	-	-	831,318
-	-	9,708	934,773
-	-	-	585,139
-	-	-	29,473
30,040	3,296	-	2,243,903
-	5,401	-	484,186
-	271,865	-	2,661,929
-	166,312	-	1,520,541
-	-	-	19,549
-	-	6,297	729,888
-	-	-	835,317
1,075,000	-	-	1,093,814
912,870	-	-	918,371
<u>2,017,910</u>	<u>491,416</u>	<u>16,005</u>	<u>27,463,036</u>
<u>428,220</u>	<u>25,940</u>	<u>5,806</u>	<u>1,009,174</u>
-	-	-	676,465
-	-	-	241
-	-	-	(711,465)
-	0	-	(34,759)
428,220	25,940	5,806	974,415
<u>1,713,583</u>	<u>-</u>	<u>39,846</u>	<u>(344,026)</u>
<u>\$ 2,141,803</u>	<u>\$ 25,940</u>	<u>\$ 45,652</u>	<u>\$ 630,389</u>

SPRINGFIELD LOCAL SCHOOL DISTRICT
Combined Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual
All Governmental Fund Types and Similar Fiduciary Funds
For the Fiscal Year Ended June 30, 2000

	Governmental Fund Types		
	General Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ 16,101,500	\$ 15,848,928	\$ (252,572)
Intergovernmental	6,987,500	6,893,962	(93,538)
Earnings on Investment	265,000	302,156	37,156
Extracurricular revenue	-	-	-
Tuition	81,500	194,892	113,392
Rent	40,000	47,931	7,931
Gifts and Donations	20,000	28,825	8,825
Customer Services	15,000	18,403	3,403
Miscellaneous	45,000	32,111	(12,889)
Total Revenues	<u>23,555,500</u>	<u>23,367,208</u>	<u>(188,292)</u>
Expenditures:			
Current:			
Instruction:			
Regular	11,814,438	11,777,526	36,912
Special	2,299,831	2,299,329	502
Vocational	300,940	300,403	537
Other	1,023,767	1,023,759	8
Support Services:			
Pupils	721,440	721,293	147
Instruction staff	594,062	589,566	4,496
Board of education	29,105	28,366	739
School administration	2,229,373	2,227,424	1,949
Fiscal	501,566	500,949	617
Operation and maintenance	2,509,047	2,503,239	5,808
Pupil transportation	1,383,235	1,379,560	3,675
Central	28,605	23,831	4,774
Community services	-	-	-
Extracurricular activities	526,424	523,855	2,569
Debt Service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total Expenditures	<u>23,961,833</u>	<u>23,899,100</u>	<u>62,733</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(406,333)</u>	<u>(531,892)</u>	<u>(125,559)</u>
Other Financing Sources (Uses):			
Operating transfers in	1,309,085	666,785	(642,300)
Advances in	-	-	-
Proceeds from sale of long-term notes	-	-	-
Proceeds from sale of fixed assets	500	241	(259)
Refund of prior year expenditures	42,265	47,834	5,569
Other Financing Sources	(384,725)	-	384,725
Operating transfers out	(711,470)	(711,465)	5
Advances out	-	(4,608)	(4,608)
Refund of prior year receipts	-	-	-
Total Other Financing Sources (Uses)	<u>255,655</u>	<u>(1,213)</u>	<u>(256,868)</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(150,678)</u>	<u>(533,105)</u>	<u>(382,427)</u>
Fund Balances (Deficit) at Beginning of Year	214,787	214,787	-
Unexpended Prior Year Encumbrances	<u>379,718</u>	<u>379,718</u>	<u>-</u>
Fund Balances (Deficit) at End of Year	<u>\$ 443,827</u>	<u>\$ 61,400</u>	<u>\$ (382,427)</u>

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

Governmental Fund Types

Special Revenue Funds			Debt Service Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 1,952,000	\$ 2,191,921	\$ 239,921
2,019,836	1,661,359	(358,477)	241,000	246,009	5,009
4,325	6,785	2,460	-	-	-
387,000	278,188	(108,812)	-	-	-
20,000	21,701	1,701	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,431,161</u>	<u>1,968,033</u>	<u>(463,128)</u>	<u>2,193,000</u>	<u>2,437,930</u>	<u>244,930</u>
551,825	290,156	261,669	-	-	-
423,233	316,677	106,556	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
245,562	209,734	35,828	-	-	-
108,961	13,223	95,738	-	-	-
-	-	-	-	-	-
60,868	51,394	9,474	30,040	30,040	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
19,233	19,233	-	-	-	-
871,232	802,785	68,447	-	-	-
443,372	324,079	119,293	-	-	-
-	-	-	1,075,000	1,075,000	-
-	-	-	912,870	912,870	-
<u>2,724,286</u>	<u>2,027,281</u>	<u>697,005</u>	<u>2,017,910</u>	<u>2,017,910</u>	<u>-</u>
<u>(293,125)</u>	<u>(59,248)</u>	<u>233,877</u>	<u>175,090</u>	<u>420,020</u>	<u>244,930</u>
10,248	9,680	(568)	-	-	-
-	4,608	4,608	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(155)	(19,249)	(19,094)	-	-	-
<u>10,093</u>	<u>(4,961)</u>	<u>(15,054)</u>	<u>-</u>	<u>-</u>	<u>-</u>
(283,032)	(64,209)	218,823	175,090	420,020	244,930
305,824	305,824	-	1,611,981	1,611,981	-
99,637	99,637	-	-	-	-
<u>\$ 122,429</u>	<u>\$ 341,252</u>	<u>\$ 218,823</u>	<u>\$ 1,787,071</u>	<u>\$ 2,032,001</u>	<u>\$ 244,930</u>

SPRINGFIELD LOCAL SCHOOL DISTRICT
Combined Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual
All Governmental Fund Types and Similar Fiduciary Funds
For the Fiscal Year Ended June 30, 2000

	Governmental Fund Types		
	Capital Projects Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ 832,282	\$ 406,389	\$ (425,893)
Intergovernmental	50,000	50,697	697
Earnings on Investment	-	-	-
Extracurricular revenue	-	-	-
Tuition	-	-	-
Rent	-	-	-
Gifts and Donations	-	-	-
Customer Services	-	-	-
Miscellaneous	-	-	-
Total Revenues	<u>882,282</u>	<u>457,086</u>	<u>(425,196)</u>
Expenditures:			
Current:			
Instruction:			
Regular	168,295	168,155	140
Special	-	-	-
Vocational	-	-	-
Other	-	-	-
Support Services:			
Pupils	-	-	-
Instruction staff	-	-	-
Board of education	-	-	-
School administration	3,300	3,296	4
Fiscal	5,405	5,400	5
Operation and maintenance	538,970	538,779	191
Pupil transportation	166,312	166,312	-
Central	-	-	-
Community services	-	-	-
Extracurricular activities	-	-	-
Debt Service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total Expenditures	<u>882,282</u>	<u>881,942</u>	<u>340</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(424,856)</u>	<u>(424,856)</u>
Other Financing Sources (Uses):			
Operating transfers in	-	-	-
Advances in	-	-	-
Proceeds from sale of long-term notes	-	-	-
Proceeds from sale of fixed assets	-	-	-
Refund of prior year expenditures	-	-	-
Other Financing Sources	-	-	-
Operating transfers out	-	-	-
Advances out	-	-	-
Refund of prior year receipts	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>-</u>	<u>(424,856)</u>	<u>(424,856)</u>
Fund Balances (Deficit) at Beginning of Year	-	-	-
Unexpended Prior Year Encumbrances	-	-	-
Fund Balances (Deficit) at End of Year	<u>\$ -</u>	<u>\$ (424,856)</u>	<u>\$ (424,856)</u>

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

Fiduciary Fund Types			Totals		
Expendable Trust Funds			(Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 18,885,782	\$ 18,447,238	\$ (438,544)
-	-	-	9,298,336	8,852,027	(446,309)
2,200	2,408	208	271,525	311,349	39,824
-	-	-	387,000	278,188	(108,812)
-	-	-	101,500	216,593	115,093
-	-	-	40,000	47,931	7,931
30,000	19,393	(10,607)	50,000	48,218	(1,782)
-	-	-	15,000	18,403	3,403
-	-	-	45,000	32,111	(12,889)
<u>32,200</u>	<u>21,801</u>	<u>(10,399)</u>	<u>29,094,143</u>	<u>28,252,058</u>	<u>(842,085)</u>
-	-	-	12,534,558	12,235,837	298,721
-	-	-	2,723,064	2,616,006	107,058
-	-	-	300,940	300,403	537
-	-	-	1,023,767	1,023,759	8
12,100	9,709	2,391	979,102	940,736	38,366
-	-	-	703,023	602,789	100,234
-	-	-	29,105	28,366	739
-	-	-	2,323,581	2,312,154	11,427
-	-	-	506,971	506,349	622
-	-	-	3,048,017	3,042,018	5,999
-	-	-	1,549,547	1,545,872	3,675
-	-	-	47,838	43,064	4,774
14,600	10,418	4,182	885,832	813,203	72,629
-	-	-	969,796	847,934	121,862
-	-	-	1,075,000	1,075,000	-
-	-	-	912,870	912,870	-
<u>26,700</u>	<u>20,127</u>	<u>6,573</u>	<u>29,613,011</u>	<u>28,846,360</u>	<u>766,651</u>
<u>5,500</u>	<u>1,674</u>	<u>(3,826)</u>	<u>(518,868)</u>	<u>(594,302)</u>	<u>(75,434)</u>
-	-	-	1,319,333	676,465	(642,868)
-	-	-	0	4,608	4,608
-	-	-	-	-	-
-	-	-	500	241	(259)
-	-	-	42,265	47,834	5,569
-	-	-	(384,725)	-	384,725
-	-	-	(711,470)	(711,465)	5
-	-	-	0	(4,608)	(4,608)
-	-	-	(155)	(19,249)	(19,094)
-	-	-	<u>265,748</u>	<u>(6,174)</u>	<u>(271,922)</u>
5,500	1,674	(3,826)	(253,120)	(600,476)	(347,356)
39,545	39,545	-	2,172,137	2,172,137	-
300	300	-	479,655	479,655	-
<u>\$ 45,345</u>	<u>\$ 41,519</u>	<u>\$ (3,826)</u>	<u>\$ 2,398,672</u>	<u>\$ 2,051,316</u>	<u>\$ (347,356)</u>

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SPRINGFIELD LOCAL SCHOOL DISTRICT
Combined Statement of Revenues,
Expenses and Changes Fund Equity
All Proprietary Fund Types and Similar Fiduciary Funds
For the Fiscal Year Ended June 30, 2000

	<u>Proprietary Fund Types</u>		<u>Fiduciary</u> <u>Fund Types</u>	Totals (Memorandum Only)
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Non-Expendable Trust</u>	
Operating Revenues:				
Sales	\$ 645,800	\$ -	\$ -	\$ 645,800
Other Revenue	11,504	-	-	11,504
Contributions and Donations	-	-	745	745
Total Operating Revenue	<u>657,304</u>	<u>-</u>	<u>745</u>	<u>658,049</u>
Operating Expenses:				
Salaries	346,365	-	1,950	348,315
Fringe Benefits	133,704	-	-	133,704
Purchased Services	21,259	-	-	21,259
Materials and Supplies	468,450	-	424	468,874
Capital Outlay	2,043	-	-	2,043
Other	85	2	1,000	1,087
Depreciation	18,578	-	-	18,578
Total Operating Expenses	<u>990,484</u>	<u>2</u>	<u>3,374</u>	<u>993,860</u>
Operating Income (Loss)	<u>(333,180)</u>	<u>(2)</u>	<u>(2,629)</u>	<u>(335,811)</u>
Non-Operating Revenues (Expenses):				
Operating Grants	286,188	-	-	286,188
Federal Donated Commodities	46,443	-	-	46,443
Interest	-	-	2,687	2,687
Total Non-Operating Revenues and (Expenses)	<u>332,631</u>	<u>-</u>	<u>2,687</u>	<u>335,318</u>
Net Income (Loss) Before Transfers	(549)	(2)	58	(493)
Operating Transfers	<u>35,000</u>	<u>-</u>		<u>35,000</u>
Net Income (Loss)	34,451	(2)	58	34,507
Retained Earnings/Fund Balance (Deficit) at Beginning of Year	<u>4,889</u>	<u>2</u>	<u>39,845</u>	<u>44,736</u>
Retained Earnings/Fund Balance (Deficit) at End of Year	<u>\$ 39,340</u>	<u>\$ -</u>	<u>\$ 39,903</u>	<u>\$ 79,243</u>

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

SPRINGFIELD LOCAL SCHOOL DISTRICT
Combined Statement of Revenues, Expenses and Changes in
Fund Equity - Budget (Non-GAAP Basis) and Actual
All Proprietary Fund Types and Similar Fiduciary Funds
For the Fiscal Year Ended June 30, 2000

	Proprietary Fund Types					
	Enterprise Funds			Internal Service Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Sales	\$ 642,135	\$ 645,800	\$ 3,665	\$ -	\$ -	\$ -
Intergovernmental	307,000	291,742	(15,258)	-	-	-
Interest	-	-	-	-	-	-
Miscellaneous	14,000	11,533	(2,467)	6,500	-	(6,500)
Total Revenues	<u>963,135</u>	<u>949,075</u>	<u>(14,060)</u>	<u>6,500</u>	<u>-</u>	<u>(6,500)</u>
Expenses:						
Salaries	339,000	354,016	(15,016)	-	-	-
Fringe Benefits	152,200	152,603	(403)	-	-	-
Purchased Services	23,000	21,259	1,741	-	-	-
Materials and Supplies	450,050	423,702	26,348	-	-	-
Other	1,050	85	965	5,000	-	5,000
Capital Outlay	-	-	-	-	-	-
Total Expenses	<u>965,300</u>	<u>951,665</u>	<u>13,635</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Excess of Revenues Over (under) Expenses	<u>(2,165)</u>	<u>(2,590)</u>	<u>(425)</u>	<u>1,500</u>	<u>-</u>	<u>(1,500)</u>
Other Financing Sources (Uses):						
Operating transfers in	35,000	35,000	-	-	-	-
Total Other Financing Sources (Uses):	<u>35,000</u>	<u>35,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues and Other Financing Sources (Uses) Over/(Under) Expenses	32,835	32,410	(425)	1,500	-	(1,500)
Fund Equity (Deficit) at Beginning of Year	4,985	4,985	-	-	-	-
Prior Year Encumbrances Appropriated	-	-	-	-	-	-
Fund Equity (Deficit) at End of Year	<u>\$ 37,820</u>	<u>\$ 37,395</u>	<u>\$ (425)</u>	<u>\$ 1,500</u>	<u>\$ -</u>	<u>\$ (1,500)</u>

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

Fiduciary Fund Types

Non-Expendable Trust Funds

Totals (Memorandum Only)

Non-Expendable Trust Funds			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 642,135	\$ 645,800	\$ 3,665
-	-	-	307,000	291,742	(15,258)
2,825	2,687	(138)	2,825	2,687	(138)
1,000	745	(255)	21,500	12,278	(9,222)
<u>3,825</u>	<u>3,432</u>	<u>(393)</u>	<u>973,460</u>	<u>952,507</u>	<u>(20,953)</u>
4,500	4,500	-	343,500	358,516	(15,016)
-	-	-	152,200	152,603	(403)
-	-	-	23,000	21,259	1,741
425	424	1	450,475	424,126	26,349
1,000	1,000	-	7,050	1,085	5,965
-	-	-	-	-	-
<u>5,925</u>	<u>5,924</u>	<u>1</u>	<u>976,225</u>	<u>957,589</u>	<u>18,636</u>
<u>(2,100)</u>	<u>(2,492)</u>	<u>(392)</u>	<u>(2,765)</u>	<u>(5,082)</u>	<u>(2,317)</u>
-	-	-	35,000	35,000	-
-	-	-	35,000	35,000	-
(2,100)	(2,492)	(392)	32,235	29,918	(2,317)
38,895	38,895	-	43,880	43,880	-
1,000	1,000	-	1,000	1,000	-
<u>\$ 37,795</u>	<u>\$ 37,403</u>	<u>\$ (392)</u>	<u>\$ 77,115</u>	<u>\$ 74,798</u>	<u>\$ (2,317)</u>

SPRINGFIELD LOCAL SCHOOL DISTRICT
Combined Statement of Cash Flows
All Proprietary Fund Types and Similar Fiduciary Funds
For the Fiscal Year Ended June 30, 2000

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)
	Enterprise	Internal Service	Nonexpendable Trust	
Increase (Decrease) in Cash and Cash Equivalents:				
Cash Flows from Operating Activities:				
Cash received from Customers	\$ 657,333	\$ -	\$ 745	\$ 658,078
Cash payments to suppliers for goods and services	(445,046)	(2)	(1,424)	(446,472)
Cash payments to employees for services	(354,016)	-	(2,000)	(356,016)
Cash payments for employee benefits	(152,603)	-	-	(152,603)
Net Cash Provided by (Used for) Operating Activities	<u>(294,332)</u>	<u>(2)</u>	<u>(2,679)</u>	<u>(297,013)</u>
Cash Flows from Noncapital Financing Activities:				
Cash received from grants (State)	20,574	-	-	20,574
Cash received from grants (Federal)	271,168	-	-	271,168
Transfers in (out) from (to) other funds	35,000	-	-	35,000
Interest	-	-	2,687	2,687
Net Cash Provided by (Used for) Financing Activities	<u>326,742</u>	<u>-</u>	<u>2,687</u>	<u>329,429</u>
Net Increase (Decrease) in Cash and Cash Equivalents	32,410	(2)	8	32,416
Cash and Cash Equivalents at Beginning of Year	<u>4,985</u>	<u>2</u>	<u>39,895</u>	<u>44,882</u>
Cash and Cash Equivalents at End of Year	<u>\$ 37,395</u>	<u>-</u>	<u>\$ 39,903</u>	<u>\$ 77,298</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating Income (Loss)	\$ (333,181)	\$ (2)	\$ (2,628)	\$ (335,811)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation	18,578	-	-	18,578
Federal Donated Commodities	46,443	-	-	46,443
Changes in Assets and Liabilities:				
(Increase)/Decrease in Accounts Receivable	29	-	-	29
(Increase)/Decrease in Commodities Inventory	3,311	-	-	3,311
Increase/(Decrease) in Accrued Salaries and Benefits	(19,702)	-	(51)	(19,753)
Increase/(Decrease) in Compensated Absences Payable	(8,195)	-	-	(8,195)
Increase/(Decrease) in Accounts Payable	592	-	-	592
Increase/(Decrease) in Intergovernmental Payable	1,346	-	-	1,346
Increase/(Decrease) in Deferred Revenue	(3,553)	-	-	(3,553)
Total Adjustments	<u>38,849</u>	<u>-</u>	<u>(51)</u>	<u>38,798</u>
Net Cash Provided by Operating Activities	<u>\$ (294,332)</u>	<u>\$ (2)</u>	<u>\$ (2,679)</u>	<u>\$ (297,013)</u>

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

SPRINGFIELD LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

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

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

The reporting entity is comprised of the primary government, component units, and other organizations that are included to insure that the financial statements of the School District are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For Springfield Local School District, this includes general operations, food service, and student related activities of the School District.

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

The following activities are included within the reporting entity:

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

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

SPRINGFIELD LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis Of Presentation - Fund Accounting

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

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

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

Governmental Fund Types

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

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

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

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

SPRINGFIELD LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Basis Of Presentation - Fund Accounting (Continued)

Governmental Fund Types (Continued)

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

Proprietary Fund Types

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

Enterprise Funds - Enterprise funds are used to account for School District activities that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Internal Service Funds - Internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis.

Fiduciary Fund Types

Fiduciary funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The School District's fiduciary funds include expendable trust, nonexpendable trust, and agency funds. Expendable trust funds are accounted for in essentially the same manner as governmental funds. Nonexpendable trust funds are accounted for in essentially the same manner as proprietary funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups

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

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

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

SPRINGFIELD LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

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

SPRINGFIELD LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus and Basis of Accounting (Continued)

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

C. Budgetary Process

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

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

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

Tax Budget

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

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

Estimated Resources

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

SPRINGFIELD LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Budgetary Process (Continued)

Appropriations

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

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

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

Encumbrances

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. Expenditures plus encumbrances may not legally exceed appropriations. On the GAAP basis, encumbrances outstanding at fiscal year end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds.

Lapsing of Appropriations

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

SPRINGFIELD LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Cash and Investments

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

During fiscal year 2000, investments were limited to STAROhio, treasury notes, and non-negotiable certificates of deposit.

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

The Springfield Local School District has invested funds in the State Treasury Asset Reserve of Ohio (STAROhio) during fiscal year 1998. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2000.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2000 amounted to \$302,156.

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

E. Restricted Assets

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

SPRINGFIELD LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Estimates

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

G. Inventory

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

H. Fixed Assets and Depreciation

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the fund. All fixed assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of five hundred dollars. The School District does not have any infrastructure.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Improvements are capitalized. Improvements to fund fixed assets are depreciated over the remaining useful lives of the related fixed assets.

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

I. Intergovernmental Revenues

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

SPRINGFIELD LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Intergovernmental Revenues (Continued)

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

Entitlements

General Fund

State Foundation Program
State Property Tax Relief

Non-Reimbursable Grants

Special Revenue Funds

Auxiliary Services
Teacher Development
Education Management Information Systems
Disadvantaged Pupil Impact Aid
Textbooks/Instructional Material Subsidy
Ohio Reads
Alternative Schools
Character Education
Truancy Mediation
Education for Economic Security Act
Eisenhower Grant
Title VI-B
Chapter 1
Chapter 2
Drug Free School
Continuous Improvement
Class Size Reduction Subsidy
Tech Literacy Challenge

Reimbursable Grants

General Fund

Driver Education

Proprietary Funds

National School Lunch Program
National School Breakfast Program
Government Donated Commodities

J. Interfund Assets/Liabilities

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

SPRINGFIELD LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Compensated Absences

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

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

L. Accrued Liabilities and Long-Term Obligations

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

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

SPRINGFIELD LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Interfund Transactions

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

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

N. Fund Balance Reserves

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

O. Total Columns on General Purpose Financial Statements

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

NOTE 3 - ACCOUNTABILITY

At June 30, 2000, the following funds had a deficit fund balance:

General Fund	\$1,866,085
Special Revenue Funds	
Education Management Information Systems	4,633
Title VI-B	19,475
Chapter 1	17,644
Drug Free Schools	4,608

These deficits were created by the application of generally accepted accounting principles.

The District did not set aside the proper amount of textbook set aside as required by state law. The amount of textbook set aside should have been \$252,823. The set aside calculation is presented in Note 20.

SPRINGFIELD LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

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 Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual - All Governmental Fund Types and Similar Fiduciary Funds and the Combined Statement of Revenues, Expenses and Changes in Fund Equity - Budget (Non-GAAP Basis) and Actual - All Proprietary Fund Types and Similar Fiduciary Funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

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

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

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

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>
GAAP basis-fund balance	\$(1,866,085)	\$283,079	\$2,141,803	\$ 25,940	\$45,652
Adjustment for GAAP basis:					
Accrued revenues/prepaid expenses	(17,081,567)	(2,142)	(2,060,117)	(968,882)	-
Accrued expenditures/deferred revenue	19,299,174	168,127	1,950,315	1,000,966	-
Encumbrances outstanding (budget basis)	<u>(290,122)</u>	<u>(107,812)</u>	<u>-</u>	<u>(482,880)</u>	<u>-</u>
Budget basis-fund balance	<u>\$ 61,400</u>	<u>\$341,252</u>	<u>\$2,032,001</u>	<u>\$ (424,856)</u>	<u>\$45,652</u>

SPRINGFIELD LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING (Continued)

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Non- Expendable Trust</u>
GAAP basis - retained earnings	\$ 39,340	\$ -	\$39,903
Adjustment for GAAP basis:			
Accrued revenues/prepaid expenses	(177,717)	-	-
Accrued expenses/deferred revenue	190,372	-	-
Inventory held for resale	(14,600)	-	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>(2,500)</u>
Budget basis - fund balance	<u>\$ 37,395</u>	<u>\$ -</u>	<u>\$37,403</u>

NOTE 5 - CASH AND INVESTMENTS

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

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

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

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

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

SPRINGFIELD LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

NOTE 5 - CASH AND INVESTMENTS (Continued)

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

1. United/States Treasury notes, bills bonds, or other obligations or security issued by the United States or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 25 percent of interim monies available for investment at any one time; and
8. Under limited circumstances, corporate debt interests rated in either of the two highest rated classifications by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

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

SPRINGFIELD LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

NOTE 5 - CASH AND INVESTMENTS (Continued)

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

Deposits - At fiscal year end, the carrying amount of the School District's deposits was (\$5,976) and the bank balance was \$427,868. Of the bank balance, \$131,273 was covered by federal depository insurance and \$296,595 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging financial institution's trust department in the School District's name and all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements would potentially subject the School District to a successful claim by the Federal Deposit Insurance Corporation.

Investments - The School District's investments are categorized below to give an indication of the level of risk assumed by the School District at fiscal year end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School District's name.

The following shows the school's deposits in each category:

	<u>1</u>	Category <u>2</u>	<u>3</u>	Original Cost	Market Value
Federal Securities	<u>\$500,356</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 500,356</u>	<u>\$ 494,725</u>
	<u>\$500,356</u>	<u>\$ -</u>	<u>\$ -</u>	500,356	494,725
Investments not subject to categorization:					
STAROhio				<u>2,592,326</u>	<u>2,592,326</u>
Total Investments				<u>\$3,092,682</u>	<u>\$3,087,051</u>

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

	<u>Cash and Cash Equivalents/Deposits</u>	<u>Investments</u>
GASB Statement 9	\$3,092,046	\$ -
Cash on Hand	(5,140)	-
Investments:		
STAROhio	(2,592,326)	2,592,326
FHLMC	<u>(500,556)</u>	<u>500,556</u>
GASB Statement 3	<u>\$ (5,976)</u>	<u>\$3,092,882</u>

SPRINGFIELD LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

NOTE 6 - PROPERTY TAXES

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

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

The School District receives property taxes from Lucas County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2000, are available to finance fiscal year 2000 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes which became measurable as of June 30, 2000. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2000, was \$842,376 in the General Fund and \$109,802 in the Bond Retirement Debt Service Fund and \$60,270 in the Capital Projects Fund.

The assessed values upon which fiscal year 2000 taxes were collected are:

	1999 Second-Half Collections		2000 First-Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$436,418,990	86%	\$451,001,220	86%
Public Utility	44,750,248	9	45,366,886	9
Tangible Personal Property	<u>26,214,520</u>	<u>5</u>	<u>23,684,110</u>	<u>5</u>
 Total Assessed Value	 <u>\$507,383,758</u>	 <u>100%</u>	 <u>\$520,052,216</u>	 <u>100%</u>
 Tax rate per \$1,000 of assessed valuation	 \$66.40		 \$66.40	

SPRINGFIELD LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

NOTE 7 - RECEIVABLES

Receivables at June 30, 2000, consisted of property taxes, accounts (rent, billings for user charged services, and student fees), and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds.

A summary of the principal items of intergovernmental receivables follows:

	<u>Amounts</u>
General Fund	
Taxes	<u>\$17,036,014</u>
Special Revenue	
Accounts	<u>2,142</u>
Debt Service Fund	
Taxes	<u>2,060,117</u>
Capital Projects	
Taxes	<u>968,882</u>
Enterprise Funds	
Intergovernmental	<u>42,043</u>
Trust and Agency Funds	
Accounts	<u>10</u>
Total Receivables	<u>\$20,109,208</u>

NOTE 8 - FIXED ASSETS

A summary of the Enterprise Funds' fixed assets at June 30, 2000, follows:

	<u>Balance</u> <u>June 30, 2000</u>
Furniture and Equipment	\$381,214
Less: Accumulated Depreciation	<u>245,540</u>
Net Fixed Assets	<u>\$135,674</u>

A summary of the changes in general fixed assets during fiscal year 2000 follows:

	<u>Balance at</u> <u>6/30/99</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>6/30/00</u>
Land and Improvements	\$ 290,864	\$ -	\$ -	\$ 290,864
Buildings and Improvements	25,131,748	-	-	25,131,748
Furniture and Equipment	4,157,158	194,681	-	4,351,839
Vehicles	<u>2,398,539</u>	<u>30,573</u>	<u>-</u>	<u>2,429,112</u>
Total	<u>\$31,978,309</u>	<u>\$225,254</u>	<u>\$ -</u>	<u>\$32,203,563</u>

Information was not available as to the detailed listing of Furniture and Equipment. Additions have been verified but deletions are not available. Because a complete listing of Furniture and Equipment has not been updated this information was not audited.

SPRINGFIELD LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

NOTE 9 - RISK MANAGEMENT

The School District is exposed to various risks related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees and natural disasters. During fiscal year 2000, the School District's insurance coverage was as follows:

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

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

For fiscal year 2000, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 18). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pay its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm Gates McDonald & Co. provides administrative, cost control, and actuarial services to the GRP.

NOTE 10 - DEFINED BENEFIT PENSION PLANS

A. State Teachers Retirement System

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

SPRINGFIELD LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)

A. State Teachers Retirement System (Continued)

Plan members are required to contribute 9.3 percent of their annual covered salary and the School District is required to contribute 14 percent; 10.5 percent was the portion to fund pension obligations. Prior to July 1, 1997, the portion used to fund pension obligations was 12 percent. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's contributions for pension obligations to STRS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$1,845,772, \$1,767,900, and \$1,404,254, respectively.

B. School Employees Retirement System

The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute per Chapter 3309 of the Ohio Revised Code, SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 45 N. Fourth Street, Columbus, Ohio 43215.

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. For fiscal year 1998, 9.79 percent was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS Retirement Board. The School District's contributions for pension obligations to SERS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$452,688, \$424,910, and \$309,386, respectively.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. The Board's liability is 6.2 percent of wages paid.

SPRINGFIELD LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

NOTE 11 - POSTEMPLOYMENT BENEFITS

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

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. For fiscal year ended June 30, 2000, the STRS Board allocated employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund. For the District, this amount equaled \$1,010,228 during the 2000 fiscal year.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund was \$2,783 million at June 30, 1999 (the latest information available). For the year ended June 30, 1999, net health care costs paid by STRS were \$249,929,000 and STRS had 95,796 eligible benefit recipients.

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

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For this fiscal year ended June 30, 2000, employer contributions to fund health care benefits were 8.50 percent of covered payroll; an increase from 6.30 percent for fiscal year 1999. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2000, the minimum pay has been established at \$12,400.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of annual health care expenses. Expense for health care at June 30, 1999 (the latest information available), was \$126,380,984 and the target level was \$189.6 million. At June 30, 1999, SERS had net assets available for payment of health care benefits of \$188 million. SERS has approximately 51,000 participants currently receiving health care benefits.

SPRINGFIELD LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

NOTE 12 - EMPLOYEE BENEFITS

A. Compensated Absences

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

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 240 days for classified personnel, 260 days for administrators, and 240 days for certified personnel. Upon retirement, payment is made for up to 30% of accrued, but unused sick leave credit to a maximum of 72 days for classified employees, 75 days for certified employees, and 81.25 days for administrators. Upon retirement, payment is made for up to 31.25% of accrued, but unused sick leave credit to a maximum of 81.25 days for administrative employees.

B. Life Insurance

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

NOTE 13 - CAPITAL LEASES - LESSEE DISCLOSURE

The School District has entered into capitalized leases for equipment. Each lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the combined financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements.

General fixed assets consisting of equipment and furniture and fixtures have been capitalized in the general fixed assets account group in the amount of \$98,795. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded in the general long-term obligations account group. Principal payments in fiscal year 2000 totaled \$18,814 in the governmental funds.

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2000.

<u>Fiscal Year Ending June 30,</u>	<u>Copiers</u>
2001	\$24,315
2002	24,315
2003	8,725
2004	<u>1,176</u>
TOTAL	\$58,531
Less: Amount Representing Interest	<u>6,048</u>
Present Value of Net Minimum Lease Payments	<u>\$52,483</u>

SPRINGFIELD LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

NOTE 14 - LONG-TERM OBLIGATIONS

The changes in the School District's long-term obligations during fiscal year 2000 were as follows:

	Balance at <u>6/30/99</u>	<u>Additions</u>	<u>Deductions</u>	<u>Adjustments</u>	Balance at <u>6/30/00</u>
School Improvement Bonds	\$ 5,160,000	\$ -	\$ 430,000	\$ -	\$ 4,730,000
School Improvement Bonds	<u>10,275,000</u>	<u>-</u>	<u>645,000</u>	<u>-</u>	<u>9,630,000</u>
Long-Term Bonds	15,435,000	-	1,075,000	-	14,360,000
Capital Leases	25,910	-	18,813	45,386	52,483
Pension Obligation	134,756	15,008	-	-	149,764
Compensated Absences	<u>2,031,503</u>	<u>-</u>	<u>130,085</u>	<u>-</u>	<u>1,901,418</u>
Total Long-Term Obligations	<u>\$17,627,169</u>	<u>\$ 15,008</u>	<u>\$1,223,898</u>	<u>\$ 45,386</u>	<u>\$16,463,665</u>

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

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

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

Principal and interest requirements to retire general obligation debt, including notes outstanding at June 30, 2000, are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2001	\$ 1,075,000	\$ 832,111	\$ 1,907,111
2002	1,075,000	760,059	1,835,059
2003	1,075,000	695,666	1,770,666
2004	1,075,000	630,305	1,705,305
2005-2006	2,150,000	1,062,112	3,212,112
2007-2011	5,350,000	1,502,017	6,852,017
2012-2015	<u>2,560,000</u>	<u>281,600</u>	<u>2,841,600</u>
Total	<u>\$14,360,000</u>	<u>\$5,763,870</u>	<u>\$20,123,870</u>

SPRINGFIELD LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

NOTE 15 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The School District maintains one enterprise fund to account for the operations of food service. The table below reflects the more significant financial data relating to the enterprise fund of the Springfield Local School District as of and for the fiscal year ended June 30, 2000.

	<u>Food Service</u>
Operating Revenues	\$ 657,304
Operating Expenses before Depreciation	971,906
Depreciation Expense	18,578
Operating Income (Loss)	333,180
Donated Commodities	46,443
Grants	286,188
Operating Transfers-In	35,000
Net Income (Loss)	34,451
Net Working Capital	(54,396)
Total Assets	229,712
Total Liabilities	190,372
Total Equity	39,340
Encumbrances	\$ -

NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS

North West Ohio Computer Association

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

Penta County Joint Vocational School District

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

SPRINGFIELD LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

NOTE 17 - INSURANCE PURCHASING POOL

Ohio School Boards Association Workers' Compensation Group Rating Plan

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

NOTE 18 - 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, 2000.

B. Litigation

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

NOTE 19 - STATE SCHOOL FUNDING DECISION

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

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the Ohio General Assembly in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County reviewed the new laws and in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough an efficient" clause of the Ohio Constitution.

SPRINGFIELD LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

NOTE 19 - STATE SCHOOL FUNDING DECISION (Continued)

The State appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. On May 11, 2000, the Ohio Supreme Court rendered an opinion on this issue. The Court concluded, "...the mandate of the Ohio Constitution has not been fulfilled." The Court's majority recognized efforts by the Ohio General Assembly taken in response to the Court's March 24, 1997, decision, however, it found seven "...major areas warrant further attention, study, and development by the General Assembly ...," including the State's reliance on local property tax funding, the state's basic aid formula, the school foundation program, as discussed above, the mechanism for, and adequacy of, funding for school facilities, and the existence of the State's School Solvency Assistance Fund, which the Court found took the place of the unconstitutional emergency school loan assistance program.

The Court decided to maintain jurisdiction over these issues and continued the case at least until June 15, 2001.

As of the date of these financial statements, the School District is unable to determine what effect, if any, this ongoing litigation will have on its future State funding under this program and on its financial operations.

NOTE 20 - STATUTORY RESERVES

The District is required by state law to set aside certain general fund revenue amounts, as defined, into various reserves. During fiscal year ended June 30, 2000, the reserve activity was as follows:

	<u>Textbook Reserve</u>	<u>Capital Maintenance Reserve</u>	<u>Budget Stabilization Reserve</u>
Balance, 7/1/1999	\$ -	\$ -	\$304,862
Required Set-Aside	562,477	562,477	-
Offset Credits	-	-	-
Qualifying Expenditures	<u>(309,654)</u>	<u>(726,392)</u>	<u>-</u>
Balance, 6/30/2000	<u>\$ 252,823</u>	<u>\$ -</u>	<u>\$304,862</u>

The District did not set aside amounts as required by State law. This violation is addressed through the attempt to pass a tax levy.

SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY

SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2000

<u>Federal Grantor Pass-Through Grantor Program Title</u>	<u>Pass Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Federal Receipts</u>	<u>Non-cash Receipts</u>	<u>Federal Disbursements</u>	<u>Non-cash Disbursements</u>
<u>UNITED STATES DEPARTMENT OF AGRICULTURE</u>						
Passed Through Ohio Department of Education						
Food Distribution Program	Not Available	10.550		42,590		50,671
School Breakkfast Program	05-PU	10.553	24,676		24,676	
School Lunch Program	03-PU & 04-PU	10.555	246,492		246,492	
			<u>271,168</u>	<u>42,590</u>	<u>271,168</u>	<u>50,671</u>
Total Department of Agriculture						
<u>UNITED STATES DEPARTMENT OF EDUCATION</u>						
Passed Through Ohio Department of Education						
Title I Grants to Local Educational Agencies	C1-S1	84.010	204,829		261,699	
Special Education - Grants to States	6B-SF	84.027	173,869		189,660	
Drug Free Schools	DR-S1	84.186	11,016		15,624	
Goals 2000	G2-S2 & G2-S8	84.276	38,000		98,133	
Eisenhower Professional Development State Grants	MS-S1	84.281	5,364		14,368	
Innovative Education Program Strategy	C2-S1	84.298	8,875		9,728	
Technical Literacy Challenge Fund	TF-24 & TF-25	84.318	62,500		53,621	
Class Reduction Size	CR-S1	84.340	19,302			
			<u>523,755</u>		<u>642,833</u>	
Total Department of Education						
Total Federal Financial Assistance			<u>\$794,923</u>	<u>\$42,590</u>	<u>\$914,001</u>	<u>\$50,671</u>

The accompanying notes to this schedule are an integral part of this schedule.

SPRINGFIELD LOCAL SCHOOL DISTRICT

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Receipts and Expenditures of Federal Awards (the schedule) summarizes activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B - FOOD DISTRIBUTION

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are co-mingled with State grants. It is assumed federal monies are expended first. At June 30, 2000, the District had \$9,939 in food commodity inventory.

LaVallee & Company

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The CPA. Never under estimate The Value.SM

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

February 8, 2001

Board of Education
Springfield Local Schools
Findlay, Ohio 45840

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

We have audited the general purpose financial statements of the Springfield Local School District as of and for the year ended June 30, 2000, and have issued our report thereon dated February 8, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance to be reported under *Government Auditing Standards*. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 2000-01. We also noted certain immaterial instances of noncompliance that we have noted to the management of Springfield Local School District in a separate letter dated February 8, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect Springfield Local School District's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 2000-02.

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

However, we believe the reportable condition described above is a material weakness. We also noted other matters involving the internal control over financial reporting that we have reported to management of Springfield Local School District in a separate letter dated February 8, 2001.

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

LaVallee & Company CPAs

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Alan L. LaVallee, CPA
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February 8 , 2001

Board of Education
Springfield Local School District
Holland, Ohio

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

Compliance

We have audited the compliance of Springfield Local School District with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2000. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, Springfield Local School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2000.

Internal Control Over Compliance

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

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

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

LaVallee & Company CPAs

SPRINGFIELD LOCAL SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2000

1. SUMMARY OF AUDITORS' RESULTS

- | | |
|---|--|
| a. Type of Financial Statement Opinion | Qualified |
| b. Were there any material control weakness conditions reported at the financial statement level (GAGAS)? | No |
| c. Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)? | Yes |
| d. Was there any reported material non-compliance at the financial statement level (GAGAS)? | Yes |
| e. Were there any material internal control weakness conditions reported for major federal programs? | No |
| f. Were there any other reportable internal control weakness conditions reported for major federal programs? | No |
| g. Type of Major Programs' Compliance Opinion | Unqualified |
| h. Are there any reportable findings under .510? | No |
| i. Major Programs: | United States
Department
of Agriculture:
Nutrition Cluster |
| | United States
Department
of Education: Title I
Grants to Local
Education Agencies
CFDA # 84.010 |
| j. Dollar Threshold: Type A\B Programs | Type A: > \$300,000
Type B: all others |
| k. Low Risk Auditee? | No |

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

2000-01 Compliance issue with the textbook set aside requirement. The District per the calculation was to set aside \$252,823 in cash for textbook reserve. It appears that the District spent this money for general operations, which is in violation of Ohio Revised Code 3315.17 and 3315.171.

We recommend that the reserve for textbooks be fully funded as soon as possible. New legislation may not make this necessary for fiscal year end June 30, 2001.

2000-02 Internal control problem was noted in the review of the equipment listing of fixed assets. The District has not maintained an updated listing of equipment throughout the District. Additions have been verified but deletion of equipment was unable to be verified.

We recommend that physical inventories be taken and verified to a master listing on an annual basis.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

NONE



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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SPRINGFIELD LOCAL SCHOOL DISTRICT

LUCAS COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MAY 8, 2001**