



*Warren County, Ohio*

COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED  
DECEMBER 31, 2003



# ***THE CITY OF SPRINGBORO, OHIO***

WARREN COUNTY

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

FOR THE YEAR ENDED  
December 31, 2003

Prepared by:  
**Department of Finance**

Robyn L. Brown  
Director of Finance



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WARREN COUNTY, OHIO

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## *INTRODUCTORY SECTION*

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# CITY OF SPRINGBORO

320 West Central Avenue • Springboro, Ohio 45066  
Robyn L. Brown, Director of Finance

phone (937) 748-4343

fax (937) 748-0815

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June 16, 2004

Honorable Mayor, Members of Council  
And Citizens of Springboro  
Springboro, Ohio

We are pleased to present the City of Springboro Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2003. The responsibility for both the accuracy of the presented data, and the completeness and fairness of presentation, including all disclosures, rests with the management of the City, particularly the Director of Finance's Office. This report is prepared in conformance with generally accepted accounting principles as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources. We believe the data is fairly presented in all material aspects and that it is presented in a manner designed to set forth the financial position and results of operations of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain a reasonable understanding of the City's financial affairs have been included.

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

This CAFR is divided into three sections as follows.

1. Introductory Section - This section introduces the reader to the report and includes the table of contents, this transmittal letter, the GFOA Certificate of Achievement, the list of principal officials and the City's organizational chart.
2. Financial Section - The Financial Section includes the Independent Accountants Report, Management's Discussion and Analysis, basic financial statements and notes that provide an overview of the City's financial position and operating results, the combining statements for nonmajor funds and other schedules that provide detailed information relative to the basic financial statements.
3. Statistical Section - The multi-year information presented in this section is designed to reflect social and economical data, financial trends and the fiscal capacity of the City.

## ***CITY OF SPRINGBORO, OHIO***

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### ***Letter of Transmittal For the Year Ended December 31, 2003***

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#### ***THE CITY***

Although we became a City just twenty-four years ago, Springboro has earned the reputation as being a very progressive community. The City is located in the southwestern part of the State of Ohio, within the boundaries of Warren County, of which Lebanon is the county seat. The City is a home rule municipal corporation, organized under the laws of the State of Ohio, which operates under its own Charter. The current Charter, which provides, for a Council/Manager form of government, was adopted on November 7, 1978, effective on January 1, 1979 and was amended November 6, 1984 and November 7, 2000. The seven-member Council is elected to four-year terms. The Council appoints a City Manager who serves as the chief executive officer. The City Manager appoints all department directors upon approval of City Council.

#### ***REPORTING ENTITY AND SERVICES***

A reporting entity is composed of the primary government, component units and other organizations that are included to ensure that the financial statements are complete. The primary government of the City consists of all funds and departments which comprise the legal entity of the City and which provide various services including police, street construction and maintenance, traffic signalization, street lighting, planning and zoning, building inspections, recreation, parks, the library, recycling and general administrative services. In addition, golf, sewer, water and trash collection and disposal services are provided under an enterprise concept with user charges set by the City Council to ensure adequate coverage of operating expenses and payments on outstanding debt.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves their budget, the issuance of their debt or the levying of their taxes. The City of Springboro does not have any component units.

The Warren County General Health District was determined to be a jointly governed organization and the Ohio Municipal League of Workers' Compensation Group Rating Plan was determined to be a group purchasing pool. These entities are discussed further in Notes 18 and 19.

#### ***ECONOMIC OUTLOOK***

Growth and development within the City of Springboro is expected to exceed the national and state average due to the City's physical location along Interstate 75 between Cincinnati and Dayton. Population in the City of Springboro was officially counted on April 1, 2000 by the United States Census Bureau as 12,380, but is estimated to be in excess of 15,000 today. The main factor contributing to this growth is an abundance of available building sites, which offer appealing terrain, location, amenities, small town atmosphere and a low crime rate. As a result, 276 single-family residential construction permits were issued in 2003. This was a slight decrease from the 280 permits issued in 2002. It is expected that the growth will continue in 2004.

## ***CITY OF SPRINGBORO, OHIO***

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### ***Letter of Transmittal***

***For the Year Ended December 31, 2003***

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Since the City annexed the South Tech Business Park in 1997 and began marketing the new Stolz Industrial Park in 1998, industrial growth in Springboro has blossomed. The City has witnessed the addition of over 700 new manufacturing jobs and an additional payroll worth an estimated \$24 million over the past four years.

The City continues to be an attractive location for a wide range of retail shops as well. The City maintains an active role in preserving and enhancing its historical downtown. In 1999, the City's downtown historic district was placed on the National Register of Historic Places. The City continues to be an active participant in state and regional downtown and tourism development programs.

### ***MAJOR INITIATIVES***

#### **For the Year (2003):**

The citizens of Springboro are the City's greatest assets. The City's greatest concern in preparing each year's budget is to provide services that address citizens' needs and safeguard their environment in conformity with applicable Federal and State laws.

#### ***Street Capital Improvements:***

Roadway improvements were completed on Lytle Five-Points Road, between Sycamore Springs and Greenleaf Village Subdivisions. This is a heavy traveled road in Springboro and the improvements provide a safer roadway, by eliminating a dip in the road, which improved the sight distance. The project also included widening of the road, as well as the installation of curb, gutter, sidewalks and storm sewers. Phase I was completed of the Community Development Block Grant project for the improvements for a portion of East Street.

#### ***North Park Amphitheater:***

The Phase II construction completion of an amphitheater in Springboro's North Park in 2003 was the culmination of two years of planning and design work by the Springboro Park Board and architects, Lorenz & Williams. The facility design was submitted to the Dayton Chapter of the Architectural Institute of America for consideration in 2001 and received an honorable mention of which both the City and architects are extremely proud. Phases III and IV will continue through 2005.

#### ***Water Capital Improvements:***

In a continuing effort to insure water availability for its residents, the City submitted plans for EPA approvals for the construction and development of Well #7 and have received all applicable allowances for the development of this well to occur in 2004. The City has also acquired a site in the south end of the City for the construction of a new 1MG elevated water tower. This tower will provide better pressure and fire flows for the south end of the community. Construction estimates for the tower are \$1,500,000.00.

#### ***Sewer Capital Improvements:***

Design of the Waste Water Treatment Plant Expansion was begun in 2002 and will be completed in 2004. The design of the NW Area Trunk Sewer Phase I project will be completed in 2004. Construction will begin in 2004 and will provide improved service to the areas of the northwest quadrant of the City. The construction of Yankee Road Sanitary Sewer Phase I was completed in 2003.

***Letter of Transmittal***

***For the Year Ended December 31, 2003***

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***Golf Course Improvements:***

Heatherwoode Golf Course received several improvements in 2003, including the completion of: Rebuilding the Main Pump Phase III to increase water flow efficiency and performance; Rebuilding Tee Boxes at Hole #8 and Hole #13 to serve the current amount of golfers; Driving Range Remodeling to expand the driving range area to meet current demand, and; Clubhouse Remodeling with the replacement of carpet and décor.

**For the Future (2004):**

***Street Capital Improvements:***

The Mobility Master Plan was completed in 2001, which analyzed both motorized, and non-motorized transportation needs and developed a capital improvement plan. The 2004 budget includes funding for \$1,695,000 of street capital improvements in various areas. \$300,000 is designated for the City's annual asphalt resurfacing and miscellaneous street repair program. There is \$125,000 designated for a Community Development Block Grant project for the second phase of improvements for a portion of East Street. There is \$785,000 designated for Issue II projects for improvements on Pennyroyal Road, \$100,000 designated for improvements to West Mill Street and, \$385,000 designated for improvements on Lytle Five-Points Road.

***North Park Amphitheater:***

Phase III construction for 2004 is the addition to the facility of a tensile structure roof. This particular roof will be designed and constructed over a period of nine months due to its unique nature and will be completed by November, 2004 at a cost of approximately \$270,000.

***Water Capital Improvements:***

In 1995, the City commissioned the development of a Water Master Plan study in conjunction with the strategic planning process. This plan was updated in 1998 and 2001 to evaluate how the City's growth and development had compared to that projected in the earlier study. The projects that were identified in the study that are planned for 2004 include the following:

1. The city acquired an alternative wellfield site in 1999 and had a large production well installed on the property. The 2004 budget includes funding for the installation of a pump, piping and appurtenances and an emergency generator for the development of this contingency wellfield site. This contingency wellfield is independent of the primary wellfield and will have a capacity of 4.32-MGD. The 2004 budget includes \$800,000 for the development of this wellfield. This project should be completed in the fall of 2004.
2. The City will construct a 16" water main on Pennyroyal Road. The 2004 budget includes \$950,000 for the construction of this main.
3. The City will repaint the Pennyroyal Water Tower in 2004 and has budgeted \$300,000 for this project.

## ***CITY OF SPRINGBORO, OHIO***

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### ***Letter of Transmittal***

***For the Year Ended December 31, 2003***

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4. The City will construct a new One Million Gallon Elevated Water Tower in the south end of the City. This water tower will provide better pressure and fire flows for that part of the City. The 2004 budget includes \$1,500,000 for the construction.
5. The City will install variable frequency drives at the Water Treatment Plant and Wells #4 and #5. The 2004 budget includes \$120,000 for this project.

### ***Sewer Capital Improvements:***

The City has developed a Sanitary Sewer Master Plan to address the sewer collection system and treatment plant needs for the next 20-years. This plan includes an analysis of the system and a Capital Improvement Program (CIP) to address these needs. These CIP projects will be included in future proposed budgets and the following projects are included in the 2004 budget:

1. There is \$80,000 designated for the design of the Bailey Trunk Sewer and \$850,000 for the construction of this sewer.
2. There is \$250,000 designated for the construction of the NW Area Trunk Sewer Phase I.
3. There is \$300,000 designated for the construction of Phase II of the Yankee Road Sanitary Sewer.
4. The City will also complete the design and begin construction of the Waste Water Treatment Plant Expansion in 2004. The 2004 budget includes \$600,000 for completion of this design and \$25,000,000 for the construction of the expansion.

### ***Golf Course Improvements:***

Heatherwoode Golf Course improvements for 2004 include the addition of another rest room facility on the course, cart path widening and repairs, and remodeling of the clubhouse totaling a capital investment in 2004 of \$85,000.

## ***OTHER INFORMATION***

### ***Independent Audit:***

An audit team from Auditor of State's Office has performed this year's audit, excluding the Golf Course Fund. A team from Wilson, Shannon and Snow, Inc. audited the Golf Course Fund financial statements. The results of the audits are presented in the Independent Accountants' Report.

### ***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 City of Springboro, Ohio, for its Comprehensive Annual Financial Report for the year ended December 31, 2002. This was the fourteenth year that the government has achieved this prestigious award.

**CITY OF SPRINGBORO, OHIO**

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***Letter of Transmittal  
For the Year Ended December 31, 2003***

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In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive financial report. This 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 comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

**Acknowledgment:**

Sincere appreciation is extended to the many people who have contributed their time and effort to prepare this report. The Finance Department Staff is to be commended for their input and commitment.

We would like to express appreciation to Mr. Donald J. Schonhardt, and his staff for their guidance and efforts in preparing this report.

Sincerely,



Christine A. Thompson  
City Manager



Robyn L. Brown  
Director of Finance

**CITY OF SPRINGBORO, OHIO**

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**List of Principal Officials  
For the Year Ended December 31, 2003**

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John Agenbroad, Mayor

<i>Council</i>	<i>Title</i>	<i>Years of Service *</i>	<i>Term expires</i>
Gary Hruska	Councilman Ward I	6	December 2005
Jim Chmiel	Councilman Ward II	2	December 2005
Bruce Camealy	Councilman Ward III	10	December 2005
Greg Bell	Councilman Ward IV	10	December 2005
Marie Belpulsi	Councilman at Large	10	December 2003
Thomas LaDu	Councilman at Large	4	December 2003

Lori Martin Clerk of Council

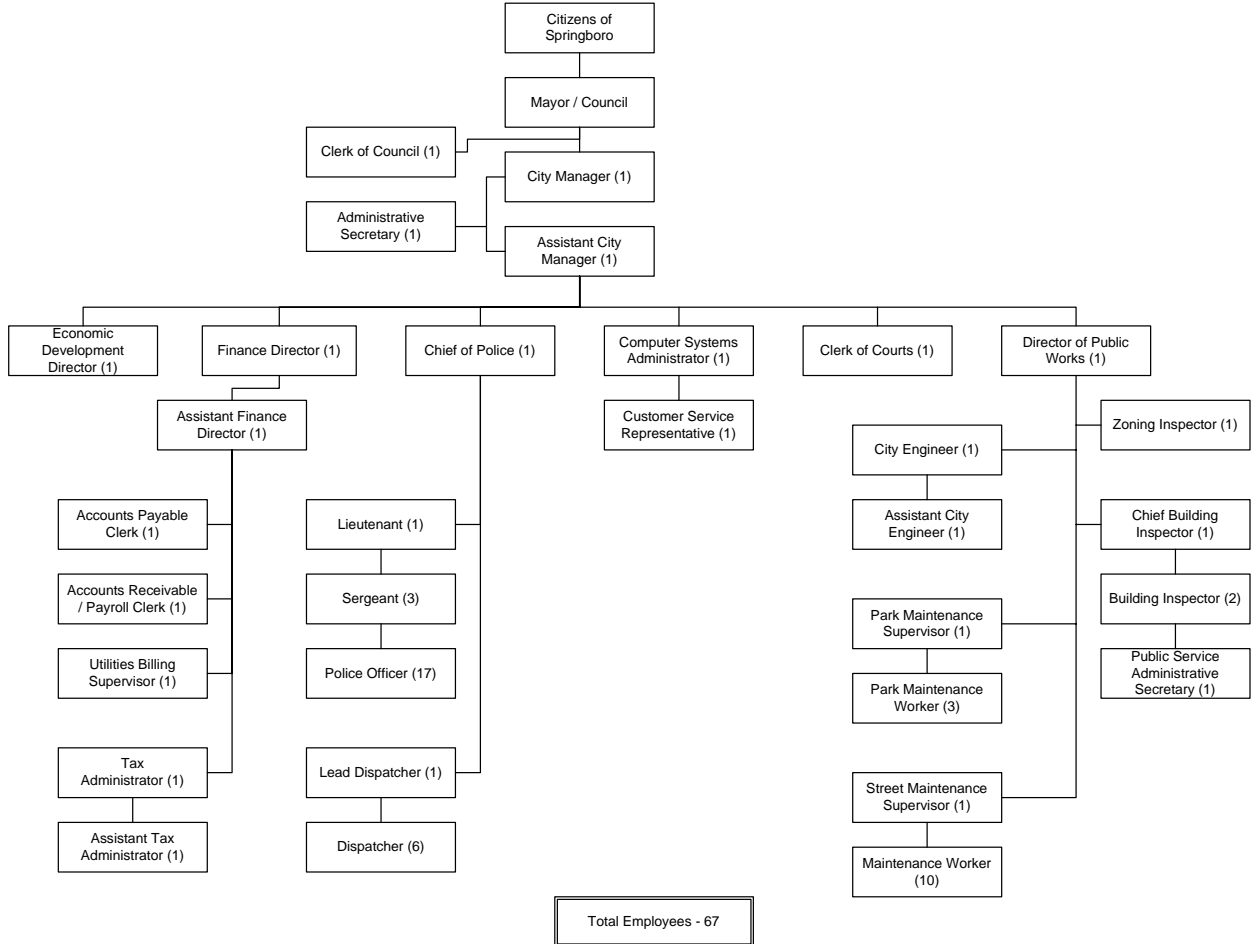
Christine Thompson, City Manager

<i>Appointed Officials</i>	<i>Title</i>
Barry Conway	Director of Public Works
Kenneth Smith	Street Maintenance Supervisor
Roger Eckert	City Solicitor
Michael Schepers	Director of Economic Development
Robyn Brown	Director of Finance
Debbie Worley	Assistant Director of Finance
Michelle Baker	Income Tax Administrator
Linda Harrison	Clerk of Mayor's Court
Mark Klontz	Chief Building Inspector
Jeff Kruithoff	Chief of Police
Vincent Murphy	Park Maintenance Supervisor
Deitra Mullins	Utilities Billing Supervisor
Raj Sharma	City Engineer
Elmer Dudas	Assistant City Engineer

\* Denotes length of service with the City, not necessarily solely in the capacity which they now hold.

**CITY OF SPRINGBORO, OHIO**

**City Organizational Chart  
For the Year Ended December 31, 2003**



Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

City of Springboro,  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2002

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Edward Haney*

President

*Jeffrey R. Emmer*

Executive Director



## *FINANCIAL SECTION*

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## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT

City of Springboro  
Warren County  
320 West Central Avenue  
Springboro, Ohio 45066

To the City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Springboro, Warren County, Ohio (the City) which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the Golf Course Fund. Other auditors audited those financial statements. They have furnished their report thereon to us, and we base our opinion, insofar as it relates to the amounts included for the Golf Course Fund on the report of the other auditors.

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

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Springboro, Warren County, Ohio, as of December 31, 2003, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General Fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2004 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to form opinions on the financial statements that collectively comprise the Government's basic financial statements. The introductory section, combining nonmajor fund statements and schedules and statistical tables are presented for additional analysis and are not a required part of the basic financial statements. We subjected the combining nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, based on our audit and the report of the other auditors, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We and the other auditors did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

June 16, 2004

The discussion and analysis of the City of Springboro's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2003. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

## **FINANCIAL HIGHLIGHTS**

Key financial highlights for 2003 are as follows:

- ❑ In total, net assets increased almost \$12 million. Net assets of governmental activities increased \$6.5 million which represents a 21% increase from 2002. Net assets of business-type activities increased \$5.4 million or 11.5% from 2002.
- ❑ General revenues accounted for \$9.1 million in revenue or 30.6% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for 69.4% of total revenues of \$29.7 million.
- ❑ Total assets of governmental activities increased by \$5.9 million in total. Cash and investment balances increased by \$1.7 million and special assessments levied against property owners increased by \$3 million, which will help defray the costs of infrastructure improvements necessary to accommodate the City's growth. Income tax receivables saw a decrease of \$.2 million.
- ❑ The City had \$9.8 million in expenses related to governmental activities; \$7.8 million of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$8.55 million were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$7.3 million in revenues and \$6.5 million in expenditures. The general fund's fund balance increased \$349,741 to \$2.6 million.
- ❑ Net assets for enterprise funds increased by \$5.4 million. This increase resulted primarily from capital contributions in the form of capital assets of \$5.2 million.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of four parts – *management's discussion and analysis*, the *basic financial statements*, *required supplementary information*, and an optional section that presents *combining statements* for nonmajor governmental funds and internal service funds. The basic financial statements include two kinds of statements that present different views of the City:

These statements are as follows:

1. *The Government-Wide Financial Statements* – These statements provide both long-term and short-term information about the City's overall financial status.
2. *The Fund Financial Statements* – These statements focus on individual parts of the City, reporting the City's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

### **Government-wide Statements**

The government-wide statements report information about the City as a whole using accepting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net assets and how they have changed. Net-assets (the difference between the City's assets and liabilities) is one way to measure the City's financial health or position.

- Over time, increases or decreases in the City's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City you need to consider additional nonfinancial factors such as property tax base, current property tax laws, conditions of the City's streets and continued growth within the City.

The government-wide financial statements of the City are divided into two categories:

- Governmental Activities – Most of the City's program's and services are reported here including security of persons and property, public health and welfare services, leisure time activities, community environment, transportation and general government.
- Business-Type Activities – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The City's golf course, sewer, trash and water services are reported as business activities.

### **Fund Financial Statements**

The fund financial statements provide more detailed information about the City's most significant funds, not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

Governmental Funds – Most of the City'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 statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**CITY OF SPRINGBORO, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2003**

**Unaudited**

Proprietary Funds – Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. All of the City's fiduciary balances are reported in separate Statements of Fiduciary Net Assets.

**FINANCIAL ANALYSIS OF THE CITY AS A WHOLE**

The following table provides a summary of the City's net assets for 2003 compared to 2002:

	Governmental Activities		Business-type Activities		Total	
	2003	2002	2003	2002	2003	2002
Current and other assets	\$14,970,782	\$10,335,800	\$15,718,199	\$13,496,809	\$30,688,981	\$23,832,609
Capital assets, Net	33,722,768	32,414,063	61,391,136	58,931,460	95,113,904	91,345,523
Total assets	48,693,550	42,749,863	77,109,335	72,428,269	125,802,885	115,178,132
Long-term debt outstanding	7,304,912	5,935,894	24,276,775	25,104,705	31,581,687	31,040,599
Other liabilities	3,723,430	5,698,429	623,440	530,141	4,346,870	6,228,570
Total liabilities	11,028,342	11,634,323	24,900,215	25,634,846	35,928,557	37,269,169
Net assets						
Invested in capital assets, net of related debt	26,568,831	26,620,573	38,353,625	35,142,066	64,922,456	61,762,639
Restricted	8,191,414	507,667	2,524,224	2,507,436	10,715,638	3,015,103
Unrestricted	2,904,963	3,987,300	11,331,271	9,143,921	14,236,234	13,131,221
Total net assets	\$37,665,208	\$31,115,540	\$52,209,120	\$46,793,423	\$89,874,328	\$77,908,963

**CITY OF SPRINGBORO, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2003**

**Unaudited**

Changes in Net Assets – The following table shows the changes in net assets for 2003 compared to 2002:

	Governmental Activities		Business-type Activities		Total	
	2003	2002	2003	2002	2003	2002
<b>Revenues</b>						
Program revenues:						
Charges for Services and Sales	\$1,586,525	\$1,569,320	\$7,551,923	\$6,843,991	\$9,138,448	\$8,413,311
Operating Grants and Contributions	137,084	55,999	0	0	137,084	55,999
Capital Grants and Contributions	6,088,874	102,191	5,242,698	3,567,977	11,331,572	3,670,168
General revenues:						
Income Taxes	6,577,076	6,617,829	0	0	6,577,076	6,617,829
Property Taxes	613,347	494,394	0	62,672	613,347	557,066
Other Local Taxes	53,455	26,030	0	0	53,455	26,030
Motor Vehicle and Gasoline Taxes	632,690	564,376	0	0	632,690	564,376
Shared Revenues	600,492	389,859	0	0	600,492	389,859
Investment Earnings	204,171	379,252	26,667	0	230,838	379,252
Miscellaneous	380,568	271,427	0	0	380,568	271,427
Total revenues	16,874,282	10,470,677	12,821,288	10,474,640	29,695,570	20,945,317
<b>Program Expenses</b>						
Security of Persons and Property	2,509,238	2,357,149	0	0	2,509,238	2,357,149
Public Health and Welfare Services	6,950	1,866	0	0	6,950	1,866
Leisure Time Activities	451,964	448,763	0	0	451,964	448,763
Community Environment	820,106	1,045,933	0	0	820,106	1,045,933
Transportation	1,829,937	1,589,497	0	0	1,829,937	1,589,497
General Government	3,758,165	3,592,506	0	0	3,758,165	3,592,506
Interest and Fiscal Charges	438,662	461,402	0	0	438,662	461,402
Golf Course	0	0	2,153,667	1,836,180	2,153,667	1,836,180
Water	0	0	2,754,140	2,778,871	2,754,140	2,778,871
Sewer	0	0	2,462,129	2,242,636	2,462,129	2,242,636
Trash	0	0	545,247	507,351	545,247	507,351
Total expenses	9,815,022	9,497,116	7,915,183	7,365,038	17,730,205	16,862,154
Change in Net Assets before transfers	7,059,260	973,561	4,906,105	3,109,602	11,965,365	4,083,163
Transfers	(509,592)	(180,123)	509,592	180,123	0	0
Total Change in Net Assets	6,549,668	793,438	5,415,697	3,289,725	11,965,365	4,083,163
Beginning Net Assets	31,115,540	30,322,102	46,793,423	43,503,698	77,908,963	73,825,800
Ending Net Assets	\$37,665,208	\$31,115,540	\$52,209,120	\$46,793,423	\$89,874,328	\$77,908,963

**CITY OF SPRINGBORO, OHIO**

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**Management's Discussion and Analysis  
For the Year Ended December 31, 2003**

**Unaudited**

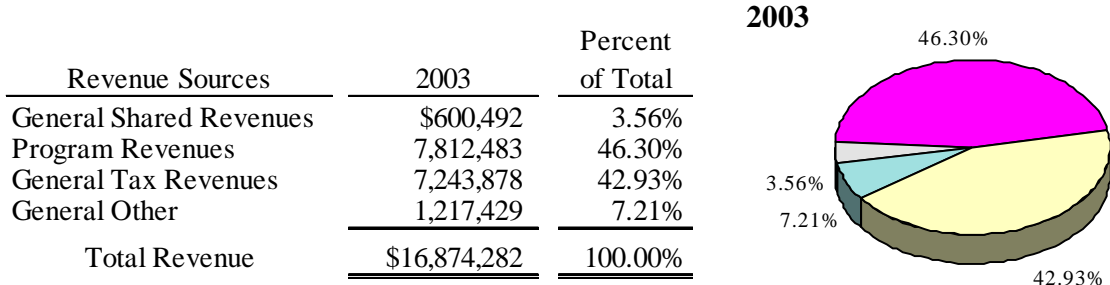
**Governmental Activities**

Net assets of the City's governmental activities increased by \$6,549,668. This was due primarily to an increase in special assessment revenue (reflected as capital grants and contributions), while holding operating expenses to a minimal increase. The special assessment increase is a result of an increased development and the levying of assessments to help defray the costs of infrastructure improvements.

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. In general, the overall revenue generated by the levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00.

The City also receives an income tax, which is based on 1.5% of all salaries, wages, commissions and other compensation earned from residents living within the City and from nonresidents for work done or services performed or rendered in the City.

Property taxes and income taxes made up 3.6% and 39% respectively of revenues for governmental activities for the City in fiscal year 2003. The City's reliance upon tax revenues is demonstrated by the following graph indicating 42.93% of total revenues from general tax revenues:



**Business-Type Activities**

Net assets of the business-type activities increased by \$5,415,697. This increase was the result of an increase in user rates for water, sewer and trash customers, while keeping expenditure increases to a minimum. User rates are increased annually based on the average of the national inflationary rate for the previous three years. Also, in September 2003, City Council passed an ordinance to revise the schedule of fees and rates, which increased some of the current fees and rates above the annual increase and established new fees. There was also an increase in capital contributions due to the large amount of continued development in the City.

**CITY OF SPRINGBORO, OHIO**

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**Management's Discussion and Analysis  
For the Year Ended December 31, 2003**

**Unaudited**

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**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

The City's governmental funds reported a combined fund balance of \$5,223,013, which is a increase from last year's balance of \$1,479,888. The schedule below indicates the fund balance and the total change in fund balance by fund type as of December 31, 2003 and 2002:

	<u>Fund Balance (Deficit) December 31, 2003</u>	<u>Fund Balance (Deficit) December 31, 2002</u>	<u>Increase (Decrease)</u>
General	\$2,636,585	\$2,286,844	\$349,741
Debt Service	(67,752)	26,767	(94,519)
Construction (Capital Project)	197,253	(3,117,527)	3,314,780
Income Tax Capital Improvement (Capital Project)	1,343,141	1,409,259	(66,118)
Other Governmental	<u>1,113,786</u>	<u>874,545</u>	<u>239,241</u>
Total	<u>\$5,223,013</u>	<u>\$1,479,888</u>	<u>\$3,743,125</u>

General Fund – The City's General Fund balance increase is due mainly to reduced subsidies to other funds in the form of transfers. The tables that follow assist in illustrating the financial activities and balance of the General Fund:

	<u>2003 Revenues</u>	<u>2002 Revenues</u>	<u>Increase (Decrease)</u>
Municipal Income Taxes	\$4,392,974	\$4,336,098	\$56,876
Property and Other Taxes	479,090	437,192	41,898
Intergovernmental Revenue	568,900	556,064	12,836
Charges for Services	749,346	675,520	73,826
Fines, Licenses and Permits	581,131	557,696	23,435
Investment Earnings	212,753	426,042	(213,289)
All Other Revenue	<u>331,996</u>	<u>336,806</u>	<u>(4,810)</u>
Total	<u>\$7,316,190</u>	<u>\$7,325,418</u>	<u>(\$9,228)</u>

**CITY OF SPRINGBORO, OHIO**

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**Management's Discussion and Analysis  
For the Year Ended December 31, 2003**

**Unaudited**

General Fund revenues in 2003 decreased approximately .1% compared to revenues in fiscal year 2002. The most significant factor contributing to this decrease was the drop in investment earnings. Investment earnings decreased 50% due to the significant decrease in rates earned by investments.

	2003	2002	Increase
	<u>Expenditures</u>	<u>Expenditures</u>	<u>(Decrease)</u>
Security of Persons and Property	\$2,139,311	\$2,101,903	\$37,408
Public Health and Welfare Services	6,343	1,829	4,514
Leisure Time Activities	320,075	360,850	(40,775)
Community Environment	739,251	978,325	(239,074)
General Government	3,249,602	2,903,183	346,419
Debt Service:			
Principal Retirement	5,296	5,055	241
Interest and Fiscal Charges	315	556	(241)
Total	<u>\$6,460,193</u>	<u>\$6,351,701</u>	<u>\$108,492</u>

General Fund expenditures increased by \$108,492 or 1.7% over the prior year mostly due to increases in health insurance and workers' compensation premiums for the City's employees. In addition, operating expenses associated with community environment decreased due to slowed residential and business growth in 2003 compared to 2002.

The City'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 2003 the City amended its General Fund budget several times, none significant.

For the General Fund, final budget basis revenue of \$6.8 million did not change over the original budget estimates of \$6.8 million. The General Fund had an adequate fund balance to cover expenditures.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of fiscal 2003 the City had \$95,113,904 net of accumulated depreciation invested in land, improvements, infrastructure, buildings, machinery and equipment and construction in progress. Of this total, \$33,722,768 was related to governmental activities and \$61,391,136 to the business-type activities. The following table shows fiscal year 2003 and 2002 balances:

	Governmental Activities		Increase (Decrease)
	2003	2002	
Land	\$13,993,874	\$13,355,351	\$638,523
Construction in Progress	391,660	319,469	72,191
Total Non-Depreciable Capital Assets	14,385,534	13,674,820	710,714
Improvements	396,214	322,099	74,115
Infrastructure	29,199,205	27,472,904	1,726,301
Buildings	2,017,001	2,017,001	0
Machinery and Equipment	2,712,153	2,686,234	25,919
Less: Accumulated Depreciation	(14,987,339)	(13,758,995)	(1,228,344)
Total Depreciable Capital Assets	19,337,234	18,739,243	597,991
Totals	\$33,722,768	\$32,414,063	\$1,308,705

	Business-Type Activities		Increase (Decrease)
	2003	2002	
Land	\$8,532,390	\$8,532,390	\$0
Construction in Progress	601,870	336,078	265,792
Total Non-Depreciable Capital Assets	9,134,260	8,868,468	265,792
Buildings	3,353,994	3,324,609	29,385
Land Improvements	698,787	599,322	99,465
Infrastructure	56,054,433	53,003,201	3,051,232
Machinery and Equipment	1,347,870	1,307,492	40,378
Less: Accumulated Depreciation	(9,198,208)	(8,171,632)	(1,026,576)
Total Non-Depreciable Capital Assets	52,256,876	50,062,992	2,193,884
Totals	\$61,391,136	\$58,931,460	\$2,459,676

The primary increases occurred in land and infrastructure for governmental activities. Both amounts were related to infrastructure improvements. The increase in business-type activities capital assets occurred primarily in infrastructure (i.e. water and sewer lines). This is a result of the continued business and residential growth taking place within the City.

## **CITY OF SPRINGBORO, OHIO**

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### **Management's Discussion and Analysis For the Year Ended December 31, 2003**

**Unaudited**

As of December 31, 2003, the City has contractual commitments of \$1,727,361 for various projects. Included in these projects are the design of the wastewater treatment plant expansion, street improvements and amphitheater. Additional information on the City's capital assets can be found in Note 10.

#### **Debt**

At December 31, 2003, the City had \$30.99 million in bonds outstanding, \$1,383,000 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2003 and 2002:

	<u>2003</u>	<u>2002</u>
Governmental Activities:		
Special Assessment Bonds	\$3,907,000	\$2,194,000
General Obligation Bonds	3,082,900	3,356,200
Capital Leases Payable	164,037	243,290
Compensated Absences	150,975	142,404
Total Governmental Activities	<u>7,304,912</u>	<u>5,935,894</u>
Business-Type Activities:		
General Obligation Bonds	\$4,095,978	\$4,256,829
Mortgage Revenue Bonds	19,910,000	20,620,000
Capital Leases Payable	223,502	185,392
Compensated Absences	47,295	42,484
Total Business-Type Activities	<u>24,276,775</u>	<u>25,104,705</u>
Totals	<u>\$31,581,687</u>	<u>\$31,040,599</u>

State statutes limit the amount of unvoted general obligation debt the City may issue. The aggregate amount of the City's unvoted debt is also subject to overlapping debt restrictions with other political subdivisions. The actual aggregate amount of the City's unvoted debt, when added to that of other political subdivisions within the respective counties in which Springboro lies, is limited to ten mills. At December 31, 2003, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 14.

#### **ECONOMIC FACTORS**

The City's budget for 2004 is very conservative. Springboro is the third fastest growing City in Ohio and with the current economic uncertainties, planning for the future is a challenge. City Council decided they wanted to maintain current service levels to the residents of the City, utilizing some of the reserve funds. General Fund revenues are projected to be 3.5% less than actual receipts for 2003. This is due to the decrease in interest income because of the low interest rates on investments and also because of the reduction in state shared revenue.

General Fund expenditures were budgeted at 2% more than 2003 actual expenditures. This is mainly due to the increased cost of insurances. The City is still making an effort to reduce expenses: employee wage increases were capped, for the second year, in 2004; capital projects and capital acquisitions were reduced; and only those items that were really necessary were appropriated.

City Council continues to pursue new revenue sources. In March 2004 City Council took action to reduce the income tax credit allowed for income taxes paid to another municipality, to allow for increased revenue in the General Fund. If the current economic conditions continue, it will be imperative to take further action to increase revenue in order to maintain fiscal stability. A Citizen's Task Force was established to review options and make a recommendation to City Council for additional increased revenue for the General Fund.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information contact the Finance Department by calling 937-748-4353 or writing to City of Springboro Finance Department, 320 West Central Avenue, Springboro, Ohio 45066.

**CITY OF SPRINGBORO, OHIO**

**Statement of Net Assets  
December 31, 2003**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 2,196,997	\$ 2,529,094	\$ 4,726,091
Investments	2,953,539	9,725,918	12,679,457
Receivables:			
Property Taxes	546,674	0	546,674
Accounts	36	927,017	927,053
Intergovernmental	1,221,252	0	1,221,252
Income Taxes	1,238,774	0	1,238,774
Special Assessments	5,453,981	0	5,453,981
Internal Balances	1,236,233	(1,236,233)	0
Inventory of Supplies at Cost	61,722	28,453	90,175
Inventory Held for Resale	0	35,240	35,240
Prepaid Items	58,337	43,738	102,075
Restricted Assets:			
Cash and Cash Equivalents	0	53,311	53,311
Cash and Cash Equivalents with Fiscal Agent	3,237	903,142	906,379
Investments with Fiscal Agent	0	1,516,550	1,516,550
Non-Depreciable Capital Assets	14,385,534	9,134,260	23,519,794
Depreciable Capital Assets, Net	19,337,234	52,256,876	71,594,110
Unamortized Bond Issuance Costs	0	750,338	750,338
Deferred Loss on Early Retirement of Debt	0	441,631	441,631
<b>Total Assets</b>	<b>48,693,550</b>	<b>77,109,335</b>	<b>125,802,885</b>
<b>Liabilities:</b>			
Accounts Payable	533,076	319,868	852,944
Accrued Wages and Benefits	82,797	18,019	100,816
Intergovernmental Payable	191,230	57,937	249,167
Claims Payable	45,836	0	45,836
Matured Bonds & Interest Payable	3,237	0	3,237
Refundable Deposits	0	53,311	53,311
Deferred Revenue	526,646	73,293	599,939
Accrued Interest Payable	100,608	101,012	201,620
General Obligation Notes Payable	2,240,000	0	2,240,000
Long Term Liabilities:			
Amounts Due within one year	556,948	989,250	1,546,198
Amounts Due in More Than One Year	6,747,964	23,287,525	30,035,489
<b>Total Liabilities</b>	<b>11,028,342</b>	<b>24,900,215</b>	<b>35,928,557</b>
<b>Net Assets:</b>			
Invested in Capital Assets, Net of Related Debt	26,568,831	38,353,625	64,922,456
Restricted For:			
Capital Projects	2,046,216	0	2,046,216
Debt Service	5,302,858	2,524,224	7,827,082
Other Purposes	842,340	0	842,340
Unrestricted	2,904,963	11,331,271	14,236,234
<b>Total Net Assets</b>	<b>\$ 37,665,208</b>	<b>\$ 52,209,120</b>	<b>\$ 89,874,328</b>

See accompanying notes to the basic financial statements

**CITY OF SPRINGBORO, OHIO**

**Statement of Activities  
For the Year Ended December 31, 2003**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
Security of Persons and Property	\$ 2,509,238	\$ 29,809	\$ 137,084	\$ 0
Public Health and Welfare Services	6,950	0	0	0
Leisure Time Activities	451,964	232,856	0	0
Community Environment	820,106	372,617	0	0
Transportation	1,829,937	95	0	6,088,874
General Government	3,758,165	951,148	0	0
Interest and Fiscal Charges	438,662	0	0	0
<b>Total Governmental Activities</b>	<b>9,815,022</b>	<b>1,586,525</b>	<b>137,084</b>	<b>6,088,874</b>
<b>Business-Type Activities:</b>				
Golf Course	2,153,667	2,197,741	0	0
Water	2,754,140	2,697,118	0	1,537,210
Sewer	2,462,129	1,904,284	0	3,705,488
Trash	545,247	752,780	0	0
<b>Total Business-Type Activities</b>	<b>7,915,183</b>	<b>7,551,923</b>	<b>0</b>	<b>5,242,698</b>
<b>Totals</b>	<b>\$ 17,730,205</b>	<b>\$ 9,138,448</b>	<b>\$ 137,084</b>	<b>\$ 11,331,572</b>

**General Revenues:**

Income Taxes  
Property Taxes  
Other Local Taxes  
Motor Vehicle and Gasoline Taxes  
Shared Revenues  
Investment Earnings  
Miscellaneous

**Transfers**

Total General Revenues

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See accompanying notes to the basic financial statements

**CITY OF SPRINGBORO, OHIO**

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Net (Expense) Revenue  
and Changes in Net Assets

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Governmental Activities	Business-Type Activities	Total
\$ (2,342,345)	\$ 0	\$ (2,342,345)
(6,950)	0	(6,950)
(219,108)	0	(219,108)
(447,489)	0	(447,489)
4,259,032	0	4,259,032
(2,807,017)	0	(2,807,017)
(438,662)	0	(438,662)
<u>(2,002,539)</u>	<u>0</u>	<u>(2,002,539)</u>
0	44,074	44,074
0	1,480,188	1,480,188
0	3,147,643	3,147,643
0	207,533	207,533
<u>0</u>	<u>4,879,438</u>	<u>4,879,438</u>
<u>(2,002,539)</u>	<u>4,879,438</u>	<u>2,876,899</u>
6,577,076	0	6,577,076
613,347	0	613,347
53,455	0	53,455
632,690	0	632,690
600,492	0	600,492
204,171	26,667	230,838
380,568	0	380,568
(509,592)	509,592	0
<u>8,552,207</u>	<u>536,259</u>	<u>9,088,466</u>
6,549,668	5,415,697	11,965,365
<u>31,115,540</u>	<u>46,793,423</u>	<u>77,908,963</u>
<u>\$ 37,665,208</u>	<u>\$ 52,209,120</u>	<u>\$ 89,874,328</u>

**CITY OF SPRINGBORO, OHIO**

**Balance Sheet  
Governmental Funds  
December 31, 2003**

	General	Debt Service	Construction
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 552,916	\$ 161,282	\$ 431,775
Investments	0	0	2,063,715
Receivables:			
Property Taxes	546,674	0	0
Accounts	10	0	0
Intergovernmental	356,885	0	465,566
Income Taxes	862,167	0	0
Special Assessments	0	5,453,981	0
Interfund Loans Receivable	1,236,233	0	0
Advance to Other Funds	229,034	0	0
Inventory of Supplies, at Cost	9,429	0	0
Prepaid Items	54,118	0	0
Restricted Assets:			
Cash and Cash Equivalents with Fiscal Agent	0	3,237	0
<b>Total Assets</b>	<b>\$ 3,847,466</b>	<b>\$ 5,618,500</b>	<b>\$ 2,961,056</b>
<b>Liabilities:</b>			
Accounts Payable	\$ 86,267	\$ 0	\$ 415,700
Accrued Wages and Benefits Payable	76,440	0	0
Intergovernmental Payable	110,915	0	0
Claims Payable	45,836	0	0
Matured Bonds and Interest Payable	0	3,237	0
Advances from Other Funds	0	229,034	0
Deferred Revenue	890,297	5,453,981	90,866
Compensated Absences Payable	1,126	0	0
Accrued Interest Payable	0	0	17,237
General Obligation Notes Payable	0	0	2,240,000
<b>Total Liabilities</b>	<b>1,210,881</b>	<b>5,686,252</b>	<b>2,763,803</b>
<b>Fund Balances:</b>			
Reserved for Encumbrances	191,761	0	1,120,430
Reserved for Prepaid Items	54,118	0	0
Reserved for Supplies Inventory	9,429	0	0
Reserved for Interfund Loans Receivable	1,236,233	0	0
Undesignated/Unreserved in:			
General Fund	1,145,044	0	0
Special Revenue Funds	0	0	0
Debt Service Fund (Deficit)	0	(67,752)	0
Capital Projects (Deficit)	0	0	(923,177)
<b>Total Fund Balances</b>	<b>2,636,585</b>	<b>(67,752)</b>	<b>197,253</b>
<b>Total Liabilities and Funds Balances</b>	<b>\$ 3,847,466</b>	<b>\$ 5,618,500</b>	<b>\$ 2,961,056</b>

See accompanying notes to the basic financial statements

**CITY OF SPRINGBORO, OHIO**

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Income Tax Capital Improvement	Other Governmental Funds	Total Governmental Funds
\$ 186,171	\$ 864,853	\$ 2,196,997
889,824	0	2,953,539
0	0	546,674
0	26	36
0	398,801	1,221,252
376,607	0	1,238,774
0	0	5,453,981
0	0	1,236,233
0	0	229,034
0	52,293	61,722
0	4,219	58,337
0	0	3,237
<u>\$ 1,452,602</u>	<u>\$ 1,320,192</u>	<u>\$ 15,199,816</u>
\$ 0	\$ 31,109	\$ 533,076
0	6,357	82,797
0	11,907	122,822
0	0	45,836
0	0	3,237
0	0	229,034
109,461	157,033	6,701,638
0	0	1,126
0	0	17,237
0	0	2,240,000
<u>109,461</u>	<u>206,406</u>	<u>9,976,803</u>
0	271,795	1,583,986
0	4,219	58,337
0	52,293	61,722
0	0	1,236,233
0	0	1,145,044
0	636,736	636,736
0	0	(67,752)
<u>1,343,141</u>	<u>148,743</u>	<u>568,707</u>
<u>1,343,141</u>	<u>1,113,786</u>	<u>5,223,013</u>
<u>\$ 1,452,602</u>	<u>\$ 1,320,192</u>	<u>\$ 15,199,816</u>

**CITY OF SPRINGBORO, OHIO**

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***Reconciliation Of Total Governmental Fund Balances  
To Net Assets Of Governmental Activities  
December 31, 2003***

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<b>Total Governmental Fund Balances</b>	\$	5,223,013
 <i>Amounts reported for governmental activities in the statement of net assets are different because</i>		
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.		33,722,768
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.		6,174,992
Long-term liabilities, including bonds payable, pension fund payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds.		<u>(7,455,565)</u>
<b><i>Net Assets of Governmental Funds</i></b>	<b>\$</b>	<b><u>37,665,208</u></b>

See accompanying notes to the basic financial statements



**CITY OF SPRINGBORO, OHIO**

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2003**

	General	Debt Service	Construction
<b>Revenues:</b>			
Municipal Income Tax	\$ 4,392,974	\$ 0	\$ 0
Property and Other Taxes	479,090	0	0
Intergovernmental Revenues	568,900	34,305	669,888
Charges for Services	749,346	0	0
Fines, Licenses and Permits	581,131	0	0
Investment Earnings	212,753	0	(5,379)
Special Assessments	0	299,856	0
Donations	0	0	0
All Other Revenue	331,996	36,250	12,322
<b>Total Revenue</b>	<b>7,316,190</b>	<b>370,411</b>	<b>676,831</b>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property	2,139,311	0	0
Public Health and Welfare Services	6,343	0	0
Leisure Time Activities	320,075	0	0
Community Environment	739,251	0	0
Transportation	0	0	0
General Government	3,249,602	0	71,485
Capital Outlay	0	0	1,026,562
Debt Service:			
Principal Retirement	5,296	400,300	0
Interest & Fiscal Charges	315	299,044	104,238
<b>Total Expenditures</b>	<b>6,460,193</b>	<b>699,344</b>	<b>1,202,285</b>
Excess (Deficiency) of Revenues			
Over Expenditures	855,997	(328,933)	(525,454)
<b>Other Financing Sources (Uses):</b>			
Special Assessment Bonds Issued	0	0	1,840,000
Transfers In	75,000	234,414	2,085,000
Transfers Out	(581,368)	0	(84,766)
<b>Total Other Financing Sources (Uses)</b>	<b>(506,368)</b>	<b>234,414</b>	<b>3,840,234</b>
Net Change in Fund Balances	349,629	(94,519)	3,314,780
<b>Fund Balances at Beginning of Year</b>	<b>2,286,844</b>	<b>26,767</b>	<b>(3,117,527)</b>
Increase in Inventory Reserve	112	0	0
<b>Fund Balances (Deficit) End of Year</b>	<b>\$ 2,636,585</b>	<b>\$ (67,752)</b>	<b>\$ 197,253</b>

See accompanying notes to the basic financial statements

**CITY OF SPRINGBORO, OHIO**

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Income Tax Capital Improvement	Other Governmental Funds	Total Governmental Funds
\$ 2,147,085	\$ 0	\$ 6,540,059
0	187,712	666,802
0	760,261	2,033,354
0	26	749,372
0	220,045	801,176
(3,203)	0	204,171
0	0	299,856
0	8,588	8,588
0	27,389	407,957
<u>2,143,882</u>	<u>1,204,021</u>	<u>11,711,335</u>
0	53,247	2,192,558
0	0	6,343
0	0	320,075
0	0	739,251
0	628,947	628,947
0	22,748	3,343,835
0	152,761	1,179,323
0	73,957	479,553
0	12,653	416,250
<u>0</u>	<u>944,313</u>	<u>9,306,135</u>
2,143,882	259,708	2,405,200
0	0	1,840,000
0	152,546	2,546,960
<u>(2,210,000)</u>	<u>(180,754)</u>	<u>(3,056,888)</u>
<u>(2,210,000)</u>	<u>(28,208)</u>	<u>1,330,072</u>
(66,118)	231,500	3,735,272
1,409,259	874,545	1,479,888
0	7,741	7,853
<u>\$ 1,343,141</u>	<u>\$ 1,113,786</u>	<u>\$ 5,223,013</u>

**CITY OF SPRINGBORO, OHIO**

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***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 December 31, 2003***

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**Net Change in Fund Balances - Total Governmental Funds** \$ 3,735,272

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period. (932,467)

The net effect of various miscellaneous transactions involving capital assets (i.e. disposals and donations) is to increase net assets. 2,240,836

Revenues and transfers in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 2,863,427

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. (1,360,447)

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (22,412)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 25,459

***Change in Net Assets of Governmental Activities*** \$ 6,549,668

See accompanying notes to the basic financial statements

**CITY OF SPRINGBORO, OHIO**

**Statement of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
General Fund  
For the Year Ended December 31, 2003**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Municipal Income Tax	\$ 4,215,600	\$ 4,215,600	\$ 4,429,253	\$ 213,653
Property and Other Taxes	424,385	424,385	476,689	52,304
Intergovernmental Revenue	546,275	546,275	478,909	(67,366)
Charges for Services	743,800	743,800	749,346	5,546
Fines, Licenses and Permits	474,300	474,300	582,354	108,054
Investment Earnings	310,000	310,000	212,725	(97,275)
All Other Revenues	160,100	160,100	340,592	180,492
Total Revenues	<u>6,874,460</u>	<u>6,874,460</u>	<u>7,269,868</u>	<u>395,408</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	2,123,391	2,252,241	2,106,761	145,480
Public Health and Welfare Services	6,344	6,344	6,343	1
Leisure Time Activities	346,362	350,862	319,993	30,869
Community Environment	830,932	949,682	863,507	86,175
General Government	3,665,570	3,631,170	3,355,304	275,866
Debt Service:				
Principal Retirement	5,296	5,296	5,296	0
Interest and Fiscal Charges	315	315	315	0
Total Expenditures	<u>6,978,210</u>	<u>7,195,910</u>	<u>6,657,519</u>	<u>538,391</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(103,750)	(321,450)	612,349	933,799
<b>Other Financing Sources (Uses):</b>				
Transfers In	75,000	75,000	75,000	0
Transfers Out	(517,600)	(589,600)	(581,368)	8,232
Advances In	45,000	45,000	122,441	77,441
Advances Out	(45,000)	(296,034)	(295,979)	55
Total Other Financing Sources (Uses):	<u>(442,600)</u>	<u>(765,634)</u>	<u>(679,906)</u>	<u>85,728</u>
Net Change in Fund Balance	(546,350)	(1,087,084)	(67,557)	1,019,527
Fund Balance at Beginning of Year	1,401,392	1,401,392	1,401,392	0
Prior Year Encumbrances	209,391	209,391	209,391	0
Fund Balance at End of Year	<u>\$ 1,064,433</u>	<u>\$ 523,699</u>	<u>\$ 1,543,226</u>	<u>\$ 1,019,527</u>

See accompanying notes to the basic financial statements

**CITY OF SPRINGBORO, OHIO**

**Statement of Net Assets  
Proprietary Funds  
December 31, 2003**

	Business-Type Activities				
	Enterprise Funds				Total
	Golf Course	Water	Sewer	Trash	
<b>Assets:</b>					
<i>Current Assets:</i>					
Cash and Cash Equivalents	\$ 0	\$ 1,141,915	\$ 839,651	\$ 547,528	\$ 2,529,094
Investments	0	5,712,716	4,013,202	0	9,725,918
Receivables:					
Accounts	108,836	333,575	355,647	128,959	927,017
Inventory of Supplies at Cost	28,453	0	0	0	28,453
Inventory Held for Resale	35,240	0	0	0	35,240
Prepaid Items	7,231	26,551	9,920	36	43,738
<i>Total Current Assets</i>	<u>179,760</u>	<u>7,214,757</u>	<u>5,218,420</u>	<u>676,523</u>	<u>13,289,460</u>
<i>Non Current Assets:</i>					
Restricted Assets:					
Cash and Cash Equivalents	0	53,311	0	0	53,311
Cash and Cash Equivalents with Fiscal Agent	0	663,848	239,294	0	903,142
Investments with Fiscal Agent	0	1,069,559	446,991	0	1,516,550
Non-Depreciable Capital Assets	7,755,718	752,066	626,476	0	9,134,260
Depreciable Capital Assets, Net	2,928,004	26,799,358	22,529,514	0	52,256,876
Unamortized Bond Issuance Cost	68,330	463,810	218,198	0	750,338
Deferred Loss on Early Retirement of Debt	314,138	0	127,493	0	441,631
<i>Total Noncurrent Assets</i>	<u>11,066,190</u>	<u>29,801,952</u>	<u>24,187,966</u>	<u>0</u>	<u>65,056,108</u>
<b>Total Assets</b>	<u>11,245,950</u>	<u>37,016,709</u>	<u>29,406,386</u>	<u>676,523</u>	<u>78,345,568</u>
<b>Liabilities:</b>					
<i>Current Liabilities:</i>					
Accounts Payable	36,360	43,377	197,412	42,719	319,868
Accrued Wages and Benefits	0	11,640	5,533	846	18,019
Intergovernmental Payable	0	41,528	14,969	1,440	57,937
Refundable Deposits	0	53,311	0	0	53,311
Deferred Revenue	73,293	0	0	0	73,293
Interfund Loans Payable	1,236,233	0	0	0	1,236,233
Accrued Interest Payable	16,981	66,007	18,024	0	101,012
Capital Leases - Current	42,604	0	38,396	0	81,000
General Obligation Bonds - Current	130,000	18,750	19,500	0	168,250
Mortgage Revenue - Current	0	565,000	175,000	0	740,000
<i>Total Current Liabilities</i>	<u>1,535,471</u>	<u>799,613</u>	<u>468,834</u>	<u>45,005</u>	<u>2,848,923</u>
<i>Noncurrent Liabilities:</i>					
Compensated Absences Payable	0	28,168	17,364	1,763	47,295
Capital Leases Payable	122,451	0	20,051	0	142,502
General Obligation Bonds Payable	3,783,878	83,750	60,100	0	3,927,728
Revenue Bonds Payable	0	15,510,000	3,660,000	0	19,170,000
<i>Total Noncurrent Liabilities</i>	<u>3,906,329</u>	<u>15,621,918</u>	<u>3,757,515</u>	<u>1,763</u>	<u>23,287,525</u>
<b>Total Liabilities</b>	<u>5,441,800</u>	<u>16,421,531</u>	<u>4,226,349</u>	<u>46,768</u>	<u>26,136,448</u>
<b>Net Assets:</b>					
Invested in Capital Assets, Net of Related Debt	6,987,257	11,837,734	19,528,634	0	38,353,625
Restricted for:					
Debt Service	0	1,837,939	686,285	0	2,524,224
Unrestricted	(1,183,107)	6,919,505	4,965,118	629,755	11,331,271
<b>Total Net Assets</b>	<u>\$ 5,804,150</u>	<u>\$ 20,595,178</u>	<u>\$ 25,180,037</u>	<u>\$ 629,755</u>	<u>\$ 52,209,120</u>

See accompanying notes to the basic financial statements

**CITY OF SPRINGBORO, OHIO**

**Statement of Revenues, Expenses and Changes in Fund Net Assets  
Proprietary Funds  
For the Year Ended December 31, 2003**

	Business-Type Activities				Total
	Enterprise Funds				
	Golf Course	Water	Sewer	Trash	
<b>Operating Revenues:</b>					
Charges for Services	\$ 1,333,669	\$ 2,692,668	\$ 1,904,284	\$ 752,780	\$ 6,683,401
Sales	802,416	0	0	0	802,416
Other Operating Revenue	61,656	4,450	0	0	66,106
<b>Total Operating Revenues</b>	<b>2,197,741</b>	<b>2,697,118</b>	<b>1,904,284</b>	<b>752,780</b>	<b>7,551,923</b>
<b>Operating Expenses:</b>					
Personal Services	0	564,108	300,775	38,751	903,634
Contractual Services	1,348,946	803,159	1,463,429	497,236	4,112,770
Materials and Supplies	201,520	88,197	10,664	9,260	309,641
Cost of Goods Sold	213,189	0	0	0	213,189
Depreciation	150,907	483,533	426,695	0	1,061,135
<b>Total Operating Expenses</b>	<b>1,914,562</b>	<b>1,938,997</b>	<b>2,201,563</b>	<b>545,247</b>	<b>6,600,369</b>
Operating Income (Loss)	283,179	758,121	(297,279)	207,533	951,554
<b>Nonoperating Revenue (Expenses):</b>					
Investment Earnings	17,017	9,809	(159)	0	26,667
Interest and Fiscal Charges	(238,457)	(815,143)	(260,566)	0	(1,314,166)
Loss on Disposal of Capital Assets	(648)	0	0	0	(648)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(222,088)</b>	<b>(805,334)</b>	<b>(260,725)</b>	<b>0</b>	<b>(1,288,147)</b>
Income (Loss) Before Contributions and Transfers	61,091	(47,213)	(558,004)	207,533	(336,593)
Capital Contributions - Tap in Fees	0	1,240,475	1,499,281	0	2,739,756
Capital Contributions	0	296,735	2,206,207	0	2,502,942
Transfers In	584,928	0	0	0	584,928
Transfers Out	0	(35,336)	(35,000)	(5,000)	(75,336)
Change in Net Assets	646,019	1,454,661	3,112,484	202,533	5,415,697
Net Assets Beginning of Year	5,158,131	19,140,517	22,067,553	427,222	46,793,423
Net Assets End of Year	\$ 5,804,150	\$ 20,595,178	\$ 25,180,037	\$ 629,755	\$ 52,209,120

See accompanying notes to the basic financial statements

**CITY OF SPRINGBORO, OHIO**

**Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2003**

	<u>Golf Course</u>	<u>Water</u>	<u>Sewer</u>	<u>Trash</u>	<u>Totals</u>
<u>Cash Flows from Operating Activities:</u>					
Cash Received from Customers	\$2,026,603	\$2,600,082	\$1,764,658	\$689,400	\$7,080,743
Other Operating Receipts	80,017	4,928	0	0	84,945
Cash Payments for Goods and Services	(1,726,851)	(968,389)	(1,350,549)	(503,656)	(4,549,445)
Cash Payments to Employees	0	(550,926)	(297,396)	(38,172)	(886,494)
Net Cash Provided by Operating Activities	<u>379,769</u>	<u>1,085,695</u>	<u>116,713</u>	<u>147,572</u>	<u>1,729,749</u>
<u>Cash Flows from Noncapital Financing Activities:</u>					
Payment of Interfund Loans	(1,794,135)	0	0	0	(1,794,135)
Receipt of Interfund Loans	1,236,233	0	0	0	1,236,233
Transfers In from Other Funds	584,928	0	0	0	584,928
Transfers Out to Other Funds	0	(35,000)	(35,000)	(5,000)	(75,000)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>27,026</u>	<u>(35,000)</u>	<u>(35,000)</u>	<u>(5,000)</u>	<u>(47,974)</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>					
Cash Received from Tap-in Fees in Excess of Cost	0	1,240,475	1,499,281	0	2,739,756
Acquisition and Construction of Assets	(39,210)	(656,240)	(208,037)	0	(903,487)
Principal Paid on General Obligation Bonds	(125,000)	(17,500)	(19,200)	0	(161,700)
Principal Paid on Capital Lease	(41,670)	0	(36,227)	0	(77,897)
Principal Paid on Mortgage Revenue Bonds	0	(545,000)	(165,000)	0	(710,000)
Interest Paid on All Debt	(217,932)	(792,420)	(225,655)	0	(1,236,007)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(423,812)</u>	<u>(770,685)</u>	<u>845,162</u>	<u>0</u>	<u>(349,335)</u>
<u>Cash Flows from Investing Activities:</u>					
Receipt of Interest	17,017	55,284	26,929	0	99,230
Purchase of Investments	0	(3,020,383)	(2,382,616)	0	(5,402,999)
Net Cash Provided (Used) by Investing Activities	<u>17,017</u>	<u>(2,965,099)</u>	<u>(2,355,687)</u>	<u>0</u>	<u>(5,303,769)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	0	(2,685,089)	(1,428,812)	142,572	(3,971,329)
Cash and Cash Equivalents at Beginning of Year	0	4,544,163	2,507,757	404,956	7,456,876
Cash and Cash Equivalents at End of Year	<u>\$0</u>	<u>\$1,859,074</u>	<u>\$1,078,945</u>	<u>\$547,528</u>	<u>\$3,485,547</u>
<u>Reconciliation of Cash and Cash Equivalents per the Balance Sheet:</u>					
Cash and Cash Equivalents	\$0	\$1,141,915	\$839,651	\$547,528	\$2,529,094
Restricted Cash and Cash Equivalents	0	53,311	0	0	53,311
Restricted Cash with Fiscal and Escrow Agents	0	663,848	239,294	0	903,142
Cash and Cash Equivalents at End of Year	<u>\$0</u>	<u>\$1,859,074</u>	<u>\$1,078,945</u>	<u>\$547,528</u>	<u>\$3,485,547</u>

(continued)

## ***CITY OF SPRINGBORO, OHIO***

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### ***Statement of Cash Flows Proprietary Funds For the Year Ended December 31, 2003***

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#### Reconciliation of Operating Income to Net Cash

##### Provided by Operating Activities:

Operating Income (Loss)	\$283,179	\$758,121	(\$297,279)	\$207,533	\$951,554
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Depreciation Expense	150,907	483,533	426,695	0	1,061,135
Changes in Assets and Liabilities:					
Increase in Accounts Receivable	(63,986)	(92,586)	(139,626)	(63,380)	(359,578)
Increase in Inventory	(6,004)	0	0	0	(6,004)
Increase in Inventory Held for Resale	(2,248)	0	0	0	(2,248)
Increase in Prepaid Items	(485)	(9,927)	(6,961)	(36)	(17,409)
Increase (Decrease) in Accounts Payable	7,485	(62,949)	125,480	2,876	72,892
Increase in Accrued Wages and Benefits	0	2,613	567	141	3,321
Increase in Intergovernmental Payable	0	10,030	7,248	305	17,583
Increase in Deferred Revenue	10,921	0	0	0	10,921
Decrease in Refundable Deposits	0	(7,229)	0	0	(7,229)
Increase in Compensated Absences	0	4,089	589	133	4,811
Total Adjustments	<u>96,590</u>	<u>327,574</u>	<u>413,992</u>	<u>(59,961)</u>	<u>778,195</u>
Net Cash Provided by Operating Activities	<u>\$379,769</u>	<u>\$1,085,695</u>	<u>\$116,713</u>	<u>\$147,572</u>	<u>\$1,729,749</u>

##### Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2003, the Sewer and Water Funds had outstanding liabilities of \$6,767 and \$24,961, respectively for the purchase of certain capital assets. During 2003, the Sewer and Water Funds received \$2,206,207 and \$296,735, respectively, of capital assets donated by developers. The Golf Course Fund incurred a new lease liability of \$116,007 in 2003. During 2003, the fair value of investments decreased by \$27,088 and \$45,475, respectively in the Sewer and Water Funds.

See accompanying notes to the basic financial statements

**CITY OF SPRINGBORO, OHIO**

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**Statement of Net Assets  
Fiduciary Funds  
December 31, 2003**

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	<u>Agency Funds</u>
<b>Assets:</b>	
Cash and Cash Equivalents	\$ 5,799
Receivables:	
Special Assessments	<u>162,657</u>
<b>Total Assets</b>	<u>168,456</u>
<b>Liabilities:</b>	
Due to Others	162,657
Undistributed Monies	<u>5,799</u>
<b>Total Liabilities</b>	<u>168,456</u>
<b>Total Net Assets</b>	<u><u>\$ 0</u></u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Springboro, Ohio (the City) is a home rule municipal corporation created under the laws of the State of Ohio. The City operates under its own Charter. The current Charter, which provides for a Council - Manager form of government, was adopted November 7, 1978, became effective January 1, 1979, and was amended November 6, 1984. The six member Council and the Mayor are elected to four-year terms. The Council appoints a City Manager who serves as the chief executive officer, the head of the administrative agencies, and a law enforcement officer of the City. The City Manager appoints all of the department managers.

The financial statements are presented as of December 31, 2003 and for the year then ended and have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

**A. Reporting Entity**

The accompanying basic financial statements comply with the provisions of GASB Statement No. 14, *"The Financial Reporting Entity,"* in that the financial statements include all organizations, activities, functions and component units for which the City (the primary government) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the City's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the City.

Based on the foregoing, the City's financial reporting entity has no component units but includes all funds, agencies, boards and commissions that are part of the primary government, which includes the following services: police protection, street construction and maintenance, street lighting, parks and recreation, planning and zoning and other governmental services. In addition, golf, water, sewer and trash collection and disposal services are provided under an enterprise concept with user charges set by City Council to ensure adequate coverage of operating expenses and payments on outstanding debt.

The Warren County General Health District, a jointly governed organization, provides health services within the County. The Board of Health, which consists of a representative from each of the participating governments, oversees the operation of the District. The City is not financially accountable for the District. The County Commissioners serve as the taxing authority and the County Auditor and Treasurer serve as fiscal officers.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation - Fund Accounting**

The accounting system is organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures/(expenses). The various funds are summarized by type in the basic financial statements. The following fund types and account groups are used by the City:

***Governmental Funds***

The governmental funds are those funds through which most governmental functions typically are financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities (except those accounted for in the proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of "financial flow" (sources, uses and balances of financial resources). The following are the City's major governmental funds:

General Fund - This fund is used to account for all financial resources except those accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio and the limitations of the City Charter.

Debt Service Fund - This fund is used for the accumulation of resources for, and the payment of, general obligation and special assessment long-term debt principal and interest.

Construction Fund - This fund is used to account for transfers of income tax revenues and grants used for all construction projects not accounted for in the permanent improvement fund or the enterprise funds.

Income Tax Capital Improvement Fund - This fund is used to account for income tax proceeds from .5% of the City's 1.5% income tax. The funds are to be spent on capital projects at Council's discretion

***Proprietary Funds***

All proprietary funds are accounted for on an "economic resources" measurement focus. This measurement focus provides that all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation - Fund Accounting** (Continued)

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Enterprise Funds - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City's major enterprise funds are:

Golf Course Fund – To account for revenue received from user charges; such as greens fees, rentals and concessions, to be used for the general operation of Heatherwoode, an 18-hole championship golf course.

Water Fund – This fund is used to account for the operation of the City's water service.

Sewer Fund – This fund is used to account for the operation of the City's sanitary sewer service.

Trash Fund – This fund is used to account for the operation of the City's solid waste collection and disposal service.

***Fiduciary Funds***

Agency Funds - These funds are used to account for assets held by a government unit as an agent for individuals, private organizations, other governmental units, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**C. Basis of Presentation – Financial Statements**

**Government-wide Financial Statements** – The statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

Interfund receivables and payables between governmental and business-type activities have been eliminated in the government-wide Statement of Net Assets. These eliminations minimize the duplicating effect on assets and liabilities within the governmental and business-type activities total column.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation – Financial Statements (Continued)**

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund 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.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function or program of the City's governmental activities. 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 charges paid by the recipient of the 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 which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.

**Fund Financial Statements** – Fund financial statements report detailed information about the City. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Basis of Accounting**

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses in the accounts and reported in the financial statements, and relates to the timing of the measurements made. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. The term "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the City is 60 days after year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt which is recognized when due.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. Revenue from income taxes is recognized in the period in which the income is earned and is available. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the revenue is available. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis.

Revenue considered susceptible to accrual at year end includes income taxes withheld by employers, interest on investments, and state levied locally shared taxes (including motor vehicle license fees and local government assistance). Other revenue, including licenses, permits, certain charges for services, income taxes other than those withheld by employers and miscellaneous revenues are recorded as revenue when received in cash because generally these revenues are not measurable until received.

Special assessment installments including related interest, which are measurable but not available at December 31, are recorded as deferred revenue. Property taxes measurable as of December 31, 2003 but which are not intended to finance 2003 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred revenue.

The accrual basis of accounting is utilized for reporting purposes by the enterprise funds and the agency funds. Revenues are recognized when they are earned and expenses are recognized when incurred.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Basis of Accounting** (Continued)

Pursuant to GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting," the City follows GASB guidance as applicable to proprietary funds, as included in business-type activities and proprietary fund statements, and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements.

**E. Budgetary Process**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation ordinance are subject to amendment throughout the year.

All funds, other than agency funds, are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. The legal level of budgetary control is at the object level (personal services, operations and maintenance and capital outlay) within each department. Budgetary modifications may only be made by ordinance of the City Council.

**1. Tax Budget**

The City Finance Director submits an annual tax budget for the following fiscal year to City Council by July 15 for consideration and passage. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year for the period January 1 to December 31 of the following year.

**2. Estimated Resources**

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or if actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2003.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process** (Continued)

**3. Appropriations**

A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 through March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 through December 31. The appropriation ordinance establishes spending controls at the fund, department and object level, and may be modified during the year by ordinance of the City Council. Total fund appropriations may not exceed the current estimated resources as certified by the County Budget Commission. Expenditures may not legally exceed budgeted appropriations at the object level. The allocation of appropriations within a fund may be modified with the approval of the City Council. During 2003, several supplemental appropriations measures were necessary to budget the use of contingency funds and capital improvement projects. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual (Non-GAAP Budget) for the General Fund is presented on the budgetary basis to provide a comparison of actual results to the final budget, including all amendments and modifications.

**4. Lapsing of Appropriations**

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent fiscal year and need not be reappropriated.

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process** (Continued)

5. Budgetary Basis of Accounting

The City's budgetary process accounts for certain transactions on a basis other than generally accepted accounting principles (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on a cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting.

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

Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	General Fund
	<u>                    </u>
GAAP Basis (as reported)	\$349,629
Increase (Decrease):	
Accrued Revenues at December 31, 2003 received during 2004	(1,113,467)
Accrued Revenues at December 31, 2002 received during 2003	896,607
Accrued Expenditures at December 31, 2003 paid during 2004	320,584
Accrued Expenditures at December 31, 2002 paid during 2003	(284,261)
2002 Prepays for 2003	54,398
2003 Prepays for 2004	(54,118)
Outstanding Encumbrances	(236,929)
Budget Basis	<u><u>(\$67,557)</u></u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Cash and Cash Equivalents**

During 2003, cash and cash equivalents included amounts in demand deposits and U.S. Treasury Money Market accounts in Firststar Seasongood Asset Management and Fifth Third Liquid Asset Manager accounts with original maturities of less than three months.

The City pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and cash equivalents represents the balance on hand as if each fund maintained its own cash and cash equivalent account. See Note 5 "Cash, Cash Equivalents and Investments."

**G. Investments**

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", the City records all its investments at fair value. All investment income, including changes in the fair value of investments, are recognized as revenue in the operating statements. Fair value is determined by quoted market prices. See Note 5, "Cash, Cash Equivalents and Investments."

**H. Restricted Assets**

Restricted assets in the enterprise funds represent cash and cash equivalents and cash and cash equivalents with fiscal agents set aside to satisfy bond indenture requirements for current and future debt payments and for the replacement and improvement of capital assets originally acquired with bond proceeds. In addition, water and sewer customer deposits are presented as a restricted assets.

**I. Inventory**

Inventory is stated at cost (first-in, first-out) in the governmental funds and at the lower of cost or market (first-in, first-out) in the proprietary funds. The costs of inventory items are recorded as expenditures in the governmental funds when purchased. Inventories of enterprise funds are expensed when used.

**J. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2003, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**K. Capital Assets and Depreciation**

Capital assets are defined by the City as assets with an initial, individual cost of more than \$1,000 and an estimated useful life threshold of three or more years.

**1. Property, Plant and Equipment - Governmental Activities**

Governmental activities capital assets are those not directly related to the business type funds. These generally are acquired or constructed for governmental activities and are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years). These assets are reported in the Governmental Activities column of the Government-wide Statement of Net Assets, but they are not reported in the Fund Financial Statements.

Contributed capital assets are recorded at fair market value at the date received. Capital assets include land, improvements to land, buildings, building improvements, machinery, equipment and infrastructure. Infrastructure is defined as long-lived capital assets that normally are stationary in nature and normally can be preserved for a significant number of years. Examples of infrastructure include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems.

**2. Property, Plant and Equipment – Business Type Activities**

Property, plant and equipment acquired by the proprietary funds are stated at cost (or estimated historical cost), including interest capitalized during construction and architectural and engineering fees where applicable. Contributed capital assets are recorded at fair market value at the date received. These assets are reported in both the Business-Type Activities column of the Government-wide Statement of Net Assets and in the respective funds.

**3. Depreciation**

All capital assets are depreciated, excluding land. Depreciation on newly acquired/constructed streets begins in the year following acquisition. Depreciation has been provided using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Governmental and Business-Type Activities Estimated Lives (in years)</u>
Land and Land Improvements	15 - 60
Buildings	10 - 40
Infrastructure	50 - 65
Equipment	3 - 15
Utility Plant in Service	50 - 65

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**L. Long-Term Obligations**

Long-term liabilities are being repaid from the following funds:

<u>Obligation</u>	<u>Fund</u>
Special Assessment Bonds	Bond Retirement Fund
General Obligation Bonds	Bond Retirement Fund, Golf Course Fund, Sewer Fund and Water Fund.
Compensated Absences	General Fund, Street Maintenance and Repair Fund Sewer Fund, Trash Fund and Water Fund
Intergovernmental Payable	General Fund and the Street Maintenance and Repair Fund
Capital Lease Agreements	General Fund, Library Donation Fund, Golf Course Fund and Sewer Fund.
Mortgage Revenue Bonds	Sewer Fund and Water Fund

**M. Bond Discounts/Issuance Costs**

Bond discounts and issuance costs for proprietary fund types are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Bond discounts are presented as a reduction of the face amount of bonds payable, whereas issuance costs are recorded as deferred charges.

**N. Compensated Absences**

In accordance with GASB Statement No. 16, "Accounting for Compensated Absences," vacation and compensatory time are accrued as liabilities when an employee's right to receive compensation is attributable to services already rendered and it is probable that the employee will be compensated through paid time off or some other means, such as cash payments at termination or retirement. Leave time that has been earned but is unavailable for use as paid time off or as some other form of compensation because an employee has not met the minimum service time requirement, is accrued to the extent that it is considered to be probable that the conditions for compensation will be met in the future.

Sick leave is accrued using the vesting method, whereby the liability is recorded on the basis of leave accumulated by employees who are eligible to receive termination payments as of the balance sheet date, and on leave balances accumulated by other employees who are expected to become eligible in the future to receive such payments.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**N. Compensated Absences** (Continued)

For governmental funds, that portion of unpaid compensated absences that is due and payable as of year end using expendable, available resources is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account "Compensated Absences Payable." In the government wide statement of net assets, "Compensated Absences Payable" is recorded within the "Due within one year" account and the long-term portion of the liability is recorded within the "Due in more than one year" account. Compensated absences are expensed in the proprietary funds when earned and the related liability is reported within the fund.

**O. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net Assets restricted for Other Purposes include programs for street and highway improvements, federal grants for security of persons and property and mandatory fines for various court programs.

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

**P. Pensions**

The provision for pension costs is recorded when the related payroll is accrued and the obligation is incurred.

**Q. Interfund Activity**

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**R. Interfund Assets/Liabilities**

The City reports cash overdrafts from pooled cash and cash equivalents as an interfund loan payable in the fund with the overdraft and as an interfund loan receivable in the fund(s) designated by management. The interfund loans receivable are equally offset by a fund balance reserve account which indicates that they do not constitute available expendable resources since they are not a component of net current assets. Receivables and payables resulting from transactions between funds for services provided or goods received are classified as “due from other funds” or “due to other funds” on the balance sheet. Long-term interfund loans are classified as “advances to/from other funds.”

**S. Reservations of Fund Balance**

Reserves indicate that a portion of fund balance is not available for expenditure or is legally segregated for a specific future use. Fund balances are reserved for inventories of supplies, prepaid items, interfund loans receivable, debt service and encumbered amounts not accrued at year end.

**T. Estimates**

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

**U. 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 City Council and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2003.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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**NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets**

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets of governmental funds as reported in the government-wide statement of net assets. The following is a detailed listing of those reconciling items that are net adjustments or a combination of several transactions:

*Other long-term assets not available to pay for current-period expenditures:*

Delinquent Income Tax Revenue	\$328,394
Delinquent Property Tax Revenue	8,990
Shared Revenues	383,627
Special Assessment Revenue	5,453,981
	<hr/>
	\$6,174,992

*Long-Term liabilities not reported in the funds:*

General Obligation Bonds Payable	\$3,082,900
Long-term pension liability	68,408
Special Assessment Bonds Payable	3,907,000
Accrued Interest on Long-Term Debt	83,371
Capital Leases Payable	164,037
Compensated Absences Payable	149,849
	<hr/>
	\$7,455,565

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003**

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**NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)**

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government – wide statement of activities. The following is a detailed listing of those reconciling items that are net adjustments or a combination of several transactions:

*Amount by which capital outlay exceeded depreciation in the current period:*

Capital Outlay	\$505,386
Depreciation Expense	(1,437,853)
	<u>(\$932,467)</u>

*Net affect of capital asset transactions:*

Loss on Disposal of Capital Asset	(\$59,020)
Capital Contributions Received	2,299,856
	<u>\$2,240,836</u>

*Governmental revenues not reported in the funds:*

Increase in Delinquent Income Tax Revenue	\$37,017
Decrease in Shared Revenue	(145,639)
Increase in Special Assessment Revenue	2,971,713
Net Transfer In for Fixed Assets	336
	<u>\$2,863,427</u>

*Net amount of long-term debt issuance and bond and lease principal payments:*

General Obligation Bond Principal Payment	(\$273,300)
Special Assessment Bond Principal Payment	(127,000)
Capital Lease Payments	(79,253)
Issuance of Special Assessment Bond	1,840,000
	<u>\$1,360,447</u>

*Expenses not requiring the use of current financial resources:*

Increase in Compensated Absences Payable	(\$7,445)
Increase in Long-Term Pension Liability	25,051
Increase in supplies inventory	7,853
	<u>\$25,459</u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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**NOTE 3 – RESTATEMENT OF FUND BALANCE/NET ASSETS**

The fund balance of the Construction Fund was restated from amounts previously reported to correct an error in the accounting for accounts payable. This error also affected the net asset balance of the Governmental Activities. The correction resulted in changes to balances reported last year as follows:

	<u>Construction Fund</u>	<u>Governmental Activities</u>
Fund Balance/Net Assets		
December 31, 2002 (as reported)	(\$3,477,527)	\$30,755,540
Correction of accounting error	<u>360,000</u>	<u>360,000</u>
Fund Balance/Net Assets		
December 31, 2002 (as restated)	<u><u>(\$3,117,527)</u></u>	<u><u>\$31,115,540</u></u>

**NOTE 4 – ACCOUNTABILITY AND COMPLIANCE**

**A. Accountability**

***Fund Deficits*** – The fund deficit at December 31, 2003 of \$67,752 in the Debt Service Fund results from the recording of an advance payable to the General Fund. This deficit does not exist under the budgetary basis of accounting. Transfers are provided when cash is required, not when accruals occur.

**B. Compliance**

Contrary to Ohio Revised Code, Section 5705.10, the Golf Course Fund, which also includes the Golf Course Capital Reserve Account, has a negative cash balance of \$1,236,233 at December 31, 2003. For GAAP reporting purposes, interfund loans receivable and interfund loans payable were created to eliminate the negative cash position at year end.

The City had appropriations exceeding estimated resources in the Golf Course Fund at year end.

**NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS**

Cash resources of a majority of individual funds are combined to form a pool of cash and investments. Each fund type's portion of this pool is displayed on the combined balance sheet as "Cash and Cash Equivalents." Ohio law requires the classification of funds held by the City into three categories.

Category 1 consists of "active" funds - those funds required to be kept in a "cash" or "cash equivalent" status for immediate use by the City. Such funds must be maintained either as cash in the City treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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**NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

Category 2 consists of "inactive" funds - those funds not required for use within the current five year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing not later than the end of the current period of designation of depositories.

Category 3 consists of "interim" funds - those funds which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- 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 or interest by the United States;
- 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;
- 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;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state or any instrumentality of such county, municipal corporation or other authority. Based upon criteria described in GASB Statement No. 3 *"Deposits With Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements,"* collateral held in single financial collateral pools with securities being held by the pledging financial institutions' agent in the pool's name are classified as Category 3.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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**NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

The Governmental Accounting Standards Board has established risk categories for deposits and investments as follows:

*Deposits:*

- Category 1 Insured or collateralized with securities held by the City or by its agent in the City's name.
- Category 2 Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.
- Category 3 Uncollateralized or collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name.

*Investments:*

- Category 1 Insured or registered, or securities held by the City or its agent in the City's name.
- Category 2 Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name.
- Category 3 Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the City's name.

**A. Deposits**

At year end the carrying amount of the City's deposits was \$5,691,580, and the bank balance was \$5,835,479. Federal depository insurance covered \$403,237, of the bank balance. All remaining deposits were classified as Category 3.

**B. Investments**

The City's investments at December 31, 2003 are summarized below:

<u>Categorized Investments</u>	<u>Category 2</u>	<u>Fair Value</u>
U.S. Government Securities	<u>\$14,196,007</u>	<u>\$14,196,007</u>
Total Investments	<u><u>\$14,196,007</u></u>	<u><u>\$14,196,007</u></u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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**NOTE 6 - TAXES**

**A. Property Taxes**

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the City. Real property taxes (other than public utility) collected during 2003 were levied after October 1, 2002 on assessed values as of January 1, 2002, the lien date. Assessed values were established by the County Auditor at 35 percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments made in the third year following reappraisal. The last revaluation was completed in 2000. Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by June 20.

Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of that calendar year, and at the tax rates determined in the preceding year. Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25 percent of its true value. Amounts paid by multi-county taxpayers are due September 20 of the year assessed. Single county taxpayers may pay annually or semi-annually: the first payment is due April 30; the remainder payable by September 20.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property is currently assessed at 88 percent of its true value. Public utility property taxes are payable on the same dates as real property described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County including the City of Springboro. The County Auditor periodically remits to the City its portion of the taxes collected.

The full tax rate for all City operations for the year ended December 31, 2003 was \$1.11 per \$1,000 of assessed value. The assessed value upon which the 2003 levy was based was \$393,984,760. This amount constitutes \$358,029,770 in real property assessed value, \$6,282,680 in public utility assessed value and \$29,672,310 in tangible personal property assessed value.

Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people. Under current procedures, the City's share is .111% (1.11 mills) of assessed value.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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**NOTE 6 – TAXES (Continued)**

**B. Income Tax**

The City levies a tax of 1.5% on all salaries, wages, commissions and other compensation and on net profits earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of 100% of the tax paid to another municipality to a maximum of the total amount assessed. Of the one and one-half percent income tax, one-half percent is voter approved for the sole purpose of funding capital improvements.

Employers within the City are required to withhold income tax on employees compensation and remit the tax to the City either monthly or quarterly, as required. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. Income tax proceeds are to be used for general fund operations, maintenance of equipment, new equipment/capital improvements, debt service and other governmental functions when needed, as determined by City Council. Income tax revenue for 2003 was \$6,577,076.

**NOTE 7 - RECEIVABLES**

Receivables at December 31, 2003 consisted of income taxes, property taxes, accounts, special assessments, interfund loans to other funds and intergovernmental receivables arising from shared revenues. All receivables are considered collectible in full.

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003**

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**NOTE 8 - TRANSFERS**

Following is a summary of transfers in and out for all funds for 2003:

Fund	Transfer In	Transfer Out
General Fund	\$75,000	\$581,368
Debt Service Fund	234,414	0
Construction Fund	2,085,000	84,766
Income Tax Capital Improvement Fund	0	2,210,000
Other Governmental Funds	152,546	180,754
Total Governmental Funds	2,546,960	3,056,888
Golf Course Fund	584,928	0
Water Fund	0	35,336
Sewer Fund	0	35,000
Trash Fund	0	5,000
Total Proprietary Funds	584,928	75,336
Totals	\$3,131,888	\$3,132,224

For the year ended December 31, 2003, the Water Fund reports a transfer out of \$35,336. This amount contains \$336 in a “one-sided” transfer transaction. The transfer out was made to account for the net book value of certain capital assets that were transferred to Governmental Activities.

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the income tax fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed.

**NOTE 9 - INTERFUND RECEIVABLES AND PAYABLES**

The interfund loans outstanding at December 31, 2003 were made to eliminate the cash deficit in the Golf Course Fund. The following is a summary of interfund loans receivable and payable for all funds for 2003:

Interfund Loans Receivable/Payable	Interfund Loans Receivable	Interfund Loans Payable
General Fund	\$1,236,233	\$0
Enterprise Fund:		
Golf Course Fund	0	1,236,233
Totals	\$1,236,233	\$1,236,233

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003**

**NOTE 10 - CAPITAL ASSETS**

**A. Governmental Activities Capital Assets**

Summary by category of changes in governmental activities capital assets at December 31, 2003:

**Historical Cost:**

Class	December 31, 2002	Additions	Deletions	December 31, 2003
<b>Non-depreciable Capital assets:</b>				
Land	\$13,355,351	\$638,523	\$0	\$13,993,874
Construction in Progress	319,469	72,191	0	391,660
<b>Total Non-depreciable Capital assets</b>	<b>13,674,820</b>	<b>710,714</b>	<b>0</b>	<b>14,385,534</b>
<b>Capital assets being depreciated:</b>				
Improvements	322,099	74,115	0	396,214
Infrastructure	27,472,904	1,776,377	(50,076)	29,199,205
Buildings	2,017,001	0	0	2,017,001
Machinery and Equipment	2,686,234	245,156	(219,237)	2,712,153
<b>Total Depreciable Capital assets</b>	<b>32,498,238</b>	<b>2,095,648</b>	<b>(269,313)</b>	<b>34,324,573</b>
<b>Total Cost</b>	<b>\$46,173,058</b>	<b>\$2,806,362</b>	<b>(\$269,313)</b>	<b>\$48,710,107</b>

**Accumulated Depreciation:**

Class	December 31, 2002	Additions	Deletions	December 31, 2003
Improvements	(\$206,988)	(\$34,978)	\$0	(\$241,966)
Infrastructure	(10,874,761)	(1,072,951)	39,075	(11,908,637)
Buildings	(714,367)	(51,518)	0	(765,885)
Machinery and Equipment	(1,962,879)	(279,190)	171,218	(2,070,851)
<b>Total Depreciation</b>	<b>(\$13,758,995)</b>	<b>(\$1,438,637) *</b>	<b>\$210,293</b>	<b>(\$14,987,339)</b>
<b>Net Value:</b>	<b>\$32,414,063</b>			<b>\$33,722,768</b>

\* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	(\$112,036)
Leisure Time Activities	(104,733)
Community Environment	(21,484)
Transportation	(1,152,543)
General Government	(47,057)
<b>Total Depreciation Expense</b>	<b>(1,437,853)</b>
Amount Transferred In from Water	(784)
<b>Total Additions to Accumulated Depreciation</b>	<b>(\$1,438,637)</b>

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003**

**NOTE 10 - CAPITAL ASSETS (Continued)**

**B. Business-Type Activities Capital Assets**

Summary by Category at December 31, 2003:

***Historical Cost:***

Class	December 31, 2002	Additions	Deletions	December 31, 2003
<b><i>Non-depreciable Capital assets:</i></b>				
Land	\$8,532,390	\$0	\$0	\$8,532,390
Construction in Progress	336,078	589,698	(323,906)	601,870
Total Non-depreciable Capital Assets	8,868,468	589,698	(323,906)	9,134,260
<b><i>Capital assets being depreciated:</i></b>				
Buildings	3,324,609	29,385	0	3,353,994
Land Improvements	599,322	100,761	(1,296)	698,787
Infrastructure	53,003,201	3,051,232	0	56,054,433
Machinery and Equipment	1,307,492	74,624	(34,246)	1,347,870
Total Depreciable Capital assets	58,234,624	3,256,002	(35,542)	61,455,084
Total Cost	\$67,103,092	\$3,845,700	(\$359,448)	\$70,589,344

***Accumulated Depreciation:***

Class	December 31, 2002	Additions	Deletions	December 31, 2003
Buildings	(\$826,932)	(\$83,482)	\$0	(\$910,414)
Land Improvements	(319,092)	(40,093)	648	(358,537)
Infrastructure	(6,003,560)	(841,001)	0	(6,844,561)
Machinery and Equipment	(1,022,048)	(96,559)	33,911	(1,084,696)
Total Depreciation	(\$8,171,632)	(\$1,061,135)	\$34,559	(\$9,198,208)

***Net Value:***

\$58,931,460	\$61,391,136
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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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**NOTE 11 – DEFINED BENEFIT PENSION PLANS**

All of the City's full-time employees participate in one of two separate retirement systems which are cost-sharing multiple employer defined benefit pension plans.

**A. Ohio Public Employees Retirement System (the "Ohio PERS")**

The following information was provided by the Ohio PERS to assist the City in complying with GASB Statement No. 27, "*Accounting for Pensions by State and Local Government Employers.*"

All employees of the City, except full-time uniformed police officers, participate in one of the three pension plans administered by the Ohio PERS: the Traditional Pension Plan (TP), the Member-Directed Plan (MD), and the Combined Plan (CO). The TP Plan is a cost-sharing multiple employer defined benefit pension plan. The MD Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the MD Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon. The CO Plan is a cost-sharing multiple-employer defined benefit pension plan. Under the CO Plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the TP Plan. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the MD Plan.

The Ohio PERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the TP Plan and CO Plan. Members of the MD Plan do not qualify for ancillary benefits. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Ohio Public Employees Retirement System issues a stand-alone financial report that includes financial statements and required supplementary information for the Ohio PERS. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6705 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2003, employee and employer contribution rates were consistent across all three plans (TP, MD and CO). The employee contribution rate is 8.5%. The 2003 employer contribution rate for local government employer units was 13.55%, of covered payroll, 8.55% to fund the pension and 5.0% to fund health care. The contribution requirements of plan members and the City are established and may be amended by the Public Employees Retirement Board. The City's contributions to the Ohio PERS for the years ending December 31, 2003, 2002 and 2001 were \$270,405, \$256,415 and \$243,550, respectively, which were equal to the required contributions for each year.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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

**A. Ohio Public Employees Retirement System (the “Ohio PERS”) (Continued)**

The Ohio PERS provides postemployment health care benefits to age and service retirees with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirees. Health care coverage for disability recipients is also available. The health care coverage provided by the Ohio PERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to the Ohio PERS is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority requiring public employers to fund postemployment health care through their contributions to the Ohio PERS. The portion of the 2003 employer contribution rate (identified above) that was used to fund health care for the year 2003 was 5.0% of covered payroll which amounted to \$99,780.

The significant actuarial assumptions and calculations relating to postemployment health care benefits were based on the Ohio Public Employees Retirement System's latest actuarial review performed as of December 31, 2002. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets. The investment assumption rate for 2002 was 8.0%. An annual increase of 4.0% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.0% base increase, were assumed to range from 0.5% to 6.3%. Health care costs were assumed to increase 4.0% annually.

Benefits are advanced-funded on an actuarially determined basis. The number of active contributing participants was 364,881. The actuarial value of the Ohio PERS net assets available for OPEB at December 31, 2002 is \$10.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$18.7 billion and \$8.7 billion, respectively.

**B. Ohio Police and Fire Pension Fund (the “OP&F Fund”)**

All City full-time police officers participate in the OP&F Fund, a cost-sharing multiple-employer defined benefit pension plan. The OP&F Fund provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Contribution requirements and benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. The Ohio Police and Fire Pension Fund issues a stand-alone financial report that includes financial statements and required supplementary information for the OP&F Fund. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164 or by calling (614) 228-2975.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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

**B. Ohio Police and Fire Pension Fund (the “OP&F Fund”) (Continued)**

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% for police officers. The City's contributions to the OP&F Fund for the years ending December 31, 2003, 2002 and 2001 were \$217,428, \$203,183 and \$180,471 for police, which were equal to the required contributions for each year.

The OP&F Fund provides postemployment health care coverage to any person who received or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school on a full-time or two-thirds basis. The health care coverage provided by the OP&F Fund is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides that health care costs paid from the funds of the OP&F Fund shall be included in the employer's contribution rate. The Ohio Revised Code also provides statutory authority allowing the Fund's Board of Trustees to provide postemployment health care coverage to all eligible individuals from the employer's contributions to the OP&F Fund.

The portion of the 2003 covered payroll that was used to fund postemployment health care benefits was \$86,414 representing 7.75% of covered payroll for police. Health care funding and accounting was on a pay-as-you-go basis. In addition, since July 1, 1992 most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions. As of December 31, 2002, the date of the last actuarial evaluation available, the number of participants eligible to receive health care benefits was 13,527 for police. The OP&F Fund does not provide separate data on the funded status and funding progress of postemployment health care benefits. The Fund's total health care expenses for the year ended December 31, 2002 were \$141,028,006, which was net of member contributions of \$12,623,875.

**NOTE 12 - COMPENSATED ABSENCES**

The costs of vacation and sick leave benefits are recorded as they are earned. Employees earn vacation leave at varying rates based upon length of service. Sick leave is accumulated at a rate of four and six tenths hours per eighty hours of service. Sick leave is cumulative without limit. Upon retirement an individual will be compensated for their accumulated sick leave at a rate of 25% of the balance.

At December 31, 2003, the City's accumulated, unpaid compensated absences amounted to \$198,270, of which \$150,975 is recorded as a liability of the Governmental Activities and \$47,295 is recorded as a liability of the Business-Type Activities. The amounts are recorded as Amounts Due Within One Year and Amounts Due in More Than One Year on the Entity Wide Statement of Net Assets.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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**NOTE 13 - NOTES PAYABLE**

The Ohio Revised Code provides that notes including renewal notes issued in anticipation of the issuance of general obligation bonds may be issued and outstanding from time to time up to a maximum period of 20 years from the date of issuance of the original notes. The maximum maturity for notes anticipating general obligation bonds payable from special assessments is five years. Any period in excess of five years must be deducted from the permitted maximum maturity of the bonds anticipated, and portions of the principal amount of notes outstanding for more than five years must be retired in amounts at least equal to, and payable no later than, those principal maturities required if the bonds had been issued at the expiration of the initial five year period. Bond anticipation notes may be retired at maturity from the proceeds of the sale of renewal notes or of the bonds anticipated by the notes, or from available funds of the City or a combination of these sources.

General Obligation Notes:	Balance December 31, 2002	Issued	(Retired)	Balance December 31, 2003
Capital Projects Funds:				
1.75% South Tech Street Improvements	\$900,000	\$900,000	(\$1,800,000)	\$0
1.60% Real Estate Acquisition	0	590,000	0	590,000
1.75% Various Street Improvements	950,000	950,000	(1,900,000)	0
2.60% Various Street Improvements	50,000	0	(50,000)	0
1.75% Various Street Improvements	2,100,000	1,650,000	(2,100,000)	1,650,000
Total General Obligation Notes	\$4,000,000	\$4,090,000	(\$5,850,000)	\$2,240,000

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**CITY OF SPRINGBORO, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003**

**NOTE 14 - LONG-TERM OBLIGATIONS**

Long-term debt and other long-term obligations of the City at December 31, 2003 were as follows:

			Balance December 31, 2002	Issued	(Retired)	Balance December 31, 2003	Amount Due Within One Year
<b>Business Type-Activities:</b>							
General Obligation Bonds:							
6.4 - 7.5% Sewer Real Estate Acquisition	1989		\$70,000	\$0	(\$15,000)	\$55,000	\$15,000
3.0 - 6.1% Sewer Various Purpose	1993		28,800	0	(4,200)	24,600	4,500
3.0 - 6.1% Water Various Purpose	1993		120,000	0	(17,500)	102,500	18,750
3.9 - 5.4% Golf Course Refunding	1999		4,055,000	0	(125,000)	3,930,000	130,000
Total General Obligation Bonds			4,273,800	0	(161,700)	4,112,100	168,250
Mortgage Revenue Bonds:							
2.75 - 5.45% Waterworks Improvement	1993		3,410,000	0	(145,000)	3,265,000	150,000
4.00 - 5.70% Water	1997		13,210,000	0	(400,000)	12,810,000	415,000
4.00 - 5.70% Sewer Refunding	1997		4,000,000	0	(165,000)	3,835,000	175,000
Total Mortgage Revenue Bonds			20,620,000	0	(710,000)	19,910,000	740,000
Compensated Absences			42,484	47,295	(42,484)	47,295	0
Capital Leases Payable			185,392	116,007	(77,897)	223,502	81,000
Total Business-Type Activity Long-Term Liabilities			\$25,121,676	\$163,302	(\$992,081)	\$24,292,897	\$989,250
<b>Governmental Activities:</b>							
Special Assessment Bonds:							
7.500% Hiawatha Trail	1987		\$25,000	\$0	(\$5,000)	\$20,000	\$5,000
7.500% Hiawatha Trail II	1989		46,000	0	(5,000)	41,000	6,000
7.500% Sharts Road Improvement	1989		58,000	0	(7,000)	51,000	7,000
5.500% Various Purpose	1993		685,000	0	(45,000)	640,000	45,000
5.500% Various Purpose	1994		260,000	0	(15,000)	245,000	15,000
4.200 - 6.350% Pioneer Blvd. North	1994		355,000	0	(20,000)	335,000	20,000
4.200 - 5.600% Commercial Way	1997		480,000	0	(20,000)	460,000	25,000
6.750% N. Pioneer Blvd.	1998		285,000	0	(10,000)	275,000	15,000
1.500 - 5.350% Various Purpose	2003		0	1,840,000	0	1,840,000	45,000
Total Special Assessment Bonds							
(with Governmental Commitment)			2,194,000	1,840,000	(127,000)	3,907,000	183,000
Unvoted General Obligation Bonds:							
3.000 - 6.100% Various Purpose	1993		331,200	0	(48,300)	282,900	51,750
3.500 - 5.900% St. Route 741 Improvement	1996		360,000	0	(20,000)	340,000	20,000
4.500 - 6.000% South Main St. Improvement	1997		190,000	0	(10,000)	180,000	10,000
3.900 - 5.375% Various Purpose	1999		940,000	0	(35,000)	905,000	40,000
4.850 - 5.250% Street Improvement TIF	2000		1,535,000	0	(160,000)	1,375,000	170,000
Total General Obligation Bonds			3,356,200	0	(273,300)	3,082,900	291,750
Compensated Absences			142,404	150,975	(142,404)	150,975	1,126
Capital Leases Payable			243,290	0	(79,253)	164,037	81,072
Total Governmental Activity Long-Term Liabilities			\$5,935,894	\$1,990,975	(\$621,957)	\$7,304,912	\$556,948

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003**

**NOTE 14 - LONG-TERM OBLIGATIONS (Continued)**

The principal amount of the City's special assessment bonds outstanding at December 31, 2003, \$3,907,000, is general obligation debt (backed by the full faith and credit of the City) that is being retired with the proceeds from special assessments levied against benefited property owners. The City is obligated to repay the debt irrespective of the amount of special assessments collected from property owners.

The 2000 Golf Course Refunding bonds are reported at carrying value of \$3,913,878. The face value of the bonds at December 31, 2003 was \$3,930,000. The difference of \$16,122 represents a discount on the issue amount. This discount is being amortized over the life of the bond.

**A. Future Long-Term Financing Requirements**

The City's future long-term obligation funding requirements, including principal and interest payments as of December 31, 2003, follow:

Years	General Obligation Bonds		Special Assessment Bonds	
	Principal	Interest	Principal	Interest
2004	\$460,000	\$376,843	\$183,000	\$220,314
2005	470,000	353,627	209,000	191,359
2006	485,000	329,806	219,000	181,963
2007	515,000	304,722	226,000	171,571
2008	540,000	277,430	237,000	160,339
2009-2013	1,810,000	1,039,989	1,278,000	611,702
2014-2018	1,665,000	605,525	920,000	291,321
2019-2023	1,250,000	166,300	635,000	104,153
Totals	\$7,195,000	\$3,454,242	\$3,907,000	\$1,932,722

Years	Mortgage Revenue Bonds		Totals	
	Principal	Interest	Principal	Interest
2004	\$740,000	\$970,003	\$1,383,000	\$1,567,160
2005	770,000	938,271	1,449,000	1,483,257
2006	800,000	904,484	1,504,000	1,416,253
2007	840,000	868,759	1,581,000	1,345,052
2008	875,000	830,586	1,652,000	1,268,355
2009-2013	5,035,000	3,483,219	8,123,000	5,134,910
2014-2018	6,470,000	2,052,292	9,055,000	2,949,138
2019-2023	4,380,000	643,626	6,265,000	914,079
Totals	\$19,910,000	\$10,691,240	\$31,012,000	\$16,078,204

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003**

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**NOTE 14 - LONG-TERM OBLIGATIONS (Continued)**

**B. Defeased Debt**

In prior years, the City has defeased certain general obligation and other bonds by placing the proceeds of the refunding bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included on the City's financial statements. At December 31, 2003, \$6,695,000 of bonds outstanding are considered defeased.

**NOTE 15 - CAPITAL LEASE COMMITMENTS**

The City is obligated under several leases accounted for as capital leases. The cost of the leased assets (buildings, golf course maintenance equipment and machinery and equipment) are accounted for as governmental type capital assets, for items leased by governmental funds, and in the appropriate enterprise funds for items leased by the golf course and sewer funds. The related liabilities are recorded as amounts due within one year and amounts due in more than one year within the governmental activities and as capital lease liabilities within the appropriate enterprise funds. The original cost of the assets under capital lease was \$963,952. The leased assets were categorized as follows: \$568,213 as buildings and \$395,739 as machinery and equipment.

The following is a schedule of the future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of December 31, 2003.

Year Ending December 31,	Governmental Type	Business Type
2004	\$89,415	\$91,220
2005	86,610	70,576
2006	0	49,933
2007	0	29,077
2008	0	3,249
Minimum Lease Payments	176,025	244,055
Less: Amount representing interest at the City's incremental borrowing rate of interest	(11,988)	(20,553)
Present value of minimum lease payments	<u>\$164,037</u>	<u>\$223,502</u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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**NOTE 16 - RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. During 2003 the City contracted with several different insurance providers for various insurance coverages, as follows:

Type of Coverage	Liability Limits	Deductible
Property	\$3,000,000	\$5,000
Inland Marine	3,000,000	250
General Liability	3,000,000	0
Automobile	2,000,000	250/500
Excess Liability	5,000,000	10,000
Public Officials Liability	2,000,000	25,000
Police Liability	2,000,000	5,000

There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverages in any of the past three fiscal years.

The City has established an Employees Benefits Fund which has been included within the General Fund within the Basic Financial Statements to account for the cost of the City's self-insured medical claims. The program is provided through an administrative service contract with a third party administrator who furnished claims review and processing. The City purchases stop-loss coverage of \$15,000 per claim per year. The City funds are charged a premium based upon the number of employees participating in the Medical Plan. The premium payments are accounted for as an expenditure/expense in the paying funds.

The claims liability of \$45,836 reported in the General Fund at December 31, 2003 is based on the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues," as amended by GASB Statement No. 30 "Risk Management Omnibus," which requires that a liability for claims be reported if information prior to issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's claims liability amount for fiscal years 2002 and 2003 were:

Fiscal Year	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
2002	\$29,887	\$659,956	(\$654,973)	\$34,870
2003	34,870	732,768	(721,802)	45,836

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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**NOTE 16 - RISK MANAGEMENT (Continued)**

For the year 2003, the City participated in the Ohio Municipal League of Ohio Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (see Note 18). The intent of the GRP is to achieve the benefit of a reduced premium for the City by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating cities is calculated as one experience and a common premium rate is applied to all cities 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. Total savings are then calculated and each participant's individual performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to cities that can meet the GRP's selection criteria. The firm of Gates McDonald provides administrative, cost control and actuarial services to the GRP.

The City may withdraw from the GRP if written notice is provided within sixty days prior to the prescribed application deadline of the Ohio Bureau of Workers' Compensation. However, the participant is not relieved of the obligation to pay any amount owed to the GRP prior to withdrawal, and any participant leaving the GRP allows the representative of the GRP to access loss experience for three years following the last year of participation.

**NOTE 17 - CONTRACTUAL COMMITMENTS**

As of December 31, 2003, the City had the following significant contractual commitments:

<u>Company</u>	<u>Remaining Contractual Commitment</u>
URS Corporation	\$571,387
The Shelly Company	424,966
Bon Builders, Inc.	239,000
Rhule Excavating, Inc.	233,693
C A Stemphey	209,301
LJB, Inc.	49,014
Total	<u>\$1,727,361</u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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**NOTE 18 – GROUP PURCHASING POOL**

The City participates in the Ohio Municipal League of Ohio Workers' Compensation Group Rating Plan (GRP). The GRP's business and affairs are conducted by a twenty-five member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance officers and two law directors which are voted in by the members for staggered two year terms. The Executive Director of the Ohio Municipal League serves as coordinator of the GRP. Each year, the participating cities pay an enrollment fee to the GRP to cover the costs of administering the GRP.

**NOTE 19 – JOINTLY GOVERNED ORGANIZATION**

The City participates in the Warren County General Health District (District), a jointly governed organization, which provides health services to the citizens within the County. The Board of Health, which consists of a representative from each of the participating governments, including the City, oversees the operation of the District. The amount the City contributed during 2003 for the operation of the District was immaterial. The City does not have any financial interest in or responsibility for the District. The County Commissioners serve as the taxing authority, and the County Auditor and Treasurer serve as the fiscal officers. Financial information may be obtained from Kathy Stephenson at the Warren County General Health District, 416 S. East Street, Lebanon, Ohio 45036.

**NOTE 20 – GOLF COURSE FUND CASH DEFICIT**

The Golf Course Fund experienced a cash deficit of \$1,236,233 at December 31, 2003. The City eliminated this cash deficit through an interfund loan of \$1,236,233 from the General Fund.

Historically, the Golf Course has not generated sufficient cash from operations to pay required debt service. These debt service payments have created cash deficits in the Golf Course Fund. The deficits have been eliminated through transfers and advances from other funds.

Management plans to eliminate the cash deficit in the Golf Course Fund within the next two years. To accomplish this, the City renegotiated a new management contract for operation of the golf course that reduced the amount paid in management fees to American Golf Corporation. Also, the user fee structure will be reviewed annually to determine if revenues can be enhanced. Finally, the General Fund and Income Tax Capital Improvement Fund continue to generate a substantial excess of revenues over expenditures, and it appears that this trend will continue. Management believes that sufficient monies will be available each year to transfer to the Golf Course Fund (if necessary) over the next two years.

Management has also reduced the Golf Course Debt from \$9,928,724 at December 31, 1993 (\$3,300,000 bonds payable, \$6,313,724 capital lease, and \$315,000 due to other funds) to \$5,315,166 at December 31, 2003 (\$3,913,878 bonds payable, \$165,055 capital lease and \$1,236,233 interfund loans payable). If the Golf Course Fund continues to generate sufficient cash operating income, this reduced debt burden should eventually eliminate the need for debt service payments to be subsidized by other funds.



*COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES*

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*THE FOLLOWING COMBINING STATEMENTS AND SCHEDULES  
INCLUDE THE MAJOR AND NONMAJOR GOVERNMENTAL FUNDS,  
AND FIDUCIARY FUNDS.*

***Nonmajor Governmental Funds***

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***Special Revenue Funds***

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

**Street Maintenance and Repair Fund**

To account for that portion of the state gasoline tax and motor vehicle registration fees designated for maintenance and repair of designated streets within the City.

**State Highway Fund**

To account for that portion of the state gasoline tax designated for maintenance of state highways within the City.

**Permissive Use Tax Fund**

To account for the \$5.00 license tax levied by the City of Springboro. This money is used for the maintenance of highway projects.

**Motor Vehicle License Tax Fund**

To account for \$2.50 of each \$5.00 tax levied by Warren County on each motor vehicle registered in the City. Expenditures include planning, constructing, improving, maintaining, and repairing roads, streets and bridges.

**Community Oriented Policing Service (COPS) Grant Fund**

To account for proceeds from federal and state grant monies. The grant funds must be used toward the salary and benefits of police officers.

**Drug Law Enforcement Fund**

To account for fines and costs collected for felonious drug trafficking convictions and sentences. This money may be used in any drug law enforcement activity.

**Library Donation Trust Fund**

To account for donations that the City receives and then gives to the library.

**Civic Center Trust Fund**

To account for a donation received to be used for the purpose of providing a public gathering place. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

**Law Enforcement Trust Fund**

To account for the fines generated in the prosecution of those in possession of contraband and the proceeds gained from the sale of confiscated contraband. This money may be spent for any law enforcement activity.

(Continued)

***Special Revenue Funds***

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**D.A.R.E. Trust Fund**

To account for donations and a portion of fines and forfeitures from the City of Springboro's Mayor's Court to be used for the DARE education program.

***Capital Projects Fund***

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The Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities.

**Permanent Improvement Fund**

To account for various local and state revenues used for all construction projects related to park facilities.

**CITY OF SPRINGBORO, OHIO**

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**Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2003**

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	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 447,100	\$ 417,753	\$ 864,853
Receivables:			
Accounts	26	0	26
Intergovernmental	398,801	0	398,801
Inventory of Supplies, at Cost	52,293	0	52,293
Prepaid Items	4,219	0	4,219
<b>Total Assets</b>	<u>\$ 902,439</u>	<u>\$ 417,753</u>	<u>\$ 1,320,192</u>
<b>Liabilities:</b>			
Accounts Payable	\$ 28,312	\$ 2,797	\$ 31,109
Accrued Wages and Benefits Payable	6,357	0	6,357
Intergovernmental Payable	11,907	0	11,907
Deferred Revenue	157,033	0	157,033
<b>Total Liabilities</b>	<u>203,609</u>	<u>2,797</u>	<u>206,406</u>
<b>Fund Balances:</b>			
Reserved for Encumbrances	5,582	266,213	271,795
Reserved for Prepaid Items	4,219	0	4,219
Reserved for Supplies Inventory	52,293	0	52,293
Undesignated/Unreserved in:			
Special Revenue Funds	636,736	0	636,736
Capital Projects Fund	0	148,743	148,743
<b>Total Fund Balances</b>	<u>698,830</u>	<u>414,956</u>	<u>1,113,786</u>
<b>Total Liabilities and Funds Balances</b>	<u>\$ 902,439</u>	<u>\$ 417,753</u>	<u>\$ 1,320,192</u>

**CITY OF SPRINGBORO, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2003**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<b>Revenues:</b>			
Property and Other Taxes	\$ 137,712	\$ 50,000	\$ 187,712
Intergovernmental Revenues	760,261	0	760,261
Charges for Services	26	0	26
Fines, Licenses and Permits	0	220,045	220,045
Donations	8,588	0	8,588
All Other Revenue	27,389	0	27,389
<b>Total Revenue</b>	<b>933,976</b>	<b>270,045</b>	<b>1,204,021</b>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property	53,247	0	53,247
Transportation	628,947	0	628,947
General Government	12,060	10,688	22,748
Capital Outlay	0	152,761	152,761
Debt Service:			
Principal Retirement	73,957	0	73,957
Interest & Fiscal Charges	12,653	0	12,653
<b>Total Expenditures</b>	<b>780,864</b>	<b>163,449</b>	<b>944,313</b>
Excess (Deficiency) of Revenues			
Over Expenditures	153,112	106,596	259,708
<b>Other Financing Sources (Uses):</b>			
Transfers In	124,500	28,046	152,546
Transfers Out	(148,046)	(32,708)	(180,754)
<b>Total Other Financing Sources (Uses)</b>	<b>(23,546)</b>	<b>(4,662)</b>	<b>(28,208)</b>
Net Change in Fund Balances	129,566	101,934	231,500
<b>Fund Balances at Beginning of Year</b>	<b>561,523</b>	<b>313,022</b>	<b>874,545</b>
Increase in Inventory Reserve	7,741	0	7,741
<b>Fund Balances End of Year</b>	<b>\$ 698,830</b>	<b>\$ 414,956</b>	<b>\$ 1,113,786</b>

**CITY OF SPRINGBORO, OHIO**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2003**

	Street Maintenance and Repair	State Highway	Permissive Use Tax	Motor Vehicle License Tax
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 192,490	\$ 87,754	\$ 51,057	\$ 5,048
Receivables:				
Accounts	0	0	0	0
Intergovernmental	206,075	16,709	0	49,512
Inventory of Supplies, at Cost	52,293	0	0	0
Prepaid Items	4,219	0	0	0
<b>Total Assets</b>	<b>\$ 455,077</b>	<b>\$ 104,463</b>	<b>\$ 51,057</b>	<b>\$ 54,560</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 14,128	\$ 2,124	\$ 0	\$ 0
Accrued Wages and Benefits Payable	6,357	0	0	0
Intergovernmental Payable	10,996	0	0	0
Deferred Revenue	137,384	11,140	0	8,509
<b>Total Liabilities</b>	<b>168,865</b>	<b>13,264</b>	<b>0</b>	<b>8,509</b>
<b>Fund Balances:</b>				
Reserved for Encumbrances	4,129	0	0	0
Reserved for Prepaid Items	4,219	0	0	0
Reserved for Supplies Inventory	52,293	0	0	0
Undesignated/Unreserved	225,571	91,199	51,057	46,051
<b>Total Fund Balances</b>	<b>286,212</b>	<b>91,199</b>	<b>51,057</b>	<b>46,051</b>
<b>Total Liabilities and Funds Balances</b>	<b>\$ 455,077</b>	<b>\$ 104,463</b>	<b>\$ 51,057</b>	<b>\$ 54,560</b>

**CITY OF SPRINGBORO, OHIO**

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<u>COPS Grant</u>	<u>Drug Law Enforcement</u>	<u>Library Donation Trust</u>	<u>Law Enforcement Trust</u>	<u>DARE Trust</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 3,146	\$ 11,052	\$ 71,821	\$ 6,928	\$ 17,804	\$ 447,100
0	0	26	0	0	26
126,333	0	0	172	0	398,801
0	0	0	0	0	52,293
0	0	0	0	0	4,219
<u>\$ 129,479</u>	<u>\$ 11,052</u>	<u>\$ 71,847</u>	<u>\$ 7,100</u>	<u>\$ 17,804</u>	<u>\$ 902,439</u>
\$ 0	\$ 0	\$ 12,060	\$ 0	\$ 0	\$ 28,312
0	0	0	0	0	6,357
911	0	0	0	0	11,907
0	0	0	0	0	157,033
<u>911</u>	<u>0</u>	<u>12,060</u>	<u>0</u>	<u>0</u>	<u>203,609</u>
0	163	0	1,000	290	5,582
0	0	0	0	0	4,219
0	0	0	0	0	52,293
128,568	10,889	59,787	6,100	17,514	636,736
<u>128,568</u>	<u>11,052</u>	<u>59,787</u>	<u>7,100</u>	<u>17,804</u>	<u>698,830</u>
<u>\$ 129,479</u>	<u>\$ 11,052</u>	<u>\$ 71,847</u>	<u>\$ 7,100</u>	<u>\$ 17,804</u>	<u>\$ 902,439</u>

**CITY OF SPRINGBORO, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2003**

	Street Maintenance and Repair	State Highway	Permissive Use Tax	Motor Vehicle License Tax	COPS Grant
<b>Revenues:</b>					
Property and Other Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	410,497	29,397	50,000	133,283	125,000
Charges for Services	0	0	0	0	0
Donations	0	0	0	0	0
All Other Revenue	95	0	0	0	24,623
<b>Total Revenue</b>	<b>410,592</b>	<b>29,397</b>	<b>50,000</b>	<b>133,283</b>	<b>149,623</b>
<b>Expenditures:</b>					
Current:					
Security of Persons and Property	0	0	0	0	35,934
Transportation	603,559	25,388	0	0	0
General Government	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest & Fiscal Charges	0	0	0	0	0
<b>Total Expenditures</b>	<b>603,559</b>	<b>25,388</b>	<b>0</b>	<b>0</b>	<b>35,934</b>
Excess (Deficiency) of Revenues Over Expenditures	(192,967)	4,009	50,000	133,283	113,689
<b>Other Financing Sources (Uses):</b>					
Transfers In	111,000	0	0	0	13,500
Transfers Out	0	0	0	(120,000)	0
<b>Total Other Financing Sources (Uses)</b>	<b>111,000</b>	<b>0</b>	<b>0</b>	<b>(120,000)</b>	<b>13,500</b>
Net Change in Fund Balances	(81,967)	4,009	50,000	13,283	127,189
<b>Fund Balance at Beginning of Year</b>	<b>360,438</b>	<b>87,190</b>	<b>1,057</b>	<b>32,768</b>	<b>1,379</b>
Increase in Inventory Reserve	7,741	0	0	0	0
<b>Fund Balance End of Year</b>	<b>\$ 286,212</b>	<b>\$ 91,199</b>	<b>\$ 51,057</b>	<b>\$ 46,051</b>	<b>\$ 128,568</b>

**CITY OF SPRINGBORO, OHIO**

Drug Law Enforcement	Library Donation Trust	Civic Center Trust	Law Enforcement Trust	DARE Trust	Total Nonmajor Special Revenue Funds
\$ 0	\$ 137,712	\$ 0	\$ 0	\$ 0	\$ 137,712
0	0	0	0	12,084	760,261
0	26	0	0	0	26
0	6,073	0	0	2,515	8,588
0	0	0	2,671	0	27,389
0	143,811	0	2,671	14,599	933,976
1,475	0	0	0	15,838	53,247
0	0	0	0	0	628,947
0	12,060	0	0	0	12,060
0	73,957	0	0	0	73,957
0	12,653	0	0	0	12,653
1,475	98,670	0	0	15,838	780,864
(1,475)	45,141	0	2,671	(1,239)	153,112
0	0	0	0	0	124,500
0	0	(28,046)	0	0	(148,046)
0	0	(28,046)	0	0	(23,546)
(1,475)	45,141	(28,046)	2,671	(1,239)	129,566
12,527	14,646	28,046	4,429	19,043	561,523
0	0	0	0	0	7,741
\$ 11,052	\$ 59,787	\$ 0	\$ 7,100	\$ 17,804	\$ 698,830

**CITY OF SPRINGBORO, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2003***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Municipal Income Taxes	\$ 4,215,600	\$ 4,215,600	\$ 4,429,253	\$ 213,653
Property and Other Taxes	424,385	424,385	476,689	52,304
Intergovernmental Revenues	546,275	546,275	478,909	(67,366)
Charges for Services	743,800	743,800	749,346	5,546
Fines, Licenses and Permits	474,300	474,300	582,354	108,054
Investment Earnings	310,000	310,000	212,725	(97,275)
All Other Revenues	160,100	160,100	340,592	180,492
Total Revenues	<u>6,874,460</u>	<u>6,874,460</u>	<u>7,269,868</u>	<u>395,408</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Police Department:				
Personal Services	1,445,000	1,577,089	1,465,087	112,002
Materials and Supplies	54,870	77,810	75,673	2,137
Contractual Services	128,665	117,586	112,762	4,824
Capital Outlay	64,666	64,666	64,333	333
Total Police Department	<u>1,693,201</u>	<u>1,837,151</u>	<u>1,717,855</u>	<u>119,296</u>
Police Dispatcher:				
Personal Services	305,300	305,300	292,753	12,547
Materials and Supplies	1,500	2,050	1,945	105
Contractual Services	8,290	7,640	4,604	3,036
Total Police Dispatcher	<u>315,090</u>	<u>314,990</u>	<u>299,302</u>	<u>15,688</u>
Street Lighting:				
Contractual Services	110,000	95,000	86,302	8,698
Total Street Lighting	<u>110,000</u>	<u>95,000</u>	<u>86,302</u>	<u>8,698</u>
Civil Defense:				
Contractual Services	1,100	1,100	1,054	46
Total Civil Defense	<u>1,100</u>	<u>1,100</u>	<u>1,054</u>	<u>46</u>
Prisoner Care:				
Contractual Services	4,000	4,000	2,248	1,752
Total Prisoner Care	<u>4,000</u>	<u>4,000</u>	<u>2,248</u>	<u>1,752</u>
Total Security of Persons and Property	<u>2,123,391</u>	<u>2,252,241</u>	<u>2,106,761</u>	<u>145,480</u>

(Continued)

**CITY OF SPRINGBORO, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2003***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Public Health and Welfare:				
Health Board:				
Contractual Services	6,344	6,344	6,343	1
Total Public Health and Welfare	6,344	6,344	6,343	1
Parks:				
Contractual Services	24,950	32,415	29,361	3,054
Materials and Supplies	8,000	4,835	4,690	145
Total Parks	32,950	37,250	34,051	3,199
Park Maintenance:				
Personal Services	184,925	185,125	181,388	3,737
Contractual Services	41,387	40,617	26,277	14,340
Materials and Supplies	50,000	50,770	45,412	5,358
Capital Outlay	13,500	13,500	13,496	4
Total Park Maintenance	289,812	290,012	266,573	23,439
Library Services:				
Contractual Services	22,600	22,600	18,659	3,941
Materials and Supplies	1,000	1,000	710	290
Total Library Services	23,600	23,600	19,369	4,231
Total Leisure Time Activities	346,362	350,862	319,993	30,869
Community Environment:				
Planning and Zoning:				
Personal Services	60,525	60,525	57,026	3,499
Contractual Services	86,700	136,700	130,574	6,126
Materials and Supplies	1,500	1,500	1,088	412
Total Planning and Zoning	148,725	198,725	188,688	10,037
Engineering:				
Personal Services	94,500	96,156	94,914	1,242
Contractual Services	132,941	163,591	119,016	44,575
Materials and Supplies	4,000	6,944	6,930	14
Total Engineering	231,441	266,691	220,860	45,831

(Continued)

**CITY OF SPRINGBORO, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2003***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Economic Development:				
Personal Services	79,800	86,205	85,645	560
Contractual Services	72,275	87,370	80,015	7,355
Materials and Supplies	500	500	207	293
Total Economic Development	<u>152,575</u>	<u>174,075</u>	<u>165,867</u>	<u>8,208</u>
Main Street Springboro:				
Contractual Services	40,944	46,044	45,322	722
Materials and Supplies	100	0	0	0
Total Main Street Springboro	<u>41,044</u>	<u>46,044</u>	<u>45,322</u>	<u>722</u>
Building Inspection:				
Personal Services	205,587	204,787	199,702	5,085
Contractual Services	47,060	50,560	35,522	15,038
Materials and Supplies	4,500	8,800	7,546	1,254
Total Building Inspection	<u>257,147</u>	<u>264,147</u>	<u>242,770</u>	<u>21,377</u>
Total Community Environment	<u>830,932</u>	<u>949,682</u>	<u>863,507</u>	<u>86,175</u>
General Government:				
City Council:				
Personal Services	112,982	106,882	97,935	8,947
Contractual Services	42,302	46,702	42,712	3,990
Materials and Supplies	2,076	3,776	3,571	205
Total City Council	<u>157,360</u>	<u>157,360</u>	<u>144,218</u>	<u>13,142</u>
City Manager:				
Personal Services	106,800	106,800	94,844	11,956
Contractual Services	94,200	94,260	82,983	11,277
Materials and Supplies	3,000	2,940	2,201	739
Total City Manager	<u>204,000</u>	<u>204,000</u>	<u>180,028</u>	<u>23,972</u>
Assistant City Manager:				
Personal Services	58,850	43,950	41,715	2,235
Contractual Services	27,850	26,750	21,374	5,376
Materials and Supplies	1,272	2,272	2,255	17
Total Assistant City Manager	<u>87,972</u>	<u>72,972</u>	<u>65,344</u>	<u>7,628</u>

(Continued)

**CITY OF SPRINGBORO, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2003***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Computer Administration:				
Personal Services	68,495	68,495	66,245	2,250
Contractual Services	23,000	18,000	10,760	7,240
Materials and Supplies	15,000	20,000	19,846	154
Total Computer Administration	106,495	106,495	96,851	9,644
Finance Department:				
Personal Services	112,470	112,470	86,747	25,723
Contractual Services	93,434	91,434	87,458	3,976
Materials and Supplies	3,000	5,000	3,747	1,253
Total Finance Department	208,904	208,904	177,952	30,952
Mayor's Court:				
Personal Services	64,100	63,700	53,492	10,208
Contractual Services	73,280	92,380	85,223	7,157
Materials and Supplies	1,057	2,357	1,980	377
Total Mayor's Court	138,437	158,437	140,695	17,742
Income Tax:				
Personal Services	89,275	88,859	81,634	7,225
Contractual Services	486,854	487,070	440,296	46,774
Materials and Supplies	1,000	1,200	818	382
Total Income Tax	577,129	577,129	522,748	54,381
Legal Administration:				
Personal Services	104,400	104,400	104,400	0
Contractual Services	291,231	281,231	236,464	44,767
Materials and Supplies	3,600	3,600	2,400	1,200
Total Legal Administration	399,231	389,231	343,264	45,967
Volunteer Services:				
Contractual Services	1,000	1,000	(119)	1,119
Total Volunteer Services	1,000	1,000	(119)	1,119

(Continued)

**CITY OF SPRINGBORO, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2003**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Building and Land:</b>				
Personal Services	513,700	521,300	509,247	12,053
Contractual Services	404,794	368,294	331,570	36,724
Materials and Supplies	41,298	40,798	37,754	3,044
Capital Outlay	2,450	2,450	2,375	75
Total Building and Land	962,242	932,842	880,946	51,896
<b>Miscellaneous:</b>				
Contractual Services	82,600	82,682	81,457	1,225
Materials and Supplies	200	118	118	0
Total Miscellaneous	82,800	82,800	81,575	1,225
<b>Health Insurance:</b>				
Contractual Services	740,000	740,000	721,802	18,198
Total Health Insurance	740,000	740,000	721,802	18,198
Total General Government	3,665,570	3,631,170	3,355,304	275,866
<b>Debt Service:</b>				
Principal Retirement	5,296	5,296	5,296	0
Interest and Fiscal Charges	315	315	315	0
Total Expenditures	6,978,210	7,195,910	6,657,519	538,391
Excess (Deficiency) of Revenues Over (Under) Expenditures	(103,750)	(321,450)	612,349	933,799
<b>Other Financing Sources (Uses):</b>				
Transfers In	75,000	75,000	75,000	0
Transfers Out	(517,600)	(589,600)	(581,368)	8,232
Advances In	45,000	45,000	122,441	77,441
Advances Out	(45,000)	(296,034)	(295,979)	55
Total Other Financing Sources (Uses)	(442,600)	(765,634)	(679,906)	85,728
Net Change in Fund Balance	(546,350)	(1,087,084)	(67,557)	1,019,527
Fund Balance at Beginning of Year	1,401,392	1,401,392	1,401,392	0
Prior Year Encumbrances	209,391	209,391	209,391	0
Fund Balance at End of Year	\$ 1,064,433	\$ 523,699	\$ 1,543,226	\$ 1,019,527

**CITY OF SPRINGBORO, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Debt Service Fund  
For the Year Ended December 31, 2003**

<b>DEBT SERVICE FUND</b>				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 238,960	\$ 184,399	\$ 30,108	\$ (154,291)
Special Assessments	237,646	237,546	299,856	62,310
All Other Revenues	55,496	55,496	36,250	(19,246)
Total Revenues	<u>532,102</u>	<u>477,441</u>	<u>366,214</u>	<u>(111,227)</u>
<b>Expenditures:</b>				
Debt Service:				
Principal Retirement	4,400,302	6,250,302	6,250,300	2
Interest and Fiscal Charges	387,021	411,366	411,298	68
Total Expenditures	<u>4,787,323</u>	<u>6,661,668</u>	<u>6,661,598</u>	<u>70</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,255,221)	(6,184,227)	(6,295,384)	(111,157)
<b>Other Financing Sources (Uses):</b>				
Transfers In	4,322,250	6,196,597	6,196,668	71
Advances In	0	55,496	229,034	173,538
Advances Out	0	(55,496)	(55,496)	0
Total Other Financing Sources (Uses)	<u>4,322,250</u>	<u>6,196,597</u>	<u>6,370,206</u>	<u>173,609</u>
Net Change in Fund Balance	67,029	12,370	74,822	62,452
Fund Balance at Beginning of Year	82,263	82,263	82,263	0
Fund Balance at End of Year	<u>\$ 149,292</u>	<u>\$ 94,633</u>	<u>\$ 157,085</u>	<u>\$ 62,452</u>

**CITY OF SPRINGBORO, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Capital Projects Funds  
For the Year Ended December 31, 2003**

<b>CONSTRUCTION FUND</b>				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 135,000	\$ 135,000	\$ 295,188	\$ 160,188
All Other Revenues	20,000	20,000	12,322	(7,678)
Total Revenues	<u>155,000</u>	<u>155,000</u>	<u>307,510</u>	<u>152,510</u>
<b>Expenditures:</b>				
General Government:				
Contractual Services	131,872	183,647	166,857	16,790
Total General Government	<u>131,872</u>	<u>183,647</u>	<u>166,857</u>	<u>16,790</u>
Capital Outlay	2,882,149	2,945,949	2,770,558	175,391
Total Expenditures	<u>3,014,021</u>	<u>3,129,596</u>	<u>2,937,415</u>	<u>192,181</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,859,021)	(2,974,596)	(2,629,905)	344,691
<b>Other Financing Sources (Uses):</b>				
General Obligation Notes Issued	3,500,000	5,350,000	5,894,586	544,586
Transfers In	2,380,000	2,380,000	2,085,000	(295,000)
Transfers Out	(4,172,500)	(6,047,111)	(6,047,020)	91
Total Other Financing Sources (Uses)	<u>1,707,500</u>	<u>1,682,889</u>	<u>1,932,566</u>	<u>249,677</u>
Net Change in Fund Balance	(1,151,521)	(1,291,707)	(697,339)	594,368
Fund Balance at Beginning of Year	584,646	584,646	584,646	0
Prior Year Encumbrances	1,069,021	1,069,021	1,069,021	0
Fund Balance at End of Year	<u>\$ 502,146</u>	<u>\$ 361,960</u>	<u>\$ 956,328</u>	<u>\$ 594,368</u>

**CITY OF SPRINGBORO, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Capital Projects Funds  
For the Year Ended December 31, 2003**

<b>INCOME TAX CAPITAL IMPROVEMENT FUND</b>				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Municipal Income Taxes	\$ 2,120,000	\$ 2,120,000	\$ 2,214,624	\$ 94,624
Total Revenues	<u>2,120,000</u>	<u>2,120,000</u>	<u>2,214,624</u>	<u>94,624</u>
<b>Expenditures:</b>				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,120,000	2,120,000	2,214,624	94,624
<b>Other Financing Sources (Uses):</b>				
Transfers In	1,410,000	1,410,000	0	(1,410,000)
Transfers Out	<u>(4,330,000)</u>	<u>(4,330,000)</u>	<u>(2,210,000)</u>	<u>2,120,000</u>
Total Other Financing Sources (Uses)	<u>(2,920,000)</u>	<u>(2,920,000)</u>	<u>(2,210,000)</u>	<u>710,000</u>
Net Change in Fund Balance	(800,000)	(800,000)	4,624	804,624
Fund Balance at Beginning of Year	<u>1,070,064</u>	<u>1,070,064</u>	<u>1,070,064</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 270,064</u>	<u>\$ 270,064</u>	<u>\$ 1,074,688</u>	<u>\$ 804,624</u>

**CITY OF SPRINGBORO, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2003**

**STREET MAINTENANCE AND REPAIR FUND**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 365,000	\$ 365,000	\$ 396,819	\$ 31,819
All Other Revenues	0	0	95	95
Total Revenues	<u>365,000</u>	<u>365,000</u>	<u>396,914</u>	<u>31,914</u>
<b>Expenditures:</b>				
Transportation:				
Personal Services	317,250	352,669	348,678	3,991
Materials and Supplies	123,248	143,248	143,228	20
Contractual Services	99,552	97,283	88,351	8,932
Capital Outlay	34,229	34,230	34,157	73
Total Expenditures	<u>574,279</u>	<u>627,430</u>	<u>614,414</u>	<u>13,016</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(209,279)	(262,430)	(217,500)	44,930
<b>Other Financing Sources (Uses):</b>				
Transfers In	<u>25,000</u>	<u>25,000</u>	<u>111,000</u>	<u>86,000</u>
Total Other Financing Sources (Uses)	<u>25,000</u>	<u>25,000</u>	<u>111,000</u>	<u>86,000</u>
Net Change in Fund Balance	(184,279)	(237,430)	(106,500)	130,930
Fund Balance at Beginning of Year	235,704	235,704	235,704	0
Prior Year Encumbrances	<u>47,529</u>	<u>47,529</u>	<u>47,529</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 98,954</u>	<u>\$ 45,803</u>	<u>\$ 176,733</u>	<u>\$ 130,930</u>

**CITY OF SPRINGBORO, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2003**

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<b>STATE HIGHWAY FUND</b>				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 30,000	\$ 30,000	\$ 32,174	\$ 2,174
Total Revenues	<u>30,000</u>	<u>30,000</u>	<u>32,174</u>	<u>2,174</u>
<b>Expenditures:</b>				
Transportation:				
Contractual Services	<u>27,600</u>	<u>27,600</u>	<u>24,584</u>	<u>3,016</u>
Total Expenditures	<u>27,600</u>	<u>27,600</u>	<u>24,584</u>	<u>3,016</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,400	2,400	7,590	5,190
Fund Balance at Beginning of Year	79,564	79,564	79,564	0
Prior Year Encumbrances	600	600	600	0
Fund Balance at End of Year	<u>\$ 82,564</u>	<u>\$ 82,564</u>	<u>\$ 87,754</u>	<u>\$ 5,190</u>

**CITY OF SPRINGBORO, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2003**

**PERMISSIVE USE TAX FUND**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 50,000	\$ 0	\$ 50,000	\$ 50,000
Total Revenues	<u>50,000</u>	<u>0</u>	<u>50,000</u>	<u>50,000</u>
<b>Expenditures:</b>				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	50,000	0	50,000	50,000
<b>Other Financing Sources (Uses):</b>				
Transfers Out	<u>(50,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(50,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	0	50,000	50,000
Fund Balance at Beginning of Year	<u>1,057</u>	<u>1,057</u>	<u>1,057</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,057</u>	<u>\$ 1,057</u>	<u>\$ 51,057</u>	<u>\$ 50,000</u>

**CITY OF SPRINGBORO, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2003**

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 120,000	\$ 109,000	\$ 109,092	\$ 92
Total Revenues	<u>120,000</u>	<u>109,000</u>	<u>109,092</u>	<u>92</u>
<b>Expenditures:</b>				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	120,000	109,000	109,092	92
<b>Other Financing Sources (Uses):</b>				
Transfers Out	<u>(120,000)</u>	<u>(120,000)</u>	<u>(120,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(120,000)</u>	<u>(120,000)</u>	<u>(120,000)</u>	<u>0</u>
Net Change in Fund Balance	0	(11,000)	(10,908)	92
Fund Balance at Beginning of Year	<u>15,956</u>	<u>15,956</u>	<u>15,956</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 15,956</u>	<u>\$ 4,956</u>	<u>\$ 5,048</u>	<u>\$ 92</u>

**CITY OF SPRINGBORO, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2003**

	COPS GRANT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 45,000	\$ 23,500	\$ 4,737	\$ (18,763)
All Other Revenues	6,547	6,547	18,553	12,006
Total Revenues	<u>51,547</u>	<u>30,047</u>	<u>23,290</u>	<u>(6,757)</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Personal Services	74,495	36,424	33,532	2,892
Materials and Supplies	650	600	597	3
Contractual Services	1,700	950	894	56
Total Expenditures	<u>76,845</u>	<u>37,974</u>	<u>35,023</u>	<u>2,951</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(25,298)	(7,927)	(11,733)	(3,806)
<b>Other Financing Sources (Uses):</b>				
Transfers In	25,600	6,600	13,500	6,900
Total Other Financing Sources (Uses)	<u>25,600</u>	<u>6,600</u>	<u>13,500</u>	<u>6,900</u>
Net Change in Fund Balance	302	(1,327)	1,767	3,094
Fund Balance at Beginning of Year	1,379	1,379	1,379	0
Fund Balance at End of Year	<u>\$ 1,681</u>	<u>\$ 52</u>	<u>\$ 3,146</u>	<u>\$ 3,094</u>

**CITY OF SPRINGBORO, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2003***

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines, Licenses and Permits	\$ 2,000	\$ 0	\$ 0	\$ 0
Total Revenues	<u>2,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Materials and Supplies	2,000	1,620	389	1,231
Contractual Services	0	380	380	0
Capital Outlay	<u>4,000</u>	<u>4,000</u>	<u>869</u>	<u>3,131</u>
Total Expenditures	<u>6,000</u>	<u>6,000</u>	<u>1,638</u>	<u>4,362</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,000)	(6,000)	(1,638)	4,362
Fund Balance at Beginning of Year	<u>12,527</u>	<u>12,527</u>	<u>12,527</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 8,527</u>	<u>\$ 6,527</u>	<u>\$ 10,889</u>	<u>\$ 4,362</u>

**CITY OF SPRINGBORO, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2003***

<b>LIBRARY DONATION TRUST FUND</b>				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Property and Other Taxes	\$ 95,000	\$ 100,000	\$ 137,712	\$ 37,712
Donations	5,000	5,000	6,073	1,073
Total Revenues	<u>100,000</u>	<u>105,000</u>	<u>143,785</u>	<u>38,785</u>
<b>Expenditures:</b>				
General Government:				
Contractual Services	6,500	6,500	5,987	513
Debt Service:				
Principal Retirement	73,957	73,957	73,957	0
Interest and Fiscal Charges	12,653	12,653	12,653	0
Total Expenditures	<u>93,110</u>	<u>93,110</u>	<u>92,597</u>	<u>513</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,890	11,890	51,188	39,298
<b>Other Financing Sources (Uses):</b>				
Advances In	45,000	45,000	66,945	21,945
Advances Out	(45,000)	(67,000)	(66,945)	55
Total Other Financing Sources (Uses)	<u>0</u>	<u>(22,000)</u>	<u>0</u>	<u>22,000</u>
Net Change in Fund Balance	6,890	(10,110)	51,188	61,298
Fund Balance at Beginning of Year	<u>14,646</u>	<u>14,646</u>	<u>14,646</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 21,536</u>	<u>\$ 4,536</u>	<u>\$ 65,834</u>	<u>\$ 61,298</u>

**CITY OF SPRINGBORO, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2003**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Total Revenues	<u>\$          0</u>	<u>\$          0</u>	<u>\$          0</u>	<u>\$          0</u>
<b>Expenditures:</b>				
Total Expenditures	<u>          0</u>	<u>          0</u>	<u>          0</u>	<u>          0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
<b>Other Financing Sources (Uses):</b>				
Transfers Out	<u>(28,046)</u>	<u>(28,046)</u>	<u>(28,046)</u>	<u>          0</u>
Total Other Financing Sources (Uses)	<u>(28,046)</u>	<u>(28,046)</u>	<u>(28,046)</u>	<u>          0</u>
Net Change in Fund Balance	(28,046)	(28,046)	(28,046)	0
Fund Balance at Beginning of Year	<u>          28,046</u>	<u>          28,046</u>	<u>          28,046</u>	<u>          0</u>
Fund Balance at End of Year	<u><u>\$          0</u></u>	<u><u>\$          0</u></u>	<u><u>\$          0</u></u>	<u><u>\$          0</u></u>

**CITY OF SPRINGBORO, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2003***

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
All Other Revenues	\$ 1,000	\$ 1,000	\$ 2,746	\$ 1,746
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>2,746</u>	<u>1,746</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Materials and Supplies	615	1,115	1,000	115
Contractual Services	<u>500</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>1,115</u>	<u>1,115</u>	<u>1,000</u>	<u>115</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(115)	(115)	1,746	1,861
Fund Balance at Beginning of Year	4,067	4,067	4,067	0
Prior Year Encumbrances	<u>115</u>	<u>115</u>	<u>115</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 4,067</u>	<u>\$ 4,067</u>	<u>\$ 5,928</u>	<u>\$ 1,861</u>

**CITY OF SPRINGBORO, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2003***

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	DARE TRUST FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 7,348	\$ 7,348	\$ 12,084	\$ 4,736
Donations	2,000	2,000	2,770	770
Total Revenues	<u>9,348</u>	<u>9,348</u>	<u>14,854</u>	<u>5,506</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Personal Services	15,000	17,000	13,962	3,038
Materials and Supplies	3,000	3,000	1,945	1,055
Contractual Services	500	500	221	279
Total Expenditures	<u>18,500</u>	<u>20,500</u>	<u>16,128</u>	<u>4,372</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,152)	(11,152)	(1,274)	9,878
Fund Balance at Beginning of Year	<u>18,688</u>	<u>18,688</u>	<u>18,688</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 9,536</u>	<u>\$ 7,536</u>	<u>\$ 17,414</u>	<u>\$ 9,878</u>

**CITY OF SPRINGBORO, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2003**

<b>PERMANENT IMPROVEMENT FUND</b>				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Property and Other Taxes	\$ 50,000	\$ 50,000	\$ 50,000	\$ 0
Fines, Licenses and Permits	180,000	180,000	220,045	40,045
Total Revenues	<u>230,000</u>	<u>230,000</u>	<u>270,045</u>	<u>40,045</u>
<b>Expenditures:</b>				
General Government:				
Contractual Services	20,286	20,286	20,287	(1)
Total General Government	<u>20,286</u>	<u>20,286</u>	<u>20,287</u>	<u>(1)</u>
Capital Outlay	416,283	416,283	409,375	6,908
Total Expenditures	<u>436,569</u>	<u>436,569</u>	<u>429,662</u>	<u>6,907</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(206,569)	(206,569)	(159,617)	46,952
<b>Other Financing Sources (Uses):</b>				
Transfers In	28,046	28,046	28,046	0
Transfers Out	(32,750)	(32,750)	(32,708)	42
Total Other Financing Sources (Uses)	<u>(4,704)</u>	<u>(4,704)</u>	<u>(4,662)</u>	<u>42</u>
Net Change in Fund Balance	(211,273)	(211,273)	(164,279)	46,994
Fund Balance at Beginning of Year	251,452	251,452	251,452	0
Prior Year Encumbrances	61,570	61,570	61,570	0
Fund Balance at End of Year	<u>\$ 101,749</u>	<u>\$ 101,749</u>	<u>\$ 148,743</u>	<u>\$ 46,994</u>

***Fiduciary Funds***

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

***Agency Fund***

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**Special Assessment Fund**

To account for special assessments collected from property owners and remitted to various homeowners associations.

**Mayor's Court Fund**

To account for the collection and distribution of court fines and forfeitures.

**CITY OF SPRINGBORO, OHIO**

**Statement Of Changes In Assets And Liabilities  
Agency Fund  
For the Year Ended December 31, 2003**

	Balance December 31, 2002	Additions	Deductions	Balance December 31, 2003
<b>Mayor's Court Fund</b>				
Assets:				
Cash with Fiscal and Escrow Agent	\$8,169	\$242,103	(\$244,473)	\$5,799
Total Assets	<u>\$8,169</u>	<u>\$242,103</u>	<u>(\$244,473)</u>	<u>\$5,799</u>
Liabilities:				
Intergovernmental Payables	\$2,420	\$0	(\$2,420)	\$0
Undistributed Monies	5,749	242,103	(242,053)	5,799
Total Liabilities	<u>\$8,169</u>	<u>\$242,103</u>	<u>(\$244,473)</u>	<u>\$5,799</u>
<b>Special Assessment Fund</b>				
Assets:				
Special Assessments Receivable	\$209,842	\$0	(\$47,185)	\$162,657
Total Assets	<u>\$209,842</u>	<u>\$0</u>	<u>(\$47,185)</u>	<u>\$162,657</u>
Liabilities:				
Due to Others	\$209,842	\$0	(\$47,185)	\$162,657
Total Liabilities	<u>\$209,842</u>	<u>\$0</u>	<u>(\$47,185)</u>	<u>\$162,657</u>
<b>Total Agency Funds:</b>				
Assets:				
Cash with Fiscal and Escrow Agent	\$8,169	\$242,103	(\$244,473)	\$5,799
Special Assessments Receivable	209,842	0	(47,185)	162,657
Total Assets	<u>\$218,011</u>	<u>\$242,103</u>	<u>(\$291,658)</u>	<u>\$168,456</u>
Liabilities:				
Intergovernmental Payables	\$2,420	\$0	(\$2,420)	\$0
Due to Others	209,842	0	(47,185)	162,657
Undistributed Monies	5,749	242,103	(242,053)	5,799
Total Liabilities	<u>\$218,011</u>	<u>\$242,103</u>	<u>(\$291,658)</u>	<u>\$168,456</u>

*CAPITAL ASSETS USED IN THE  
OPERATION OF GOVERNMENTAL FUNDS*

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**CITY OF SPRINGBORO, OHIO**

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***Capital Assets Used in the Operation of Governmental Funds  
Schedule by Source  
December 31, 2003***

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Capital Assets:

Land	\$13,993,874
Construction in Progress	391,660
Land Improvements	396,214
Infrastructure	29,199,205
Buildings	2,017,001
Equipment	2,712,153
Total Capital Assets	<u>\$48,710,107</u>

Investment in Capital Assets from:

General Fund	\$5,515,105
Special Revenue Funds	438,010
Capital Projects Funds	4,548,194
Infrastructure Prior to 2002	35,662,881
Donated Infrastructure	2,299,856
Enterprise Funds	246,061
Total Investment in Capital Assets	<u>\$48,710,107</u>

**CITY OF SPRINGBORO, OHIO**

**Capital Assets Used in the Operation of Governmental Funds  
Schedule by Function and Activity  
December 31, 2003**

<u>Function and Activity</u>	<u>Land</u>	<u>Construction in Progress</u>	<u>Land Improvements</u>	<u>Infrastructure</u>
<u>General Government:</u>				
Council	\$0	\$0	\$0	\$0
City Manager	0	0	0	0
Records Management	0	0	0	0
Finance	0	0	0	0
Mayor's Court	0	0	0	0
Taxation	0	0	0	0
Public Land and Buildings	2,172,814	0	9,828	0
Total	<u>2,172,814</u>	<u>0</u>	<u>9,828</u>	<u>0</u>
<u>Security of Persons and Property:</u>				
Police	0	0	0	0
Street Lighting	0	0	0	0
Traffic Control	0	0	0	0
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Transportation:</u>				
Street	10,946,425	0	12,898	29,199,205
Grounds	153,795	11,697	0	0
Total	<u>11,100,220</u>	<u>11,697</u>	<u>12,898</u>	<u>29,199,205</u>
<u>Leisure Time Activities:</u>				
Parks and Recreation	720,840	379,963	373,488	0
Library	0	0	0	0
Total	<u>720,840</u>	<u>379,963</u>	<u>373,488</u>	<u>0</u>
<u>Community Environment:</u>				
Engineering	0	0	0	0
Planning and Zoning	0	0	0	0
Community Development	0	0	0	0
Building Inspection	0	0	0	0
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Capital Assets	<u>\$13,993,874</u>	<u>\$391,660</u>	<u>\$396,214</u>	<u>\$29,199,205</u>

**CITY OF SPRINGBORO, OHIO**

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<u>Buildings</u>	<u>Equipment</u>	<u>Total</u>
\$3,000	\$19,999	\$22,999
0	7,872	7,872
0	38,134	38,134
0	56,008	56,008
0	10,234	10,234
0	10,367	10,367
<u>414,080</u>	<u>190,133</u>	<u>2,786,855</u>
<u>417,080</u>	<u>332,747</u>	<u>2,932,469</u>
31,040	691,990	723,030
0	78,675	78,675
<u>0</u>	<u>294,689</u>	<u>294,689</u>
<u>31,040</u>	<u>1,065,354</u>	<u>1,096,394</u>
614,994	798,961	41,572,483
<u>0</u>	<u>1,905</u>	<u>167,397</u>
<u>614,994</u>	<u>800,866</u>	<u>41,739,880</u>
220,306	334,573	2,029,170
<u>689,149</u>	<u>43,903</u>	<u>733,052</u>
<u>909,455</u>	<u>378,476</u>	<u>2,762,222</u>
44,432	36,078	80,510
0	17,356	17,356
0	10,063	10,063
0	71,213	71,213
<u>44,432</u>	<u>134,710</u>	<u>179,142</u>
<u>\$2,017,001</u>	<u>\$2,712,153</u>	<u>\$48,710,107</u>

**CITY OF SPRINGBORO, OHIO**

***Capital Assets Used in the Operation of Governmental Funds  
Schedule of Changes by Function and Activity  
December 31, 2003***

Function and Activity	January 1, 2002	Additions	Deletions	December 31, 2003
<b><u>General Government:</u></b>				
Council	\$22,999	\$0	\$0	\$22,999
City Manager	11,371	0	(3,499)	7,872
Records Management	38,681	1,432	(4,054)	36,059
Finance	71,753	0	(13,670)	58,083
Mayor's Court	19,854	0	(9,620)	10,234
Taxation	13,025	1,120	(3,778)	10,367
Public Land and Buildings	2,786,855	0	0	2,786,855
Total	<u>2,964,538</u>	<u>2,552</u>	<u>(34,621)</u>	<u>2,932,469</u>
<b><u>Security of Persons and Property:</u></b>				
Police	724,471	72,486	(73,927)	723,030
Street Lighting	78,675	0	0	78,675
Traffic Control	294,689	0	0	294,689
Total	<u>1,097,835</u>	<u>72,486</u>	<u>(73,927)</u>	<u>1,096,394</u>
<b><u>Transportation:</u></b>				
Street	39,170,946	2,558,662	(157,125)	41,572,483
Grounds	164,983	2,414	0	167,397
Total	<u>39,335,929</u>	<u>2,561,076</u>	<u>(157,125)</u>	<u>41,739,880</u>
<b><u>Leisure Time Activities:</u></b>				
Parks and Recreation	1,860,051	169,119	0	2,029,170
Library	736,692	0	(3,640)	733,052
Total	<u>2,596,743</u>	<u>169,119</u>	<u>(3,640)</u>	<u>2,762,222</u>
<b><u>Community Environment:</u></b>				
Engineering	80,510	0	0	80,510
Planning and Zoning	17,356	0	0	17,356
Community Development	10,063	0	0	10,063
Building Inspection	70,084	1,129	0	71,213
Total	<u>178,013</u>	<u>1,129</u>	<u>0</u>	<u>179,142</u>
Total Capital Assets	<u>\$46,173,058</u>	<u>\$2,806,362</u>	<u>(\$269,313)</u>	<u>\$48,710,107</u>

*STATISTICAL SECTION*

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*STATISTICAL TABLES*

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***T**HE FOLLOWING UNAUDITED STATISTICAL TABLES REFLECT SOCIAL AND ECONOMIC DATA, FINANCIAL TRENDS AND FISCAL CAPACITY OF THE CITY.*

**CITY OF SPRINGBORO, OHIO**

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**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)  
LAST TEN YEARS**

<b>Year</b>	<b>Security of Persons and Property</b>	<b>Public Health and Welfare</b>	<b>Leisure Time Activities</b>	<b>Community Environment</b>	<b>Transportation</b>	<b>General Government</b>	<b>Debt Service</b>	<b>Total</b>
1994	\$1,089,650	\$18,046	\$150,250	\$191,189	\$368,654	\$1,133,870	\$298,600	\$3,250,259
1995	1,098,498	17,560	178,255	197,276	447,179	1,095,945	449,612	3,484,325
1996	1,162,688	15,998	152,377	408,692	408,765	1,373,393	447,762	3,969,675
1997	1,228,970	17,826	213,748	505,251	466,174	1,678,623	353,057	4,463,649
1998	1,568,042	21,533	235,084	617,174	355,769	1,638,663	463,163	4,899,428
1999	1,764,306	13,569	214,419	716,566	455,676	2,206,726	357,356 (2)	5,728,618
2000	1,817,020	1,923	206,529	950,210	505,980	2,501,915	412,910	6,396,487
2001	1,982,231	1,874	296,561	684,998	400,002	2,759,509	663,149	6,788,324
2002	2,170,837	1,829	360,850	978,325	489,743	2,909,271	799,174	7,710,029
2003	2,192,558	6,343	320,075	739,251	628,947	3,261,662	791,565	7,940,401

(1) Includes General Fund, Special Revenue Funds and Debt Service Fund

(2) Includes Basic Utility Services from the Debt Service Fund.

**CITY OF SPRINGBORO, OHIO**

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**GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)  
LAST TEN YEARS**

<b>Year</b>	<b>Taxes (2)</b>	<b>Inter-Governmental Revenues</b>	<b>Charges for Services</b>	<b>Fines, Licenses and Permits (3)</b>	<b>Investment Earnings</b>	<b>All Other (4)</b>	<b>Total</b>
1994	\$2,119,522	\$653,240	\$3,089	\$360,512	\$24,813	\$204,234	\$3,365,410
1995	2,323,229	671,744	3,730	290,721	174,325	330,612	3,794,361
1996	3,424,685	744,315	155,893	340,357	194,677	492,228	5,352,155
1997	3,988,271	909,487	189,598	402,554	275,658	497,771	6,263,339
1998	3,182,087	1,072,824	404,577	494,778	375,255	527,292	6,056,813
1999	3,581,369	904,526	352,465	523,587	224,200	603,548	6,189,695
2000	3,760,538	1,219,893	381,632	469,479	519,956	894,093	7,245,591
2001	4,295,380	1,149,376	526,743	470,299	619,578	399,685	7,461,061
2002	4,863,290	1,210,035	675,520	567,254	426,042	644,919	8,387,060
2003	5,009,776	1,363,466	749,372	581,131	212,753	704,079	8,620,577

- (1) Includes General Fund, Special Revenue Funds and Debt Service Fund.
- (2) Municipal Income Tax and Property Taxes are combined.
- (3) Fines and Forfeitures were combined with Licenses and Permits.
- (4) Includes Special Assessments and Donations.

**CITY OF SPRINGBORO, OHIO**

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**PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN YEARS**

<b>Collection Year</b>	<b>Current Tax Levy</b>	<b>Current Tax Collections</b>	<b>Percent of Levy Collected</b>	<b>Delinquent Tax Collections</b>	<b>Total Tax Collections</b>	<b>Percent of Total Tax Collections to Current Taxes Levied</b>
1994	\$201,663	\$195,613	97.00%	\$3,961	\$199,574	98.96%
1995	212,885	206,958	97.22%	2,785	209,743	98.52%
1996	260,138	252,360	97.01%	3,326	255,686	98.29%
1997	298,301	292,336	98.00%	6,170	298,506	100.07%
1998	309,611	302,898	97.83%	8,964	311,862	100.73%
1999	328,855	318,704	96.91%	6,597	325,301	98.92%
2000	348,598	338,243	97.03%	9,295	347,538	99.70%
2001	409,572	393,232	96.01%	9,459	402,691	98.32%
2002	394,484	381,944	96.82%	16,858	398,802	101.09%
2003	490,439	474,521	96.75%	11,337	485,858	99.07%

Source: Warren County Auditor

**CITY OF SPRINGBORO, OHIO**

**ASSESSED VALUATIONS AND ESTIMATED TRUE VALUES  
OF TAXABLE PROPERTY  
LAST TEN YEARS**

Tax Levy Year	Real Property		Public Utility		Tangible Personal Property		Total		Assessed Value as a Percent of Actual Value
	Assessed	Actual	Assessed	Actual	Assessed	Actual	Assessed	Actual	
1994	\$150,135,280	\$428,957,943	\$9,634,370	\$10,948,148	\$25,353,793	\$101,415,172	\$185,123,443	\$541,321,263	34.20%
1995	164,838,600	470,967,429	9,717,570	11,042,693	28,055,098	112,220,392	202,611,268	594,230,514	34.10%
1996	178,524,970	510,071,343	9,848,350	11,191,307	27,275,164	109,100,656	215,648,484	630,363,306	34.21%
1997	206,314,170	589,469,057	10,112,190	11,491,125	28,591,249	114,364,996	245,017,609	715,325,178	34.25%
1998	222,044,280	634,412,229	10,532,680	11,968,955	28,621,985	114,487,940	261,198,945	760,869,123	34.33%
1999	234,929,640	671,227,543	10,917,940	12,406,750	28,832,343	115,329,372	274,679,923	798,963,665	34.38%
2000	291,192,270	831,977,914	10,187,320	11,576,500	32,103,229	128,412,916	333,482,819	971,967,330	34.31%
2001	302,321,650	863,776,143	6,044,780	6,869,068	33,131,850	132,527,400	341,498,280	1,003,172,611	34.04%
2002	322,706,980	922,019,943	6,061,070	6,887,580	31,103,140	124,412,560	359,871,190	1,053,320,083	34.17%
2003	358,029,770	1,022,942,200	6,282,680	7,139,409	29,672,310	118,689,240	393,984,760	1,148,770,849	34.30%

NOTE: Estimated Actual Value is calculated by dividing the assessed value by the assessment percentage.  
Current percentages are 35% for Real Property, 88% for Public Utility Tangible and 25% for Tangible Personal Property.

Source: Warren County Auditor

# ***CITY OF SPRINGBORO, OHIO***

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

<b><u>Collection Year</u></b>	<b><u>City of Springboro</u></b>	<b><u>Clearcreek School District</u></b>	<b><u>Warren County</u></b>	<b><u>Clearcreek Township</u></b>	<b><u>Joint Vocational School</u></b>	<b><u>Special District</u></b>	<b><u>Total</u></b>
1994	1.10	44.71	7.07	4.51	4.50	1.00	62.89
1995	1.11	53.10	7.07	4.51	4.50	1.00	71.29
1996	1.11	53.00	5.00	4.51	4.50	1.50	69.62
1997	1.11	51.71	5.00	4.51	4.50	1.50	68.33
1998	1.11	51.70	4.75	4.51	4.50	1.50	68.07
1999	1.11	54.88	4.00	4.51	4.50	1.50	70.50
2000	1.11	51.96	4.00	4.51	4.50	1.50	67.58
2001	1.11	51.06	4.00	8.36	4.50	1.50	70.53
2002	1.11	50.91	4.96	8.36	4.50	1.50	71.34
2003	1.11	49.91	6.53	8.36	4.50	1.50	71.91

Source: Warren County Auditor

***CITY OF SPRINGBORO, OHIO***

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***SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS  
LAST TEN YEARS***

<b><u>Collection Year</u></b>	<b><u>Amount Billed</u></b>	<b><u>Amount Collected</u></b>	<b><u>Percent Collected</u></b>
1994	\$117,757	\$76,511	64.97%
1995	271,840	228,182	83.94%
1996	233,407	212,627	91.10%
1997	242,088	230,566	95.24%
1998	286,201	281,553	98.38%
1999	276,167	256,310	92.81%
2000	265,634	248,186	93.43%
2001	318,971	287,159	90.03%
2002	287,621	270,816	94.16%
2003	299,292	299,856	100.19%

NOTE: This table reflects only those special assessments collected through the Warren County Auditor's Office.

Source: Warren County Auditor

**CITY OF SPRINGBORO, OHIO**

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**COMPUTATION OF LEGAL DEBT MARGIN  
DECEMBER 31, 2003**

	<u>Total Debt</u>	<u>Unvoted Debt</u>
Net Assessed Valuation	\$359,871,190	\$359,871,190
Legal Debt Limitation (%) (1)	10.50%	5.50%
Legal Debt Limitation (\$) (1)	37,786,475	19,792,915
Applicable City Debt Outstanding (2)	5,322,900	5,322,900
Add: Applicable Debt Service Fund Deficit	<u>67,752</u>	<u>67,752</u>
Net Indebtedness Subject to Limitation	<u>5,390,652</u>	<u>5,390,652</u>
Legal Debt Margin	<u><u>\$32,395,823</u></u>	<u><u>\$14,402,263</u></u>

(1) Direct Debt Limitation Based Upon Section 133, The Uniform Bond Act of the Ohio Revised Code.

(2) City Debt Outstanding Includes Non Self-Supporting General Obligation Notes and Bonds Only.

**CITY OF SPRINGBORO, OHIO**

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**RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED  
VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA  
LAST TEN YEARS**

<u>Year</u>	<u>Population</u>	<u>Assessed Value</u>	<u>Net Bonded Debt (1)</u>	<u>Ratio of Net Bonded Debt to Assessed Valuation</u>	<u>Net Bonded Debt Per Capita</u>
1994	9,230	\$185,123,443	\$1,028,250	0.56%	\$111
1995	9,590	202,611,268	978,750	0.48%	102
1996	10,331	215,648,484	1,374,250	0.64%	133
1997	10,945	245,017,609	1,529,750	0.62%	140
1998	11,200	261,198,945	1,451,800	0.56%	130
1999	12,045	274,679,923	2,111,927	0.77%	175
2000	12,380	333,482,819	3,692,647	1.11%	298
2001	13,265	341,498,280	3,413,801	1.00%	257
2002	14,483	359,871,190	3,329,433	0.93%	230
2003	15,596	359,871,190	3,150,652	0.88%	202

(1) Does not include Bond Anticipation Notes or Special Assessment debt with governmental commitment.

**CITY OF SPRINGBORO, OHIO**

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**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES  
FOR GENERAL OBLIGATION BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES (1)  
LAST TEN YEARS**

<u>Year</u>	<u>Debt Principal</u>	<u>Debt Interest (3)</u>	<u>Total Debt Service</u>	<u>Total General Governmental Expenditures</u>	<u>Ratio of Tax Debt Service to General Governmental Expenditures</u>
1994	\$46,050	\$66,517	\$112,567	\$3,250,259	3.46%
1995	49,500	79,576	129,076	3,484,325	3.70%
1996	54,500	74,073	128,573	3,969,675	3.24%
1997	69,500	89,295	158,795	4,463,749	3.56%
1998	77,950	97,716	175,666	4,899,428	3.59%
1999	(2) 57,950	74,967	132,917	5,728,618	2.32%
2000	96,400	112,108	208,508	6,396,487	3.26%
2001	101,400	208,357	309,757	6,788,324	4.56%
2002	259,850	188,386	448,236	7,710,029	5.81%
2003	273,300	175,913	449,213	7,940,401	5.66%

- (1) General obligation bonds reported in the enterprise funds and special assessment debt with governmental commitment have been excluded.
- (2) Does not include defeased issue of \$315,000.
- (3) Excludes bond issuance and other costs.

# ***CITY OF SPRINGBORO, OHIO***

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## ***COMPUTATION OF ALL DIRECT AND OVERLAPPING GOVERNMENTAL DEBT DECEMBER 31, 2003***

<b><u>Jurisdiction</u></b>	<b><u>Net Debt Outstanding</u></b>	<b><u>Percentage Applicable to City of Springboro (2)</u></b>	<b><u>Amount Applicable to City of Springboro</u></b>
City of Springboro (1)	\$3,150,652	100.00%	\$3,150,652
Warren County	13,366,697	8.55%	<u>1,142,853</u>
	Total		<u><u>\$4,293,505</u></u>

Source: Warren County Auditor

- (1) Net debt outstanding equals the amount of non self-supporting general obligation bonds outstanding less the amount available in the debt service fund.
- (2) Percentages determined by dividing each overlapping subdivision's assessed valuation within the City by the subdivision's total assessed valuation.

**CITY OF SPRINGBORO, OHIO**

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**REVENUE BOND COVERAGE - WATER MORTGAGE BONDS  
LAST TEN YEARS**

<b>Year</b>	<b>Gross Revenues (1)</b>	<b>Direct Operating Expenses (2)</b>	<b>Net Revenue Available For Debt Service</b>	<b>Debt Service Requirement</b>	<b>Coverage</b>
1994	\$2,333,346	\$534,073	\$1,799,273	\$315,720	5.70
1995	1,647,780	867,867	779,913	323,108	2.41
1996	1,689,614	700,958	988,656	324,696	3.04
1997	1,999,765	935,765	1,064,000	325,845	3.27
1998	2,360,083	1,378,223	981,860	125,566	7.82
1999	2,615,761	1,381,313	1,234,448	1,341,929	0.92
2000	2,725,797	983,364	1,742,433	1,326,344	1.31
2001	2,671,855	1,079,429	1,592,426	1,324,214	1.20
2002	2,555,439	1,467,476	1,087,963	1,325,674	0.82
2003	2,706,927	1,455,464	1,251,463	1,330,874	0.94

(1) Gross Revenues include operating revenues plus interest income.

(2) Direct operating expenses include total operating expenses less depreciation.

Source: City of Springboro, Department of Finance

**CITY OF SPRINGBORO, OHIO**

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**REVENUE BOND COVERAGE - SEWER MORTGAGE BONDS  
LAST TEN YEARS**

<u>Year</u>	<u>Gross Revenues</u>	<u>Direct Operating Expenses (1)</u>	<u>Net Revenue Available For Debt Service</u>	<u>Debt Service Requirement</u>	<u>Coverage</u>
1994	\$1,147,338	\$987,883	\$159,455	\$440,035	0.36
1995	1,070,999	1,024,548	46,451	440,114	0.11
1996	1,199,334	888,008	311,326	432,480	0.72
1997 (2)	1,502,164	960,679	541,485	166,733	3.25
1998	1,820,233	994,844	825,389	382,630	2.16
1999	1,488,972	941,114	547,858	381,643	1.44
2000	1,708,096	944,391	763,705	380,418	2.01
2001	1,793,762	1,169,247	624,515	378,705	1.65
2002	1,590,251	1,113,824	476,427	381,495	1.25
2003	1,904,125	1,774,868	129,257	378,775	0.34

(1) Direct operating expenses include total operating expenses less depreciation

(2) Refunding bonds were issued during 1997. No principal was paid.

Source: City of Springboro, Department of Finance

***CITY OF SPRINGBORO, OHIO***

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***DEMOGRAPHIC STATISTICS  
LAST TEN YEARS***

<b><u>Year</u></b>	<b><u>Population</u></b>	<b><u>Per Capita Income</u></b>	<b><u>Unemployment Rate Warren County Area</u></b>	<b><u>School Enrollment</u></b>
1994	9,230	\$22,361	5.3%	2,716
1995	9,590	22,876	4.2%	2,729
1996	10,331	28,723	3.8%	2,837
1997	10,945	29,584	3.0%	2,944
1998	11,200	30,176	3.0%	3,158
1999	12,045	31,081	3.0%	3,338
2000	12,380	32,013	3.0%	3,505
2001	13,265	32,973	2.6%	3,774
2002	14,483	35,422	3.1%	4,024
2003	15,596	37,560	2.9%	4,283

Source: City of Springboro Community Development Department

# CITY OF SPRINGBORO, OHIO

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## PROPERTY VALUE, CONSTRUCTION PERMITS AND BANK DEPOSITS LAST TEN YEARS

<u>Year</u>	<u>Building Permits (1)</u>		<u>Assessed Value</u>	<u>Bank Deposits (2)</u>
	<u>Number of Permits Issued</u>	<u>Estimated Value</u>		
1994	231	\$36,449,326	\$150,135,280	\$422,581,000
1995	161	20,665,648	164,838,600	460,950,000
1996	198	20,802,945	178,524,970	482,684,523
1997	212	24,382,801	206,314,170	523,595,000
1998	262	20,085,429	222,044,280	521,795,000
1999	319	33,499,038	274,679,923	533,873,000
2000	311	32,673,609	333,482,819	569,566,000
2001	267	32,464,314	341,498,280	618,781,000
2002	280	36,805,793	359,871,190	660,464,000
2003	276	39,885,911	393,984,760	637,524,000

(1) Source: City of Springboro Building Inspection Department.

(2) Source: Federal Reserve Bank of Cleveland - amounts are for commercial banks headquartered in Warren County.

**CITY OF SPRINGBORO, OHIO**

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**PRINCIPAL TAXPAYERS (REAL ESTATE)  
DECEMBER 31, 2003**

<u>Taxpayer</u>	<u>2003 Assessed Valuation (Tax Duplicate)</u>	<u>Percentage of Total Assessed Valuation</u>
1. Cincinnati Gas & Electric	\$4,092,710	1.04%
2. Coffman Development	3,875,390	0.98%
3. Inland Real Estate Group	3,112,730	0.79%
4. Gayston Corporation	1,947,090	0.49%
5. Ohio Bell Telephone	1,706,740	0.43%
6. ARV Springboro Villas	1,660,290	0.42%
7. Springboro YMCA	1,533,970	0.39%
8. Bunnell Hill Development	1,347,690	0.34%
9. Springboro Pointe Inc.	1,180,390	0.30%
10. Pioneer Industrial Components	1,116,250	0.28%
Sub - Total	21,573,250	5.46%
All Others	372,411,510	94.54%
Total	<u>\$393,984,760</u>	<u>100.00%</u>

Based on valuation of property taxes levied in 2003.  
Source: Warren County Auditor

# ***CITY OF SPRINGBORO, OHIO***

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## ***MISCELLANEOUS STATISTICS DECEMBER 31, 2003***

Date of Incorporation	January 1, 1979	Form of Government	Council/Manager
Number of Employees	76	Area (square miles)	10.07
Number of Streets	344		
Cultural and Recreation:			
	Parks	3	
	Park Acreage	287.7	
	Heatherwoode Golf Course	18 Hole Course	
Police Protection:			
	Number of Stations	1	
	Number of Full-time Personnel	22	
	Number of Patrol Units	16	
Education:			
	Number of Elementary Schools	3	
	Number of Elementary School Instructors	118	
	Number of Secondary Schools	2	
	Number of Secondary School Instructors	123	

Source: City of Springboro Economic Development Department

