

SPRINGFIELD LOCAL SCHOOL DISTRICT

LUCAS COUNTY, OHIO

AUDIT REPORT

For the year ended June 30, 2018



OHIO AUDITOR OF STATE KEITH FABER



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

We have reviewed the *Independent Auditor's Report* of the Springfield Local School District, Lucas County, prepared by Charles E. Harris & Associates, Inc., for the audit period July 1, 2017 through June 30, 2018. 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.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

February 8, 2019

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SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO
AUDIT REPORT
For the Year Ended June 30, 2018

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**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018
(Prepared by Management)**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
Nutrition Cluster				
Passed Through Ohio Department of Education				
Cash Assistance:				
National School Lunch Program	10.555	N/A	\$ -	\$ 674,815
School Breakfast Program	10.553	N/A	-	125,406
Direct Program				
Non-Cash Assistance				
National School Lunch Program (Commodities - Note F)	10.555	N/A	-	67,230
Total Nutrition Cluster			-	867,451
Total U.S. Department of Agriculture			-	867,451
U.S. DEPARTMENT OF EDUCATION				
Passed Through Ohio Department of Education				
Title I Grants to Local Educational Agencies	84.010	048223-CISI-2018	-	944,189
<u>Special Education Cluster:</u>				
Special Education - Grants to States (IDEA, Part B)	84.027	048223-6BSF-2018	-	983,079
Special Education - Preschool Grants	84.173	H173A150119-2018	22,200	22,200
Total Special Education Cluster			22,200	1,005,279
Title II-A, Impr Teacher Quality	84.367	048223-TRSI-2018	-	114,154
Student Support Academic Enrichment	84.424	N/A	-	14,017
Vocational Education Basic/Advanced Careers SREB	84.048A	N/A	-	10,000
Total U.S. Department of Education			22,200	2,087,639
Total Expenditures of Federal Awards			\$ 22,200	\$ 2,955,090

The accompanying notes are an integral part of this schedule.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED JUNE 30, 2018
(Prepared by Management)**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Springfield Local School District (the District) under programs of the federal government for the year ended June 30, 2018. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - SUBRECIPIENTS

The District passes certain federal awards received from the Ohio Department of Education to other governments or not-for-profit agencies (subrecipients). As Note B describes, the District reports expenditures of Federal awards to subrecipients when paid in cash.

As a subrecipient, the District has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

NOTE E – CHILD NUTRITION CLUSTER

The District commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the District assumes it expends federal monies first.

NOTE F – FOOD DONATION PROGRAM

The District reports commodities consumed on the Schedule at the entitlement value. The District allocated donated food commodities to the respective program that benefitted from the use of those donated food commodities.

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Charles E. Harris & Associates, Inc
Certified Public Accountants

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

Springfield Local School District
Lucas County
6900 Hall Street
Holland, Ohio 43528

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Springfield Local School District, Lucas County, Ohio (the District), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 19, 2018. We noted the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

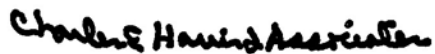
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Charles E. Harris & Associates, Inc.
December 19, 2018

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Springfield Local School District
Lucas County
6900 Hall Street
Holland, Ohio 43528

To the Board of Education:

Report on Compliance for the Major Federal Program

We have audited the Springfield Local School District's, Lucas County, Ohio (the District) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended June 30, 2018. The District's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings.

Management's Responsibility

The District's management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the District's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 our audit provides a reasonable basis for our opinion on compliance for the major program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on the Major Federal Program

In our opinion, the Springfield Local School District, Lucas County, Ohio complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Springfield Local School District, Lucas County, Ohio, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 19, 2018, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards (Schedule) is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule is fairly stated in all material respects in relation to the basic financial statements as a whole.

Charles E. Harris & Associates

Charles E. Harris & Associates, Inc.
December 19, 2018

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**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2018**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(I)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(I)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(I)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(I)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(I)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	No
<i>(d)(I)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(I)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(I)(vi)</i>	Are there any reportable findings under 2 CFR § 200.516(a)?	No
<i>(d)(I)(vii)</i>	Major Programs (list):	Child Nutrition Cluster: National School Lunch -CFDA# 10.555 Food Commodities -CFDA # 10.555 National School Breakfast -CFDA# 10.553
<i>(d)(I)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 750,000 Type B: all others
<i>(d)(I)(ix)</i>	Low Risk Auditee under 2 CFR §200.520?	Yes

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

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Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2018



Academic Boosters Congratulates
A Springfield
Blue Devil



Springfield
Local Schools

Holland, Ohio

evaluate

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

OF THE

SPRINGFIELD LOCAL
SCHOOL DISTRICT

FOR THE

FISCAL YEAR ENDED JUNE 30, 2018

PREPARED BY
TREASURER'S DEPARTMENT
P. RYAN LOCKWOOD, III, TREASURER

6900 HALL STREET
HOLLAND, OHIO 43528

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**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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INTRODUCTORY SECTION

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December 21, 2018

Board of Education Members and Citizens of the Springfield Local School District:

As the Treasurer/CFO of the Springfield Local School District (the “District”), I am pleased to submit to you the Comprehensive Annual Financial Report (CAFR) issued by the District. This report provides full disclosure of the financial operation of the District for the fiscal year ended June 30, 2018. This CAFR, which includes an opinion from the State of Ohio Auditor who performed the District’s audit, conforms to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental entities. The responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the District. This report will provide the taxpayers of the District with comprehensive financial data in a format which will enable them to gain an understanding of the District’s financial affairs. Copies will be made available to the Chamber of Commerce, major taxpayers, the public library, financial rating services, and other interested parties.

The District is located in Northwestern Ohio just south of the Michigan-Ohio border and is comprised of the Village of Holland, Springfield Township, a portion of the City of Toledo, and a portion of the City of Maumee, which are all part of Lucas County. As a suburb of Toledo, Holland/Springfield Township is basically a residential community with a broad service-based economy. Socioeconomic indicators continue to describe Holland/Springfield Township as an affluent community with housing values and income levels well above State and county norms.

The District provides a full range of educational programs and services. These include elementary and secondary curriculum offerings at the general, college preparatory and vocational levels, and a broad range of co-curricular and extracurricular activities, and special education services. In addition, the District provides state-financed assistance to non-public schools located within its boundaries. This assistance is accounted for in a non-major governmental fund. The District currently serves 3,888 students in grades PreK-12. The District’s facilities include four elementary schools, one middle school, one high school and one administrative building. Additional building information can be found in the statistical section of this report.

Statutorily, the District operates under standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code for the purpose of providing educational services authorized by charter and further mandated by State and/or Federal agencies.

A five member Board of Education (the “Board”) serves as the taxing authority, contracting body and policy maker for the District. The Board adopts the annual operating budget and approves all expenditures of District monies.

The Superintendent is the chief administrative officer of the District, responsible for both education and support operations. The Treasurer/CFO is the chief financial officer of the District, responsible for maintaining records of all financial matters, issuing warrants in payment of liabilities incurred by the District, acting as custodian of all District funds, and investing idle funds as specified by Ohio law.

Other Board appointed officials include directors of various educational and support services and building principals.

THE REPORTING ENTITY

The District has reviewed its reporting entity definition in order to ensure conformance with the Governmental Accounting Standards Board (GASB) Statement No. 14, “The Financial Reporting Entity” as amended by GASB Statement No. 39 “Determining Whether Certain Organizations are Component Units”. In evaluating how to define the District for financial reporting purposes, management has considered all agencies, departments, and organizations making up the District (the primary government) and its potential component units. The District has no component units nor is it a component unit of any other governmental entity.

The District participates in certain organizations that are defined as jointly governed organizations. These organizations include the Northwest Ohio Computer Association (NWOCA) and the Penta County Career Center. These organizations are presented in Note 15 to the basic financial statements.

QUALITY IN EDUCATION

The District strives to maintain quality schools that not only reflect the philosophy of a community, but help to maintain property values as well. While the emphasis is on the educational program itself, the District continues to maintain expectations for excellence in our students, staff, and programs. We feel it is appropriate to briefly review some of the District's quality benchmarks that define the foundation upon which the success of our programs are built.

Curriculum Development. The District provides a comprehensive K-12 curriculum that includes programs that address intervention, assessment, gifted and special-needs as well as a full complement of college prep coursework. Ongoing review, additions, and revisions are an integral part of the curriculum development. The District continues to assess courses of study to raise expectations for all students and to assess and implement interventions for at-risk students. The K-12 curriculum exceeds national and State standards and is continually assessed to ensure alignment with changing standards. Furthermore, assessment is what drives curriculum. Assessments measure not only student progress, but also the effectiveness of the District's goals and objectives of the curriculum in meeting student needs. Ongoing committees' research, pilot, evaluate, and make recommendations for curriculum updates.

Textbooks. Classroom textbooks are selected to mirror State and national standards. Currently, committees in K-12 are researching the viability of electronic textbooks as the District moves forward with new and changing standards in a digital age. The District partnered with a few neighboring districts and received a Straight A grant from the State of Ohio to begin creating small scale electronic textbooks at the high school level. The project is now in its fourth year and has begun to create textbooks at the middle school and elementary school levels.

Technology. All of the schools are part of a fiber optic network that provides District networking capabilities and quick Internet access. The District currently has iPad technology in all K-2 classrooms. The District has worked vigorously to update all computer labs and is starting to build mobile labs for the 3-5 grade levels. Wireless access was added to all facilities and upper grade level buildings are allowing students to bring their own devices for education. Most elementary classrooms have been equipped with SmartBoards or a similar interactive technology to enhance the teaching and learning process. In the upper grade levels, classrooms are fitted with projectors or interactive projectors to enhance the learning experience. Training is a pre-requisite for SmartBoard installation in a classroom to ensure that every teacher can fully utilize the resources this tool offers. The District has moved forward with a district-wide integration of free Google software at all grade levels. New procedures are in place for beginning a one-to-one technology initiative at the middle school level. The goal is create a one-to-one environment where all students have daily access to Chromebook technology in grades sixth through twelfth. The District also has integrated STEAM (science, technology, engineering, art, and mathematics) throughout the K-12 environment. Students in grades K-5 will visit a STEAM specialist one day a week for a 45 minute block. During class, student build skills in each of the five STEAM areas to both raise achievement in the areas of science and math and to create interest in a future STEAM career through engineering design challenges.

Class Size. There is an average of 24 students per class in grades K through 5. The class size for grades 6 – 12 is dependent upon the class offered and ranges from 17 – 30 students. This range compares very favorably among comparable districts across the State as well as other districts in the area.

Staff Development. A continuum of multi-faceted opportunities are provided to keep staff current in methodology and technology through District in-service training, university courses, and partnerships with other educational associations and entities. In grades K-12, the District is committed to training teachers on the main tenets of Project-based Learning so that it can develop PBL units. At the elementary level, the District has job-embedded professional development through the support of a K-5 Math Instructional Coach.

Comprehensive Support for Special Needs. Through the efforts of many, the District is prepared to meet the needs of all students, but extra attention has been given to ensure that the District provides an outstanding and comprehensive special-needs and gifted program, along with interventions for identified students in specific areas. In grades K-12, the District is invested in the integration of UDL principles and providing access to core instruction through multi-tier supports. The District also prescribes to a multi-tier support system through the RTI (Response to Intervention) process and P.B.I.S. (Positive Behavior Intervention System)

ECONOMIC CONDITIONS AND OUTLOOK

The District's population has increased slightly over the last five years. The latest tax return data shows the District has approximately 26,459 personal exemptions, correlating closely to the number of district residents. Student population has seen a slight decrease over the last few years. Average federal adjusted gross income per tax return is at approximately \$66,791. The District also has a Federally Adjusted Gross Income (FAGI) rank of 98, making Springfield Local Schools one of the wealthier districts in the State of Ohio. Although the adjusted gross income has increased, the ranking value has remained around 100 over the last few years.

Growth in commercial development has increased in the past few years. Commercial real estate transfers and new-construction are starting to pick up pace in the District. The Airport Highway corridor, running right through the middle of District, has seen a large influx of new commercial growth or the reclamation of existing infrastructure. The District welcomed Ohio's first Art Van Furniture store in fiscal year 2013. The Kroger Company opened a new Kroger Marketplace on the Airport Highway corridor in January of 2015. Home Goods and Pier 1 Imports recently opened up in the Spring Meadows shopping complex. The national craft and home goods retail chain, Hobby Lobby, opened up a new store 2018. Over the last two years, the Airport Highway corridor has also welcomed many new food service related chains including Chick-Fila, Domino's Pizza, Pita Pit, Jimmy John's, and Panda Express. Hoopla, the leading supplier of digital media content to libraries across the world, started construction on a new facility in Springfield Township in 2015. Building permit data has remained steady, but the estimated value of new construction has increased substantially in the last three years.

The District partnered with Springfield Township to help bring an interstate interchange to the Dorr Street corridor of the township. Construction off the Interstate 475/23 expressway is scheduled to be completed in late 2020 or early 2021. This has the potential to make the Dorr Street corridor resemble the Central Avenue corridor to the north and the Airport Highway corridor to the south. Both Central Avenue and Airport Highway are flush with commercial activity including many retail shopping and dining establishments.

The economic condition of the District remains stable, but the District is remaining ever cautious for the future. This is due mainly to the fact that the District lies in an affluent community with a small commercial tax base, which traditionally eliminates fluctuations in revenue sources due to changes in the business climate. The District has seen small year over year increases in property valuations. Although below the historic high valuations from the late 2000's, the District is anticipating a meager increase in total valuation when the Lucas County Auditor's office completes its upcoming re-evaluation of all properties. The District was able to pass a much needed \$3.9 million emergency tax levy in May of 2015. This levy will remain in effect for five years.

The State of Ohio continues to make changes to the traditional funding processes. This is due in part to the Ohio Supreme Court declaring the school funding system unconstitutional on four occasions, the Every Student Succeeds Act and funding formula revisions shown in House Bill 1 and most recently in House Bill 153. Changes to the funding model continue to evolve under the current Governor's administration. The District also faces reductions in State funding, including the elimination of State Fiscal Stabilization Funds and Public Utility Deregulation Replacement payments, and the phase-out of the Tangible Personal Property reimbursement. The updated funding model has increased transfer payments away from the District and to community/charter schools and educational service centers which has created a negative effect on State reported cost increases to education.

These factors contribute to the increasing burden on the public school districts to compete for tax payer dollars and student enrollment. In recent years, enrollment has remained fairly static and this trend is expected to continue into the foreseeable future.

SIGNIFICANT ACCOMPLISHMENTS/EVENTS FOR THE FISCAL YEAR: 2018

Excellence and Accountability continue to be the underlying theme for the entire District. During the fiscal year 2018, the Board of Education and key senior administrators continued to work at meeting the new goal statements that were developed in fiscal year 2016. The goals of the District are based on four main considerations:

1. Academic Excellence:
All measurable objectives on the state report card will be a "B" or better
2. District Culture:
Create a culture that supports student achievement, parental involvement, and staff pride in ownership.

3. Community Engagement:
Residents will value the schools as an integral part of their community.
4. Facilities and Infrastructure:
Work toward creating a facility and safety master plan.

The focus of the District continues to align with these new goals and will be the focus both academically and operationally for the next several years.

Academically, the District has focused attention on intervention programs for at-risk students in the full K-12 education spectrum. All of the schools have initiated appropriate interventions in alignment with District goals and continuous improvement plans. The high school has expended its college level opportunities for all students through College Credit Plus option and additional advanced placement (AP) level courses. Work from these initiatives will raise the graduation standards for all District students in the years to come and will keep the District on the leading edge of initiating higher standards for all graduates.

The District worked very hard in fiscal year 2015 to pass a levy to provide financial stability to the District. After two failed attempts in 2014, the District was able to pass a \$3.9 million emergency levy in May of 2015. This money will be used to support the main initiatives of the District. In addition to the levy, the District had a performance audit completed by the Ohio Auditor of State's office. This audit provided many benchmarking opportunities to help compare the District to low cost leaders throughout Ohio public education. In many instances, the Springfield Local School District was at or below the operating costs of the recognized peers.

The District also continues to comply with new standards and mandates from the State and Federal levels, including the Every Student Succeeds Act.

MAJOR INITIATIVES FOR THE FUTURE

The District will continue to implement new courses of study in an ongoing effort to meet – and exceed - the national and State standards and the Common Core initiative to affect student outcomes in the retention of the excellence rating on the Ohio Report Card. Part of this effort is the continuation of a more rigorous high school program to better prepare students for the 21st Century workforce. Under the new State Report Card, the District is working hard towards “A” ratings in all categories and at all building levels. The District continues to prepare for full implementation of the online AIR (American Institutes for Research) assessments at many grade levels after the State of Ohio removed the PARCC testing from the state mandates.

Full implementation of the District Leadership Team initiatives will help keep the District focused on student learning through high-quality instruction, efficiency and effectiveness of district operations and vibrant school-community partnerships.

The District brought safety and security into the forefront during the 2017-2018 school year. The District developed a comprehensive safety plan and is attempting to go after new revenue, in the form of a permanent improvement levy increase, in the upcoming fiscal year. The new money would be used to better secure facilities and classrooms from those looking to do harm to students or staff.

The District is committed to working with the Springfield Schools Foundation to help further implement technology initiatives in the classroom. Through ongoing fundraising opportunities, the Springfield Schools Foundation has been able to help fund grant opportunities for classroom technology and has financially supported large-scale initiatives to bring technology assisted interaction into the classroom. The Foundation is also looking at alternative means to raise funds to further support the District and its educational initiatives.

With the full implementation of these plans and directives, the District will remain poised to retain the full academic excellence and fiscal accountability standards that the community has come to expect of the District.

With the passage of the levy in 2015, the District is able to add additional focus to student achievement that was previously focused on fiscal emergencies. The District mission, goals, and values have been updated to encompass an ever changing student population and a diverse workforce.

LONG-TERM FINANCIAL PLANNING

As part of the District's long-term planning, the Treasurer/CFO prepares a five-year financial forecast. This document provides a snapshot of historical and projected revenues and expense over the next five years and is accompanied by financial assumption notes. The Board of Education reviews this document on a biannual basis for changes that might impact their financial decisions.

FINANCIAL INFORMATION

Internal Accounting and Budgetary Control. The District's accounting system is organized on a "fund" basis. Each fund is a distinct self-balancing accounting entity. Governmental fund operations are presented on the modified accrual basis, whereby revenues are recognized when measurable and available, and expenditures are recognized when goods and services are received. The private-purpose trust fund operations are presented on the accrual basis, whereby revenues are recognized when earned, and expenses when incurred.

In developing the District's accounting system, much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from the implementation.

The District utilizes a fully automated accounting system, as well as an automated system of control for capital assets and payroll. These systems, coupled with the manual auditing of each voucher prior to payment, ensure that the financial information generated is both accurate and reliable.

At the beginning of each fiscal year, the Board of Education adopts either a temporary appropriation measure or a permanent appropriation measure for that fiscal year. If a temporary appropriation is first adopted, the permanent appropriation measure must be adopted upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates, which is usually within the first three months of the fiscal year. Annual appropriations may not exceed the County Budget Commission's official estimate of resources. The County Auditor must certify that the Board of Education's appropriation measures, including any supplements or amendments, do not exceed the amount set forth in the latest of those official estimates.

All disbursements and transfers of cash between funds require appropriation authority from the Board. Budgets are controlled at the fund level of expenditures. All purchase order requests must be approved by the Superintendent and certified by the Treasurer/CFO; necessary funds are then encumbered and purchase orders released to vendors. Those requests which exceed the available appropriation are rejected until additional appropriations are secured.

The accounting system used by the District provides interim financial reports, which detail year-to-date expenditures and encumbrances versus the original appropriation, plus any additional appropriations made to date. In addition to interim financial statements, each administrator and school principal has electronic access to daily reports showing the status of the budget accounts for which they are responsible. As an additional safeguard, a blanket bond covers all employees, and a separate, higher limit bond covers certain individuals in policy-making roles.

The basis of accounting, the basis of presentation of the District's various funds, and information on budgetary accounting can be found in Note 2 to the financial statements.

FINANCIAL REPORTING

The basic financial statements for reporting on the District's financial activities are as follows:

Government-wide financial statements: These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by business enterprises. The government-wide statements distinguish between those activities of the District that are governmental and those that are considered business-type activities. The District did not have any business-type activities.

Fund financial statements: These statements present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Fiduciary funds use the accrual basis of accounting.

Schedule of budgetary comparisons: This schedule presents comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The budgetary comparison for the general fund has been presented as required supplementary information and is not considered part of the basic financial statements.

Management is responsible for preparing a Discussion and Analysis (MD&A) of the District. This discussion appears after the Report of Independent Auditors in the financial section of this report. The MD&A provides an assessment of the District's finances for fiscal year 2018. The MD&A is intended to be read in conjunction with this letter of transmittal.

INDEPENDENT AUDIT

Provisions of State statute require the District's financial statements to be subjected to an annual audit by an independent auditor. Those provisions have been satisfied and the opinion of the District's independent auditor is included herein.

Pursuant to statute, the State prescribes a uniform accounting system to standardize accounting classification and financial reporting for all units of local education agencies in Ohio.

AWARDS

GFOA Certificate of Achievement - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Springfield Local School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017. The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report that conforms to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to GFOA.

ACKNOWLEDGMENTS

The publication of this report significantly increases the accountability of the District to the taxpayers. This accomplishment would not have been possible without the support and efforts of the staff of the Treasurer's office and various administrators and employees of the District. Assistance of the County Auditor's office staff and other outside agencies made possible the fair presentation of statistical data.

Special appreciation is expressed to Julian & Grube, Inc. who provided technical assistance on this report. Finally, sincere appreciation is extended to the Board of Education for its interest in and support of this project.

Respectfully,



P. Ryan Lockwood III
Treasurer/CFO



Matt Geha
Superintendent

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY**

**PRINCIPAL OFFICIALS
JUNE 30, 2018**

BOARD OF EDUCATION

	<u>Began Service as a Board Member</u>	<u>Present Term Expires</u>
Sherrri Koback, President	January 1, 2010	December 31, 2021
Rachel Geiger, Vice President	January 1, 2016	December 31, 2019
Everett Harris, Member	January 1, 1971	December 31, 2021
Richard Helminski, Member	January 1, 2014	December 31, 2021
Kenneth Musch, Member	January 1, 1981	December 31, 2019

SUPERINTENDENT

The superintendent is the executive officer of the District and is responsible for administering policies adopted by the Board of Education. The superintendent is expected to provide leadership in all phases of policy formulation and is the chief advisor to the Board on all aspects of the educational program and total operation of the District. The Board appointed Mr. Matt Geha, Superintendent of the Springfield Local School District effective August 1, 2017. Mr. Geha has been with the District since 2004 and previously served in the capacity of Assistant Superintendent, Director of Federal Programs, and Middle School Principal.

TREASURER

The treasurer serves as the fiscal officer of the District and, with the Board president, executes all conveyances made by the Board of Education. The Board appointed P. Ryan Lockwood III, Treasurer/C.F.O. of the Springfield Local School District effective January 1, 2011.

ADMINISTRATIVE STAFF

Mr. Matt Geha	Superintendent of Schools
Mr. P. Ryan Lockwood III	Treasurer/C.F.O.
Mr. Troy Armstrong	Assistant Superintendent of Operations/Personnel
Mrs. Paulette Baz	Director of Federal Programs
Mr. Cory Cantu	Technology Director
Mr. Ron Smith	Transportation Director
Ms. Jamie Filipiak	Food Service Director
Mr. Dustin Hamilton	Maintenance Director
Mrs. Kristina White	Community Liaison
Mrs. Jackie Yackee	Assistant Treasurer
Ms. Rhonda Kimmons	Springfield High School Principal
Mr. Kevin Olds	Springfield High School Asst. Principal
Mr. Kevin Rupp	Springfield High School Asst. Principal
Mr. Frank Kohlhofer	Springfield High School Athletic Director
Mr. Jeff Pendry	Springfield Middle School Principal
Mrs. Angie Duckworth	Springfield Middle School Asst. Principal
Mr. Oatis Amick	Crissey Elementary Principal
Mrs. Cheri Copeland-Shaw	Dorr Elementary Principal
Mrs. Hillary Steinmiller	Holland Elementary Principal
Mr. Robb Brown	Holloway Elementary Principal
Mrs. Dana Falkenberg	Director of Instruction and Curriculum, 6-12
Mrs. Taryn Miley	Director of Instruction and Curriculum, K-5



Government Finance Officers Association

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Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

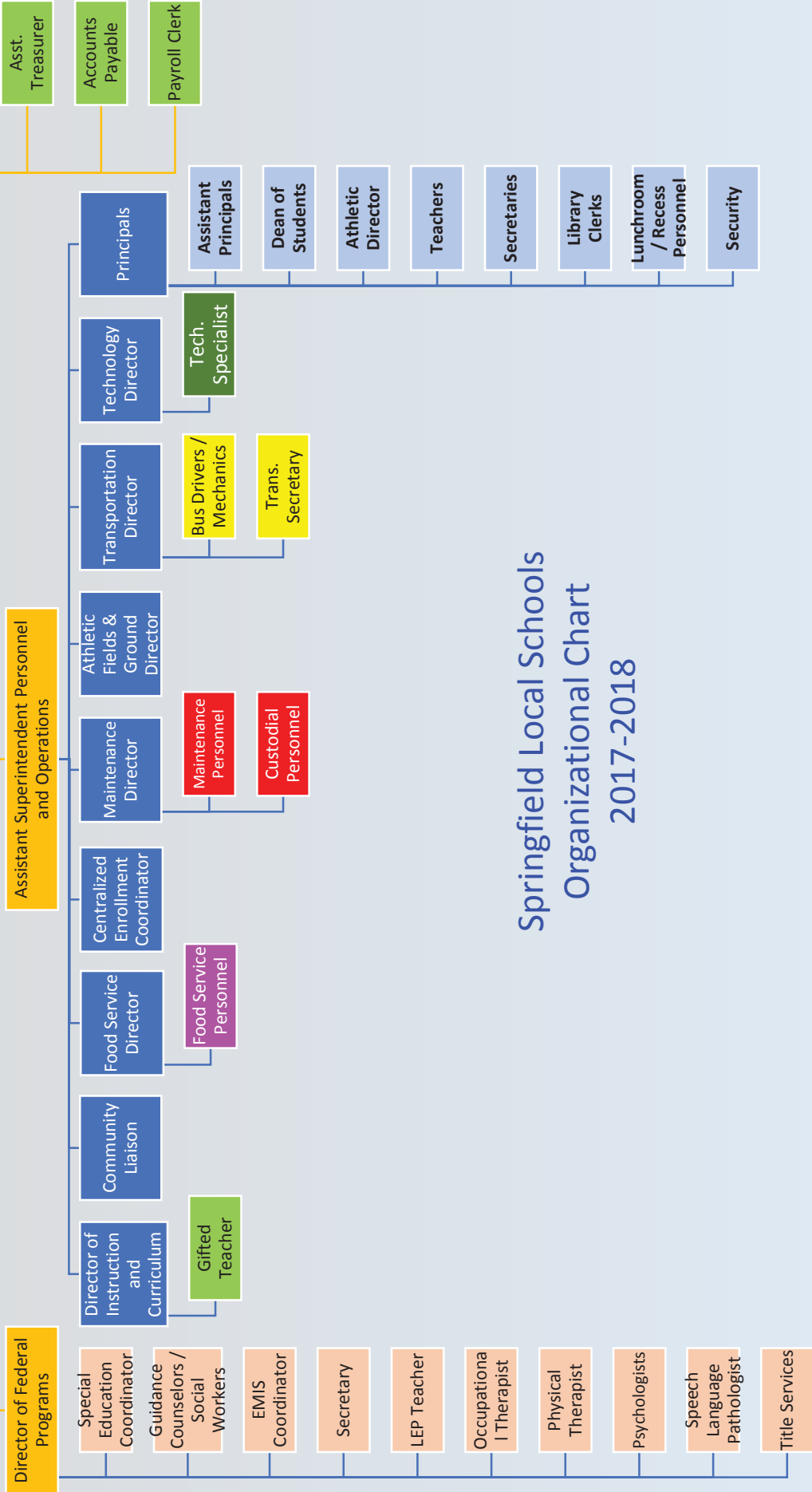
Christopher P. Morrill

Executive Director/CEO

District Leadership Team

BOARD OF EDUCATION

Superintendent



Springfield Local Schools Organizational Chart 2017-2018

Updated
07/20/2017

FINANCIAL SECTION

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Springfield Local School District
Lucas County
6900 Hall Street
Holland, Ohio 43528

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund and the aggregate remaining fund information of the Springfield Local School District, Lucas County, Ohio (the District), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Springfield Local School District, Lucas County, Ohio, as of June 30, 2018, and the respective changes in financial position thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during the year ended June 30, 2018, the District adopted new guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and schedules of net pension liabilities, other postemployment liabilities, and pension and other postemployment contributions listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information


Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and the statistical section information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2018, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Charles E. Harris & Associates, Inc.
December 19, 2018

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**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED

The management's discussion and analysis of the Springfield Local School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2018. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2018 are as follows:

- In total, net position of governmental activities increased \$24,499,926 which represents a 48.59% increase from 2017's restated net position. This increase is primarily from a reduction in the net pension liability.
- General revenues accounted for \$39,254,673 in revenue or 82.76% of all revenues. Program specific revenues in the form of charges for services and sales and operating grants and contributions accounted for \$8,176,615 or 17.24% of total revenues of \$47,431,288.
- The District had \$22,931,362 in expenses related to governmental activities; \$8,176,615 of these expenses were offset by program specific charges for services and operating grants and contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$39,254,673 were adequate to provide for these programs.
- The District has one major fund: the general fund. The general fund had \$40,725,629 in revenues and \$36,683,952 in expenditures and other financing uses. The general fund's fund balance increased \$4,041,677 from a balance of \$5,903,718 to a balance of \$9,945,395.

Using these Basic Financial Statements

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

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

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2018?" The statement of net position and the statement of activities answer this question. These statements include *all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED

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

In the statement of net position and the statement of activities, the governmental activities include the District's programs and services, including instruction, support services, operation and maintenance of facilities, pupil transportation, extracurricular activities, and food service operations.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major governmental funds begins on page F14. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental fund is the general fund.

Governmental Funds

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

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for its scholarship programs. This activity is presented as a private-purpose trust fund. The District also acts in a trustee capacity as an agent for individuals or other entities. These activities are reported in agency funds. All of the District's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) for the general fund is provided. In addition to the Schedule of Revenues, Expenditures, and Changes in Fund Balance, this report also presents certain required supplementary information concerning the District's net pension liability and net OPEB liability.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED

The District as a Whole

The statement of net position provides the perspective of the District as a whole.

The table below provides a summary of the District's net position at June 30, 2018 and June 30, 2017. The net position at June 30, 2017 has been restated as described in Note 3.A.

	Net Position	
	Governmental Activities 2018	Restated Governmental Activities 2017
<u>Assets</u>		
Current and other assets	\$ 44,772,901	\$ 42,685,423
Capital assets, net	17,840,537	18,379,564
Total assets	<u>62,613,438</u>	<u>61,064,987</u>
<u>Deferred Outflows of Resources</u>		
Unamortized deferred charges on debt refunding	4,643	5,804
Pension	14,727,936	11,540,784
OPEB	624,934	80,307
Total deferred outflows of resources	<u>15,357,513</u>	<u>11,626,895</u>
<u>Liabilities</u>		
Current liabilities	4,706,771	5,108,864
Long-term liabilities:		
Due within one year	1,196,880	2,430,425
Due in more than one year:		
Net pension liability	46,973,903	63,561,227
Net OPEB liability	10,220,320	12,526,339
Other amounts	7,977,356	8,668,440
Total liabilities	<u>71,075,230</u>	<u>92,295,295</u>
<u>Deferred Inflows of Resources</u>		
Property taxes levied for next year	28,041,718	27,845,331
Pensions	3,625,276	2,975,744
OPEB	1,153,289	-
Total deferred inflows of resources	<u>32,820,283</u>	<u>30,821,075</u>
<u>Net Position</u>		
Net investment in capital assets	13,845,369	12,097,229
Restricted	1,453,387	2,343,023
Unrestricted (deficit)	<u>(41,223,318)</u>	<u>(64,864,740)</u>
Total net position	<u>\$ (25,924,562)</u>	<u>\$ (50,424,488)</u>

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED

The net pension liability (NPL) is the largest single liability reported by the District at June 30, 2018 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For fiscal year 2018, the School District adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the District's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service.
2. Minus plan assets available to pay these benefits.

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED**

In accordance with GASB 68 and GASB 75, the District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

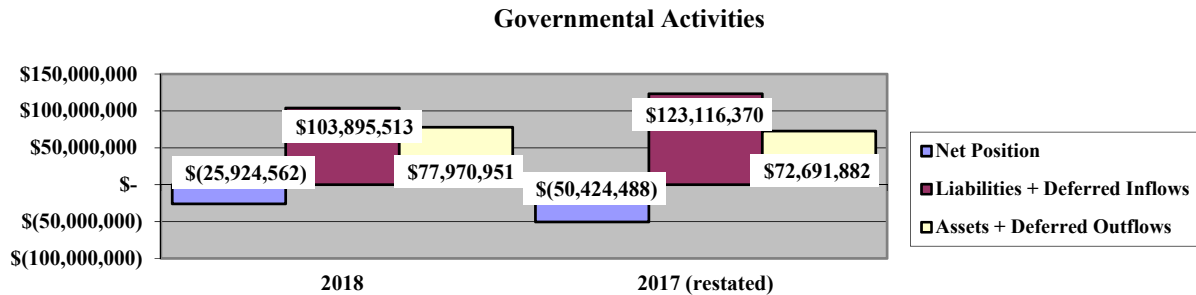
As a result of implementing GASB 75, the District is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at June 30, 2017, from \$(37,978,456) to \$(50,424,488).

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2018, the District's liabilities plus deferred inflows of resources exceeded assets plus deferred outflows of resources by \$25,924,562.

At year-end, capital assets represented 28.49% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture and equipment and vehicles. Net investment in capital assets at June 30, 2018, was \$13,845,369. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net position, \$1,453,387, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is \$(41,223,318).

The graph below shows the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at June 30, 2018 and June 30, 2017. The amounts at June 30, 2017 have been restated as described in Note 3.A.



**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED**

The table below shows the change in net position for fiscal years 2018 and 2017. The net position at June 30, 2017 has been restated as described in Note 3.A.

	Change in Net Position	
	Governmental	Restated
	Activities	Governmental
	<u>2018</u>	<u>2017</u>
<u>Revenues</u>		
Program revenues:		
Charges for services and sales	\$ 2,165,753	\$ 1,714,293
Operating grants and contributions	6,010,862	6,637,330
General revenues:		
Property taxes	29,277,006	30,477,147
Grants and entitlements	9,749,797	9,758,292
Investment earnings	163,259	58,427
Other	<u>64,611</u>	<u>35,171</u>
Total revenues	<u>47,431,288</u>	<u>48,680,660</u>

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**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED

	Governmental Activities <u>2018</u>	Restated Governmental Activities <u>2017</u>
<u>Expenses</u>		
Program expenses:		
Instruction:		
Regular	\$ 6,860,187	\$ 17,586,672
Special	3,413,467	5,841,112
Vocational	40,294	208,878
Other	3,023,043	2,742,303
Support services:		
Pupil	938,227	2,581,117
Instructional staff	537,762	921,633
Board of education	36,252	33,933
Administration	1,040,686	3,141,585
Fiscal	760,699	961,383
Operations and maintenance	2,666,400	6,549,360
Pupil transportation	1,075,029	1,833,477
Central	67,106	182,018
Operations of non-instructional services:		
Other non-instructional services	665,195	1,297,973
Food service operations	933,808	1,456,480
Extracurricular activities	617,305	1,433,861
Interest and fiscal charges	<u>255,902</u>	<u>315,194</u>
Total expenses	<u>22,931,362</u>	<u>47,086,979</u>
Change in net position	24,499,926	1,593,681
Net position (deficit) at beginning of year (restated)	<u>(50,424,488)</u>	<u>N/A</u>
Net position (deficit) at end of year	<u><u>\$ (25,924,562)</u></u>	<u><u>\$ (50,424,488)</u></u>

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED

Governmental Activities

The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include OPEB expense of \$80,307 computed under GASB 45. GASB 45 required recognizing OPEB expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report negative OPEB expense of \$1,593,494. Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

Total 2018 program expenses under GASB 75	\$ 22,931,362
Negative OPEB expense under GASB 75	1,593,494
2018 contractually required contributions	<u>103,863</u>
Adjusted 2018 program expenses	24,628,719
Total 2017 program expenses under GASB 45	<u>47,086,979</u>
Decrease in program expenses not related to OPEB	<u>\$ (22,458,260)</u>

Net position of the District's governmental activities increased \$24,499,926. Total governmental expenses of \$22,931,362 were offset by program revenues of \$8,176,615 and general revenues of \$39,254,673. Program revenues supported 35.66% of the total governmental expenses.

Expenses of the governmental activities decreased \$24,155,617 or 51.30%. This decrease is primarily the result of the State Teachers Retirement System (STRS) indefinitely suspending the Cost of Living Adjustment ("COLA") and the School Employees Retirement System (SERS) lowering the COLA from 3.00% to 2.50%. On an accrual basis, the District reported (\$15,885,702) in pension expense and (\$1,593,494) in OPEB expense mainly due to these benefit changes.

The primary sources of revenue for governmental activities are derived from property taxes, and unrestricted grants and entitlements. These revenue sources represent 82.28% of total governmental revenue. Total governmental revenues decreased during the year primarily due to the decrease in property tax revenue and operating grants and contributions. Property taxes decreased due to a decrease in the amount of tax available for advance at fiscal year-end. Tax advances available are recorded as revenue under GAAP. The amount of tax advance available at year-end can vary depending upon when the county fiscal officers distribute tax bills. The decrease in grants and entitlements is primarily due to a decrease in grants related to food service, auxiliary services, Title I and District managed student activities.

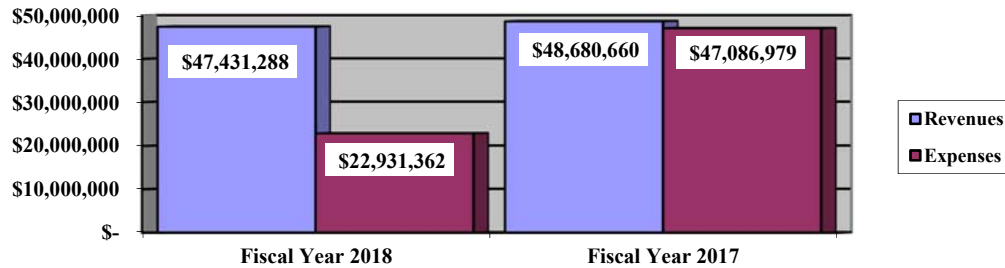
The largest expense of the District is for instructional programs. Instruction expenses totaled \$13,336,991 or 58.16% of total governmental expenses for fiscal year 2018. The District's governmental expenses decreased during the current fiscal year due to the implementation of GASB 75.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED

The graph below presents the District's governmental activities revenue and expenses for fiscal years 2018 and 2017.

Governmental Activities - Revenues and Expenses



The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted state grants and entitlements.

	Governmental Activities			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	<u>2018</u>	<u>2018</u>	<u>2017</u>	<u>2017</u>
Program expenses				
Instruction:				
Regular	\$ 6,860,187	\$ 5,301,586	\$ 17,586,672	\$ 15,893,282
Special	3,413,467	314,030	5,841,112	3,015,639
Vocational	40,294	(61,082)	208,878	186,790
Other	3,023,043	3,023,043	2,742,303	2,742,303
Support services:				
Pupil	938,227	701,753	2,581,117	2,448,729
Instructional staff	537,762	454,959	921,633	842,696
Board of education	36,252	36,252	33,933	33,933
Administration	1,040,686	841,663	3,141,585	2,840,546
Fiscal	760,699	759,902	961,383	961,142
Operations and maintenance	2,666,400	2,609,661	6,549,360	6,434,264
Pupil transportation	1,075,029	1,009,002	1,833,477	1,698,292
Central	67,106	64,194	182,018	176,900
Operations of non-instructional services:				
Other non-instructional services	665,195	(399,249)	1,297,973	102,262
Food service operations	933,808	(416,413)	1,456,480	44,585
Extracurricular activities	617,305	259,544	1,433,861	998,799
Interest and fiscal charges	255,902	255,902	315,194	315,194
Total	<u>\$ 22,931,362</u>	<u>\$ 14,754,747</u>	<u>\$ 47,086,979</u>	<u>\$ 38,735,356</u>

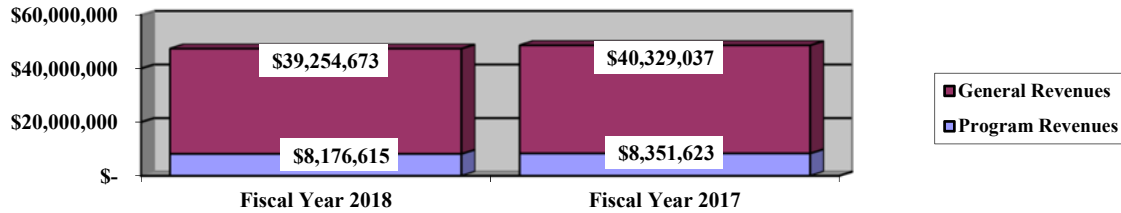
The dependence upon tax and other general revenues for governmental activities is apparent as 64.31% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 64.34%. The District's taxpayers and unrestricted grants and entitlements are the primary support for District's students.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED

The graph below presents the District's governmental activities revenue for fiscal years 2018 and 2017.

Governmental Activities - General and Program Revenues



The District's Funds

The District's governmental funds reported a combined fund balance of \$10,985,809, which is a higher balance than last year's total balance of \$8,378,135. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2018 and 2017.

	Fund Balance June 30, 2018	Fund Balance June 30, 2017	Change	Percentage Change
General	\$ 9,945,395	\$ 5,903,718	\$ 4,041,677	68.46 %
Other Governmental	1,040,414	2,474,417	(1,434,003)	(57.95) %
Total	\$ 10,985,809	\$ 8,378,135	\$ 2,607,674	31.12 %

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**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED

General Fund

During fiscal year 2018, the District's general fund balance increased \$4,041,677.

The table that follows assists in illustrating the financial activities of the general fund.

	<u>2018</u> <u>Amount</u>	<u>2017</u> <u>Amount</u>	<u>Change</u>	<u>Percentage</u> <u>Change</u>
<u>Revenues</u>				
Taxes	\$ 27,389,637	\$ 27,730,238	\$ (340,601)	(1.23) %
Tuition	999,209	447,592	551,617	123.24 %
Earnings on investments	162,900	57,269	105,631	184.45 %
Intergovernmental	11,655,209	11,617,502	37,707	0.32 %
Other revenues	<u>518,674</u>	<u>505,342</u>	<u>13,332</u>	2.64 %
Total	<u>\$ 40,725,629</u>	<u>\$ 40,357,943</u>	<u>\$ 367,686</u>	0.91 %
<u>Expenditures</u>				
Instruction	\$ 24,310,350	\$ 23,663,138	\$ 647,212	2.74 %
Support services	11,194,431	14,690,997	(3,496,566)	(23.80) %
Extracurricular activities	847,848	931,888	(84,040)	(9.02) %
Debt service	<u>260,289</u>	<u>238,612</u>	<u>21,677</u>	9.08 %
Total	<u>\$ 36,612,918</u>	<u>\$ 39,524,635</u>	<u>\$ (2,911,717)</u>	(7.37) %

Overall revenues of the general fund increased \$367,686 or 0.91%. The most significant decrease was in the area of tax revenue. Property tax revenues decreased due to a decrease in the amount of property taxes available for advance at fiscal year-end. Instruction and support service expenses fluctuated due to changes in employee salaries and benefits.

General Fund Budgeting Highlights

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the general fund.

During the course of fiscal year 2018, the District amended its general fund budget several times. For the general fund, final budgeted revenues and other financing sources were \$38,715,877, which was \$1,806,868 higher than the original budgeted revenues and other financing sources of \$36,909,009 due to an increase in expected revenue. Actual revenues and other financing sources for fiscal 2018 were \$38,680,634 which was \$35,243 lower than the final budgeted revenues and other financing sources.

General fund original appropriations and other financing uses of \$41,002,041 were decreased to \$37,721,441 in the final budget. The actual budget basis expenditures and other financing uses for fiscal year 2018 totaled \$36,554,961, which was \$1,166,480 lower than the final budgeted appropriations. The decrease in expenditures from final budget to actual was due to the amount budgeted for instruction and support services compared to the amount actual spent.

The budgetary schedule for the general fund has been presented as required supplementary information.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2018, the District had \$17,840,537 invested in land, land improvements, buildings and improvements, furniture and equipment and vehicles. This entire amount is reported in governmental activities.

The table that follows shows June 30, 2018 balances compared to June 30, 2017:

**Capital Assets at June 30
(Net of Depreciation)**

	Governmental Activities	
	2018	2017
Land	\$ 1,425,358	\$ 1,425,358
Construction in progress	-	1,173,968
Land improvements	2,415,765	2,610,860
Buildings and improvements	11,484,647	10,762,177
Furniture and equipment	1,767,758	1,638,778
Vehicles	747,009	768,423
Total	\$ 17,840,537	\$ 18,379,564

The overall decrease of \$539,027 is the result of depreciation expense of \$1,223,985 and net disposals of \$46,242 exceeding capital asset additions of \$731,200.

See Note 8 to the basic financial statements for detail on the District's capital assets.

Debt Administration

At June 30, 2018, the District had \$1,376,627 in lease purchase agreement obligations and \$5,575,000 in general obligation bonds outstanding. Of this total, \$876,627 is due within one year and \$6,075,000 is due in greater than one year. The following table summarizes the outstanding obligations for fiscal year 2018 compared to 2017.

The table below summarizes the bonds and lease purchase agreement outstanding.

Outstanding Debt, at Year End

	Governmental Activities 2018	Governmental Activities 2017
	2018	2017
Lease purchase agreement	\$ 1,376,627	\$ 1,522,723
General obligation bonds	5,575,000	7,411,340
Total	\$ 6,951,627	\$ 8,934,063

At June 30, 2018, the District's overall legal debt margin was \$56,210,013 with an unvoted debt margin of \$678,824. See Note 13 to the basic financial statements for detail on the District's debt administration.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED

Current Financial Related Activities

The District is a suburban community of 25,000 people in Northwest Ohio. It has a number of retail/commercial businesses that are an important part of the economy. New home construction has slowly started to increase and real estate market conditions are generally seen to be improving. Home foreclosures, while over historic levels in the district lag those of Lucas County in general and Toledo specifically. The school district saw an average property valuation increase of between three (3%) and four (4%) for properties located within the Village of Holland and Springfield Township. Property values in the District remain above average when compared to other districts in the State. Per capita income levels also remain above average for comparable districts in Ohio.

The District passed a \$3.9 million emergency levy for operating monies in May of 2015 with collection starting in fiscal year 2016. This levy will run for five years and generate \$3.9 million in additional revenue per year. Additionally, the District renewed a 1.35 mill permanent improvement levy in November of 2014. This levy generates approximately \$830,000 in revenue per year to be used for maintaining, equipping and improving facilities within the District. This levy will run for five years through December 31, 2019. The last passage of operating dollars occurred with a successful 3.9 mill operating levy in 2010. This levy was passed on a continuous basis. The District had three failed operating levy attempts leading up to the passage in May of 2015.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Mr. P. Ryan Lockwood III, Treasurer, Springfield Local School District, 6900 Hall Street, Holland, Ohio 43528.

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BASIC
FINANCIAL STATEMENTS

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

STATEMENT OF NET POSITION
JUNE 30, 2018

	Governmental Activities
Assets:	
Equity in pooled cash and investments	\$ 14,688,533
Cash with escrow agent	91,816
Receivables:	
Property taxes	29,364,517
Accounts	1,533
Intergovernmental	581,363
Prepayments	29,318
Materials and supplies inventory	7,611
Inventory held for resale	8,210
Capital assets:	
Land and construction in progress	1,425,358
Depreciable capital assets, net	16,415,179
Capital assets, net.	17,840,537
Total assets	62,613,438
 Deferred outflows of resources:	
Unamortized deferred charges	
on debt refunding	4,643
Pension.	14,727,936
OPEB.	624,934
Total deferred outflows of resources	15,357,513
 Liabilities:	
Accounts payable	48,086
Accrued wages and benefits payable	3,928,524
Pension and postemployment benefits payable	626,013
Intergovernmental payable	87,651
Accrued interest payable	16,497
Long-term liabilities:	
Due within one year	1,196,880
Due in more than one year:	
Net pension liability	46,973,903
Other amounts due in more than one year	7,977,356
Net OPEB liability	10,220,320
Total liabilities	71,075,230
 Deferred inflows of resources:	
Property taxes levied for the next fiscal year	28,041,718
Pension.	3,625,276
OPEB.	1,153,289
Total deferred inflows of resources	32,820,283
 Net position:	
Net investment in capital assets	13,845,369
Restricted for:	
Capital projects	529,742
Debt service.	693,239
Locally funded programs	176
State funded programs.	63,796
Federally funded programs	10,587
Student activities	119,586
Other purposes	36,261
Unrestricted (deficit)	(41,223,318)
Net position (deficit)	\$ (25,924,562)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Expenses	Program Revenues		Net (Expense)
		Charges for Services and Sales	Operating Grants and Contributions	Revenue and Changes in Net Position
				Governmental Activities
Governmental activities:				
Instruction:				
Regular	\$ 6,860,187	\$ 824,880	\$ 733,721	\$ (5,301,586)
Special	3,413,467	412,714	2,686,723	(314,030)
Vocational	40,294	-	101,376	61,082
Other	3,023,043	-	-	(3,023,043)
Support services:				
Pupil.	938,227	-	236,474	(701,753)
Instructional staff	537,762	1,547	81,256	(454,959)
Board of education	36,252	-	-	(36,252)
Administration.	1,040,686	39,664	159,359	(841,663)
Fiscal.	760,699	797	-	(759,902)
Operations and maintenance	2,666,400	55,276	1,463	(2,609,661)
Pupil transportation.	1,075,029	1,752	64,275	(1,009,002)
Central	67,106	-	2,912	(64,194)
Operation of non-instructional services:				
Other non-instructional services	665,195	10,303	1,054,141	399,249
Food service operations	933,808	461,059	889,162	416,413
Extracurricular activities.	617,305	357,761	-	(259,544)
Interest and fiscal charges	255,902	-	-	(255,902)
Total governmental activities	\$ 22,931,362	\$ 2,165,753	\$ 6,010,862	(14,754,747)

General revenues:

Property taxes levied for:	
General purposes	27,417,891
Debt service.	1,058,415
Capital outlay	800,700
Grants and entitlements not restricted to specific programs.	9,749,797
Investment earnings	163,259
Miscellaneous	64,611
Total general revenues.	39,254,673
Change in net position	24,499,926
Net position (deficit) at beginning of year (restated).	(50,424,488)
Net position (deficit) at end of year	\$ (25,924,562)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:			
Equity in pooled cash and investments	\$ 13,223,007	\$ 1,465,526	\$ 14,688,533
Cash with escrow agent	-	91,816	91,816
Receivables:			
Property taxes	27,997,525	1,366,992	29,364,517
Accounts	1,315	218	1,533
Interfund loans	137,000	-	137,000
Intergovernmental	255,527	325,836	581,363
Prepayments	29,318	-	29,318
Materials and supplies inventory	-	7,611	7,611
Inventory held for resale	-	8,210	8,210
Due from other funds	75,062	-	75,062
Total assets	<u>41,718,754</u>	<u>3,266,209</u>	<u>44,984,963</u>
Liabilities:			
Accounts payable	\$ 38,699	\$ 9,387	\$ 48,086
Accrued wages and benefits payable	3,569,602	358,922	3,928,524
Compensated absences payable	34,236	-	34,236
Interfund loans payable	-	137,000	137,000
Pension and postemployment			
benefits payable	574,198	51,815	626,013
Intergovernmental payable	82,789	4,862	87,651
Due to other funds	-	75,062	75,062
Total liabilities	<u>4,299,524</u>	<u>637,048</u>	<u>4,936,572</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	26,736,581	1,305,137	28,041,718
Delinquent property tax revenue not available	552,066	25,054	577,120
Intergovernmental revenue not available	185,188	258,556	443,744
Total deferred inflows of resources	<u>27,473,835</u>	<u>1,588,747</u>	<u>29,062,582</u>
Fund balances:			
Nonspendable:			
Materials and supplies inventory	-	7,611	7,611
Prepays	29,318	-	29,318
Restricted:			
Debt service	-	690,840	690,840
Capital improvements	-	609,524	609,524
Non-public schools	-	61,790	61,790
Other purposes	-	37,855	37,855
Extracurricular	-	119,586	119,586
Committed:			
Student and staff support	106,574	-	106,574
Student instruction	164,213	-	164,213
Assigned:			
Student instruction	20,438	-	20,438
Student and staff support	526,172	-	526,172
Extracurricular activities	52	-	52
Subsequent year's appropriations	1,775,412	-	1,775,412
Unassigned (deficit)	7,323,216	(486,792)	6,836,424
Total fund balances	<u>\$ 9,945,395</u>	<u>\$ 1,040,414</u>	<u>\$ 10,985,809</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2018

Total governmental fund balances		\$	10,985,809
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			17,840,537
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Property taxes receivable	\$	577,120	
Intergovernmental receivable		443,744	
Total		1,020,864	1,020,864
Unamortized amounts on refundings are not recognized in the funds.			4,643
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:			
Deferred outflows of resources - pension		14,727,936	
Deferred inflows of resources - pension		(3,625,276)	
Net pension liability		(46,973,903)	
Total		(35,871,243)	(35,871,243)
The net OPEB liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:			
Deferred outflows of resources - OPEB		624,934	
Deferred inflows of resources - OPEB		(1,153,289)	
Net OPEB liability		(10,220,320)	
Total		(10,748,675)	(10,748,675)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(16,497)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
General obligation bonds		(5,575,000)	
Lease purchase agreement		(1,376,627)	
Compensated absences		(2,188,373)	
Total		(9,140,000)	(9,140,000)
Net position of governmental activities		\$	(25,924,562)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
From local sources:			
Property taxes	\$ 27,389,637	\$ 1,875,676	\$ 29,265,313
Tuition	999,209	-	999,209
Transportation fees	2,167	-	2,167
Earnings on investments	162,900	4,183	167,083
Charges for services	-	461,059	461,059
Extracurricular	124,266	227,193	351,459
Classroom materials and fees	238,438	2,928	241,366
Rental income	49,625	-	49,625
Contributions and donations	500	25,419	25,919
Contract services	39,567	10,301	49,868
Other local revenues	64,111	15,876	79,987
Intergovernmental - intermediate	10,000	-	10,000
Intergovernmental - state	11,480,895	1,293,767	12,774,662
Intergovernmental - federal	164,314	2,945,607	3,109,921
Total revenues	<u>40,725,629</u>	<u>6,862,009</u>	<u>47,587,638</u>
Expenditures:			
Current:			
Instruction:			
Regular	16,142,187	898,884	17,041,071
Special	5,023,757	800,827	5,824,584
Vocational	121,363	-	121,363
Other	3,023,043	-	3,023,043
Support services:			
Pupil	1,861,848	243,345	2,105,193
Instructional staff	697,407	280,661	978,068
Board of education	35,768	-	35,768
Administration	2,868,239	174,738	3,042,977
Fiscal	826,166	120,927	947,093
Operations and maintenance	3,065,904	738,842	3,804,746
Pupil transportation	1,731,555	228,573	1,960,128
Central	107,544	3,025	110,569
Operation of non-instructional services:			
Other non-instructional services	-	1,095,419	1,095,419
Food service operations	-	1,418,931	1,418,931
Extracurricular activities	847,848	210,581	1,058,429
Facilities acquisition and construction	-	171,583	171,583
Debt service:			
Principal retirement	185,000	1,651,096	1,836,096
Interest and fiscal charges	75,289	169,614	244,903
Accretion on capital appreciation bonds	-	160,000	160,000
Total expenditures	<u>36,612,918</u>	<u>8,367,046</u>	<u>44,979,964</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,112,711</u>	<u>(1,505,037)</u>	<u>2,607,674</u>
Other financing sources (uses):			
Transfers in	-	71,034	71,034
Transfers (out)	<u>(71,034)</u>	<u>-</u>	<u>(71,034)</u>
Total other financing sources (uses)	<u>(71,034)</u>	<u>71,034</u>	<u>-</u>
Net change in fund balances	4,041,677	(1,434,003)	2,607,674
Fund balances at beginning of year	<u>5,903,718</u>	<u>2,474,417</u>	<u>8,378,135</u>
Fund balances at end of year	<u>\$ 9,945,395</u>	<u>\$ 1,040,414</u>	<u>\$ 10,985,809</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Net change in fund balances - total governmental funds	\$	2,607,674
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital asset additions	\$ 731,200	
Current year depreciation	<u>(1,223,985)</u>	
Total		(492,785)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		
		(46,242)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	11,693	
Intergovernmental	<u>(176,630)</u>	
Total		(164,937)
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		
		1,996,096
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in more interest being reported in the statement of activities:		
Decrease in accrued interest payable	3,822	
Accreted interest on capital appreciation bonds	(13,660)	
Amortization of deferred charges	<u>(1,161)</u>	
Total		(10,999)
Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
		3,239,242
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		
		15,885,702
Contractually required OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
		103,863
Except for amounts reported as deferred inflows/outflows, changes in the net OPEB liability are reported as OPEB expense in the statement of activities.		
		1,593,494
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
		<u>(211,182)</u>
Change in net position of governmental activities	\$	<u><u>24,499,926</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2018

	Private Purpose Trust	
	Scholarship	Agency
Assets:		
Equity in pooled cash and cash equivalents	\$ 24,517	\$ 144,591
Cash in segregated accounts.	-	34,023
Total assets.	24,517	\$ 178,614
Liabilities:		
Due to students.	-	\$ 144,591
Due to others.	-	34,023
Total current liabilities	-	178,614
Total liabilities	-	\$ 178,614
Net position:		
Held in trust for scholarships	24,517	
Total net position.	\$ 24,517	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Private Purpose Trust
	Scholarship
Deductions:	
Scholarships awarded	\$ 1,000
Change in net position	(1,000)
Net position at beginning of year.	25,517
Net position at end of year	\$ 24,517

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 1 - DESCRIPTION OF THE DISTRICT AND REPORTING ENTITY

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

The District was established in 1881 through the consolidation of existing land areas and school districts. The 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. It is staffed by 115 non-certified employees and 248 certified full-time teaching personnel who provide services to 3,888 students and other community members. The District currently operates six instructional buildings, one administrative building, and one garage.

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34". The reporting entity is composed of the primary government and component units. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's Governing Board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government's financial statements incomplete or misleading. Based upon the application of these criteria, the District has no component units. The basic financial statements of the reporting entity include only those of the District (the primary government).

The following activities are included within the reporting entity:

Parochial Schools - Within the District boundaries, St. Joan of Arc Elementary and 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 District, as directed by the parochial schools. The activity of these State monies by the District is reflected in a special revenue fund for financial reporting purposes.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District is associated with four organizations, which are defined as jointly governed organizations or insurance purchasing pools. These organizations include the Northwest Ohio Computer Association, Penta County Career Center, the Ohio School Boards Association (OSBA) Workers' Compensation Group Rating Plan, and the Ohio School Plan. These organizations are presented in Notes 15 and 16 to the basic financial statements.

The financial statements of the 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.

A. Fund Accounting

The District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the District are grouped into the categories governmental and fiduciary.

Governmental Funds

Governmental funds focus on the sources, uses, and balances of current financial resources. Expendable assets and deferred outflows of resources are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities and deferred inflows of resources are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources and liabilities and deferred inflows of resources is reported as fund balance. The general fund is the District's only major governmental fund:

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

The other governmental funds of the District account for grants and other resources, capital projects and debt service of the District whose uses are restricted to a particular purpose.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District's only trust fund is a private-purpose trust which accounts for scholarship programs for students. Agency funds are custodial in nature (assets net position) and do not involve measurement of results of operations. The student managed activities agency fund accounts for those student activity programs which have student participation in the activity and have students involved in the management of the program. This fund typically includes those student activities which consist of a student body, student president, student treasurer, and faculty advisor.

B. Basis of Presentation and Measurement Focus

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

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the governmental activities of the District. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include amounts paid by the recipient of goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues of the District.

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the District are included on the statement of net position.

Fund Financial Statements - Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column, and all nonmajor funds are aggregated into one column. Fiduciary funds are reported by fund type.

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

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

The private purpose trust fund is reported using the economic resources measurement focus. Agency funds do not report a measurement focus as they do not report operations.

C. Basis of Accounting

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

Revenues - Exchange and Nonexchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means 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. For the District, available means expected to be received within sixty days of fiscal year end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, property taxes, grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied.

Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, see Notes 10 and 11 for deferred outflows of resources related the District's net pension liability and net OPEB liability, respectively. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2018, but which were levied to finance fiscal year 2019 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the District unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the District, see Notes 10 and 11 for deferred inflows of resources related to the District's net pension liability and net OPEB liability, respectively. This deferred inflow of resources is only reported on the government-wide statement of net position.

Expenditures/Expenses

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities used during the year is reported in the statement of revenues, expenditures and changes in fund balances as an expenditure with a like amount reported as intergovernmental 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 governmental funds.

D. Budgets

The District is required by State statute to adopt an annual appropriated cash basis budget for all funds (except agency funds). The specific timetable for fiscal year 2018 is as follows:

1. Prior to January 15, the Treasurer submits 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 purpose of this budget document is to reflect the need for existing (or increased) tax rates.
2. By no later than January 20, the board-adopted budget is filed with the County Budget Commission for tax rate determination.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

3. Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources, which states the projected revenue of each fund. Prior to July 1, the 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 a basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the final budgeted amount in the budgetary statement reflect the amounts set forth in the final Amended Certificate issued for fiscal year 2018.
4. By July 1, the annual appropriation resolution is legally enacted by the Board of Education at the fund level of expenditures, which are the legal levels of budgetary control. (State statute permits temporary appropriation to be effective until no later than October 1 of each year.)
5. Board adopted appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total expenditures and encumbrances may not exceed appropriations at the legal level of control.
6. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education.
7. Formal budgetary integration is employed as a management control device during the year for all funds consistent with the general obligation bond indenture and other statutory provisions. All departments/functions and funds completed the year within the amount of their legally authorized cash basis appropriations.
8. Appropriation amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations, which reallocated, increased or decreased the original appropriated amounts. The Board legally enacted all supplemental appropriations, during fiscal year 2018.
9. Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Cash disbursements plus encumbrances may not legally exceed budgeted appropriations at the fund level.

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.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

E. Cash and Investments

To improve cash management, cash received by the District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the basic financial statements.

During fiscal year 2018, investments were limited to U.S. Government money market funds, negotiable certificates of deposit (CDs) and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Investments are reported at fair value, which is based on quoted market prices, with the following exception: nonparticipating investment contracts such as nonnegotiable CDs deposit are reported at cost.

During fiscal year 2018, the District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For the fiscal year 2018, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Investment earnings are credited to funds based on Board Policy and State statute. Interest revenue credited to the General Fund during fiscal year 2018 amounted to \$162,900, which includes \$25,444 assigned from other District funds.

For presentation on the basic financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

An analysis of the District's investment account at year end is provided in Note 4.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

F. Prepaid Items

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are reported as assets on the balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed.

G. Inventory

On government-wide and fund financial statements, purchased inventories are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method which means that the cost of inventory items are recorded as an expenditure in the governmental funds when consumed.

Inventory consists of expendable supplies held for consumption, donated food and purchased food.

H. Capital Assets

General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value. The District maintains a capitalization threshold of \$2,500. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. The District does not possess infrastructure.

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

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	15 - 20 years
Buildings and Improvements	25 - 40 years
Furniture and Equipment	5 - 20 years
Vehicles	8 - 15 years

I. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund loans receivable/payable." Short-term interfund loans from the general fund to cover negative cash balances in other governmental funds are classified as "due to/from other funds". These amounts are eliminated in the governmental activities columns on the statement of net position.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

J. Compensated Absences

Compensated absences of the District consist of vacation leave and sick leave liability to the extent that payments to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the District and the employee.

In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination (severance) benefits. A liability for severance is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at June 30, 2018, by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for sick leave on employees expected to become eligible to retire in the future, all employees at least 50 years of age with 10 years of service or any age with at least 15 years of service, were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2018 and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

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

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. Compensated absences are reported in the governmental funds only if they have matured. 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 noncurrent portion of the liability is not reported.

K. Accrued Liabilities and Long-Term Obligations

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

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

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

L. Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. The net position component “net investment in capital assets,” consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

M. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable.

Restricted - Fund balance is reported as restricted when constraints are placed on the use of resources that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the District Board of Education (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless the District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes, but do not meet the criteria to be classified as restricted or committed. In governmental funds, assigned amounts represent intended uses established by policies of the District Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes. The Board of Education assigns fund balance by resolution. The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenues and appropriations in the subsequent year's appropriated budget.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The District applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

N. Interfund Transactions

Transfers between governmental activities on the government-wide statements are reported in the same manner as general revenues.

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

O. 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 on the financial statements and accompanying notes. Actual results may differ from those estimates.

P. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

Q. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the District and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2018.

R. Fair Value

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles/Restatement of Net Position

For fiscal year 2018, the District has implemented GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pension", GASB Statement No. 81 "Irrevocable Split-Interest Agreements" GASB Statement No. 85, "Omnibus 2017" and GASB Statement No. 86, "Certain Debt Extinguishments".

GASB Statement No. 75 improves the accounting and financial reporting by state and local governments for postemployment benefits other than pension (OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The implementation of GASB Statement No. 75 affected the District's postemployment benefit plan disclosures, as presented in Note 11 to the basic financial statements, and added required supplementary information which is presented on pages F86 – F91 and F93.

GASB Statement No. 81 improves the accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The implementation of GASB Statement No. 81 did not have an effect on the financial statements of the District.

GASB Statement No. 85 addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and OPEB. The implementation of GASB Statement No. 85 did not have an effect on the financial statements of the District.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 86 improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources - resources other than the proceeds of refunding debt - are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The implementation of GASB Statement No. 86 did not have an effect on the financial statements of the District.

A net position restatement is required in order to implement GASB Statement No 75. The governmental activities at July 1, 2017 have been restated as follows:

	Governmental Activities
Net position as previously reported	\$ (37,978,456)
Deferred outflows - payments subsequent to measurement date	80,307
Net OPEB liability	(12,526,339)
Restated net position at July 1, 2017	\$ (50,424,488)

Other than employer contributions subsequent to the measurement date, the District made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available. The restatement had no effect on fund balances.

B. Deficit Fund Balances

Fund balances at June 30, 2018 included the following individual fund deficits:

<u>Nonmajor funds</u>	<u>Deficit</u>
Food service	\$ 238,141
IDEA Part-B	84,074
Title I - disadvantaged children	134,757
Improving teacher quality	22,129
Miscellaneous federal grants	80

The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 4 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the 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 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 five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in items (1) and (2) above 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 banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

A. Cash on Hand

At fiscal year end, the District had \$2,640 in undeposited cash on hand which is included on the financial statements of the District as part of "equity in pooled cash and cash equivalents".

B. Cash with Escrow Agent

At June 30, 2018, the District had \$91,816 held in escrow for the energy conservation project that was financed through a lease-purchase agreement (see Note 13.F for detail). Funds are held in escrow and disbursed directly to the vendors when payment is due.

C. Cash in Segregated Accounts

At June 30, 2018, the District had \$34,023 held in segregated accounts related to employee flexible spending accounts. This amount is included in the depository balance below.

D. Deposits with Financial Institutions

At June 30, 2018, the carrying amount of all District deposits was \$1,813,862. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2018, \$1,146,139 of the District's bank balance of \$2,154,597 was covered by the FDIC, while \$1,008,458 was covered by the Ohio Pooled Collateral System (OPCS) as discussed below. The District's financial institution participates in the OPCS and was approved for a reduced collateral floor of 50 percent resulting in the uninsured and uncollateralized balance.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Custodial credit risk is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the District's and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2018, the District's financial institution was approved for a collateral rate of 102 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the FDIC.

E. Investments

As of June 30, 2018, the District had the following investments and maturities:

Measurement/ <u>Investment type</u>	Measurement <u>Value</u>	<u>Investment Maturities</u>		
		<u>6 months or less</u>	<u>7 to 12 months</u>	<u>13 to 18 months</u>
Amortized Cost:				
STAR Ohio	\$ 12,870,349	\$ 12,870,349	\$ -	\$ -
Fair Value:				
U.S. Government money market	5,688	5,688	-	-
Negotiable CD's	<u>199,125</u>	<u>99,925</u>	<u>-</u>	<u>99,200</u>
Total	<u>\$ 13,075,162</u>	<u>\$ 12,975,962</u>	<u>\$ -</u>	<u>\$ 99,200</u>

The weighted average maturity of investments is 0.01 years.

The District's investments in U.S. Government money market mutual funds are valued using quoted market prices in active markets (Level 1 inputs). The District's investments in negotiable CD's are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

Interest Rate Risk: Interest rate risk arises potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the District's investment policy limits investment portfolio maturities to five years or less.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Credit Risk: STAR Ohio carries a rating of AAAM by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The District's U.S. Government money market funds were rated AAAM by Standard and Poor's. The negotiable CDs are fully covered by the FDIC. The District's investment policy does not address credit risk beyond the adherence to Chapter 135 of the Ohio Revised Code.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

Concentration of Credit Risk: The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2018:

<u>Measurement/ Investment type</u>	<u>Measurement Value</u>	<u>% of Total</u>
Amortized Cost:		
STAR Ohio	\$ 12,870,349	98.43
Fair Value:		
U.S. Government money market	5,688	0.04
Negotiable CD's	<u>199,125</u>	<u>1.52</u>
Total	<u>\$ 13,075,162</u>	<u>100.00</u>

F. Reconciliation of Cash and Investments to the Statement of Net Position

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of June 30, 2018:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 1,813,862
Investments	13,075,162
Cash with escrow agent	91,816
Cash on hand	<u>2,640</u>
Total	<u>\$ 14,983,480</u>

<u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 14,780,349
Private-purpose trust funds	24,517
Agency fund	<u>178,614</u>
Total	<u>\$ 14,983,480</u>

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 5 - PROPERTY TAXES

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

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2018 represent the collection of calendar year 2017 taxes. Real property taxes received in calendar year 2018 were levied after April 1, 2017, on the assessed values as of January 1, 2017, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2018 represent the collection of calendar year 2017 taxes. Public utility real and personal property taxes received in calendar year 2018 became a lien on December 31, 2016, were levied after April 1, 2017, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The District receives property taxes from Lucas County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2018, are available to finance fiscal year 2018 operations. The amount available as an advance at June 30, 2018 was \$708,878 in the general fund, \$15,851 in the debt service fund (a nonmajor governmental fund) and \$20,950 in the permanent improvement fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available for advance at June 30, 2017 was \$1,571,663 in the general fund, \$97,414 in the debt service fund (a nonmajor governmental fund) and \$46,579 in the permanent improvement fund (a nonmajor governmental fund). The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2018 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows.

On the accrual basis of accounting, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis of accounting the revenue has been reported as a deferred inflow.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 5 - PROPERTY TAXES - (Continued)

The assessed values upon which the fiscal year 2018 taxes were collected are:

	2017 Second Half Collections		2018 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 661,949,180	97.96	\$ 664,433,900	97.88
Public utility personal	<u>13,760,050</u>	<u>2.04</u>	<u>14,390,240</u>	<u>2.12</u>
Total	<u>\$ 675,709,230</u>	<u>100.00</u>	<u>\$ 678,824,140</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$80.32		\$78.55	

NOTE 6 - RECEIVABLES

Receivables at June 30, 2018 consisted of property taxes, accounts (billings for user charged services and student fees), and intergovernmental grants and entitlements. 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 year guarantee of federal funds. A summary of the principal items of receivables reported in the statement of net position follows:

Governmental activities:

Property taxes	\$ 29,364,517
Accounts	1,533
Intergovernmental	<u>581,363</u>
Total	<u>\$ 29,947,413</u>

NOTE 7 - INTERFUND TRANSACTIONS

- A. Interfund transfers for the fiscal year ended June 30, 2018, consisted of the following, as reported on the fund statements:

	<u>Amount</u>
<u>Transfers from the general fund to:</u>	
Nonmajor governmental funds	<u>\$ 71,034</u>

Transfers are used to move revenues from the fund that statute or budget requires them to be collected in to the fund that statute or budget requires them to be expended from and to use unrestricted revenues to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Transfers between governmental funds are eliminated on the government-wide statements.

All transfers were made in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 7 - INTERFUND TRANSACTIONS - (Continued)

- B.** Interfund balances at June 30, 2018, as reported on the fund statements, consist of the following amounts interfund loans payable and receivable:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	<u>\$ 137,000</u>

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received. All interfund balances are expected to be repaid in one year.

Interfund balances between governmental funds are eliminated on the government-wide financial statements.

- C.** Interfund balances at June 30, 2018, as reported on the fund statements, consist of the following amounts due to/from other funds:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	<u>\$ 75,062</u>

The primary purpose of the interfund balances is to cover negative cash balances in specific funds where revenues were requested but were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received.

Interfund balances between governmental funds are eliminated on the government-wide financial statements.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2018, was as follows:

	<u>Balance</u> <u>June 30, 2017</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>June 30, 2018</u>
Governmental activities:				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,425,358	\$ -	\$ -	\$ 1,425,358
Construction in progress	<u>1,173,968</u>	<u>232,934</u>	<u>(1,406,902)</u>	<u>-</u>
Total capital assets, not being depreciated	<u>2,599,326</u>	<u>232,934</u>	<u>(1,406,902)</u>	<u>1,425,358</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	5,136,857	21,850	-	5,158,707
Buildings and improvements	33,129,740	1,406,902	-	34,536,642
Furniture and equipment	8,186,729	377,366	(33,033)	8,531,062
Vehicles	<u>3,455,167</u>	<u>99,050</u>	<u>(462,418)</u>	<u>3,091,799</u>
Total capital assets, being depreciated	<u>49,908,493</u>	<u>1,905,168</u>	<u>(495,451)</u>	<u>51,318,210</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(2,525,997)	(216,945)	-	(2,742,942)
Buildings and improvements	(22,367,563)	(684,432)	-	(23,051,995)
Furniture and equipment	(6,547,951)	(248,386)	33,033	(6,763,304)
Vehicles	<u>(2,686,744)</u>	<u>(74,222)</u>	<u>416,176</u>	<u>(2,344,790)</u>
Total accumulated depreciation	<u>(34,128,255)</u>	<u>(1,223,985)</u>	<u>449,209</u>	<u>(34,903,031)</u>
Governmental activities capital assets, net	<u>\$ 18,379,564</u>	<u>\$ 914,117</u>	<u>\$ (1,453,144)</u>	<u>\$ 17,840,537</u>

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 744,460
Special	1,401
<u>Support services:</u>	
Pupil	30,698
Instructional staff	8,151
Administration	12,681
Fiscal	4,591
Operations and maintenance	81,650
Pupil transportation	137,035
Central	6,843
Extracurricular activities	176,218
Food service operations	<u>20,257</u>
Total depreciation expense	<u>\$ 1,223,985</u>

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 9 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2018, the District's insurance coverage was as follows:

Type of Coverage	Liability Limit
Buildings and Contents - replacement cost (\$1,000 deductible)	\$140,350,470
Crime Insurance	100,000
Automobile Liability	6,000,000
Uninsured Motorists	1,000,000
General Liability	
Per Occurrence	6,000,000
Total per Year	8,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years, and there has been no significant reduction in insurance coverage from last year.

For fiscal year 2018, the District participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participants is calculated as one experience and a common premium rate is applied to all participants in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate.

Participation in the GRP is limited to participants that can meet the GRP's selection criteria. The firm of CompManagement Inc., a Sedgwick CMS Company, provides administrative, cost control and actuarial services to the GRP.

NOTE 10 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the District's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

The Ohio Revised Code limits the District’s obligation for this liability to annually required payments. The District cannot control benefit terms or the manner in which pensions are financed; however, the District does receive the benefit of employees’ services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *pension and postemployment benefits payable* on both the accrual and modified accrual bases of accounting.

Plan Description - School Employees Retirement System (SERS)

Plan Description - The District non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS’ fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire on or after August 1, 2017
Full benefits	Any age with 30 years of service credit; or Age 65 with 5 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially reduced benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

* Members with 25 years of service credit as of August 1, 2017, will be included in this plan.

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on year of service; 2.2 percent for the first thirty years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

Currently, one year after an effective benefit date, a benefit recipient is entitled to a three percent cost-of-living adjustment (COLA). This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2018, the allocation to pension, death benefits, and Medicare B was 13.5 percent. The remaining 0.5 percent of the employer contribution rate was allocated to the Health Care Fund.

The District's contractually required contribution to SERS was \$651,488 for fiscal year 2018. Of this amount, \$53,256 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description - Licensed teachers participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS website at www.strsoh.org.

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. Effective July 1, 2017, the cost-of-living adjustment was reduced to zero. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 26 years of service, or 31 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

The DC Plan allows members to place all their member contributions and 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12% of the 14% member rate goes to the DC Plan and the remaining 2% is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 or later.

New members who choose the DC Plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For fiscal year 2018, plan members were required to contribute 14 percent of their annual covered salary. The District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2018 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was \$2,587,754 for fiscal year 2018. Of this amount, \$459,674 is reported as pension and postemployment benefits payable.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

Net Pension Liability

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the projected contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportion of the net pension liability prior measurement date	0.13809280%	0.15969314%	
Proportion of the net pension liability current measurement date	<u>0.14353030%</u>	<u>0.16164150%</u>	
Change in proportionate share	<u>0.00543750%</u>	<u>0.00194836%</u>	
Proportionate share of the net pension liability	\$ 8,575,618	\$ 38,398,285	\$ 46,973,903
Pension expense	\$ (613,268)	\$ (15,272,434)	\$ (15,885,702)

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**SPRINGFIELD LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 369,066	\$ 1,482,765	\$ 1,851,831
Changes of assumptions	443,451	8,398,126	8,841,577
Difference between District contributions and proportionate share of contributions/ change in proportionate share	267,255	528,031	795,286
District contributions subsequent to the measurement date	<u>651,488</u>	<u>2,587,754</u>	<u>3,239,242</u>
Total deferred outflows of resources	<u>\$ 1,731,260</u>	<u>\$ 12,996,676</u>	<u>\$ 14,727,936</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ -	\$ 309,475	\$ 309,475
Net difference between projected and actual earnings on pension plan investments	40,709	1,267,188	1,307,897
Difference between District contributions and proportionate share of contributions/ change in proportionate share	<u>505,709</u>	<u>1,502,195</u>	<u>2,007,904</u>
Total deferred inflows of resources	<u>\$ 546,418</u>	<u>\$ 3,078,858</u>	<u>\$ 3,625,276</u>

\$3,239,242 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2019	\$ 39,329	\$ 1,282,088	\$ 1,321,417
2020	491,387	3,005,900	3,497,287
2021	202,553	2,239,268	2,441,821
2022	<u>(199,915)</u>	<u>802,808</u>	<u>602,893</u>
Total	<u>\$ 533,354</u>	<u>\$ 7,330,064</u>	<u>\$ 7,863,418</u>

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - SERS

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2017, are presented below:

Wage inflation	3.00 percent
Future salary increases, including inflation	3.50 percent to 18.20 percent
COLA or ad hoc COLA	2.50 percent
Investment rate of return	7.50 percent net of investments expense, including inflation
Actuarial cost method	Entry age normal (level percent of payroll)

Prior to 2017, an assumption of 3 percent was used for COLA or Ad Hoc COLA.

For 2017, the mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates, and 110 percent of female rates. Mortality among disabled members was based upon the RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement.

The most recent experience study was completed for the five year period ended June 30, 2015.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

The long-term return expectation for the Pension Plan Investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash	1.00 %	0.50 %
US Equity	22.50	4.75
International Equity	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
 Total	 <u>100.00 %</u>	

Discount Rate - The total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.50 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	<u>1% Decrease (6.50%)</u>	<u>Current Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
District's proportionate share of the net pension liability	\$ 11,900,730	\$ 8,575,618	\$ 5,790,159

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - STRS Ohio

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2017, actuarial valuation, compared with July 1, 2016 are presented below:

	July 1, 2017	July 1, 2016
Inflation	2.50 percent	2.75 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment rate of return	7.45 percent, net of investment expenses, including inflation	7.75 percent, net of investment expenses, including inflation
Payroll increases	3 percent	3.5 percent
Cost-of-living adjustments (COLA)	0.0 percent, effective July 1, 2017	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA commences on fifth anniversary of retirement date.

For the July 1, 2017, actuarial valuation, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

For the July 1, 2016 actuarial valuation, mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89, and no set back from age 90 and above.

Actuarial assumptions used in the July 1 2017, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016. Actuarial assumptions used in the June 30, 2016, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

STRS Ohio's investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return *
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	<u>100.00 %</u>	

*10-Year geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate - The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2017. The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2016. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2017. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2017.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.45 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.45 percent) or one-percentage-point higher (8.45 percent) than the current rate:

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
District's proportionate share of the net pension liability	\$ 55,042,634	\$ 38,398,285	\$ 24,377,915

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 11 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

The net OPEB liability reported on the statement of net position represents a liability to employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability represents the District's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

The Ohio Revised Code limits the District's obligation for this liability to annually required payments. The District cannot control benefit terms or the manner in which OPEB are financed; however, the District does receive the benefit of employees' services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included in *pension and postemployment benefits payable* on both the accrual and modified accrual bases of accounting.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description - The District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2018, .5 percent of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2018, this amount was \$23,700. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2018, the District's surcharge obligation was \$79,734.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$103,863 for fiscal year 2018. Of this amount, \$81,706 is reported as pension and postemployment benefits payable.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

Plan Description - State Teachers Retirement System (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians’ fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2020. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2018, STRS did not allocate any employer contributions to post-employment health care.

Net OPEB Liability

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	Total
Proportion of the net OPEB liability prior measurement date	0.13983827%	0.15969314%	
Proportion of the net OPEB liability current measurement date	<u>0.14353030%</u>	<u>0.16164150%</u>	
Change in proportionate share	<u>0.00369203%</u>	<u>0.00194836%</u>	
Proportionate share of the net OPEB liability	\$ 3,913,665	\$ 6,306,655	\$ 10,220,320
OPEB expense	\$ 316,070	\$ (1,909,564)	\$ (1,593,494)

**SPRINGFIELD LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ -	\$ 364,059	\$ 364,059
Difference between District contributions and proportionate share of contributions/ change in proportionate share	67,699	89,313	157,012
District contributions subsequent to the measurement date	<u>103,863</u>	<u>-</u>	<u>103,863</u>
Total deferred outflows of resources	<u>\$ 171,562</u>	<u>\$ 453,372</u>	<u>\$ 624,934</u>
Deferred inflows of resources			
Net difference between projected and actual earnings on pension plan investments	\$ 10,172	\$ 269,561	\$ 279,733
Changes of assumptions	<u>365,533</u>	<u>508,023</u>	<u>873,556</u>
Total deferred inflows of resources	<u>\$ 375,705</u>	<u>\$ 777,584</u>	<u>\$ 1,153,289</u>

\$103,863 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2019	\$ (110,453)	\$ (76,498)	\$ (186,951)
2020	(110,453)	(76,498)	(186,951)
2021	(84,557)	(76,498)	(161,055)
2022	(2,543)	(76,498)	(79,041)
2023	-	(9,109)	(9,109)
Thereafter	<u>-</u>	<u>(9,111)</u>	<u>(9,111)</u>
Total	<u>\$ (308,006)</u>	<u>\$ (324,212)</u>	<u>\$ (632,218)</u>

**SPRINGFIELD LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

Actuarial Assumptions - SERS

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2017, are presented below:

Wage inflation	3.00 percent
Future salary increases, including inflation	3.50 percent to 18.20 percent
Investment rate of return	7.50 percent net of investments expense, including inflation
Municipal bond index rate:	
Measurement date	3.56 percent
Prior measurement date	2.92 percent
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Measurement date	3.63 percent
Prior measurement date	2.98 percent
Medical trend assumption:	
Medicare	5.50 to 5.00 percent
Pre-Medicare	7.50 to 5.00 percent

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120 percent of male rates and 110 percent of female rates. RP-2000 Disabled Mortality Table with 90 percent for male rates and 100 percent for female rates set back five years.

The most recent experience study was completed for the five year period ended June 30, 2015.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2010 through 2015, and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2015 five-year experience study, are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	1.00 %	0.50 %
US Stocks	22.50	4.75
Non-US Stocks	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	<u>100.00 %</u>	

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2017 was 3.63 percent. The discount rate used to measure total OPEB liability prior to June 30, 2017 was 2.98 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and 0.50 percent of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.56 percent, as of June 30, 2017 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.63%) and higher (4.63%) than the current discount rate (3.63%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.5% decreasing to 4.0%) and higher (8.5% decreasing to 6.0%) than the current rate.

	1% Decrease (2.63%)	Current Discount Rate (3.63%)	1% Increase (4.63%)
District's proportionate share of the net OPEB liability	\$ 4,651,752	\$ 3,913,665	\$ 3,218,350

	1% Decrease (6.5 % decreasing to 4.0 %)	Current Trend Rate (7.5 % decreasing to 5.0 %)	1% Increase (8.5 % decreasing to 6.0 %)
District's proportionate share of the net OPEB liability	\$ 3,125,590	\$ 3,913,665	\$ 4,813,361

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2017, actuarial valuation are presented below:

Inflation	2.50 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment rate of return	7.45 percent, net of investment expenses, including inflation
Payroll increases	3 percent
Cost-of-living adjustments (COLA)	0.0 percent, effective July 1, 2017
Blended discount rate of return	4.13 percent
Health care cost trends	6 to 11 percent initial, 4.5 percent ultimate

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

For healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2017, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Since the prior measurement date, the discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and the long term expected rate of return was reduced from 7.75 percent to 7.45 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

Also since the prior measurement date, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. Subsequent to the current measurement date, the date for discontinuing remaining Medicare Part B premium reimbursements was extended to January 2020.

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return *
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	<u>100.00 %</u>	

*10-Year geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

Discount Rate - The discount rate used to measure the total OPEB liability was 4.13 percent as of June 30, 2017. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was not projected to be sufficient to make all projected future benefit payments of current plan members. The OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2037. Therefore, the long-term expected rate of return on OPEB plan assets was used to determine the present value of the projected benefit payments through the fiscal year ending June 30, 2036 and the Bond Buyer 20-year municipal bond rate of 3.58 percent as of June 30, 2017 (i.e. municipal bond rate), was used to determine the present value of the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The blended discount rate of 4.13 percent, which represents the long-term expected rate of return of 7.45 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 3.58 percent for the unfunded benefit payments, was used to measure the total OPEB liability as of June 30, 2017. A blended discount rate of 3.26 percent which represents the long term expected rate of return of 7.75 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 2.85 percent for the unfunded benefit payments was used to measure the total OPEB liability at June 30, 2016.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount and Health Care Cost Trend Rate - The following table represents the net OPEB liability as of June 30, 2017, calculated using the current period discount rate assumption of 4.13 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.13 percent) or one percentage point higher (5.13 percent) than the current assumption. Also shown is the net OPEB liability as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
District's proportionate share of the net OPEB liability	\$ 8,466,583	\$ 6,306,655	\$ 4,599,606
	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 4,381,594	\$ 6,306,655	\$ 8,840,261

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 12 - EMPLOYEE BENEFITS

A. Compensated Absences

Employees earn vacation at rates specified under State of Ohio law and based on credited service. Classified employees earn 10 to 20 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.

All employees are entitled to a sick leave credit equal to one and one-quarter days for each month of service (earned on a pro rate basis for less than full-time employees). This sick leave will either be absorbed by time off due to illness or injury or, within certain limitations, be paid to the employee upon retirement. 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 percent of accrued, but unused sick leave credit to a maximum of 72 days for classified employees and 75 days for certified employees. Upon retirement, payment is made for up to 30.58 percent of accrued, but unused sick leave credit to a maximum of 80 days for 12 month administrative employees and 28.85 percent or 75 days for 10 month administrative employees.

B. Life Insurance

The District provides life insurance and accidental death and dismemberment insurance to most employees through Dearborn National Life Insurance Company.

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**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 13 - LONG-TERM OBLIGATIONS

During the year ended June 30, 2018, the following changes occurred in the long-term obligations reported in the government-wide financial statements. The long-term obligations at June 30, 2017 have been restated as described in Note 3.A.

	Restated Balance <u>06/30/17</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>06/30/18</u>	Due in <u>One Year</u>
<u>General obligation bonds</u>					
2004 School Improvement Bonds (HVAC)	\$ 1,005,000	\$ -	\$ (490,000)	\$ 515,000	\$ 515,000
2008 Athletic Facilities Bonds	695,000	-	(695,000)	-	-
2008 Refunding Bonds	2,205,000	-	(5,000)	2,200,000	20,000
2011 School Building & Athletic Facility Capital Appreciation Bonds	315,000	-	(315,000)	-	-
Accreted Interest	146,340	13,660	(160,000)	-	-
2016 HB Energy Conservation Bonds	<u>3,045,000</u>	<u>-</u>	<u>(185,000)</u>	<u>2,860,000</u>	<u>190,000</u>
Total bonds payable	<u>7,411,340</u>	<u>13,660</u>	<u>(1,850,000)</u>	<u>5,575,000</u>	<u>725,000</u>
<u>Other long-term obligations</u>					
Compensated absences payable	2,164,802	505,796	(447,989)	2,222,609	320,253
Lease purchase obligations	1,522,723	-	(146,096)	1,376,627	151,627
Net pension liability	63,561,227	-	(16,587,324)	46,973,903	-
Net OPEB liability	<u>12,526,339</u>	<u>-</u>	<u>(2,306,019)</u>	<u>10,220,320</u>	<u>-</u>
Total other long-term obligations	<u>79,775,091</u>	<u>505,796</u>	<u>(19,487,428)</u>	<u>60,793,459</u>	<u>471,880</u>
Total governmental activities	<u>\$ 87,186,431</u>	<u>\$ 519,456</u>	<u>\$ (21,337,428)</u>	<u>\$ 66,368,459</u>	<u>\$ 1,196,880</u>

Compensated absences payable will be paid from the funds from which the employees' salaries are paid, which for the District is primarily the general fund.

The District's net pension liability is described in Note 10. The District pays obligations related to employee compensation from the fund benefitting from their service, which for the District is primarily the general fund.

The District's net OPEB liability is described in Note 11. The District pays obligations related to employee compensation from the fund benefitting from their service, which for the District is primarily the general fund.

- A. On September 1, 2004, the District issued general obligation bonds (Series 2004 School Improvement Refunding Bonds) to currently refund the callable portion of the School Improvement General Obligation Bonds (principal \$7,215,000; interest rate 5-5.25 percent). The refunded debt is considered defeased and accordingly has been removed from the statement of net position.

The reacquisition price exceeded the net carrying amount of the old debt by \$130,342. This amount is netted against the old debt and amortized over the remaining life of the refunded debt. The carrying amount as of June 30, 2018 was \$4,643.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

The refunding bonds outstanding are general obligations of the District for which the full faith and credit of the District is pledged for repayment. Payments of principal and interest relating to these liabilities are recorded as expenditures in the debt service fund (a nonmajor governmental fund). The source of payment is derived from a current tax levy.

The scheduled payments of principal and interest requirements on debt outstanding at June 30, 2018, are as follows:

Fiscal Year Year Ended	2004 Unrefunded Bonds		
	Principal	Interest	Total
2019	\$ 515,000	\$ 12,875	\$ 527,875

- B. On February 1, 2008, the District issued general obligation bonds (2008 Athletic Facilities Bonds) to construct the District's athletic complex. The bonds matured in December 2017. The interest rate was 2.5 percent to 4 percent.
- C. On February 1, 2008, the District issued general obligation bonds (Series 2008 School Improvement Refunding Bonds) to currently refund the callable portion of the 2004 School Improvement General Obligation Bonds (principal \$3,710,000; interest rate 4.58 percent). The refunded debt is considered defeased and accordingly has been removed from the statement of net position.

The refunding bonds outstanding are general obligations of the District for which the full faith and credit of the District is pledged for repayment. Payments of principal and interest relating to these liabilities are recorded as expenditures in the debt service fund (a nonmajor governmental fund). The source of payment is derived from a current tax levy.

The scheduled payments of principal and interest requirements on debt outstanding at June 30, 2018, are as follows:

Fiscal Year Year Ended	2008 Refunding Bonds		
	Principal	Interest	Total
2019	\$ 20,000	\$ 87,600	\$ 107,600
2020	330,000	80,600	410,600
2021	340,000	67,200	407,200
2022	355,000	53,300	408,300
2023	370,000	38,800	408,800
2024 - 2025	785,000	31,700	816,700
Total	\$ 2,200,000	\$ 359,200	\$ 2,559,200

**SPRINGFIELD LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

- D.** On November 17, 2010, the District issued general obligation bonds (Series 2011 School Building and Athletic Facilities Improvement Bonds). The bonds were issued to finance certain improvements. The bonds consisted of par value \$935,000 current interest bonds and par value \$315,000 capital appreciation bonds. The interest rate on the current interest bonds and the capital appreciation bonds was 2% and 5.952%, respectively. The accreted value at maturity for the capital appreciation bonds was \$475,000. The final capital appreciation bonds matured in December 2017.
- E.** On June 7, 2016, the District issued energy conservation bonds (2016 HB Energy Conservation Bonds). The bonds will mature in December 2030. The interest rate at June 30, 2018 was 2.550%.

Payments of principal and interest are recorded as expenditures in the general fund. The energy conservation project was primarily for various building maintenance and repairs, which have not been capitalized by the District.

The schedule payments of principal and interest requirements on debt outstanding at June 30, 2018, are as follows:

Fiscal Year Year Ended	<u>HB 264 Energy Conservaton Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 190,000	\$ 70,508	\$ 260,508
2020	195,000	65,599	260,599
2021	200,000	60,563	260,563
2022	205,000	55,399	260,399
2023	210,000	50,108	260,108
2024 - 2028	1,125,000	166,706	1,291,706
2029 - 2031	<u>735,000</u>	<u>28,367</u>	<u>763,367</u>
Total	<u>\$ 2,860,000</u>	<u>\$ 497,250</u>	<u>\$ 3,357,250</u>

F. Lease-Purchase Agreements

On June 4, 2015, the District entered into a lease-purchase agreement with TCF Equipment Finance for the purpose of acquiring a new mower. The \$55,602 in proceeds are to be repaid over five years. Principal and interest payments related to this lease-purchase agreement are made from the permanent improvement fund (a nonmajor governmental fund).

On October 4, 2016, the District entered into a lease-purchase agreement with U.S. Bancorp Government Leasing and Financing, Inc. for the purpose of energy conservation. The \$1,500,000 in proceeds will be used for building improvements, maintenance and repairs for purchasing equipment. The proceeds will be repaid over 11 years, maturing on December 1, 2026, and bearing an interest rate of 2.074%. Principal and interest payments related to this lease-purchase agreement are made from the permanent improvement fund (a nonmajor governmental fund). Funds are held in escrow and are disbursed directly to the vendors when payment is due. During fiscal year 2018, \$1,408,184 was released to vendors and at June 30, 2018, \$91,816 was held in escrow. Capital assets of \$1,406,902 have been capitalized in buildings and improvements at June 30, 2018.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

Principal and interest requirements to retire the lease-purchase obligations at June 30, 2018 follows:

Fiscal Year Ending June 30,	Lease-Purchase Agreement		
	Principal	Interest	Total
2019	\$ 151,627	\$ 27,532	\$ 179,159
2020	140,000	24,058	164,058
2021	145,000	21,090	166,090
2022	150,000	18,018	168,018
2023	150,000	14,893	164,893
2024 - 2027	<u>640,000</u>	<u>26,975</u>	<u>666,975</u>
Total	<u>\$ 1,376,627</u>	<u>\$ 132,566</u>	<u>\$ 1,509,193</u>

G. The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2018, are a voted debt margin of \$56,210,013 (including available funds of \$690,840) and an unvoted debt margin of \$678,824.

NOTE 14 - SET-ASIDES

The District is required by State law to annually set-aside certain general fund revenue amounts, as defined by statutory formula, for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at fiscal year-end. This amount must be carried forward to be used for the same purpose in future years. Expenditures exceeding the set-aside requirement may not be carried forward to the next fiscal year.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 14 - SET-ASIDES - (Continued)

The following cash-basis information describes the change in the fiscal year-end set-aside amount for capital improvements. Disclosure of this information is required by State statute.

	<u>Capital Improvements</u>
Set-aside balance June 30, 2017	\$ -
Current year set-aside requirement	690,361
Current year qualifying expenditures	(266,964)
Current year offsets	<u>(920,512)</u>
Total	<u>\$ (497,115)</u>
Balance carried forward to fiscal year 2019	<u>\$ -</u>
Set-aside balance June 30, 2018	<u>\$ -</u>

NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS

A. Northwest Ohio Computer Association

The District is a participant in the Northwest Ohio Computer Association (NWOCA). NWOCA is an association of public school districts within the boundaries of Defiance, Fulton, Henry, Lucas, and Williams counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts.

The NWOCA Assembly consists of a superintendent from each participating school district and a representative from the fiscal agent. The Assembly elects the Council. NWOCA is governed by a Council chosen from two representatives from each of the five counties in which the member school districts are located and the representative from the member school district serving as fiscal agent for NWOCA. The degree of control exercised by any participating school district is limited to its representation of the Board. Financial information can be obtained from the Treasurer at 22-900 State Route 34, Archbold, Ohio 43502.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS - (Continued)

B. Penta County Career Center

The Penta County Career Center is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from 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 Career Center, Carrie J. Herringshaw, who serves as Treasurer, at 30095 Oregon Road, Perrysburg, Ohio 43551.

NOTE 16 - INSURANCE POOLS

A. OSBA Workers' Compensation Group Rating Plan

The District is a member of the OSBA Workers' Compensation Group Rating Program established in April 1991. The program was created by the Ohio Schools Boards Association as a result of the Workers' Compensation group rating plan as defined in 4123.29, Ohio Revised Code. The group-rating plan will allow school districts to group together to potentially achieve a lower premium rate than they may otherwise be able to acquire as individual employers.

B. Ohio School Plan

The District participates in the Ohio School Plan (the "Plan"), an insurance purchasing pool established under Section 2744.081 of the Ohio Revised Code. The Plan is an unincorporated nonprofit association of its members which enables the participants to provide for a formalized joint insurance purchasing program for maintaining adequate insurance protection and provides risk management programs and other administrative services. The Plan's business and affairs are conducted by a fifteen member board consisting of superintendents, treasurers, the president of Harcum-Schuett Insurance Agency, Inc., and a member of Hylant Group, Inc. Hylant Group, Inc. is the Plan's administrator and is responsible for processing claims. Harcum-Schuett Insurance Agency serves as the sales and marketing representative which establishes agreements between the Plan and its members. Financial information can be obtained from Harcum-Schuett Insurance Agency, 246 East Sycamore Street, Columbus, Ohio 43206.

NOTE 17 - CONTINGENCIES

A. Grants

The District receives significant financial assistance from numerous federal, State and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 17 – CONTINGENCIES - (Continued)

B. Litigation

The District is involved in certain litigation and claims that arise in the ordinary course of business. Management and its legal counsel periodically review the probable outcome of pending claims and proceedings, the costs and expenses reasonably expected to be incurred, the availability and limits of the District’s insurance coverage, and the District’s accruals for uninsured liabilities. While the ultimate legal and financial liability with respect to the claims and proceedings cannot be estimated with certainty, management believes, based on its reviews and experience to date, that any liability in excess of amounts covered by insurance will not have a material effect on the District’s financial statements.

C. Foundation Funding

District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2018 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2018 financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to, or a liability of, the District.

NOTE 18 - OTHER COMMITMENTS

The District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year-end are reservations of fund balance for subsequent-year expenditures and may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the District’s commitments for encumbrances in the governmental funds were as follows:

<u>Fund Type</u>	<u>Year-End Encumbrances</u>
General	\$ 672,845
Other governmental	<u>380,542</u>
Total	<u>\$ 1,053,387</u>

NOTE 19 - OPERATING LEASE - LESSOR DISCLOSURE

The District is the lessor of a cell phone tower that sits on a land parcel owned by the District to SBA Towers V, LLC. The lease agreement is from January 15, 2016 through January 15, 2021. The District receives a monthly rent payment of \$1,000.

The District is the lessor of Wireless Services to Clearwire Spectrum Holdings III LLC. The lease agreement is from February 16, 2016 through February 16, 2046. The District receives a monthly rent payment of \$4,050. In addition to the monthly payment, during fiscal year 2016, the District also received an initial payment of \$100,000 at the inception of the lease.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 20 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS

Lucas County entered into property tax abatement agreements with local businesses under Enterprise Zone tax abatement agreements. Enterprise zones are designated areas of land in which businesses can receive tax incentives in the form of tax exemptions on eligible new investment. The Enterprise Zone Program provides tax exemptions for a portion of the value of new real property when the investment is made in conjunction with a project that includes job creation or job retention. These tax abatements reduce assessed value by a percentage agreed upon by all parties that authorize these types of agreements. The agreements affect the property tax receipts collected and distributed to the District. Under the agreements, the District property taxes were reduced by \$22,157 during fiscal year 2018.

The Village of Holland entered into property tax abatement agreements with property owners under the Ohio Community Reinvestment Area (“CRA”) program with the taxing districts of the District. The CRA program is a directive incentive tax exemption program benefiting property owners who renovate or construct new buildings. Under this program, the other governments designated areas to encourage revitalization of the existing housing stock and the development of new structures. Within the taxing districts of the District, the Village of Holland has entered into such agreements. Under these agreements, the District’s property taxes were reduced by \$53,392.

NOTE 21 – SUBSEQUENT EVENT

On November 6, 2018, the District voters passed a 1.35 mill permanent improvement renewal levy with an increase of 0.9 mill (a total of 2.25 mill). The levy is expected to generate approximately \$1.509 million.

REQUIRED SUPPLEMENTARY INFORMATION

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
From local sources:				
Property taxes	\$ 23,236,189	\$ 24,408,864	\$ 24,309,525	\$ (99,339)
Tuition.	978,612	1,028,000	999,209	(28,791)
Transportation fees.	-	-	2,167	2,167
Earnings on investments	142,794	150,000	162,900	12,900
Classroom materials and fees	221,235	232,400	234,733	2,333
Rental income	43,128	45,305	49,355	4,050
Contributions and donations	952	1,000	500	(500)
Contract services.	40,458	42,500	39,567	(2,933)
Other local revenues	60,925	64,000	63,452	(548)
Intergovernmental - intermediate	9,520	10,000	10,000	-
Intergovernmental - state	10,879,507	11,428,570	11,474,735	46,165
Intergovernmental - federal	180,749	189,871	219,124	29,253
Total revenues	<u>35,794,069</u>	<u>37,600,510</u>	<u>37,565,267</u>	<u>(35,243)</u>
Expenditures:				
Current:				
Instruction:				
Regular	15,538,462	14,257,738	14,035,092	222,646
Special.	5,718,182	5,246,873	5,068,618	178,255
Vocational.	142,957	131,174	124,118	7,056
Other.	3,297,270	3,025,499	3,023,519	1,980
Support services:				
Pupil.	2,430,682	2,230,338	2,160,399	69,939
Instructional staff	847,019	777,205	739,464	37,741
Board of education	46,604	42,763	36,021	6,742
Administration.	3,446,574	3,162,497	3,041,828	120,669
Fiscal	869,134	797,497	783,059	14,438
Operations and maintenance.	3,978,358	3,650,450	3,385,355	265,095
Pupil transportation	2,189,420	2,008,962	1,842,642	166,320
Central.	136,773	125,500	112,081	13,419
Extracurricular activities.	876,936	804,656	758,869	45,787
Debt service:				
Principal	201,618	185,000	185,000	-
Interest and fiscal charges.	82,052	75,289	75,289	-
Total expenditures	<u>39,802,041</u>	<u>36,521,441</u>	<u>35,371,354</u>	<u>1,150,087</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(4,007,972)</u>	<u>1,079,069</u>	<u>2,193,913</u>	<u>1,114,844</u>
Other financing sources (uses):				
Refund of prior year's expenditures	1,767	1,767	1,767	-
Transfers in	1,113,173	1,113,600	1,113,600	-
Transfers (out).	<u>(1,200,000)</u>	<u>(1,200,000)</u>	<u>(1,183,607)</u>	<u>16,393</u>
Total other financing sources (uses)	<u>(85,060)</u>	<u>(84,633)</u>	<u>(68,240)</u>	<u>16,393</u>
Net change in fund balance	(4,093,032)	994,436	2,125,673	1,131,237
Fund balance at beginning of year	3,168,734	3,168,734	3,168,734	-
Prior year encumbrances appropriated	766,162	766,162	766,162	-
Fund balance at end of year	<u>\$ (158,136)</u>	<u>\$ 4,929,332</u>	<u>\$ 6,060,569</u>	<u>\$ 1,131,237</u>

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY**

NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance 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 and disbursements.

The schedule of revenues, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis); and,
- (e) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis for the general fund is as follows:

Net Change in Fund Balance

	<u>General fund</u>
Budget basis	\$ 2,125,673
Net adjustment for revenue accruals	(880,390)
Net adjustment for expenditure accruals	324,935
Net adjustment for other sources/uses	(2,794)
Funds budgeted elsewhere	1,773,649
Adjustment for encumbrances	700,604
GAAP basis	<u>\$ 4,041,677</u>

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the emergency levy fund, the public school support fund and the District wellness fund.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST FIVE FISCAL YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.14353030%	0.13809280%	0.14589380%	0.16866300%	0.16866300%
District's proportionate share of the net pension liability	\$ 8,575,618	\$ 10,107,119	\$ 8,324,842	\$ 8,535,938	\$ 10,029,847
District's covered payroll	\$ 5,016,457	\$ 4,580,621	\$ 4,390,250	\$ 4,901,017	\$ 3,797,673
District's proportionate share of the net pension liability as a percentage of its covered payroll	170.95%	220.65%	189.62%	174.17%	264.11%
Plan fiduciary net position as a percentage of the total pension liability	69.50%	62.98%	69.16%	71.70%	65.52%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST FIVE FISCAL YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.16164150%	0.15969314%	0.16526269%	0.16932947%	0.16932947%
District's proportionate share of the net pension liability	\$ 38,398,285	\$ 53,454,108	\$ 45,673,774	\$ 41,186,787	\$ 49,061,432
District's covered payroll	\$ 18,541,664	\$ 15,731,086	\$ 17,255,950	\$ 17,301,323	\$ 17,264,508
District's proportionate share of the net pension liability as a percentage of its covered payroll	207.09%	339.80%	264.68%	238.06%	284.18%
Plan fiduciary net position as a percentage of the total pension liability	75.30%	66.80%	72.10%	74.70%	69.30%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

	LAST TEN FISCAL YEARS			
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 651,488	\$ 702,304	\$ 641,287	\$ 578,635
Contributions in relation to the contractually required contribution	<u>(651,488)</u>	<u>(702,304)</u>	<u>(641,287)</u>	<u>(578,635)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 4,825,837	\$ 5,016,457	\$ 4,580,621	\$ 4,390,250
Contributions as a percentage of covered payroll	13.50%	14.00%	14.00%	13.18%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 679,281	\$ 525,598	\$ 501,165	\$ 493,322	\$ 590,722	\$ 966,409
<u>(679,281)</u>	<u>(525,598)</u>	<u>(501,165)</u>	<u>(493,322)</u>	<u>(590,722)</u>	<u>(966,409)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 4,901,017	\$ 3,797,673	\$ 3,726,134	\$ 3,924,598	\$ 4,362,792	\$ 9,821,230
13.86%	13.84%	13.45%	12.57%	13.54%	9.84%

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

	LAST TEN FISCAL YEARS			
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 2,587,754	\$ 2,595,833	\$ 2,202,352	\$ 2,415,833
Contributions in relation to the contractually required contribution	<u>(2,587,754)</u>	<u>(2,595,833)</u>	<u>(2,202,352)</u>	<u>(2,415,833)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 18,483,957	\$ 18,541,664	\$ 15,731,086	\$ 17,255,950
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 2,249,172	\$ 2,244,386	\$ 2,293,227	\$ 2,276,472	\$ 2,436,770	\$ 2,471,037
<u>(2,249,172)</u>	<u>(2,244,386)</u>	<u>(2,293,227)</u>	<u>(2,276,472)</u>	<u>(2,436,770)</u>	<u>(2,471,037)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 17,301,323	\$ 17,264,508	\$ 17,640,208	\$ 17,511,323	\$ 18,744,385	\$ 19,007,977
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST TWO FISCAL YEARS

	2018	2017
District's proportion of the net OPEB liability	0.14353030%	0.13983827%
District's proportionate share of the net OPEB liability	\$ 3,913,665	\$ 3,985,908
District's covered payroll	\$ 5,016,457	\$ 4,580,621
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	78.02%	87.02%
Plan fiduciary net position as a percentage of the total OPEB liability	12.46%	11.49%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TWO FISCAL YEARS

	2018	2017
District's proportion of the net OPEB liability	0.16164150%	0.15969314%
District's proportionate share of the net OPEB liability	\$ 6,306,655	\$ 8,540,431
District's covered payroll	\$ 18,541,664	\$ 15,731,086
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	34.01%	54.29%
Plan fiduciary net position as a percentage of the total OPEB liability	47.10%	37.30%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

	LAST TEN FISCAL YEARS			
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 103,863	\$ 80,307	\$ 70,314	\$ 121,634
Contributions in relation to the contractually required contribution	<u>(103,863)</u>	<u>(80,307)</u>	<u>(70,314)</u>	<u>(121,634)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 4,825,837	\$ 5,016,457	\$ 4,580,621	\$ 4,390,250
Contributions as a percentage of covered payroll	2.15%	1.60%	1.54%	2.77%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 86,104	\$ 75,820	\$ 89,419	\$ 98,990	\$ 290,649	\$ 257,552
<u>(86,104)</u>	<u>(75,820)</u>	<u>(89,419)</u>	<u>(98,990)</u>	<u>(290,649)</u>	<u>(257,552)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 4,901,017	\$ 3,797,673	\$ 3,726,134	\$ 3,924,598	\$ 4,362,792	\$ 9,821,230
1.76%	2.00%	2.40%	2.52%	6.66%	2.62%

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

	LAST TEN FISCAL YEARS			
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 18,483,957	\$ 18,541,664	\$ 15,731,086	\$ 17,255,950
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 180,410	\$ 172,645	\$ 176,402	\$ 181,781	\$ 182,066	\$ 176,503
<u>(180,410)</u>	<u>(172,645)</u>	<u>(176,402)</u>	<u>(181,781)</u>	<u>(182,066)</u>	<u>(176,503)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 17,301,323	\$ 17,264,508	\$ 17,640,208	\$ 17,511,323	\$ 18,744,385	\$ 19,007,977
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

PENSION

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017. For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016. For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement and (h) the discount rate was reduced from 7.75% to 7.50%. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2018.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017. For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2017. For fiscal year 2018, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience.

(Continued)

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2017-2018.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2017. For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal year 2017. For fiscal year 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2020.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017. For fiscal year 2018, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB), (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) the percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased and (e) the assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

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COMBINING STATEMENTS AND
INDIVIDUAL FUND SCHEDULES

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

MAJOR FUND

General Fund

The general fund accounts for and reports all financial resources not accounted for and reported in another fund. These general fund's activities include, but are not limited to, general instruction, pupil services, operation and maintenance of facilities, student transportation, and administration.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

NONMAJOR FUND DESCRIPTIONS

Nonmajor Special Revenue Funds

Special revenue funds are used to account for and report specific revenue sources that are restricted or committed to an expenditure for a specific purpose. A description of the District's special revenue funds follows:

Food Service Fund

This fund accounts for the financial transactions related to the food service operations of the District.

Special Trust Fund

This fund is used to account for trust agreements in which principal and income are used to support District programs.

Other Grants Fund

This fund used to account for the proceeds of specific revenue sources, except for state and federal grants that are legally restricted to expenditures for specific purposes.

District Managed Student Activity Fund

This fund accounts for those student activity programs which have student participation in the activity but do not have student management of the programs.

Auxiliary Services Fund

A fund provided to account for monies which provide services and materials to pupils attending non-public schools within the School District.

Public School Preschool Fund

This fund accounts for funds which assist the school district in paying the cost of preschool programs for and three and four year olds.

Data Communication Fund

This fund accounts for State monies received to provide Ohio Educational Computer Network Connections.

School Net Professional Development Fund

This fund accounts for a professional development subsidy grants.

Miscellaneous State Grants

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

IDEA Part B Fund

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

Vocational Education Fund

A fund used to account for the provision of funds to boards of education, teacher training institutions, and the state administering agency for cooperating in development of vocational education programs in the following categories: secondary, post-secondary, adult, disadvantaged and handicapped persons, exemplary programs, cooperative education, construction of area vocational schools, ancillary services, research, advisory committees, and work-study projects, including sex equity grants. Funds are administered by the Ohio Department of Education, Division of Vocational and Career Education.

Title I Disadvantaged Children Fund

This fund accounts for federal revenues which support the implementation of a variety of programs such as computer education, gifted and talented programs, in-service and staff developments.

SPRINGFIELD LOCAL SCHOOL DISTRICT

LUCAS COUNTY, OHIO

NONMAJOR FUND DESCRIPTIONS

Improving Teacher Quality Fund

This fund accounts for various monies to hire additional classroom teachers, so that the number of students per teacher will be reduced.

Miscellaneous Federal Grants Fund

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

The following funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis). These funds are not included in the combining statements for the nonmajor special revenue funds since they are reported in the general fund (GAAP basis); however, the budgetary schedules for these funds are presented in this section.

Emergency Levy Fund

This fund accounts for the proceeds from a special levy. Such levy is necessary to satisfy a district's emergency needs or to prevent school closings.

Public School Support Fund

A fund provided to account for specific local revenue sources (i.e. profits from vending machines, sales of pictures, etc.), that are restricted to expenditures for specified purposes approved by board resolution. Such expenditures may include curricular and extra-curricular related purchases.

District Wellness Fund

This fund accounts for mandated health risk assessments. Expenditures represent district-wide wellness initiatives.

Nonmajor Debt Service Fund

Debt Service Fund

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

Nonmajor Capital Projects Fund

Capital project funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities or and other capital assets.

Permanent Improvement Fund

This fund accounts for the acquisition and construction of permanent improvements as authorized by Chapter 5705, Revised Code.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Fund</u>	<u>Nonmajor Capital Project Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Assets:				
Equity in pooled cash and investments	\$ 293,779	\$ 674,989	\$ 496,758	\$ 1,465,526
Cash with escrow agent	-	-	91,816	91,816
Receivables:				
Property taxes	-	547,717	819,275	1,366,992
Accounts	218	-	-	218
Intergovernmental	325,836	-	-	325,836
Materials and supplies inventory	7,611	-	-	7,611
Inventory held for resale	8,210	-	-	8,210
Total assets	<u>\$ 635,654</u>	<u>\$ 1,222,706</u>	<u>\$ 1,407,849</u>	<u>\$ 3,266,209</u>
Liabilities:				
Accounts payable	\$ 9,387	\$ -	\$ -	\$ 9,387
Accrued wages and benefits payable	358,922	-	-	358,922
Interfund loans payable	137,000	-	-	137,000
Pension and postemployment benefits payable	51,815	-	-	51,815
Intergovernmental payable	4,862	-	-	4,862
Due to other funds	75,062	-	-	75,062
Total liabilities	<u>637,048</u>	<u>-</u>	<u>-</u>	<u>637,048</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	-	521,094	784,043	1,305,137
Delinquent property tax revenue not available	-	10,772	14,282	25,054
Intergovernmental revenue not available	258,556	-	-	258,556
Total deferred inflows of resources	<u>258,556</u>	<u>531,866</u>	<u>798,325</u>	<u>1,588,747</u>
Fund Balances:				
Nonspendable:				
Materials and supplies inventory	7,611	-	-	7,611
Restricted:				
Debt service	-	690,840	-	690,840
Capital improvements	-	-	609,524	609,524
Non-public schools	61,790	-	-	61,790
Other purposes	37,855	-	-	37,855
Extracurricular	119,586	-	-	119,586
Unassigned (deficit)	(486,792)	-	-	(486,792)
Total fund balances	<u>(259,950)</u>	<u>690,840</u>	<u>609,524</u>	<u>1,040,414</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 635,654</u>	<u>\$ 1,222,706</u>	<u>\$ 1,407,849</u>	<u>\$ 3,266,209</u>

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**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Fund</u>	<u>Nonmajor Capital Project Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:				
From local sources:				
Property taxes	\$ -	\$ 1,075,799	\$ 799,877	\$ 1,875,676
Earnings on investments	3,824	-	359	4,183
Charges for services	461,059	-	-	461,059
Extracurricular	227,193	-	-	227,193
Classroom materials and fees.	2,928	-	-	2,928
Contributions and donations	25,419	-	-	25,419
Contract services	10,301	-	-	10,301
Other local revenues	4,876	-	11,000	15,876
Intergovernmental - state	1,060,706	138,055	95,006	1,293,767
Intergovernmental - federal	2,945,607	-	-	2,945,607
Total revenues	<u>4,741,913</u>	<u>1,213,854</u>	<u>906,242</u>	<u>6,862,009</u>
Expenditures:				
Current:				
Instruction:				
Regular	748,312	-	150,572	898,884
Special	800,827	-	-	800,827
Support services:				
Pupil	243,345	-	-	243,345
Instructional staff.	78,844	-	201,817	280,661
Administration	162,115	-	12,623	174,738
Fiscal	-	16,973	103,954	120,927
Operations and maintenance	1,520	-	737,322	738,842
Pupil transportation	-	-	228,573	228,573
Central	3,025	-	-	3,025
Operation of non-instructional services:				
Other non-instructional services.	1,095,165	-	254	1,095,419
Food service operations	1,418,931	-	-	1,418,931
Extracurricular activities	210,581	-	-	210,581
Facilities acquisition and construction	-	-	171,583	171,583
Debt service:				
Principal retirement	-	1,505,000	146,096	1,651,096
Interest and fiscal charges	-	138,688	30,926	169,614
Accretion on capital appreciation bonds.	-	160,000	-	160,000
Total expenditures	<u>4,762,665</u>	<u>1,820,661</u>	<u>1,783,720</u>	<u>8,367,046</u>
Excess of expenditures over revenues.	<u>(20,752)</u>	<u>(606,807)</u>	<u>(877,478)</u>	<u>(1,505,037)</u>
Other financing sources:				
Transfers in.	71,034	-	-	71,034
Total other financing sources	<u>71,034</u>	<u>-</u>	<u>-</u>	<u>71,034</u>
Net change in fund balances	50,282	(606,807)	(877,478)	(1,434,003)
Fund balances (deficit) at beginning of year. . .	<u>(310,232)</u>	<u>1,297,647</u>	<u>1,487,002</u>	<u>2,474,417</u>
Fund balances (deficit) at end of year	<u>\$ (259,950)</u>	<u>\$ 690,840</u>	<u>\$ 609,524</u>	<u>\$ 1,040,414</u>

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2018

	<u>Food Service</u>	<u>Special Trust</u>	<u>Other Grants</u>	<u>District Managed Student Activity</u>
Assets:				
Equity in pooled cash and investments	\$ 3,267	\$ 36,091	\$ 176	\$ 121,025
Receivables:				
Accounts	48	170	-	-
Intergovernmental	16,990	-	-	375
Materials and supplies inventory	7,611	-	-	-
Inventory held for resale	8,210	-	-	-
Total assets	<u>\$ 36,126</u>	<u>\$ 36,261</u>	<u>\$ 176</u>	<u>\$ 121,400</u>
Liabilities:				
Accounts payable	\$ 593	\$ -	\$ -	\$ 1,250
Accrued wages and benefits payable	97,221	-	-	-
Interfund loans payable	137,000	-	-	-
Pension and postemployment benefits payable	21,161	-	-	189
Intergovernmental payable	1,302	-	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>257,277</u>	<u>-</u>	<u>-</u>	<u>1,439</u>
Deferred inflows of resources:				
Intergovernmental revenue not available	16,990	-	-	375
Total deferred inflows of resources	<u>16,990</u>	<u>-</u>	<u>-</u>	<u>375</u>
Fund Balances:				
Nonspendable:				
Materials and supplies inventory	7,611	-	-	-
Restricted:				
Non-public schools	-	-	-	-
Other purposes	-	36,261	176	-
Extracurricular	-	-	-	119,586
Unassigned (deficit)	(245,752)	-	-	-
Total fund balances (deficits)	<u>(238,141)</u>	<u>36,261</u>	<u>176</u>	<u>119,586</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 36,126</u>	<u>\$ 36,261</u>	<u>\$ 176</u>	<u>\$ 121,400</u>

<u>Auxiliary Services</u>	<u>School Net Professional Development</u>	<u>Miscellaneous State Grants</u>	<u>IDEA Part B</u>	<u>Title I Disadvantaged Children</u>	<u>Improving Teacher Quality</u>
\$ 131,802	\$ 1,418	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
3,084	-	588	105,749	149,991	44,684
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 134,886</u>	<u>\$ 1,418</u>	<u>\$ 588</u>	<u>\$ 105,749</u>	<u>\$ 149,991</u>	<u>\$ 44,684</u>
\$ 1,027	\$ -	\$ -	\$ 1,697	\$ -	\$ 4,740
61,345	-	-	69,016	114,199	17,141
-	-	-	-	-	-
7,939	-	-	9,757	12,769	-
833	-	-	930	1,548	249
-	-	-	21,633	37,087	12,047
<u>71,144</u>	<u>-</u>	<u>-</u>	<u>103,033</u>	<u>165,603</u>	<u>34,177</u>
<u>1,952</u>	<u>-</u>	<u>588</u>	<u>86,790</u>	<u>119,145</u>	<u>32,636</u>
<u>1,952</u>	<u>-</u>	<u>588</u>	<u>86,790</u>	<u>119,145</u>	<u>32,636</u>
-	-	-	-	-	-
61,790	-	-	-	-	-
-	1,418	-	-	-	-
-	-	-	-	-	-
-	-	-	(84,074)	(134,757)	(22,129)
<u>61,790</u>	<u>1,418</u>	<u>-</u>	<u>(84,074)</u>	<u>(134,757)</u>	<u>(22,129)</u>
<u>\$ 134,886</u>	<u>\$ 1,418</u>	<u>\$ 588</u>	<u>\$ 105,749</u>	<u>\$ 149,991</u>	<u>\$ 44,684</u>

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**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2018

	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
Assets:		
Equity in pooled cash and investments	\$ -	\$ 293,779
Receivables:		
Accounts	-	218
Intergovernmental	4,375	325,836
Materials and supplies inventory	-	7,611
Inventory held for resale	-	8,210
Total assets.	\$ 4,375	\$ 635,654
Liabilities:		
Accounts payable.	\$ 80	\$ 9,387
Accrued wages and benefits payable	-	358,922
Interfund loans payable.	-	137,000
Pension and postemployment benefits payable	-	51,815
Intergovernmental payable	-	4,862
Due to other funds	4,295	75,062
Total liabilities.	4,375	637,048
Deferred inflows of resources:		
Intergovernmental revenue not available.	80	258,556
Total deferred inflows of resources.	80	258,556
Fund Balances:		
Nonspendable:		
Materials and supplies inventory.	-	7,611
Restricted:		
Non-public schools	-	61,790
Other purposes.	-	37,855
Extracurricular	-	119,586
Unassigned (deficit).	(80)	(486,792)
Total fund balances (deficits).	(80)	(259,950)
Total liabilities, deferred inflows and fund balances	\$ 4,375	\$ 635,654

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**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Food Service</u>	<u>Special Trust</u>	<u>Other Grants</u>	<u>District Managed Student Activity</u>
Revenues:				
From local sources:				
Earnings on investments	\$ -	\$ 327	\$ -	\$ -
Charges for services	461,059	-	-	-
Extracurricular	-	-	-	227,193
Classroom materials and fees.	-	-	-	2,928
Contributions and donations	-	25,419	-	-
Contract services	-	-	-	-
Other local revenues	4,876	-	-	-
Intergovernmental - state	-	-	-	-
Intergovernmental - federal	884,286	-	-	-
Total revenues	<u>1,350,221</u>	<u>25,746</u>	<u>-</u>	<u>230,121</u>
Expenditures:				
Current:				
Instruction:				
Regular.	-	-	-	-
Special	-	-	-	-
Support services:				
Pupil	-	26,061	-	-
Instructional staff.	-	-	-	-
Administration	-	-	-	-
Operations and maintenance.	-	-	-	-
Central	-	-	-	-
Operation of non-instructional services:				
Other non-instructional services.	-	-	-	-
Food service operations	1,418,931	-	-	-
Extracurricular activities.	-	-	-	210,581
Total expenditures	<u>1,418,931</u>	<u>26,061</u>	<u>-</u>	<u>210,581</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(68,710)</u>	<u>(315)</u>	<u>-</u>	<u>19,540</u>
Other financing sources:				
Transfers in.	70,433	-	-	601
Total other financing sources.	<u>70,433</u>	<u>-</u>	<u>-</u>	<u>601</u>
Net change in fund balances	1,723	(315)	-	20,141
Fund balances (deficit) at beginning of year	<u>(239,864)</u>	<u>36,576</u>	<u>176</u>	<u>99,445</u>
Fund balances (deficit) at end year	<u>\$ (238,141)</u>	<u>\$ 36,261</u>	<u>\$ 176</u>	<u>\$ 119,586</u>

<u>Auxiliary Services</u>	<u>Public School Preschool</u>	<u>Data Communication</u>	<u>School Net Professional Development</u>	<u>IDEA Part B</u>
\$ 3,497	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
10,301	-	-	-	-
-	-	-	-	-
990,315	59,591	10,800	-	-
-	-	-	-	980,405
<u>1,004,113</u>	<u>59,591</u>	<u>10,800</u>	<u>-</u>	<u>980,405</u>
-	52,000	21,600	-	-
-	-	-	-	800,827
-	-	-	-	35,765
-	-	-	-	1,528
-	-	-	-	121,633
-	-	-	-	-
-	-	-	-	-
1,038,647	-	-	-	21,954
-	-	-	-	-
-	-	-	-	-
<u>1,038,647</u>	<u>52,000</u>	<u>21,600</u>	<u>-</u>	<u>981,707</u>
<u>(34,534)</u>	<u>7,591</u>	<u>(10,800)</u>	<u>-</u>	<u>(1,302)</u>
-	-	-	-	-
-	-	-	-	-
<u>(34,534)</u>	<u>7,591</u>	<u>(10,800)</u>	<u>-</u>	<u>(1,302)</u>
<u>96,324</u>	<u>(7,591)</u>	<u>10,800</u>	<u>1,418</u>	<u>(82,772)</u>
<u>\$ 61,790</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,418</u>	<u>\$ (84,074)</u>

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**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Vocational Education</u>	<u>Title I Disadvantaged Children</u>	<u>Improving Teacher Quality</u>	<u>Miscellaneous Federal Grants</u>
Revenues:				
From local sources:				
Earnings on investments	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Extracurricular	-	-	-	-
Classroom materials and fees.	-	-	-	-
Contributions and donations	-	-	-	-
Contract services	-	-	-	-
Other local revenues	-	-	-	-
Intergovernmental - state	-	-	-	-
Intergovernmental - federal	10,000	942,744	114,155	14,017
Total revenues	<u>10,000</u>	<u>942,744</u>	<u>114,155</u>	<u>14,017</u>
Expenditures:				
Current:				
Instruction:				
Regular	10,000	577,594	77,209	9,909
Special	-	-	-	-
Support services:				
Pupil	-	181,519	-	-
Instructional staff.	-	57,455	19,861	-
Administration	-	40,482	-	-
Operations and maintenance.	-	1,520	-	-
Central	-	3,025	-	-
Operation of non-instructional services:				
Other non-instructional services.	-	11,054	19,322	4,188
Food service operations	-	-	-	-
Extracurricular activities.	-	-	-	-
Total expenditures	<u>10,000</u>	<u>872,649</u>	<u>116,392</u>	<u>14,097</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>-</u>	<u>70,095</u>	<u>(2,237)</u>	<u>(80)</u>
Other financing sources:				
Transfers in.	-	-	-	-
Total other financing sources.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	70,095	(2,237)	(80)
Fund balances (deficit) at beginning of year	<u>-</u>	<u>(204,852)</u>	<u>(19,892)</u>	<u>-</u>
Fund balances (deficit) at end year	<u>\$ -</u>	<u>\$ (134,757)</u>	<u>\$ (22,129)</u>	<u>\$ (80)</u>

**Total
Nonmajor
Special Revenue
Funds**

\$ 3,824
461,059
227,193
2,928
25,419
10,301
4,876
1,060,706
2,945,607

4,741,913

748,312
800,827

243,345
78,844
162,115
1,520
3,025

1,095,165
1,418,931
210,581

4,762,665

(20,752)

71,034

71,034

50,282

(310,232)

\$ (259,950)

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Food Service				
Total revenues and other sources	\$ 1,358,880	\$ 1,531,166	\$ 1,353,376	\$ (177,790)
Total expenditures and other uses	<u>1,584,295</u>	<u>1,362,125</u>	<u>1,352,526</u>	<u>9,599</u>
Net change in fund balance	(225,415)	169,041	850	(168,191)
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	<u>1,128</u>	<u>1,128</u>	<u>1,128</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ (224,287)</u>	<u>\$ 170,169</u>	<u>\$ 1,978</u>	<u>\$ (168,191)</u>
Special Trust				
Total revenues and other sources	\$ 21,418	\$ 27,122	\$ 25,576	\$ (1,546)
Total expenditures and other uses	<u>35,500</u>	<u>30,944</u>	<u>26,561</u>	<u>4,383</u>
Net change in fund balance	(14,082)	(3,822)	(985)	2,837
Fund balance at beginning of year	<u>36,576</u>	<u>36,576</u>	<u>36,576</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 22,494</u>	<u>\$ 32,754</u>	<u>\$ 35,591</u>	<u>\$ 2,837</u>
Other Grants				
Fund balance at beginning of year	<u>\$ 176</u>	<u>\$ 176</u>	<u>\$ 176</u>	<u>\$ -</u>
Fund balance at end of year.	<u>\$ 176</u>	<u>\$ 176</u>	<u>\$ 176</u>	<u>\$ -</u>

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
District Managed Student Activity				
Total revenues and other sources	\$ 284,767	\$ 253,935	\$ 253,935	\$ -
Total expenditures and other uses	<u>528,809</u>	<u>276,068</u>	<u>254,635</u>	<u>21,433</u>
Net change in fund balance	(244,042)	(22,133)	(700)	21,433
Fund balance at beginning of year	89,914	89,914	89,914	-
Prior year encumbrances appropriated	<u>10,286</u>	<u>10,286</u>	<u>10,286</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ (143,842)</u>	<u>\$ 78,067</u>	<u>\$ 99,500</u>	<u>\$ 21,433</u>
Auxiliary Services				
Total revenues and other sources	\$ 1,175,582	\$ 1,024,113	\$ 1,004,113	\$ (20,000)
Total expenditures and other uses	<u>1,258,607</u>	<u>1,254,464</u>	<u>1,118,781</u>	<u>135,683</u>
Net change in fund balance	(83,025)	(230,351)	(114,668)	115,683
Fund balance at beginning of year	111,780	111,780	111,780	-
Prior year encumbrances appropriated	<u>125,156</u>	<u>125,156</u>	<u>125,156</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 153,911</u>	<u>\$ 6,585</u>	<u>\$ 122,268</u>	<u>\$ 115,683</u>
Public School Preschool				
Total revenues and other sources	\$ 95,031	\$ 116,701	\$ 116,701	\$ -
Total expenditures and other uses	<u>-</u>	<u>52,000</u>	<u>52,000</u>	<u>-</u>
Net change in fund balance	95,031	64,701	64,701	-
Fund balance (deficit) at beginning of year.	<u>(64,701)</u>	<u>(64,701)</u>	<u>(64,701)</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 30,330</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Data Communication				
Total revenues and other sources	\$ 10,800	\$ 10,800	\$ 10,800	\$ -
Total expenditures and other uses	<u>-</u>	<u>21,600</u>	<u>21,600</u>	<u>-</u>
Net change in fund balance	10,800	(10,800)	(10,800)	-
Fund balance at beginning of year	<u>10,800</u>	<u>10,800</u>	<u>10,800</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 21,600</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School Net Professional Development				
Fund balance at beginning of year	<u>\$ 1,418</u>	<u>\$ 1,418</u>	<u>\$ 1,418</u>	<u>\$ -</u>
Fund balance at end of year.	<u>\$ 1,418</u>	<u>\$ 1,418</u>	<u>\$ 1,418</u>	<u>\$ -</u>
Miscellaneous State Grants				
Total revenues and other sources	\$ 2,866	\$ 1,794	\$ -	\$ (1,794)
Total expenditures and other uses	<u>-</u>	<u>1,794</u>	<u>600</u>	<u>1,194</u>
Net change in fund balance	2,866	-	(600)	(600)
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ 2,866</u>	<u>\$ -</u>	<u>\$ (600)</u>	<u>\$ (600)</u>

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
IDEA Part B				
Total revenues and other sources	\$ 1,304,380	\$ 1,174,496	\$ 1,007,668	\$ (166,828)
Total expenditures and other uses	<u>1,080,767</u>	<u>1,128,274</u>	<u>985,239</u>	<u>143,035</u>
Net change in fund balance	223,613	46,222	22,429	(23,793)
Fund balance (deficit) at beginning of year. .	(67,718)	(67,718)	(67,718)	-
Prior year encumbrances appropriated	<u>21,496</u>	<u>21,496</u>	<u>21,496</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ 177,391</u>	<u>\$ -</u>	<u>\$ (23,793)</u>	<u>\$ (23,793)</u>
Vocational Education				
Total revenues and other sources	\$ -	\$ 10,000	\$ 10,000	\$ -
Total expenditures and other uses	<u>-</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance (deficit) at beginning of year. .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Title I Disadvantaged Children				
Total revenues and other sources	\$ 1,466,703	\$ 1,178,447	\$ 1,001,792	\$ (176,655)
Total expenditures and other uses	<u>1,082,584</u>	<u>1,083,757</u>	<u>945,948</u>	<u>137,809</u>
Net change in fund balance	384,119	94,690	55,844	(38,846)
Fund balance (deficit) at beginning of year. .	(133,002)	(133,002)	(133,002)	-
Prior year encumbrances appropriated	<u>38,312</u>	<u>38,312</u>	<u>38,312</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ 289,429</u>	<u>\$ -</u>	<u>\$ (38,846)</u>	<u>\$ (38,846)</u>

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Improving Teacher Quality				
Total revenues and other sources	\$ 171,453	\$ 189,466	\$ 122,254	\$ (67,212)
Total expenditures and other uses	<u>169,476</u>	<u>169,320</u>	<u>136,462</u>	<u>32,858</u>
Net change in fund balance	1,977	20,146	(14,208)	(34,354)
Fund balance (deficit) at beginning of year	(20,379)	(20,379)	(20,379)	-
Prior year encumbrances appropriated	<u>234</u>	<u>234</u>	<u>234</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ (18,168)</u>	<u>\$ 1</u>	<u>\$ (34,353)</u>	<u>\$ (34,354)</u>
Miscellaneous Federal Grants				
Total revenues and other sources	\$ -	\$ 21,189	\$ 9,722	\$ (11,467)
Total expenditures and other uses	<u>-</u>	<u>21,189</u>	<u>14,337</u>	<u>6,852</u>
Net change in fund balance	-	-	(4,615)	(4,615)
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,615)</u>	<u>\$ (4,615)</u>

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Emergency Levy				
Total revenues and other sources	\$ 3,975,917	\$ 4,033,378	\$ 4,033,378	\$ -
Total expenditures and other uses	<u>1,935,538</u>	<u>2,136,233</u>	<u>2,078,317</u>	<u>57,916</u>
Net change in fund balance	2,040,379	1,897,145	1,955,061	57,916
Fund balance at beginning of year	<u>4,425,086</u>	<u>4,425,086</u>	<u>4,425,086</u>	<u>-</u>
Fund balance at end of year.	<u><u>\$ 6,465,465</u></u>	<u><u>\$ 6,322,231</u></u>	<u><u>\$ 6,380,147</u></u>	<u><u>\$ 57,916</u></u>
Public School Support				
Total revenues and other sources	\$ 147,262	\$ 127,820	\$ 127,640	\$ (180)
Total expenditures and other uses	<u>216,338</u>	<u>206,861</u>	<u>156,389</u>	<u>50,472</u>
Net change in fund balance	(69,076)	(79,041)	(28,749)	50,292
Fund balance at beginning of year	141,369	141,369	141,369	-
Prior year encumbrances appropriated	<u>31,984</u>	<u>31,984</u>	<u>31,984</u>	<u>-</u>
Fund balance at end of year.	<u><u>\$ 104,277</u></u>	<u><u>\$ 94,312</u></u>	<u><u>\$ 144,604</u></u>	<u><u>\$ 50,292</u></u>
District Wellness				
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Debt Service				
Total revenues and other sources	\$ 1,890,294	\$ 1,855,000	\$ 1,295,417	\$ (559,583)
Total expenditures and other uses	<u>2,401,180</u>	<u>1,821,088</u>	<u>1,820,661</u>	<u>427</u>
Net change in fund balance	(510,886)	33,912	(525,244)	(559,156)
Fund balance at beginning of year	<u>1,200,233</u>	<u>1,200,233</u>	<u>1,200,233</u>	<u>-</u>
Fund balance at end of year	<u>\$ 689,347</u>	<u>\$ 1,234,145</u>	<u>\$ 674,989</u>	<u>\$ (559,156)</u>

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Permanent Improvement				
Total revenues and other sources	\$ 2,409,636	\$ 1,026,654	\$ 1,025,666	\$ (988)
Total expenditures and other uses	<u>2,193,272</u>	<u>2,361,310</u>	<u>2,286,261</u>	<u>75,049</u>
Net change in fund balance	216,364	(1,334,656)	(1,260,595)	74,061
Fund balance at beginning of year	469,059	469,059	469,059	-
Prior year encumbrances appropriated	<u>1,051,169</u>	<u>1,051,169</u>	<u>1,051,169</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 1,736,592</u>	<u>\$ 185,572</u>	<u>\$ 259,633</u>	<u>\$ 74,061</u>

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

FIDUCIARY FUND DESCRIPTIONS

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust and agency funds. Private purpose trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. Agency funds are purely custodial (assets equal liabilities) and thus do not involve the measurement of results.

Private-Purpose Trust Fund

Scholarship Fund

A fund provided to account for monies set aside from endowments for scholarships for students enrolled in the District. The principal and income from such a fund may be expended.

Agency Funds

District Agency Fund

This fund reflects resources that belong to the student bodies of the various schools, accounting for sales and other revenue

Student Managed Activities Fund

This fund accounts for those student activity programs which have student participation in the activity and have students involved in the management of the program.

FSA Fund

This fund is used to account for deposits made by employees through payroll deductions who elect to use the plan as a medical flexible spending account.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Scholarship Fund				
Total revenues and other sources	\$ -	\$ -	\$ -	\$ -
Total expenditures and other uses	<u>2,000</u>	<u>2,000</u>	<u>1,000</u>	<u>1,000</u>
Net change in fund balance	(2,000)	(2,000)	(1,000)	1,000
Fund balance at beginning of year	<u>25,517</u>	<u>25,517</u>	<u>25,517</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 23,517</u>	<u>\$ 23,517</u>	<u>\$ 24,517</u>	<u>\$ 1,000</u>

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Beginning Balance July 1, 2017	Additions	Deletions	Ending Balance June 30, 2018
District Agency				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 52,176	\$ 8,963	\$ 28,439	\$ 32,700
Total assets	<u>\$ 52,176</u>	<u>\$ 8,963</u>	<u>\$ 28,439</u>	<u>\$ 32,700</u>
Liabilities:				
Due to students	\$ 52,176	\$ 8,963	\$ 28,439	\$ 32,700
Total liabilities.	<u>\$ 52,176</u>	<u>\$ 8,963</u>	<u>\$ 28,439</u>	<u>\$ 32,700</u>
 Student Managed Activities Fund				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 94,563	\$ 95,463	\$ 78,135	\$ 111,891
Total assets	<u>\$ 94,563</u>	<u>\$ 95,463</u>	<u>\$ 78,135</u>	<u>\$ 111,891</u>
Liabilities:				
Accounts payable.	\$ 283	\$ -	\$ 283	\$ -
Due to students	<u>94,280</u>	<u>95,463</u>	<u>77,852</u>	<u>111,891</u>
Total liabilities.	<u>\$ 94,563</u>	<u>\$ 95,463</u>	<u>\$ 78,135</u>	<u>\$ 111,891</u>
 FSA				
Assets:				
Cash in segregated accounts.	\$ -	\$ 34,023	\$ -	\$ 34,023
Total assets	<u>\$ -</u>	<u>\$ 34,023</u>	<u>\$ -</u>	<u>\$ 34,023</u>
Liabilities:				
Due to others	\$ -	\$ 34,023	\$ -	\$ 34,023
Total liabilities.	<u>\$ -</u>	<u>\$ 34,023</u>	<u>\$ -</u>	<u>\$ 34,023</u>
 Total - All Agency Funds				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 146,739	\$ 104,426	\$ 106,574	\$ 144,591
Cash in segregated accounts.	<u>-</u>	<u>34,023</u>	<u>-</u>	<u>34,023</u>
Total assets	<u>\$ 146,739</u>	<u>\$ 138,449</u>	<u>\$ 106,574</u>	<u>\$ 178,614</u>
Liabilities:				
Accounts payable.	\$ 283	\$ -	\$ 283	\$ -
Due to students	146,456	104,426	106,291	144,591
Due to others	<u>-</u>	<u>34,023</u>	<u>-</u>	<u>34,023</u>
Total liabilities.	<u>\$ 146,739</u>	<u>\$ 138,449</u>	<u>\$ 106,574</u>	<u>\$ 178,614</u>

STATISTICAL SECTION

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**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	S2 - S11
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	S12 - S17
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	S18 - S21
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	S22
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	S23 - S31

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2018</u>	<u>2017 (2)</u>	<u>2016</u>	<u>2015</u>
Governmental activities				
Net investment in capital assets	\$ 13,845,369	\$ 12,097,229	\$ 12,266,357	\$ 11,346,593
Restricted	1,453,387	2,343,023	2,469,979	2,443,159
Unrestricted (deficit)	<u>(41,223,318)</u>	<u>(64,864,740)</u>	<u>(54,308,473)</u>	<u>(58,683,781)</u>
Total governmental activities net position (deficit)	<u>\$ (25,924,562)</u>	<u>\$ (50,424,488)</u>	<u>\$ (39,572,137)</u>	<u>\$ (44,894,029)</u>

Source: School District financial records.

(1) Restated due to the implementation of GASB68

(2) Restated due to the implementation of GASB75

<u>2014</u>	<u>2013 (1)</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 10,842,154	\$ 9,476,100	\$ 8,751,023	\$ 22,518,319	\$ 23,157,532	\$ 21,057,274
2,249,221	3,143,716	2,654,186	1,798,082	(8,432,547)	(6,997,883)
(59,756,186)	(341,560)	(323,510)	(10,796,557)	(5,334,061)	(3,842,195)
<u>\$ (46,664,811)</u>	<u>\$ 12,278,256</u>	<u>\$ 11,081,699</u>	<u>\$ 13,519,844</u>	<u>\$ 9,390,924</u>	<u>\$ 10,217,196</u>

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

Expenses	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Governmental activities:				
Instruction:				
Regular	\$ 6,860,187	\$ 17,586,672	\$ 16,586,235	\$ 17,758,841
Special	3,413,467	5,841,112	5,271,796	6,027,417
Vocational	40,294	208,878	260,844	227,164
Adult/Continuing	-	-	55,102	151,448
Other	3,023,043	2,742,303	2,472,790	2,546,765
Support services:				
Pupil	938,227	2,581,117	2,578,314	1,927,555
Instructional staff	537,762	921,633	738,958	548,000
Board of education	36,252	33,933	39,838	37,618
Administration	1,040,686	3,141,585	2,726,604	2,930,383
Fiscal	760,699	961,383	942,849	829,409
Operations and maintenance	2,666,400	6,549,360	3,464,150	2,975,424
Pupil transportation	1,075,029	1,833,477	1,563,015	1,494,195
Central	67,106	182,018	107,613	63,071
Operation of non-instructional services:				
Other non-instructional services	665,195	1,297,973	1,115,382	1,259,426
Food service operations	933,808	1,456,480	1,404,312	1,437,273
Extracurricular activities	617,305	1,433,861	1,223,269	1,171,245
Capital outlay	-	-	-	-
Interest and fiscal charges	255,902	315,194	332,291	818,731
Total governmental activities expenses	<u>22,931,362</u>	<u>47,086,979</u>	<u>40,883,362</u>	<u>42,203,965</u>

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$	18,817,948	\$ 18,296,017	\$ 18,125,531	\$ 18,720,079	\$ 19,347,619	\$ 18,028,193
	6,795,548	4,637,298	4,811,727	4,157,739	4,744,873	4,450,743
	233,128	224,839	304,745	274,485	308,828	301,295
	151,897	-	-	-	-	-
	2,441,518	3,536,915	2,938,612	2,910,565	3,164,207	3,236,442
	2,059,178	1,395,259	1,350,814	1,780,572	1,875,362	1,767,370
	646,737	561,910	409,281	468,060	637,677	718,377
	41,677	100,482	47,218	26,982	29,758	52,929
	3,383,044	2,827,003	2,877,955	2,980,440	3,159,130	2,991,954
	861,052	782,578	746,002	678,237	792,169	733,101
	3,415,237	3,113,428	3,188,783	3,186,127	3,356,485	3,916,885
	2,134,371	2,043,877	2,006,063	1,939,074	2,024,828	2,250,713
	118,861	118,627	115,229	84,112	160,294	188,099
	1,189,958	1,330,395	917,041	2,464,485	2,667,323	2,496,250
	1,406,410	1,465,725	1,459,995	-	-	-
	1,205,123	1,251,157	1,214,948	1,084,089	1,227,737	1,162,912
	-	-	-	-	-	964,145
	422,160	442,176	559,279	570,913	648,294	984,853
	<u>45,323,847</u>	<u>42,127,686</u>	<u>41,073,223</u>	<u>41,325,959</u>	<u>44,144,584</u>	<u>44,244,261</u>

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

CHANGES IN NET POSITION - (Continued)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

Program Revenues	2018	2017	2016	2015
Governmental activities:				
Charges for services and sales:				
Instruction:				
Regular	\$ 824,880	\$ 553,676	\$ 557,148	\$ 507,721
Special	412,714	120,254	379,010	416,113
Support services:				
Pupil	-	1,500	1,495	3,687
Instructional staff	1,547	1,172	3,251	24,686
Administration	39,664	44,232	48,786	42,753
Fiscal	797	241	248	2,949
Operations and maintenance	55,276	62,205	171,977	76,075
Pupil transportation	1,752	111	5,005	-
Operation of non-instructional services:				
Other non-instructional services	10,303	-	-	700
Food service operations	461,059	495,840	497,018	495,060
Extracurricular activities	357,761	435,062	515,632	490,833
Operating grants and contributions:				
Instruction:				
Regular	733,721	1,139,714	880,921	956,487
Special	2,686,723	2,705,219	2,797,159	2,492,911
Vocational	101,376	22,088	18,059	29,081
Other	-	-	-	-
Support services:				
Pupil	236,474	130,888	306,306	80,291
Instructional staff	81,256	77,765	64,493	61,681
Administration	159,359	256,807	143,665	292,796
Fiscal	-	-	-	196
Operations and maintenance	1,463	52,891	-	-
Pupil transportation	64,275	135,074	112,509	177,052
Central	2,912	5,118	7,503	19,700
Operation of non-instructional services:				
Other non-instructional services	1,054,141	1,195,711	1,226,199	1,213,731
Food service operations	889,162	916,055	907,598	857,566
Extracurricular activities	-	-	-	-
Total governmental program revenues	<u>8,176,615</u>	<u>8,351,623</u>	<u>8,643,982</u>	<u>8,242,069</u>
Net (Expense)/Revenue				
Governmental activities	<u>\$ (14,754,747)</u>	<u>\$ (38,735,356)</u>	<u>\$ (32,239,380)</u>	<u>\$ (33,961,896)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Property taxes levied for:				
General purposes	\$ 27,417,891	\$ 27,953,289	\$ 25,626,432	\$ 23,104,477
Debt service	1,058,415	1,710,354	1,725,158	1,848,595
Capital outlay	800,700	813,504	797,272	784,374
Payments in lieu of taxes	-	-	-	108,080
Grants and entitlements not restricted				
to specific programs	9,749,797	9,758,292	9,367,355	9,759,026
Investment earnings	163,259	58,427	13,838	6,371
Gain on disposal of capital assets	-	-	-	-
Miscellaneous	64,611	35,171	31,217	121,755
Accrued interest received on bonds and notes issued	-	-	-	-
Total governmental activities	<u>39,254,673</u>	<u>40,329,037</u>	<u>37,561,272</u>	<u>35,732,678</u>
Change in Net Position				
Governmental activities	<u>\$ 24,499,926</u>	<u>\$ 1,593,681</u>	<u>\$ 5,321,892</u>	<u>\$ 1,770,782</u>

Source: School District financial records.

Note: Effective for fiscal years 2012 and later the District disaggregated food service operations expenses from expenses for other non instructional services.

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$	544,451	\$ 481,063	\$ 541,365	\$ 1,083,623	\$ 1,068,961	\$ 1,177,434
	359,815	471,542	445,025	-	-	-
	924	1,226	52	3,370	28,489	8,253
	190	409	-	-	-	-
	44,891	46,176	44,445	-	-	-
	40	113	116	-	-	-
	33,331	134,218	41,760	-	-	-
	206	98	270	-	-	-
	97	400	48	679,050	731,981	766,433
	513,676	586,974	663,503	-	-	-
	514,215	536,067	499,850	532,004	599,438	404,836
	690,623	765,721	1,060,448	1,239,590	1,392,430	409,859
	2,548,196	1,266,177	1,156,057	669,198	494,490	1,260,338
	15,597	6,490	6,490	6,490	6,442	6,246
	-	-	-	89,215	856,286	1,360,658
	361,567	197,203	124,984	679,921	74,743	-
	76,663	76,627	57,326	28,879	107,279	26,274
	282,377	202,137	256,533	349,367	311,575	921,903
	-	-	-	-	-	-
	-	-	-	330,692	341,270	-
	178,832	157,127	150,993	122,853	155,919	148,375
	5,234	11,933	13,706	23,186	8,110	11,435
	1,136,955	1,117,733	1,108,694	1,875,124	1,633,511	1,680,102
	876,379	860,725	832,840	-	-	-
	4,000	-	7,092	-	-	-
	<u>8,188,259</u>	<u>6,920,159</u>	<u>7,011,597</u>	<u>7,712,562</u>	<u>7,810,924</u>	<u>8,182,146</u>
\$	<u>(37,135,588)</u>	<u>(35,207,527)</u>	<u>(34,061,626)</u>	<u>(33,613,397)</u>	<u>(36,333,660)</u>	<u>(36,062,115)</u>
\$	22,088,611	\$ 23,057,730	\$ 23,626,653	\$ 23,065,856	\$ 21,046,644	\$ 23,423,561
	1,918,363	2,011,425	2,094,809	2,088,489	1,924,082	2,140,480
	763,268	803,688	842,666	869,660	932,269	890,596
	102,834	94,952	111,829	-	-	-
	9,410,824	9,647,607	10,126,427	11,244,628	10,707,123	8,794,665
	9,412	5,850	11,056	27,414	80,376	171,972
	-	-	-	575	425	12,250
	62,035	782,832	31,291	445,695	813,416	214,800
	-	-	-	-	3,053	3,128
	<u>34,355,347</u>	<u>36,404,084</u>	<u>36,844,731</u>	<u>37,742,317</u>	<u>35,507,388</u>	<u>35,651,452</u>
\$	<u>(2,780,241)</u>	<u>1,196,557</u>	<u>2,783,105</u>	<u>4,128,920</u>	<u>(826,272)</u>	<u>(410,663)</u>

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Fund:					
Nonspendable	\$ 29,318	\$ 7,045	\$ 19,512	\$ -	\$ 184
Restricted	-	-	-	-	-
Committed	270,787	341,689	30,438	-	-
Assigned	2,322,074	1,215,956	2,851,280	-	-
Unassigned (deficit)	7,323,216	4,339,028	2,183,403	(1,816,224)	(1,842,108)
Reserved	-	-	-	-	-
Unreserved (deficit)	-	-	-	-	-
Total general fund	<u>9,945,395</u>	<u>5,903,718</u>	<u>5,084,633</u>	<u>(1,816,224)</u>	<u>(1,841,924)</u>
All Other Governmental Funds:					
Nonspendable	\$ 7,611	\$ 5,787	\$ 5,472	\$ 5,109	\$ 24,616
Restricted	1,519,595	3,029,254	2,601,526	2,521,425	2,266,469
Assigned	-	-	-	-	-
Unassigned (deficit)	(486,792)	(560,624)	(482,155)	(435,650)	(182,771)
Reserved	-	-	-	-	-
Unreserved (deficit), reported in:					
Special revenue funds	-	-	-	-	-
Debt service fund fund	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Total all other governmental funds	<u>1,040,414</u>	<u>2,474,417</u>	<u>2,124,843</u>	<u>2,090,884</u>	<u>2,108,314</u>
Total governmental funds	<u>\$ 10,985,809</u>	<u>\$ 8,378,135</u>	<u>\$ 7,209,476</u>	<u>\$ 274,660</u>	<u>\$ 266,390</u>

Source: School District financial records.

Note: The District implemented GASB 54 in fiscal year 2011.

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 282	\$ -	\$ -	\$ -	\$ -
-	-	32,581	-	-
5,968	315,532	-	-	-
1,083,184	863,027	471,086	-	-
-	-	(1,511,426)	-	-
-	-	-	1,437,817	958,028
-	-	-	(4,824,817)	(2,850,214)
<u>1,089,434</u>	<u>1,178,559</u>	<u>(1,007,759)</u>	<u>(3,387,000)</u>	<u>(1,892,186)</u>
\$ 22,960	\$ 17,352	\$ 16,596	\$ -	\$ -
2,972,048	2,324,223	1,265,532	-	-
-	78,464	-	-	-
(247,169)	(286,668)	-	-	-
-	-	-	391,119	1,663,438
-	-	-	(202,179)	529,306
-	-	-	1,395,882	1,662,874
-	-	-	(1,235,843)	(1,997,657)
<u>2,747,839</u>	<u>2,133,371</u>	<u>1,282,128</u>	<u>348,979</u>	<u>1,857,961</u>
<u>\$ 3,837,273</u>	<u>\$ 3,311,930</u>	<u>\$ 274,369</u>	<u>\$ (3,038,021)</u>	<u>\$ (34,225)</u>

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Revenues				
From local sources:				
Property taxes	\$ 29,265,313	\$ 30,240,729	\$ 28,374,074	\$ 25,710,511
Payment in lieu of taxes	-	-	-	108,080
Tuition	999,209	447,592	705,986	706,088
Transportation fees	2,167	-	7,347	7,843
Earnings on investments	167,083	61,739	15,314	6,641
Charges for services	461,059	495,840	497,018	495,077
Extracurricular	351,459	430,725	509,307	480,783
Classroom materials and fees	241,366	231,873	230,096	210,413
Rental income	49,625	51,598	160,230	37,370
Contributions and donations	25,919	15,772	21,513	56,805
Contract services	49,868	44,131	48,786	42,753
Other local revenues	79,987	53,953	63,637	163,629
Intergovernmental	-	-	-	-
Intergovernmental - intermediate	10,000	79,547	9,500	52,224
Intergovernmental - state	12,774,662	12,886,471	12,596,151	13,067,134
Intergovernmental - federal	3,109,921	3,275,592	2,959,760	2,831,219
Total revenues	<u>47,587,638</u>	<u>48,315,562</u>	<u>46,198,719</u>	<u>43,976,570</u>
Expenditures				
Current:				
Instruction:				
Regular	17,041,071	16,717,504	16,148,490	17,675,915
Special	5,824,584	5,800,710	5,339,250	6,155,384
Vocational	121,363	202,314	237,858	233,940
Adult/Continuing	-	-	55,102	151,448
Other	3,023,043	2,742,303	2,472,790	2,546,765
Current:				
Pupil	2,105,193	2,581,067	2,610,615	2,002,407
Instructional staff	978,068	925,464	745,388	589,967
Board of education	35,768	33,229	41,199	37,824
Administration	3,042,977	3,092,430	2,816,814	3,083,093
Fiscal	947,093	936,680	956,646	826,416
Operations and maintenance	3,804,746	7,667,005	3,526,076	3,041,840
Pupil transportation	1,960,128	1,694,084	1,921,803	1,422,924
Central	110,569	168,423	103,809	91,734
Operation of non-instructional services:				
Other non-instructional services	1,095,419	1,290,891	1,128,866	1,249,119
Food service operations	1,418,931	1,432,135	1,446,941	1,449,096
Extracurricular activities	1,058,429	1,250,092	1,061,981	1,025,511
Facilities acquisitions and construction	171,583	12,119	-	964
Capital outlay	-	-	-	55,602
Debt service:				
Principal retirement	1,836,096	1,810,589	1,555,106	1,542,184
Interest and fiscal charges	244,903	289,864	254,209	841,769
Accretion on capital appreciation bonds	160,000	-	-	-
Bond issuance costs	-	-	50,960	-
Total expenditures	<u>44,979,964</u>	<u>48,646,903</u>	<u>42,473,903</u>	<u>44,023,902</u>
Excess (deficiency) of revenues over (under) expenditures	2,607,674	(331,341)	3,724,816	(47,332)
Other financing sources (uses)				
Transfers in	71,034	14,223	3,445	-
Transfers (out)	(71,034)	(14,223)	(3,445)	-
Accrued interest Received on Bonds and Notes Issued	-	-	-	-
Sale of capital assets	-	-	-	-
Issuance of lease-purchase agreement	-	1,500,000	-	55,602
Sale of bonds	-	-	3,210,000	-
Total other financing sources (uses)	<u>-</u>	<u>1,500,000</u>	<u>3,210,000</u>	<u>55,602</u>
Net change in fund balances	<u>\$ 2,607,674</u>	<u>\$ 1,168,659</u>	<u>\$ 6,934,816</u>	<u>\$ 8,270</u>
Capital expenditures (included in expenditures above)	731,200	1,419,862	628,095	352,151
Debt service as a % of noncapital expenditures	5.06%	4.45%	4.32%	5.46%

Source: School District financial records.

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$	25,160,721	\$ 26,144,655	\$ 26,941,069	\$ 24,736,492	\$ 23,860,432	\$ 26,276,283
	102,834	94,952	111,829	-	-	-
	717,904	756,019	783,289	1,023,340	1,044,487	1,115,690
	-	-	-	-	-	-
	9,493	6,244	11,238	27,414	80,376	171,972
	513,676	586,974	663,503	697,361	758,407	801,824
	507,964	529,869	490,263	529,798	596,548	400,749
	192,113	202,213	210,635	-	-	-
	35,288	137,066	44,249	47,548	29,427	38,693
	62,356	25,103	43,821	28,935	95,054	62,423
	44,891	46,145	44,495	-	-	-
	27,434	785,224	21,179	416,760	718,362	152,377
	-	-	-	16,539,357	16,016,067	14,961,117
	21,131	16,914	87,827	-	-	-
	12,595,864	11,556,099	11,950,712	-	-	-
	3,008,724	2,689,215	3,220,171	-	-	-
	<u>43,000,393</u>	<u>43,576,692</u>	<u>44,624,280</u>	<u>44,047,005</u>	<u>43,199,160</u>	<u>43,981,128</u>
	17,858,010	17,378,341	17,211,382	17,109,121	18,151,141	17,185,523
	6,808,374	4,647,850	4,834,523	4,121,765	4,741,290	4,459,728
	231,092	223,638	303,545	301,668	299,716	284,909
	151,897	-	-	-	-	-
	2,441,518	3,536,915	2,938,612	2,910,565	3,164,207	3,236,442
	2,119,052	1,404,904	1,435,845	1,753,325	1,863,798	1,799,478
	640,651	556,703	429,776	467,770	660,489	718,377
	41,876	100,482	47,218	26,982	29,758	52,929
	3,310,527	2,829,322	2,764,039	3,028,419	3,163,960	2,971,708
	886,406	776,705	743,600	713,331	806,403	733,101
	3,537,310	3,367,494	3,359,559	3,167,999	3,333,665	3,912,087
	2,104,996	1,965,393	1,924,707	2,201,514	1,957,932	2,178,631
	80,123	78,020	74,245	82,679	157,537	176,169
						2,483,893
	1,162,320	1,330,395	967,897	2,480,823	2,667,960	-
	1,433,681	1,459,018	1,379,024	-	-	-
	1,039,974	1,097,249	1,039,443	1,082,747	1,227,041	1,161,602
	397,855	149,880	18,554	-	-	-
	-	-	-	61,730	1,609,404	6,134,765
	1,965,000	1,720,000	1,625,000	1,905,000	1,725,000	1,940,000
	360,614	429,040	489,750	569,752	647,133	983,692
	-	-	-	-	-	-
	-	-	-	-	-	-
	<u>46,571,276</u>	<u>43,051,349</u>	<u>41,586,719</u>	<u>41,985,190</u>	<u>46,206,434</u>	<u>50,413,034</u>
	(3,570,883)	525,343	3,037,561	2,061,815	(3,007,274)	(6,431,906)
	-	11,164	-	1,290,000	1,006,895	3,699,404
	-	(11,164)	-	(1,290,000)	(1,006,895)	(3,699,404)
	-	-	-	-	3,053	3,128
	-	-	-	575	425	12,250
	-	-	-	-	-	-
	-	-	-	1,250,000	-	-
	-	-	-	<u>1,250,575</u>	<u>3,478</u>	<u>15,378</u>
\$	<u>(3,570,883)</u>	<u>\$ 525,343</u>	<u>\$ 3,037,561</u>	<u>\$ 3,312,390</u>	<u>\$ (3,003,796)</u>	<u>\$ (6,416,528)</u>
	838,174	644,122	519,059	647,557	2,284,650	6,126,148
	5.09%	5.07%	5.15%	5.99%	5.40%	6.60%

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

ASSESSED VALUATION AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS

Coll. Year	Real Property		Tangible Personal Property		Public Utility	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2018	\$ 664,433,900	1,898,382,571	\$ -	\$ -	\$ 14,390,240	57,560,960
2017	661,949,180	1,891,283,371	-	-	13,760,050	55,040,200
2016	657,008,780	1,877,167,943	-	-	13,052,470	52,209,880
2015	639,011,450	1,825,747,000	-	-	12,991,040	51,964,160
2014	626,306,890	1,789,448,257	-	-	12,631,270	50,525,080
2013	628,376,600	1,795,361,714	-	-	11,631,030	46,524,120
2012	701,460,760	2,004,173,600	-	-	10,972,340	43,889,360
2011	706,460,810	2,018,459,457	-	-	10,619,270	42,477,080
2010	705,112,830	2,014,608,086	-	-	10,879,345	43,517,380
2009	782,447,240	2,235,563,543	1,769,902	28,318,432	9,058,220	36,232,880

Source: Lucas County Auditor's Office

Total			
Assessed Value	Estimated Actual Value	%	Total Direct Tax Rate
678,824,140	1,955,943,531	34.71%	78.55
675,709,230	1,946,323,571	34.72%	80.32
670,061,250	1,929,377,823	34.73%	80.53
652,002,490	1,877,711,160	34.72%	74.75
638,938,160	1,839,973,337	34.73%	75.15
640,007,630	1,841,885,834	34.75%	75.15
712,433,100	2,048,062,960	34.79%	75.05
717,080,080	2,060,936,537	34.79%	78.25
715,992,175	2,058,125,466	34.79%	74.05
793,275,362	2,300,114,855	34.49%	74.05

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

**DIRECT AND OVERLAPPING PROPERTY TAX RATES
(RATE PER \$1,000 OF ASSESSED VALUE)
LAST TEN YEARS**

Direct Rates

Tax Year/ Collection Year	Voted			Unvoted	Total
	General	Debt Service	Permanent Improvement		
2017/2018	70.70	1.00	1.35	5.50	78.55
2016/2017	70.70	2.77	1.35	5.50	80.32
2015/2016	70.88	2.80	1.35	5.50	80.53
2014/2015	64.90	3.00	1.35	5.50	74.75
2013/2014	64.90	3.40	1.35	5.50	75.15
2012/2013	64.90	3.40	1.35	5.50	75.15
2011/2012	64.90	3.30	1.35	5.50	75.05
2010/2011	68.10	3.30	1.35	5.50	78.25
2009/2010	64.20	3.00	1.35	5.50	74.05
2008/2009	64.20	3.00	1.35	5.50	74.05

Overlapping Rates

Tax Year/ Collection Year	Lucas County	City of Toledo	Library	TARTA (a)	Vocational School	Springfield LSD	Total
2017/2018	\$ 20.07	\$ 4.40	\$ 3.70	\$ 2.50	\$ 3.20	\$ 78.55	\$ 112.42
2016/2017	20.07	4.40	2.90	2.50	3.20	80.32	113.39
2015/2016	19.77	4.40	2.90	2.50	3.20	80.53	113.30
2014/2015	19.77	4.40	2.90	2.50	3.20	74.75	107.52
2013/2014	19.62	4.40	2.90	2.50	3.20	75.15	107.77
2012/2013	17.77	4.40	2.90	2.50	3.20	75.15	105.92
2011/2012	16.17	4.40	2.00	2.50	3.20	75.05	103.32
2010/2011	16.17	4.40	2.00	2.50	3.20	75.05	103.32
2009/2010	16.17	4.40	2.00	2.50	3.20	75.05	103.32
2008/2009	16.17	4.40	2.00	2.50	3.20	70.85	99.12

Source: Lucas County Auditor's Office (TD 26)

(a) Toledo Area Regional Transit Authority

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

PRINCIPAL TAXPAYERS
PROPERTY TAX
DECEMBER 31, 2017 AND DECEMBER 31, 2009

December 31, 2017			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Property Tax Assessed Value
Toledo Edison Co.	\$ 10,334,601	1	1.56%
DDRM Springfiled Commons LLC	7,983,395	2	1.21%
Ramco Spring Meadows LLC	7,004,480	3	1.06%
DGR Fox Chase TIC 4 LLC	4,959,360	4	0.75%
MIMG XX Associates, LLC	4,627,630	5	0.70%
TPAF V Quail Hollow LLC A Minnesota	3,920,000	6	0.59%
Kroger Co, An Ohio Corporation	3,876,565	7	0.59%
Wal-Mart / Scott Lee TR	3,453,555	8	0.52%
Midland Agency of Norhtwest Ohio Inc.	3,277,960	9	0.50%
Store SPE AVF, LLC	2,674,140	10	0.40%
Total	\$ 52,111,686		\$ 661,949,180

December 31, 2009 (1)			
Taxpayer	Taxable Assessed Value	Rank	Total District Property Tax Assessed Value
Empirian CKT LLC	\$ 7,938,510	1	1.01%
Ramco Spring Meadows LLC	6,881,050	2	0.88%
DGR Fox Chase TIC 4 LLC	6,317,500	3	0.81%
Wal-Mart / Scott Lee TR	5,381,260	4	0.69%
TCI Courtyard Inc.	4,751,250	5	0.61%
lutheran Homes Society / Lutheran Housing Services	4,526,890	6	0.58%
Toledo Edison Co.	4,245,220	7	0.54%
Ohio Wimbledon	3,880,910	8	0.50%
Talmadge Manor Inc.	3,220,020	9	0.41%
Harvey A. Tolson	2,926,600	10	0.37%
Total	\$ 50,069,210		782,447,240

Source: Lucas County Auditor's Office

(1) Information prior to 2009 was unavailable.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

PROPERTY TAX LEVIES AND COLLECTIONS (1)
LAST TEN FISCAL YEARS

Tax Year/ Collection Year	Current Levy (1)	Delinquent Levy (2)	Total Levy	Current Collection (1)	Percent of Current Levy Collected
2017/2018	\$ 31,934,238	\$ 1,138,058	\$ 33,072,296	\$ 31,148,169	97.54%
2016/2017	32,911,212	1,145,479	34,056,691	29,111,673	88.46%
2015/2016	32,759,108	1,241,521	34,000,629	29,026,011	88.60%
2014/2015	28,720,542	1,259,587	29,980,129	27,544,361	95.90%
2013/2014	28,460,411	1,276,826	29,737,237	27,366,501	96.16%
2012/2013	28,399,973	1,835,514	30,235,487	26,985,658	95.02%
2011/2012	30,058,155	2,341,039	32,399,194	28,186,977	93.77%
2010/2011	30,144,985	3,260,913	33,405,898	28,296,310	93.87%
2009/2010	26,988,290	3,279,066	30,267,356	24,947,740	92.44%
2008/2009	28,090,185	2,982,492	31,072,677	26,391,651	93.95%

Source: Lucas County Auditor's Office

(1) Includes state-mandated tax-reduction amounts, which are subsequently reimbursed to the District by the State, and reported as Intergovernmental revenue.

(2) This amount cannot be calculated from other data in this table because of retroactive additions and deletions.

(3) Information not readily available.

Delinquent Collection	Total Collection	Total Collection As a Percent of Total Levy
\$ 771,166	\$ 31,919,335	96.51%
696,953	29,808,626	87.53%
787,836	29,813,847	87.69%
1,148,664	28,693,025	95.71%
719,528	28,086,029	94.45%
1,322,671	28,308,329	93.63%
1,722,177	29,909,154	92.31%
1,325,928	29,622,238	88.67%
1,294,361	26,242,101	86.70%
1,020,516	27,412,167	88.22%

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

<u>Governmental Activities</u>						
Fiscal Year	General Obligation Bonds	Lease Purchase Obligation	(a) Total Primary Government	(b) Per Capita	(b) Percentage of Personal Income	(b) Per ADM
2018	\$ 5,575,000	\$ 1,376,627	\$ 6,951,627	(c)	(c)	1,788
2017	7,411,340	1,522,723	8,934,063	21	(c)	2,284
2016	9,185,188	33,312	9,218,500	21	0.05%	2,375
2015	7,495,519	43,418	7,538,937	17	0.04%	1,928
2014	9,002,248	-	9,002,248	21	0.05%	2,160
2013	10,945,296	-	10,945,296	25	0.06%	2,615
2012	12,644,588	-	12,644,588	29	0.07%	3,043
2011	14,240,000	-	14,240,000	32	0.09%	3,530
2010	14,895,000	-	14,895,000	34	0.10%	3,702
2009	16,620,000	-	16,620,000	38	0.11%	4,124

Sources:

(a) See notes to the financial statements regarding the District's outstanding debt information.

(b) See schedule " Demographic and Economic Statistic, Last Ten Years" for personal income, population and enrollment information.

(c) Information not readily available.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Net General Bonded Debt Per Capita
	(a) General Obligation Bonds	Accumulated Resources Restricted for General Bonded Debt	Net General Bonded Debt		
2018	\$ 5,575,000	\$ 690,840	\$ 4,884,160	0.25%	(b)
2017	7,411,340	1,297,647	6,113,693	0.31%	14
2016	9,185,188	1,249,177	7,936,011	0.41%	18
2015	7,495,519	1,121,097	6,374,422	0.34%	15
2014	9,002,248	1,443,042	7,559,206	0.41%	17
2013	10,945,296	1,738,980	9,206,316	0.50%	21
2012	12,644,588	1,650,005	10,994,583	0.54%	25
2011	14,240,000	1,241,924	12,998,076	0.63%	30
2010	14,895,000	1,526,555	13,368,445	0.65%	30
2009	16,620,000	1,763,962	14,856,038	0.65%	34

(a) Details regarding the District's outstanding debt can be found in the notes to the financial statements.

(b) Information not readily available.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2018

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Direct debt:			
Springfield Local School District (1)	\$ 6,951,627	100.00%	\$ 6,951,627
Total direct debt	<u>6,951,627</u>		<u>6,951,627</u>
Overlapping debt:			
Lucas County	82,076,000	9.32%	7,649,483
Maumee City	14,105,000	1.93%	272,227
Toledo City	82,909,992	1.88%	1,558,708
Total overlapping debt	<u>179,090,992</u>		<u>9,480,418</u>
Total direct and overlapping debt	<u>\$ 186,042,619</u>		<u>\$ 16,432,045</u>

Source: Ohio Municipal Advisory Council

Note: Percent applicable to Springfield Local School District calculated using assessed valuation of the District area value contained within the noted governmental unit divided by assessed valuation of the governmental unit.

(1) Includes general obligation bonds outstanding at fiscal year end.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Fiscal Year	Voted Debt Limit	Total Debt Applicable to Limit (a)	Debt Service Available Balance	Net Debt Applicable to Limit	Voted Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2018	\$ 61,094,173	\$ 5,575,000	\$ 690,840	\$ 4,884,160	\$ 56,210,013	7.99%
2017	60,813,831	7,265,000	1,297,647	5,967,353	54,846,478	9.81%
2016	60,305,513	9,065,000	1,249,177	7,815,823	52,489,690	12.96%
2015	58,680,224	7,400,000	1,121,097	6,278,903	52,401,321	10.70%
2014	57,504,434	8,930,000	1,443,042	7,486,958	50,017,476	13.02%
2013	57,600,687	10,895,000	1,738,980	9,156,020	48,444,667	15.90%
2012	64,118,979	12,615,000	1,650,005	10,964,995	53,153,984	17.10%
2011	130,680,185	12,998,076	1,241,924	11,756,152	118,924,033	9.00%
2010	131,162,987	13,368,445	1,526,555	11,841,890	119,321,097	9.03%
2009	145,422,617	14,856,038	1,763,962	13,092,076	132,330,541	9.00%

Source: Lucas County Auditor and District financial records

Note: Ohio Bond Law sets a limit of 9% for voted debt and 1/10 of 1% for unvoted debt.

(a) Excludes accreted interest on capital appreciation bonds

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

**DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Per Capita Personal Income (2)</u>	<u>Total Personal Income (4)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rates</u>		
					<u>Lucas County</u>	<u>Ohio</u>	<u>United States</u>
2018	(5)	(5)	(5)	3,888	6.0%	4.5%	4.0%
2017	430,887	(5)	(5)	3,912	6.7%	5.0%	4.4%
2016	432,488	42,917	18,561,087,496	3,881	4.9%	5.0%	4.9%
2015	433,689	41,777	18,118,225,353	3,911	5.1%	4.6%	5.0%
2014	435,286	41,751	18,173,625,786	4,168	5.0%	4.7%	5.6%
2013	436,393	41,556	18,134,747,508	4,186	7.4%	6.6%	6.7%
2012	437,998	39,289	17,208,503,422	4,155	8.3%	7.2%	8.2%
2011	439,914	35,907	15,795,991,998	4,034	10.0%	9.1%	9.1%
2010	441,815	34,208	15,113,607,520	4,023	12.0%	10.5%	9.5%
2009	442,603	33,589	14,866,592,167	4,030	8.3%	10.8%	10.2%

(1) Population of Lucas County from U.S. Census Bureau

(2) Ohio Department of Taxation (per household).

(3) District records - EMIS October Count Week

(4) Equals "Population" times "Per Capita Personal Income".

(5) Information not readily available.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

PRINCIPAL EMPLOYERS IN LUCAS COUNTY
DECEMBER 31, 2017 AND DECEMBER 31, 2008

December 31, 2017			
Employer	Employees	Rank	Percentage of Total County Employment
Promedica Health Systems	11,339	1	5.64%
University of Toledo	10,861	2	5.40%
Chrysler Holdings - Toledo North Assembly	5,893	3	2.93%
Mercy Health Partners	5,271	4	2.62%
Toledo Public Schools	4,402	5	2.19%
Lucas County	2,879	6	1.43%
Libbey Glass	2,766	7	1.38%
City of Toledo	2,662	8	1.32%
Kroger	2,339	9	1.16%
Wal-Mart	1,934	10	0.96%
Total	50,346		25.03%
Total County Employment	201,000		

December 31, 2008			
Employer	Employees	Rank	Percentage of Total County Employment
Promedica Health Systems	9,820	1	4.81%
Mercy Health Partners	6,777	2	3.32%
University of Toledo	5,027	3	2.46%
Toledo Public Schools	4,489	4	2.20%
Lucas County	3,912	5	1.92%
U.T. Health Science Campus	3,673	6	1.80%
City of Toledo	2,855	7	1.40%
Kroger	2,847	8	1.39%
Daimler-Chrysler/Toledo Jeep	2,654	9	1.30%
State of Ohio	2,363	10	1.16%
Total	44,417		21.76%
Total County Employment	204,200		

Source: Lucas County Auditor's Office

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

STAFFING STATISTICS
FULL TIME EQUIVALENTS (FTE) BY TYPE
LAST TEN FISCAL YEARS

Type	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Professional Staff:										
Teaching Staff:										
Regular Teachers	189.40	191.00	183.60	196.12	193.68	182.52	180.97	175.36	198.33	199.43
Remedial Specialist	-	-	1.00	2.00	2.00	5.00	6.00	4.60	4.60	4.00
Special Education Teaching (1)	12.10	10.00	10.00	12.00	10.67	10.82	13.08	15.48	18.15	17.21
Vocational Ed Teaching (1)	-	2.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00
Tutors (1)	-	-	-	-	3.00	3.00	2.00	2.00	2.00	3.00
Educ. Service Personnel Teacher	-	-	-	-	-	-	-	-	-	-
Suppl. Service Teacher (Spec Ed)	3.00	32.00	29.00	26.24	29.00	29.00	28.00	25.00	22.00	26.00
Others	2.00	7.00	16.00	3.00	24.00	13.00	7.00	11.00	13.90	9.90
Administration:										
District	20.00	20.00	17.00	17.00	14.45	16.50	17.50	16.00	21.00	20.00
Auxiliary Positions:										
Counselors	12.00	9.00	9.00	8.00	8.00	7.00	7.00	7.00	9.00	9.00
Nurses										
Psychologist	3.00	3.00	3.00	2.00	1.00	-	-	-	-	-
Librarian/Media	3.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00
Support Staff:										
Accounting	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Public Relations	1.00	1.00	1.00	1.00	1.00	0.80	0.80	1.00	1.00	1.00
Social Work	-	-	-	-	-	-	-	-	-	1.00
Library Aide	1.00	1.00	1.00	1.00	3.40	3.00	4.00	4.00	5.70	5.70
Secretarial/clerical	21.00	21.00	19.00	19.63	20.20	18.00	18.60	19.30	22.80	22.80
Records Managing	1.00	1.00	1.00	1.00	-	-	-	1.00	1.00	1.00
Aides	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Crossing Guards										
Hall monitor/Security	-	-	-	-	-	-	1.00	1.00	1.00	1.00
Technical	1.00	1.00	-	-	-	-	-	-	-	-
Cafeteria	34.00	34.00	32.00	33.00	35.40	21.80	20.10	23.20	25.30	24.80
Monitoring	23.00	25.00	16.00	24.00	23.00	21.00	23.30	24.30	26.30	28.00
Custodial	19.50	18.50	17.63	17.25	18.00	14.00	17.00	21.50	21.50	24.20
Maintenance	5.00	5.00	5.00	5.00	6.00	5.00	4.00	4.00	5.00	6.00
Grounds										
Bus Driver	28.00	27.00	27.00	18.00	36.00	31.30	35.30	37.30	39.30	39.30
Mechanics	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00
Other	2.00	2.63	2.63	2.00	2.00	-	1.00	1.00	1.00	1.00
Total	387.00	418.13	397.86	395.24	437.80	388.74	394.65	403.04	448.88	454.34

Source: School District records - EMIS Staff Summary Reports (Period K) from Years 2009-2018

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

**OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Instruction:										
Regular and Special										
Enrollment (students)	3,888	3,912	3,881	3,911	4,168	4,186	4,155	4,034	4,023	4,030
Graduates	282	273	267	277	295	265	273	281	275	248
Support services:										
Board of education										
Regular meetings per year	12	12	12	12	12	12	12	12	12	12
Work sessions	9	10	10	11	11	11	12	10	10	11
Special meetings per year	2	1	4	4	5	3	1	3	1	4
Administration										
Student attendance rate	96.7%	94.8%	94.7%	95.0%	91.5%	92.4%	94.4%	94.7%	94.9%	95.3%
Fiscal										
Nonpayroll checks issued	3,273	3,540	3,325	3,171	3,510	3,504	3,595	3,463	3,791	4,329
Pupil transportation										
Avg. students transported daily+	2,636	2,613	2,634	2,492	3,110	3,057	3,032	3,049	3,238	3,292
Food service operations										
Meals served to students^	302,135	320,560	326,051	328,734	335,605	367,187	369,713	335,309	329,824	307,767
Number of lunches served at free or reduced cost^	193,821	205,034	208,188	211,213	210,486	223,753	224,490	199,716	188,877	177,249

Source: District records

+ - T-1 State Reports (Pupils by Service Type)

^ - MR12 Monthly Lunch Report

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

**CAPITAL ASSET STATISTICS
LAST TEN FISCAL YEARS**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Land	\$ 1,425,358	\$ 1,425,358	\$ 1,425,358	\$ 1,425,358	\$ 1,425,358
Construction in progress	-	1,173,968	-	-	-
Land improvements	2,415,765	2,610,860	2,823,430	3,040,290	3,248,913
Buildings and improvements	11,484,647	10,762,177	11,409,179	12,024,774	12,593,088
Furniture, fixtures and equipment	1,767,758	1,638,778	1,620,121	1,724,411	1,789,101
Vehicles	747,009	768,423	869,616	567,052	706,407
 Total Governmental Activities Capital Assets, net	 <u>\$ 17,840,537</u>	 <u>\$ 18,379,564</u>	 <u>\$ 18,147,704</u>	 <u>\$ 18,781,885</u>	 <u>\$ 19,762,867</u>

Source: School District financial records.

Note: Amounts above are presented net of accumulated depreciation.

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 1,425,358	\$ 1,425,358	\$ 1,425,358	\$ 666,064	\$ 666,064
210,507	166,983	-	-	2,998,778
3,071,137	3,213,663	3,417,095	(16,193)	17,405
12,963,447	13,406,151	14,116,051	26,117,907	22,336,819
1,878,456	2,148,061	2,240,614	1,954,162	2,211,987
811,747	994,198	1,075,181	66,661	181,129
<u>\$ 20,360,652</u>	<u>\$ 21,354,414</u>	<u>\$ 22,274,299</u>	<u>\$ 28,788,601</u>	<u>\$ 28,412,182</u>

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

	2018	2017	2016	2015	2014	2013
Crissey Elementary (1956)						
Square feet	45,726	45,726	45,726	45,726	45,726	45,726
Capacity (students)	508	508	508	508	508	508
Enrollment	382	402	388	401	431	431
Dorr Elementary (1956)						
Square feet	57,104	57,104	57,104	57,104	57,104	57,104
Capacity (students)	634	634	634	634	634	634
Enrollment	510	515	511	498	504	538
Holland Elementary (1962)						
Square feet	48,316	48,316	48,316	48,316	48,316	48,316
Capacity (students)	537	537	537	537	537	537
Enrollment	498	496	475	476	594	535
Holloway Elementary (1993)						
Square feet	68,474	68,474	68,474	68,474	68,474	68,474
Capacity (students)	761	761	761	761	761	761
Enrollment	402	428	425	422	462	463
Springfield Middle School (1959)						
Square feet	128,612	128,612	128,612	128,612	128,612	128,612
Capacity (students)	1,159	1,159	1,159	1,159	1,159	1,159
Enrollment	871	887	903	905	951	1,017
Springfield High School (1963)						
Square feet	225,574	225,574	225,574	225,574	225,574	225,574
Capacity (students)	1,455	1,455	1,455	1,455	1,455	1,455
Enrollment	1,225	1,184	1,190	1,209	1,226	1,202
Administrative Building (1989)						
Square feet	15,368	15,368	15,368	15,368	15,368	15,368
Total square feet	589,174	589,174	589,174	589,174	589,174	589,174
Total capacity (students)	5,054	5,054	5,054	5,054	5,054	5,054
Total enrollment	3,888	3,912	3,892	3,911	4,168	4,186

Source: District records

Capacity Square Footage Per Student

Elementary - 90 sq. ft. per student
Middle School - 111 sq. ft. per student
High School - 155 sq. ft. per student

2012	2011	2010	2009
45,726	45,726	45,726	45,726
508	508	508	508
428	424	453	459
57,104	57,104	57,104	57,104
634	634	634	634
543	561	525	535
48,316	48,316	48,316	48,316
537	537	537	537
566	540	539	531
68,474	68,474	68,474	68,474
761	761	761	761
441	418	452	425
128,612	128,612	128,612	128,612
1,159	1,159	1,159	1,159
981	924	858	881
225,574	225,574	225,574	225,574
1,455	1,455	1,455	1,455
1,196	1,167	1,196	1,199
15,368	15,368	15,368	15,368
589,174	589,174	589,174	589,174
5,054	5,054	5,054	5,054
4,155	4,034	4,023	4,030

**SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	General Government		Governmental Activities		Enrollment	Percent Change
	Expenditures (1)	Cost per pupil	Expenses (1)	Cost per pupil		
2018	\$ 42,738,965	\$ 10,993	\$ 22,675,460	\$ 5,832	3,888	-0.61%
2017	46,546,450	11,898	46,771,785	11,956	3,912	0.80%
2016	40,613,628	10,465	40,551,071	10,449	3,881	-0.77%
2015	41,639,949	10,647	41,385,234	10,582	3,911	-6.17%
2014	44,245,662	10,616	44,901,687	10,773	4,168	-0.43%
2013	40,902,309	9,771	41,685,510	9,958	4,186	0.75%
2012	39,471,969	9,500	40,513,944	9,751	4,155	3.00%
2011	39,510,438	9,794	40,755,046	10,103	4,034	0.27%
2010	45,559,301	11,325	43,496,290	10,812	4,023	-0.17%
2009	47,489,342	11,784	43,259,408	10,734	4,030	0.67%

Source: District records

(1) Debt Service totals have been excluded.

(2) Classroom teachers only.

Teaching Staff (2)	Pupil/Teacher Ratio	Student Attendance Percentage
202	19.30	96.7%
242	16.17	94.8%
241	16.13	94.7%
240	16.27	95.0%
263	15.85	91.5%
244	17.13	92.4%
239	17.38	94.4%
235	17.16	94.7%
261	15.41	94.9%
262	15.41	95.3%

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OHIO AUDITOR OF STATE KEITH FABER



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
FEBRUARY 21, 2019**