



NORTH PARK AMPHITHEATER

CITY OF SPRINGBORO, OHIO

Comprehensive Annual Financial Report

For the Year Ended December 31, 2007



THE CITY OF SPRINGBORO, OHIO

WARREN COUNTY

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FOR THE YEAR ENDED
December 31, 2007

Prepared by:
Department of Finance

Robyn L. Brown
Director of Finance



TABLE OF CONTENTS

CITY OF SPRINGBORO
WARREN COUNTY, OHIO

I INTRODUCTORY SECTION

A Letter of Transmittal v
B List of Principal Officials xii
C City Organizational Chart xiii
D Certificate of Achievement for Excellence in Financial Reporting..... xiv

II FINANCIAL SECTION

A Independent Auditor’s Report 1
B Management’s Discussion and Analysis 3
C Basic Financial Statements:
 Government-wide Financial Statements:
 Statement of Net Assets 13
 Statement of Activities 14
 Fund Financial Statements:
 Governmental Funds:
 Balance Sheet 16
 Reconciliation of Total Governmental Fund Balances to Net Assets of
 Governmental Activities 18
 Statement of Revenues, Expenditures and Changes in Fund Balances 20
 Reconciliation of the Statement of Revenues, Expenditures and
 Changes in Fund Balances to the Statement of Activities 22
 Statement of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual (Non-GAAP Budgetary Basis):
 General Fund 23
 Proprietary Funds:
 Statement of Net Assets 24
 Statement of Revenues, Expenses and Changes in Fund Net Assets 28
 Statement of Cash Flows 30
 Fiduciary Funds:
 Statement of Assets and Liabilities 34
Notes to the Basic Financial Statements 35

D Combining and Individual Fund Statements and Schedules:

Nonmajor Governmental Financial Statements:

Combining Balance Sheet.....	70
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	71
Combining Balance Sheet – Nonmajor Special Revenue Funds.....	72
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds.....	74

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

Major Governmental Funds:

<i>General Fund</i>	76
<i>Debt Service Fund:</i>	
Debt Service Fund.....	81
<i>Capital Projects Funds:</i>	
Construction Fund.....	82
Land Acquisition Fund.....	83
Income Tax Capital Improvement Fund.....	84

Nonmajor Governmental Funds:

Special Revenue Funds:

Street Maintenance and Repair Fund.....	85
State Highway Fund.....	86
Permissive Use Tax Fund.....	87
Motor Vehicle License Tax Fund.....	88
Community Oriented Policing Service (COPS) Grant Fund.....	89
Drug Law Enforcement Fund.....	90
Mayor’s Court Improvement Fund.....	91
Austin Center Municipal Public Improvement TIF Fund.....	92
Library Donation Trust Fund.....	93
Law Enforcement Trust Fund.....	94
D.A.R.E Trust Fund.....	95

Capital Projects Fund:

 Permanent Improvement Fund96

Fiduciary Funds – Agency Funds:

 Statement of Changes in Assets and Liabilities.....98

Capital Assets Used in the Operation of Governmental Funds:

 Schedule by Source.....101

 Schedule by Function and Activity.....102

 Schedule of Changes by Function and Activity.....104

III STATISTICAL SECTION

Net Assets by Component - Last Six Years S 2

Changes in Net Assets - Last Six Years S 4

Fund Balances, Governmental Funds - Last Ten Years S 8

Changes in Fund Balances, Governmental Funds - Last Ten Years S 10

Income Tax Revenues by Source, Governmental Funds – Last Ten Years S 14

Income Tax Statistics - Current Year and Nine Years Ago S 17

Ratio of Outstanding Debt By Type - Last Ten Years S 18

Ratios of General Bonded Debt Outstanding - Last Ten Years..... S 20

Computation of Direct and Overlapping Debt Attributable to
Governmental Activities - Current Year S 23

Debt Limitations - Last Ten Years S 24

Pledged Revenue Coverage - Last Ten Years S 26

Demographic and Economic Statistics - Last Ten Years S 28

Principal Employers - Current Year and Nine Years Ago S 31

Full Time Equivalent Employees by Function - Last Ten Years S 32

Operating Indicators by Function - Last Ten Years S 34

Capital Asset Statistics by Function - Last Ten Years S 36



INTRODUCTORY SECTION





CITY OF SPRINGBORO

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June 15, 2008

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

We are pleased to present the City of Springboro (the City) Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2007. 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 office of the Director of Finance. This report is prepared in conformance with accounting principles generally accepted in the United States of America 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.

Accounting principles generally accepted in the United States of America 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's MD&A can be found immediately following the independent auditor's report.

THE CITY

Although we became a City just twenty-eight 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, uniquely within the boundaries of two counties, Warren County and Montgomery County, Ohio. 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.

***Letter of Transmittal
For the Year Ended December 31, 2007***

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, storm 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, the Greater Warren County Drug Task Force and the Miami Valley Regional Planning Commission were determined to be jointly governed organizations 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 16 and 17 within the notes to the financial statements.

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. The United States Census Bureau officially counted population in the City of Springboro on April 1, 2000 as 12,380, and Census Bureau statistics to date indicate the population to be in excess of 18,000. The main factor contributing to this growth over a sustained period was an abundance of available building sites offering appealing terrain, location, amenities, small town atmosphere and a low crime rate. In 2007, only 42 single-family residential construction permits were issued. This decrease from prior years is consistent and reflective of projections commissioned in 2002 that residential build-out would occur within a 5-7 year time frame and place population figures at build-out at the 23,000 figure.

***Letter of Transmittal
For the Year Ended December 31, 2007***

Since the City annexed the South Tech Business Park in 1997 and began marketing the Stolz Industrial Park and Commercial Way Industrial Park, industrial growth in Springboro has blossomed. The City has witnessed the addition of over 678 new jobs and an additional payroll worth an estimated \$27.3 million over the past five years. With the advent of the Austin Road Interchange at State Route 741 and Miamisburg-Springboro Pike additional industrial and commercial development is on the horizon for development over the next fifteen 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 (2007):

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.

General Capital Improvements:

The City began design for development of the South Tech Industrial Park to include landscaping, lighting and signage improvements. A landscape plan was developed and will be implemented over the next two years to coincide with the opening of the Austin Road interchange on I-75. The South Tech Industrial Park is located at the southeast corner of the new interchange. The City also began design for a new Municipal Building. The current building will be demolished and the new building will be constructed on the same site and should be completed by the end of 2009.

Street Capital Improvements:

The City has an annual resurfacing and miscellaneous street repair program that is completed each year. Improvements were completed on Gilpin Drive to provide for a safer roadway, by widening the roadway and installing curb, gutter, sidewalk and storm sewer. Phase V was completed of the improvements for a portion of East Street. Sidewalks were installed in various areas of the City, per the Mobility Master Plan, to provide continuity and allow for safer pedestrian traffic.

Park Improvements:

A portion of the parking area was paved at Clearcreek Park to accommodate the extensive use of the park, as well as an additional soccer field. An additional shelter/restroom facility was constructed in the western section of Community Park to accommodate those using that area. Design work started on E. Milo Beck Park and will be a ten-phase project. This is a passive park that will feature an overlook, tree house, observation tower and walking trails to enjoy the serene beauty.

***Letter of Transmittal
For the Year Ended December 31, 2007***

Water Capital Improvements:

Replacement of a portion of water main on East Street in 2007 was completed in conjunction with the road improvements on East Street. Design began on the Factory Road water main replacement. The existing 8" water main is old and in need of continuous repair and will be replaced with a 12" water main. Yankee Road water main extension was completed to better serve residents in that quadrant of the City.

Sewer Capital Improvements:

Construction of the Waste Water Treatment Plant Expansion began in 2004 and was completed in 2007. This expanded the plant from a 2-MGD to a 4-MGD treatment plant, with the ability to expand to 6-MGD if needed in the future. Improvements were made to the South Main Street sanitary sewer to eliminate the South Main lift station.

Golf Course Improvements:

The newly replaced cart paths were painted with no parking areas and centerlines to reduce wear areas along the cart path edges. Fountains and aerators were replaced in three of the ponds on the golf course to improve appearance and quality of the ponds. A new golf maintenance storage facility was constructed for additional storage of golf maintenance equipment.

For the Future (2008):

General Capital Improvements:

The 2008 budget includes: \$5,000,000 for site preparation and construction of a new municipal building; \$200,000 designated for landscaping and lighting at South Tech Industrial Park; \$200,000 for the installation of a traffic signal at SR741 and Tamarack Trail; and \$100,000 for the City's streetscape and identity plan.

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 2008 budget includes funding for \$2,717,630 of street capital improvements in various areas. \$742,000 is designated for the City's annual resurfacing and miscellaneous street repair program. There is \$315,000 designated for interchange improvements at SR73 and I-75. There is \$679,000 designated for the extension of West Tech Boulevard in the South Tech Industrial Park. There is \$220,000 designated for improvements on Lytle Five-Points Road, between Yankee Road and Greenleaf Village, \$5,000 for South Street improvements, \$910,630 designated for an Issue II project for West Mill Street improvements and \$25,000 for various sidewalk installations.

Park Improvements:

The 2008 budget includes \$250,000 designated for improvements to E. Milo Beck Park on Lower Springboro Road. There is also \$80,000 for baseball diamonds and \$50,000 for soccer fields at Clearcreek Park.

***Letter of Transmittal
For the Year Ended December 31, 2007***

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 and will be updated again in 2008. The 2008 budget includes funding for \$405,000 water capital improvements as follows: \$50,000 for the relocation of a 12" water main on Pennyroyal Road in conjunction with an ODOT project to replace the bridge on Pennyroyal Road over I-75; \$125,000 for the replacement of a portion of water main on West Mill Street to be done in conjunction with the Issue II project; \$180,000 for the replacement of the water main on Factory Road; and \$50,000 for the replacement of a portion of water main in Tamarack Hills.

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 2008 budget: \$320,000 for the Yankee Road Sanitary Sewer Phase II; \$100,000 for the Bailey Trunk Sewer Phase II; and \$60,000 for emergency generators at sanitary sewer lift stations. The Yankee Road Sanitary Sewer project will allow the City to eliminate the Brookside Lift Station and subsequently provide more capacity in that line. The Bailey Trunk Sewer will eliminate the Creekside Lift Station. This will eliminate the weekly maintenance visits, electrical costs and expensive replacement costs associated with a lift station.

Golf Course Improvements:

Heatherwoode Golf Course improvements for 2008 include: \$25,000 for improvements to the restrooms in the clubhouse; \$130,000 for the expansion and resurfacing of the parking lot at the clubhouse; and \$150,000 to replace the irrigation pumping station and building.

FINANCIAL INFORMATION

Internal Control, Budgetary Control and the Accounting System

Development of the City's accounting system included substantial consideration of the adequacy of the internal accounting controls. Internal accounting controls are designed to provide reasonable but not absolute assurance of the following:

1. The City's assets are protected against loss and unauthorized use or disposition.
2. Reliable financial reports for preparing financial statements and providing accountability for assets are maintained.

***Letter of Transmittal
For the Year Ended December 31, 2007***

The concept of reasonable assurance states that internal controls should be evaluated applying the following criteria:

1. The expense associated with providing the internal controls should not exceed the benefits likely to be derived from their implementation.
2. The evaluation of the offsetting costs and benefits involves estimates and judgment by the City administration and the Finance Department.

All internal control evaluations occur within this framework. It is the belief of the administrative and financial management personnel that the City's financial controls adequately safeguard existing assets and provide reasonable assurance of the proper recording of financial transactions.

Budgetary control is maintained at the object level for each department within each fund via legislation approved by City Council. Lower levels within each object are accounted for and reported internally. Such lower levels are referred to as line items of expenditure. Estimated amounts must be encumbered prior to final approval of purchase orders or other contracts to vendors. Encumbrances in excess of the available object level appropriations are not approved unless additional appropriations are authorized. Unencumbered appropriations return (lapse) to the unappropriated balances in the individual funds at the end of each fiscal year, which coincides with the calendar year.

Risk Management

The City is adequately insured in all areas including buildings, contents, vehicles, equipment and general liability. The City is also covered under the Ohio Municipal League of Ohio Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (see Note 16). The City makes every effort to monitor insurance costs and related risk of accident to ensure proper fiscal management in this area.

OTHER INFORMATION

Independent Audit:

An audit team from Wilson, Shannon and Snow, Inc. has performed this year's audit. The independent auditor's unqualified opinion has been included in the Independent Auditor's 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, 2006. This was the eighteenth year that the government has achieved this prestigious award.

***Letter of Transmittal
For the Year Ended December 31, 2007***

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 accounting principles generally accepted in the United States of America 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.



Christine A. Thompson
City Manager



Robyn L. Brown
Director of Finance

CITY OF SPRINGBORO, OHIO

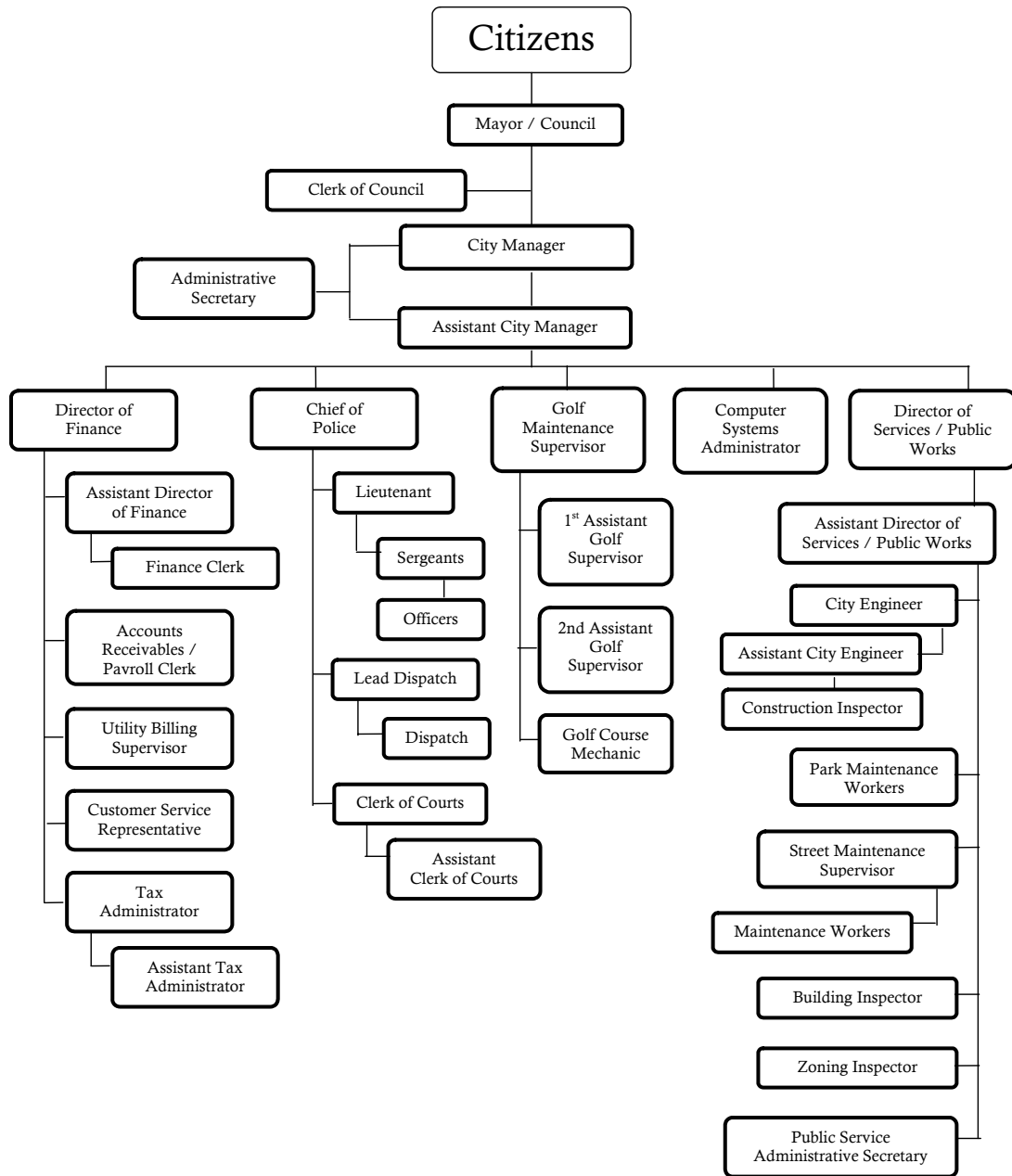
***List of Principal Officials
For the Year Ended December 31, 2007***

<u><i>Council</i></u>	<u><i>Title</i></u>	<u><i>Years of Service *</i></u>	<u><i>Term expires</i></u>
John Agenbroad	Mayor	11	December 2007
Scott Anderson	Councilman Ward I	2	December 2009
Jim Chmiel	Councilman Ward II	6	December 2009
John Parise	Councilman Ward III	2	December 2009
Sheila Lairson	Councilman Ward IV	2	December 2009
Marie Belpulsi	Councilman at Large	14	December 2007
Gary Hruska	Councilman at Large	10	December 2007

<u><i>Appointed Officials</i></u>	<u><i>Title</i></u>
Christine Thompson	City Manager
Chris Pozzuto	Assistant City Manager
Barry Conway	Director of Public Works
Robyn Brown	Director of Finance
Jeff Kruithoff	Chief of Police
Alan Schaeffer	City Solicitor
Lori Martin	Clerk of Council
Raj Sharma	City Engineer
Kenneth Smith	Street Maintenance Supervisor
Beth Eaton	Assistant Director of Finance
Michelle Baker	Income Tax Administrator
Linda Harrison	Clerk of Mayor's Court
Vincent Murphy	Assistant Public Works Director
Deitra Mullins	Utilities Billing Supervisor
Elmer Dudas	Assistant City Engineer

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

***City Organizational Chart
For the Year Ended December 31, 2007***



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, 2006

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.



Charles S. Cox

President

Jeffrey R. Emer

Executive Director

FINANCIAL SECTION





INDEPENDENT AUDITORS' REPORT

City of Springboro
Warren County
425 South Pioneer Boulevard
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 City of Springboro, Warren County, Ohio (the City), as of and for the year ended December 31, 2007, 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 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Springboro, Warren County, Ohio, as of December 31, 2007, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparison for the General fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 3, the City changed its capitalization threshold for reporting capital assets.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2008, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Wilson, Shannon & Snow, Inc.

CERTIFIED PUBLIC ACCOUNTANTS
Ten West Locust Street
Newark, Ohio 43055
(740) 345-6611
1-800-523-6611
FAX (740) 345-5635

City of Springboro
Warren County
Independent Auditors' Report

Management's Discussion & Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Wilson, Shuman & Snow, Inc.

Newark, Ohio
May 30, 2008

***Management's Discussion and Analysis
For the Year Ended December 31, 2007***

Unaudited

Management's discussion and analysis of the City of Springboro's (the City) financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2007. The intent of management's 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 2007 are as follows:

- ❑ In total, net assets increased \$5.4 million. Net assets of governmental activities increased \$2.4 million which represents a 5% increase from 2006. Net assets of business-type activities increased \$3 million or 5% from 2006.
- ❑ General revenues accounted for \$13.5 million in revenue or 51.9% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for 48.1% of total revenues of \$26.1 million.
- ❑ Total net assets of governmental activities increased by \$2.4 million in total. Special assessments levied against property owners increased as a result of street lighting assessments initiated from new residential developments. This will help defray the costs of infrastructure improvements necessary to accommodate the City's growth. Income tax revenues saw an increase during 2007, primarily in withholdings generated from new businesses.
- ❑ The City had \$10.7 million in expenses related to governmental activities; \$3.1 million of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$13 million were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$10.1 million in revenues and \$7.5 million in expenditures. The general fund's fund balance increased \$834,092 to \$5.7 million.
- ❑ Net assets for enterprise funds increased by \$3 million. This increase resulted primarily from capital contributions in the form of capital assets of \$3.1 million. The majority was due to the completion of the wastewater treatment plant expansion and completion of well #7 in the western wellfield.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – *management's discussion and analysis*, the *basic financial statements*, and an optional section that presents *combining statements* for nonmajor governmental 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.

Government-wide Statements

The government-wide statements report information about the City as a whole using accounting 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, water, sewer, trash and storm water services are reported as business-type 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 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.

***Management's Discussion and Analysis
For the Year Ended December 31, 2007***

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 the separate Statement of Fiduciary Assets and Liabilities.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following table provides a summary of the City's net assets for 2007 compared to 2006:

	Governmental Activities		Business-type Activities		Total	
	2007	Restated 2006	2007	Restated 2006	2007	Restated 2006
Current and other assets	\$22,566,593	\$21,941,029	\$14,633,448	\$14,228,896	\$37,200,041	\$36,169,925
Capital assets, Net	37,384,585	37,009,536	83,206,328	82,279,447	120,590,913	119,288,983
Total assets	<u>59,951,178</u>	<u>58,950,565</u>	<u>97,839,776</u>	<u>96,508,343</u>	<u>157,790,954</u>	<u>155,458,908</u>
Long-term debt outstanding	5,151,401	5,694,308	37,824,954	39,445,092	42,976,355	45,139,400
Other liabilities	4,708,814	5,538,001	515,591	558,986	5,224,405	6,096,987
Total liabilities	<u>9,860,215</u>	<u>11,232,309</u>	<u>38,340,545</u>	<u>40,004,078</u>	<u>48,200,760</u>	<u>51,236,387</u>
Net assets						
Invested in capital assets, net of related debt	29,738,654	27,213,897	48,566,261	46,543,923	78,304,915	73,757,820
Restricted	11,542,608	10,981,263	2,186,063	2,080,999	13,728,671	13,062,262
Unrestricted	8,809,701	9,523,096	8,746,907	7,879,343	17,556,608	17,402,439
Total net assets	<u>\$50,090,963</u>	<u>\$47,718,256</u>	<u>\$59,499,231</u>	<u>\$56,504,265</u>	<u>\$109,590,194</u>	<u>\$104,222,521</u>

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CITY OF SPRINGBORO, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2007**

Unaudited

Changes in Net Assets – The following table shows the changes in net assets for 2007 compared to 2006:

	Governmental Activities		Business-type Activities		Total	
	2007	Restated 2006	2007	Restated 2006	2007	Restated 2006
Revenues						
Program Revenues:						
Charges for Services and Sales	\$1,543,909	\$1,554,352	\$8,272,819	\$7,820,303	\$9,816,728	\$9,374,655
Operating Grants and Contributions	950,410	800,017	0	0	950,410	800,017
Capital Grants and Contributions	587,717	301,873	1,171,053	3,576,737	1,758,770	3,878,610
Total Program Revenues	3,082,036	2,656,242	9,443,872	11,397,040	12,525,908	14,053,282
General revenues:						
Income Taxes	9,654,160	9,008,615	0	0	9,654,160	9,008,615
Property Taxes	763,912	629,933	0	0	763,912	629,933
Other Local Taxes	87,807	79,746	0	0	87,807	79,746
Payment in Lieu of Taxes	384,014	473,153	0	0	384,014	473,153
Intergovernmental, unrestricted	564,359	566,082	0	0	564,359	566,082
Investment Earnings	770,851	478,662	509,099	607,060	1,279,950	1,085,722
Miscellaneous	357,341	326,437	0	0	357,341	326,437
Gain on Sale of Assets Held for Resale	437,706	0	0	0	437,706	0
Total General Revenues	13,020,150	11,562,628	509,099	607,060	13,529,249	12,169,688
Total Revenues	16,102,186	14,218,870	9,952,971	12,004,100	26,055,157	26,222,970
Program Expenses						
Security of Persons and Property	2,697,240	2,630,222	0	0	2,697,240	2,630,222
Public Health and Welfare Services	11,518	10,647	0	0	11,518	10,647
Leisure Time Activities	534,363	507,364	0	0	534,363	507,364
Community Environment	736,720	693,745	0	0	736,720	693,745
Transportation	2,194,691	1,922,942	0	0	2,194,691	1,922,942
General Government	4,076,554	4,087,878	0	0	4,076,554	4,087,878
Interest and Fiscal Charges	466,493	492,472	0	0	466,493	492,472
Golf Course	0	0	2,641,012	2,503,701	2,641,012	2,503,701
Water	0	0	3,349,609	3,463,779	3,349,609	3,463,779
Sewer	0	0	3,000,301	3,202,723	3,000,301	3,202,723
Trash	0	0	796,749	768,894	796,749	768,894
Storm Water	0	0	182,234	216,285	182,234	216,285
Total Expenses	10,717,579	10,345,270	9,969,905	10,155,382	20,687,484	20,500,652
Change in Net Assets before transfers	5,384,607	3,873,600	(16,934)	1,848,718	5,367,673	5,722,318
Transfers	(3,011,900)	(1,586,000)	3,011,900	1,586,000	0	0
Total Change in Net Assets	2,372,707	2,287,600	2,994,966	3,434,718	5,367,673	5,722,318
Beginning Net Assets	47,718,256	45,430,656	56,504,265	53,069,547	104,222,521	98,500,203
Ending Net Assets	\$50,090,963	\$47,718,256	\$59,499,231	\$56,504,265	\$109,590,194	\$104,222,521

**Management's Discussion and Analysis
For the Year Ended December 31, 2007**

Unaudited

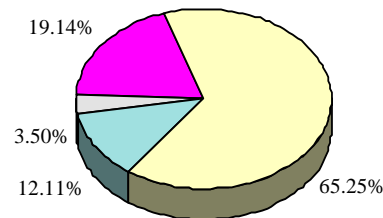
Governmental Activities

Net assets of the City's governmental activities increased by \$2,372,707. This was due primarily because revenue collections continued to outpace expenditures, mainly due to management's continued effort to maintain expenditures at a minimum increase. The increase in revenue was mainly due to: income tax revenues from new businesses; an increase in investment earnings from the maturity of investments, and; the gain on sale of assets held for resale generated from land the City owned at the South Tech Industrial Park and sold for economic development.

The City 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 4.74% and 60% respectively of revenues for governmental activities for the City in 2007. The City's reliance upon tax revenues is demonstrated by the following graph indicating 65.25% of total revenues from general tax revenues:

Revenue Sources	2007	Percent of Total
Intergovernmental, unrestricted	\$564,359	3.50%
Program Revenues	3,082,036	19.14%
General Tax Revenues	10,505,879	65.25%
General Other	1,949,912	12.11%
Total Revenue	<u>\$16,102,186</u>	<u>100.00%</u>



Business-Type Activities

Net assets of the business-type activities increased by \$2,994,966. 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. This coupled with new residential and business customers, increased revenues.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$12,721,932, which is an increase from last year's balance of \$11,250,001. The schedule below indicates the fund balance and the total change in fund balance by fund type as of December 31, 2007 and 2006:

	Fund Balance December 31, 2007	Fund Balance December 31, 2006	Increase (Decrease)
General	\$5,737,017	\$4,902,925	\$834,092
Debt Service	463,997	401,568	62,429
Construction (Capital Project)	4,019,697	3,087,763	931,934
Land Acquisition (Capital Project)	727,168	443,389	283,779
Income Tax Capital Improvement (Capital Project)	520,850	856,115	(335,265)
Other Governmental	1,253,203	1,558,241	(305,038)
Total	\$12,721,932	\$11,250,001	\$1,471,931

General Fund – The City's General Fund balance increase is due mainly to an increase in revenue collections. Income tax revenue increased as a result of new businesses in the City and investment earnings increased due to the maturity of investments. The tables that follow assist in illustrating the financial activities and balance of the General Fund:

	2007 Revenues	2006 Revenues	Increase (Decrease)
Municipal Income Taxes	\$6,471,280	\$5,967,347	\$503,933
Property and Other Taxes	727,737	641,356	86,381
Intergovernmental Revenue	520,320	595,158	(74,838)
Charges for Services	961,574	890,655	70,919
Fines, Licenses and Permits	482,908	492,660	(9,752)
Investment Earnings	713,078	460,377	252,701
Special Assessments	34,267	24,023	10,244
All Other Revenue	147,810	188,533	(40,723)
Total	\$10,058,974	\$9,260,109	\$798,865

General Fund revenues increased compared with revenues in 2006. Increased investment earnings due to the maturity of investments coupled with an increase in income tax collections from the new businesses in the City, helped to offset reduced building permit and planning fees.

CITY OF SPRINGBORO, OHIO

***Management's Discussion and Analysis
For the Year Ended December 31, 2007***

Unaudited

	2007	2006	Increase
	Expenditures	Expenditures	(Decrease)
Security of Persons and Property	\$2,562,619	\$2,447,938	\$114,681
Public Health and Welfare Services	11,518	10,647	871
Leisure Time Activities	418,201	380,019	38,182
Community Environment	725,553	679,947	45,606
General Government	3,748,615	3,393,723	354,892
Debt Service:			
Principal Retirement	8,032	7,694	338
Interest and Fiscal Charges	812	1,150	(338)
Total	<u>\$7,475,350</u>	<u>\$6,921,118</u>	<u>\$554,232</u>

General Fund expenditures increased by \$554,232 or 8% over the prior year mostly due to an increase in professional services and engineering fees associated with various ongoing projects. Some of the smaller projects, such as traffic light installation and traffic studies, are initiated from the General Fund. In addition, operating expenses associated with security of persons and property increased due to additional police officers being added to the department in 2007, which was due to the growth of the City over the past several years.

Debt Service Fund – The Debt Service Fund balance increased this year by \$62,429 because the City collected additional intergovernmental revenues. This increase was due to the revaluation of properties by Warren County.

Construction and Land Acquisition Funds - The fund balances of these funds will vary from year to year based upon the City's capital project schedules. The City maintains a five-year Capital Improvement Program, which is approved each year by City Council.

Income Tax Capital Improvement Fund - The fund balance decreased \$335,265 to a balance of \$520,850. Larger than normal transfers out to other funds accounted for this decrease. These additional transfers were the result of capital projects, mainly for street capital improvements. The majority of the street improvement expenditures is on older streets in the City that are in need of extensive improvements.

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 2007 the City amended its General Fund budget several times, none significant.

For the General Fund, final budget basis revenue of \$9 million decreased \$48,800 below the original budget estimates due to lower than projected charges for services. There was a decrease in building permit revenue from previous years, as the City's growth is slowing. The General Fund had an adequate fund balance to cover expenditures.

The large variances between budgeted and actual figures represent higher than expected revenue collections, as previously noted and prudent financial management of expenditure outlays.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2007 the City had \$120,590,913 net of accumulated depreciation invested in land, improvements, infrastructure, buildings, machinery and equipment and construction in progress. Of this total, \$37,384,585 was related to governmental activities and \$83,206,328 to the business-type activities. The following table shows 2007 and 2006 balances:

	Governmental Activities		Increase (Decrease)
	2007	Restated 2006	
	Land	\$16,107,287	\$15,744,794
Construction in Progress	393,499	0	393,499
Total Non-Depreciable Capital Assets	<u>16,500,786</u>	<u>15,744,794</u>	<u>755,992</u>
Improvements	425,341	411,711	13,630
Infrastructure	33,384,066	32,588,103	795,963
Buildings	3,315,237	3,221,357	93,880
Machinery and Equipment	2,500,918	2,408,088	92,830
Less: Accumulated Depreciation	<u>(18,741,763)</u>	<u>(17,364,521)</u>	<u>(1,377,242)</u>
Total Depreciable Capital Assets	<u>20,883,799</u>	<u>21,264,738</u>	<u>(380,939)</u>
Totals	<u>\$37,384,585</u>	<u>\$37,009,532</u>	<u>\$375,053</u>

	Business-Type Activities		Increase (Decrease)
	2007	Restated 2006	
	Land	\$8,685,240	\$8,685,240
Construction in Progress	223,382	18,488,848	(18,265,466)
Total Non-Depreciable Capital Assets	<u>8,908,622</u>	<u>27,174,088</u>	<u>(18,265,466)</u>
Buildings	3,418,567	3,363,747	54,820
Land Improvements	1,257,471	1,257,471	0
Infrastructure	81,078,590	60,792,138	20,286,452
Machinery and Equipment	1,553,494	1,232,523	320,971
Less: Accumulated Depreciation	<u>(13,010,416)</u>	<u>(11,540,520)</u>	<u>(1,469,896)</u>
Total Non-Depreciable Capital Assets	<u>74,297,706</u>	<u>55,105,359</u>	<u>19,192,347</u>
Totals	<u>\$83,206,328</u>	<u>\$82,279,447</u>	<u>\$926,881</u>

The primary increases occurred in land, construction in progress and infrastructure for governmental activities. The increase in infrastructure improvements (the City added 4 streets and repaved 8 streets plus a parking lot at Clearcreek Park) is relative to the continued growth within the City. The majority of the increase in land and construction in progress was in the new municipal building project. 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 growth taking place within the City.

***Management's Discussion and Analysis
For the Year Ended December 31, 2007***

Unaudited

As of December 31, 2007, the City has contractual commitments of \$7,910,820 for various projects. Included in these projects are the new municipal building and E. Milo Beck Park. Additional information on the City's capital assets can be found in Note 8.

Debt

At December 31, 2007, the City had \$42.62 million in bonds outstanding, \$2,201,441 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
Governmental Activities:		
Special Assessment Bonds	\$3,070,000	\$3,296,000
General Obligation Bonds	1,852,100	2,180,750
Capital Leases Payable	23,832	38,889
Compensated Absences	205,469	178,669
Total Governmental Activities	<u>5,151,401</u>	<u>5,694,308</u>
Business-Type Activities:		
General Obligation Bonds	\$3,400,174	\$3,585,675
Mortgage Revenue Bonds	34,293,321	35,672,762
Capital Leases Payable	57,809	120,279
Compensated Absences	73,650	66,376
Total Business-Type Activities	<u>37,824,954</u>	<u>39,445,092</u>
Totals	<u><u>\$42,976,355</u></u>	<u><u>\$45,139,400</u></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, 2007, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 12.

ECONOMIC FACTORS

The City's budget for 2008 is very conservative. Springboro continues to be one of the fastest growing City's in Ohio and with the continuing decrease in state funding, planning for the future is a challenge. City Council decided they wanted to maintain current service levels to the residents of the City, which required pursuing a way to increase revenues. City Council took action in 2004 to increase revenues by reducing the income tax credit allowed for income tax paid to another municipality. This revenue increase along with the City's continued effort to maintain expenditures at a minimum increase has enabled the City to maintain current service levels to its residents and plan for future needs.

City Council continues to pursue new revenue sources to ensure fiscal stability. Possible new revenue sources include new fees, an increase in the income tax rate, and an additional reduction the credit allowed for taxes paid to other municipalities or a levy.

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, 425 South Pioneer Boulevard, Springboro, Ohio 45066.

CITY OF SPRINGBORO, OHIO

**Statement of Net Assets
December 31, 2007**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets:			
Cash and Cash Equivalents	\$ 5,274,330	\$ 3,180,355	\$ 8,454,685
Investments	6,638,953	5,072,083	11,711,036
Receivables:			
Property Taxes	712,264	0	712,264
Accounts	2,355	871,903	874,258
Intergovernmental	671,665	6,280	677,945
Income Taxes	1,541,965	0	1,541,965
Special Assessments	4,143,774	0	4,143,774
Inventory of Supplies at Cost	94,160	32,405	126,565
Inventory Held for Resale	0	29,557	29,557
Prepaid Items	59,315	46,900	106,215
Restricted Assets:			
Cash and Cash Equivalents	0	96,665	96,665
Cash and Cash Equivalents with Fiscal Agent	0	2,861,671	2,861,671
Investments with Fiscal Agent	0	1,010,239	1,010,239
Assets Held for Resale	3,427,812	0	3,427,812
Non-Depreciable Capital Assets	16,500,786	8,908,622	25,409,408
Depreciable Capital Assets, Net	20,883,799	74,297,706	95,181,505
Unamortized Bond Issuance Costs	0	1,134,887	1,134,887
Deferred Loss on Early Retirement of Debt	0	290,503	290,503
Total Assets	<u>59,951,178</u>	<u>97,839,776</u>	<u>157,790,954</u>
Liabilities:			
Accounts Payable	1,018,152	147,390	1,165,542
Accrued Wages and Benefits	123,896	43,306	167,202
Intergovernmental Payable	150,710	84,847	235,557
Refundable Deposits	0	96,666	96,666
Unearned Revenue	658,121	0	658,121
Accrued Interest Payable	57,935	143,382	201,317
General Obligation Notes Payable	2,700,000	0	2,700,000
Long Term Liabilities:			
Amounts Due within one year	624,774	1,665,425	2,290,199
Amounts Due in More Than One Year	4,526,627	36,159,529	40,686,156
Total Liabilities	<u>9,860,215</u>	<u>38,340,545</u>	<u>48,200,760</u>
Net Assets:			
Invested in Capital Assets, Net of Related Debt	29,738,654	48,566,261	78,304,915
Restricted For:			
Capital Projects	5,579,146	0	5,579,146
Debt Service	4,567,836	2,186,063	6,753,899
Other Purposes	1,395,626	0	1,395,626
Unrestricted	8,809,701	8,746,907	17,556,608
Total Net Assets	<u>\$ 50,090,963</u>	<u>\$ 59,499,231</u>	<u>\$ 109,590,194</u>

See accompanying notes to the basic financial statements

CITY OF SPRINGBORO, OHIO

**Statement of Activities
For the Year Ended December 31, 2007**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Security of Persons and Property	\$ 2,697,240	\$ 32,256	\$ 16,938	\$ 0
Public Health and Welfare Services	11,518	0	0	0
Leisure Time Activities	534,363	46,106	0	0
Community Environment	736,720	190,536	0	0
Transportation	2,194,691	0	933,472	587,717
General Government	4,076,554	1,275,011	0	0
Interest and Fiscal Charges	466,493	0	0	0
Total Governmental Activities	10,717,579	1,543,909	950,410	587,717
Business-Type Activities:				
Golf Course	2,641,012	1,719,244	0	0
Water	3,349,609	3,244,071	0	309,928
Sewer	3,000,301	2,243,482	0	819,488
Trash	796,749	840,248	0	0
Storm Water	182,234	225,774	0	41,637
Total Business-Type Activities	9,969,905	8,272,819	0	1,171,053
Totals	\$ 20,687,484	\$ 9,816,728	\$ 950,410	\$ 1,758,770

General Revenues:

Income Taxes
 Property Taxes
 Other Local Taxes
 Payment in Lieu of Taxes
 Intergovernmental, unrestricted
 Investment Earnings
 Miscellaneous
 Gain on Sale of Assets Held for Resale

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year, Restated

Net Assets End of Year

See accompanying notes to the basic financial statements

CITY OF SPRINGBORO, OHIO

Net (Expense) Revenue
and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (2,648,046)	\$ 0	\$ (2,648,046)
(11,518)	0	(11,518)
(488,257)	0	(488,257)
(546,184)	0	(546,184)
(673,502)	0	(673,502)
(2,801,543)	0	(2,801,543)
(466,493)	0	(466,493)
<u>(7,635,543)</u>	<u>0</u>	<u>(7,635,543)</u>
0	(921,768)	(921,768)
0	204,390	204,390
0	62,669	62,669
0	43,499	43,499
0	85,177	85,177
<u>0</u>	<u>(526,033)</u>	<u>(526,033)</u>
<u>(7,635,543)</u>	<u>(526,033)</u>	<u>(8,161,576)</u>
9,654,160	0	9,654,160
763,912	0	763,912
87,807	0	87,807
384,014	0	384,014
564,359	0	564,359
770,851	509,099	1,279,950
357,341	0	357,341
437,706	0	437,706
<u>(3,011,900)</u>	<u>3,011,900</u>	<u>0</u>
<u>10,008,250</u>	<u>3,520,999</u>	<u>13,529,249</u>
2,372,707	2,994,966	5,367,673
<u>47,718,256</u>	<u>56,504,265</u>	<u>104,222,521</u>
<u>\$ 50,090,963</u>	<u>\$ 59,499,231</u>	<u>\$ 109,590,194</u>

CITY OF SPRINGBORO, OHIO

**Balance Sheet
Governmental Funds
December 31, 2007**

	General	Debt Service	Construction	Land Acquisition
Assets:				
Cash and Cash Equivalents	\$ 1,840,408	\$ 463,997	\$ 1,671,085	\$ 17,356
Investments	3,468,473	0	3,170,480	0
Receivables:				
Property Taxes	712,264	0	0	0
Accounts	2,355	0	0	0
Intergovernmental	228,231	0	0	0
Income Taxes	1,027,977	0	0	0
Special Assessments	0	4,143,774	0	0
Inventory of Supplies, at Cost	8,932	0	0	0
Prepaid Items	55,459	0	0	0
Restricted Assets:				
Assets Held for Resale	0	0	0	3,427,812
Total Assets	<u>\$ 7,344,099</u>	<u>\$ 4,607,771</u>	<u>\$ 4,841,565</u>	<u>\$ 3,445,168</u>
Liabilities:				
Accounts Payable	\$ 143,521	\$ 0	\$ 821,868	\$ 0
Accrued Wages and Benefits Payable	108,790	0	0	0
Intergovernmental Payable	137,250	0	0	0
Deferred Revenue	1,217,521	4,143,774	0	0
Accrued Interest Payable	0	0	0	18,000
General Obligation Notes Payable	0	0	0	2,700,000
Total Liabilities	<u>1,607,082</u>	<u>4,143,774</u>	<u>821,868</u>	<u>2,718,000</u>
Fund Balances:				
Reserved for Encumbrances	239,733	0	1,066,934	0
Reserved for Prepaid Items	55,459	0	0	0
Reserved for Supplies Inventory	8,932	0	0	0
Reserved for Debt Service	0	463,997	0	0
Reserved for Assets Held for Resale	0	0	0	3,427,812
Undesignated/Unreserved in:				
General Fund	5,432,893	0	0	0
Special Revenue Funds	0	0	0	0
Capital Projects	0	0	2,952,763	(2,700,644)
Total Fund Balances	<u>5,737,017</u>	<u>463,997</u>	<u>4,019,697</u>	<u>727,168</u>
Total Liabilities and Fund Balances	<u>\$ 7,344,099</u>	<u>\$ 4,607,771</u>	<u>\$ 4,841,565</u>	<u>\$ 3,445,168</u>

See accompanying notes to the basic financial statements

CITY OF SPRINGBORO, OHIO

Income Tax Capital Improvement	Other Governmental Funds	Total Governmental Funds
\$ 181,252	\$ 1,100,232	\$ 5,274,330
0	0	6,638,953
0	0	712,264
0	0	2,355
0	443,434	671,665
513,988	0	1,541,965
0	0	4,143,774
0	85,228	94,160
0	3,856	59,315
0	0	3,427,812
<u>\$ 695,240</u>	<u>\$ 1,632,750</u>	<u>\$ 22,566,593</u>
\$ 0	\$ 52,763	\$ 1,018,152
0	15,106	123,896
0	13,460	150,710
174,390	298,218	5,833,903
0	0	18,000
0	0	2,700,000
<u>174,390</u>	<u>379,547</u>	<u>9,844,661</u>
0	43,861	1,350,528
0	3,856	59,315
0	85,228	94,160
0	0	463,997
0	0	3,427,812
0	0	5,432,893
0	983,802	983,802
520,850	136,456	909,425
<u>520,850</u>	<u>1,253,203</u>	<u>12,721,932</u>
<u>\$ 695,240</u>	<u>\$ 1,632,750</u>	<u>\$ 22,566,593</u>

CITY OF SPRINGBORO, OHIO

***Reconciliation Of Total Governmental Fund Balances
To Net Assets Of Governmental Activities
December 31, 2007***

Total Governmental Fund Balances \$ 12,721,932

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

Capital Assets used in governmental activities are not
resources and therefore are not reported in the funds. 37,384,585

Other long-term assets are not available to pay for current-
period expenditures and therefore are deferred in the funds. 5,175,782

Long-term liabilities, including bonds payable, compensated
absences and accrued interest payable, are not due and payable
in the current period and therefore are not reported in the funds. (5,191,336)

Net Assets of Governmental Activities \$ 50,090,963

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, 2007**

	General	Debt Service	Construction	Land Acquisition
Revenues:				
Municipal Income Tax	\$ 6,471,280	\$ 0	\$ 0	\$ 0
Property and Other Taxes	727,737	0	0	0
Payment in Lieu of Taxes	0	384,014	0	0
Intergovernmental Revenues	520,320	0	0	0
Charges for Services	961,574	0	0	0
Fines, Licenses and Permits	482,908	0	0	0
Investment Earnings	713,078	0	27,928	0
Special Assessments	34,267	293,688	22,931	0
Donations	0	0	0	0
All Other Revenue	147,810	0	152,433	0
Total Revenue	<u>10,058,974</u>	<u>677,702</u>	<u>203,292</u>	<u>0</u>
Expenditures:				
Current:				
Security of Persons and Property	2,562,619	0	0	0
Public Health and Welfare Services	11,518	0	0	0
Leisure Time Activities	418,201	0	0	0
Community Environment	725,553	0	0	0
Transportation	0	0	0	0
General Government	3,748,615	0	131,316	0
Capital Outlay	0	0	1,385,042	0
Debt Service:				
Principal Retirement	8,032	554,650	0	0
Interest and Fiscal Charges	812	292,041	0	178,927
Total Expenditures	<u>7,475,350</u>	<u>846,691</u>	<u>1,516,358</u>	<u>178,927</u>
Excess (Deficiency) of Revenues Over Expenditures	2,583,624	(168,989)	(1,313,066)	(178,927)
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	0	437,706
Transfers In	0	231,418	2,326,000	25,000
Transfers Out	(1,748,392)	0	(81,000)	0
Total Other Financing Sources (Uses)	<u>(1,748,392)</u>	<u>231,418</u>	<u>2,245,000</u>	<u>462,706</u>
Net Change in Fund Balances	835,232	62,429	931,934	283,779
Fund Balances at Beginning of Year	4,902,925	401,568	3,087,763	443,389
Increase (Decrease) in Inventory Reserve	(1,140)	0	0	0
Fund Balances End of Year	<u>\$ 5,737,017</u>	<u>\$ 463,997</u>	<u>\$ 4,019,697</u>	<u>\$ 727,168</u>

See accompanying notes to the basic financial statements

CITY OF SPRINGBORO, OHIO

Income Tax Capital Improvement	Other Governmental Funds	Total Governmental Funds
\$ 3,235,635	\$ 0	\$ 9,706,915
0	75,000	802,737
0	0	384,014
0	748,391	1,268,711
0	0	961,574
0	59,941	542,849
0	29,845	770,851
0	0	350,886
0	9,434	9,434
0	29,952	330,195
<u>3,235,635</u>	<u>952,563</u>	<u>15,128,166</u>
0	51,257	2,613,876
0	0	11,518
0	0	418,201
0	0	725,553
0	813,735	813,735
0	63,650	3,943,581
0	139,539	1,524,581
0	7,026	569,708
0	710	472,490
<u>0</u>	<u>1,075,917</u>	<u>11,093,243</u>
3,235,635	(123,354)	4,034,923
0	0	437,706
0	179,510	2,761,928
<u>(3,570,900)</u>	<u>(373,536)</u>	<u>(5,773,828)</u>
<u>(3,570,900)</u>	<u>(194,026)</u>	<u>(2,574,194)</u>
(335,265)	(317,380)	1,460,729
856,115	1,558,241	11,250,001
<u>0</u>	<u>12,342</u>	<u>11,202</u>
<u>\$ 520,850</u>	<u>\$ 1,253,203</u>	<u>\$ 12,721,932</u>

CITY OF SPRINGBORO, OHIO

***Reconciliation Of The Statement Of Revenues, Expenditures
And Changes In Fund Balances Of Governmental Funds
To The Statement Of Activities
For The Year Ended December 31, 2007***

Net Change in Fund Balances - Total Governmental Funds	\$ 1,460,729
<i>Amounts reported for governmental activities in the statement of activities are different because</i>	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	(76,426)
The net effect of various miscellaneous transactions involving capital assets (i.e. disposals and donations) is to increase net assets.	451,475
Revenues and transfers in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(23,177)
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.	569,708
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	5,997
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.	<u>(15,599)</u>
<i>Change in Net Assets of Governmental Activities</i>	<u><u>\$ 2,372,707</u></u>

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, 2007**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal Income Tax	\$ 6,195,038	\$ 6,195,038	\$ 6,581,652	\$ 386,614
Property and Other Taxes	580,000	580,000	727,953	147,953
Intergovernmental Revenue	405,400	405,400	573,539	168,139
Charges for Services	998,800	950,000	961,574	11,574
Fines, Licenses and Permits	339,498	339,498	490,769	151,271
Investment Earnings	330,000	330,000	681,884	351,884
Special Assessments	24,500	24,500	34,267	9,767
All Other Revenues	132,100	132,100	168,516	36,416
Total Revenues	<u>9,005,336</u>	<u>8,956,536</u>	<u>10,220,154</u>	<u>1,263,618</u>
Expenditures:				
Current:				
Security of Persons and Property	2,853,893	2,752,663	2,561,832	190,831
Public Health and Welfare Services	11,518	11,518	11,518	0
Leisure Time Activities	510,083	502,289	427,941	74,348
Community Environment	878,982	880,230	805,669	74,561
General Government	4,433,142	4,276,918	3,944,595	332,323
Total Expenditures	<u>8,687,618</u>	<u>8,423,618</u>	<u>7,751,555</u>	<u>672,063</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	317,718	532,918	2,468,599	1,935,681
Other Financing Sources (Uses):				
Transfers In	75,990	75,990	75,997	7
Transfers Out	(1,299,997)	(1,749,997)	(1,749,389)	608
Total Other Financing Sources (Uses):	<u>(1,224,007)</u>	<u>(1,674,007)</u>	<u>(1,673,392)</u>	<u>615</u>
Net Change in Fund Balance	(906,289)	(1,141,089)	795,207	1,936,296
Fund Balance at Beginning of Year	3,911,996	3,911,996	3,911,996	0
Prior Year Encumbrances	231,661	231,661	231,661	0
Fund Balance at End of Year	<u>\$ 3,237,368</u>	<u>\$ 3,002,568</u>	<u>\$ 4,938,864</u>	<u>\$ 1,936,296</u>

See accompanying notes to the basic financial statements

CITY OF SPRINGBORO, OHIO

**Statement of Net Assets
Proprietary Funds
December 31, 2007**

	Business-Type Activities Enterprise Funds			
	Golf Course	Water	Sewer	Trash
Assets:				
<i>Current Assets:</i>				
Cash and Cash Equivalents	\$ 233,045	\$ 1,140,285	\$ 1,154,835	\$ 281,590
Investments	0	2,346,814	2,191,021	534,248
Receivables:				
Accounts	15,067	343,049	353,447	126,648
Intergovernmental	0	0	6,280	0
Inventory of Supplies at Cost	32,405	0	0	0
Inventory Held for Resale	29,557	0	0	0
Prepaid Items	9,156	25,384	11,802	558
<i>Total Current Assets</i>	<u>319,230</u>	<u>3,855,532</u>	<u>3,717,385</u>	<u>943,044</u>
<i>Non Current Assets:</i>				
Restricted Assets:				
Cash and Cash Equivalents	0	96,665	0	0
Cash and Cash Equivalents with Fiscal Agent	0	602,314	2,259,357	0
Investments with Fiscal Agent	0	1,010,239	0	0
Non-Depreciable Capital Assets	7,930,520	716,013	262,089	0
Depreciable Capital Assets, Net	3,037,245	28,178,640	35,451,086	0
Unamortized Bond Issuance Cost	53,946	460,451	620,490	0
Deferred Loss on Early Retirement of Debt	248,006	0	42,497	0
<i>Total Noncurrent Assets</i>	<u>11,269,717</u>	<u>31,064,322</u>	<u>38,635,519</u>	<u>0</u>
Total Assets	<u>11,588,947</u>	<u>34,919,854</u>	<u>42,352,904</u>	<u>943,044</u>

CITY OF SPRINGBORO, OHIO

<u>Storm Water</u>	<u>Total</u>
\$ 370,600	\$ 3,180,355
0	5,072,083
33,692	871,903
0	6,280
0	32,405
0	29,557
0	46,900
<u>404,292</u>	<u>9,239,483</u>
0	96,665
0	2,861,671
0	1,010,239
0	8,908,622
7,630,735	74,297,706
0	1,134,887
0	290,503
<u>7,630,735</u>	<u>88,600,293</u>
<u>8,035,027</u>	<u>97,839,776</u>

(Continued)

CITY OF SPRINGBORO, OHIO

**Statement of Net Assets
Proprietary Funds
December 31, 2007**

	Business-Type Activities			
	Enterprise Funds			
	Golf Course	Water	Sewer	Trash
Liabilities:				
<i>Current Liabilities:</i>				
Accounts Payable	63,435	10,056	10,978	61,714
Accrued Wages and Benefits	8,295	22,042	10,756	1,449
Intergovernmental Payable	9,192	66,862	7,350	931
Refundable Deposits	0	96,666	0	0
Accrued Interest Payable	14,850	51,501	77,031	0
Compensated Absences Payable - Current	2,156	4,002	2,279	282
Capital Leases - Current	12,072	17,523	1,143	0
General Obligation Bonds - Current	155,000	22,500	15,400	0
Mortgage Revenue - Current	0	688,993	735,448	0
Total Current Liabilities	265,000	980,145	860,385	64,376
<i>Noncurrent Liabilities:</i>				
Compensated Absences Payable	2,669	34,585	24,171	2,433
Capital Leases Payable	4,581	9,047	590	0
General Obligation Bonds Payable	3,207,274	0	0	0
Revenue Bonds Payable	0	13,019,925	19,848,955	0
Total Noncurrent Liabilities	3,214,524	13,063,557	19,873,716	2,433
Total Liabilities	3,479,524	14,043,702	20,734,101	66,809
Net Assets:				
Invested in Capital Assets, Net of Related Debt	7,890,790	15,597,116	17,460,473	0
Restricted for Debt Service	0	1,612,553	573,510	0
Unrestricted	218,633	3,666,483	3,584,820	876,235
Total Net Assets	\$ 8,109,423	\$ 20,876,152	\$ 21,618,803	\$ 876,235

See accompanying notes to the basic financial statements

CITY OF SPRINGBORO, OHIO

<u>Storm Water</u>	<u>Total</u>
1,207	147,390
764	43,306
512	84,847
0	96,666
0	143,382
150	8,869
8,477	39,215
0	192,900
0	1,424,441
<u>11,110</u>	<u>2,181,016</u>
923	64,781
4,376	18,594
0	3,207,274
0	32,868,880
<u>5,299</u>	<u>36,159,529</u>
<u>16,409</u>	<u>38,340,545</u>
7,617,882	48,566,261
0	2,186,063
400,736	8,746,907
<u>\$ 8,018,618</u>	<u>\$ 59,499,231</u>

CITY OF SPRINGBORO, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2007**

	Business-Type Activities			
	Enterprise Funds			
	Golf Course	Water	Sewer	Trash
Operating Revenues:				
Charges for Services	\$ 1,490,910	\$ 3,239,142	\$ 2,220,324	\$ 840,248
Sales	119,640	0	0	0
Other Operating Revenue	108,694	4,929	23,158	0
Total Operating Revenues	1,719,244	3,244,071	2,243,482	840,248
Operating Expenses:				
Personal Services	926,346	780,523	398,490	50,906
Contractual Services	718,130	1,015,838	1,118,756	737,169
Materials and Supplies	192,396	295,995	28,399	8,674
Cost of Goods Sold	288,480	0	0	0
Depreciation	281,857	585,224	485,144	0
Total Operating Expenses	2,407,209	2,677,580	2,030,789	796,749
Operating Income (Loss)	(687,965)	566,491	212,693	43,499
Nonoperating Revenue (Expenses):				
Investment Earnings	9,065	245,466	249,601	4,967
Interest and Fiscal Charges	(228,522)	(672,029)	(969,512)	0
Loss on Disposal of Capital Assets	(5,281)	0	0	0
Total Nonoperating Revenues (Expenses)	(224,738)	(426,563)	(719,911)	4,967
Income (Loss) Before Transfers and Contributions	(912,703)	139,928	(507,218)	48,466
Transfers In	1,390,900	0	1,581,000	0
Capital Contributions - Tap in Fees	0	158,492	277,620	0
Capital Contributions	0	151,436	541,868	0
Change in Net Assets	478,197	449,856	1,893,270	48,466
Net Assets Beginning of Year, Restated	7,631,226	20,426,296	19,725,533	827,769
Net Assets End of Year	\$ 8,109,423	\$ 20,876,152	\$ 21,618,803	\$ 876,235

See accompanying notes to the basic financial statements

CITY OF SPRINGBORO, OHIO

<u>Storm Water</u>	<u>Total</u>
\$ 225,774	\$ 8,016,398
0	119,640
0	136,781
<u>225,774</u>	<u>8,272,819</u>
25,932	2,182,197
13,128	3,603,021
7,793	533,257
0	288,480
134,559	1,486,784
<u>181,412</u>	<u>8,093,739</u>
44,362	179,080
0	509,099
(822)	(1,870,885)
0	(5,281)
<u>(822)</u>	<u>(1,367,067)</u>
43,540	(1,187,987)
40,000	3,011,900
0	436,112
41,637	734,941
125,177	2,994,966
<u>7,893,441</u>	<u>56,504,265</u>
<u>\$ 8,018,618</u>	<u>\$ 59,499,231</u>

CITY OF SPRINGBORO, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2007**

	Business-Type Activities		
	Enterprise Funds		
	Golf Course	Water	Sewer
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$1,610,550	\$3,223,187	\$2,210,827
Other Operating Receipts	106,930	30,228	16,878
Cash Payments for Goods and Services	(1,287,077)	(1,306,775)	(1,171,934)
Cash Payments to Employees	(903,123)	(777,979)	(395,576)
Net Cash (Used) Provided by Operating Activities	<u>(472,720)</u>	<u>1,168,661</u>	<u>660,195</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers In from Other Funds	1,390,900	0	1,581,000
Net Cash Provided by Noncapital Financing Activities	<u>1,390,900</u>	<u>0</u>	<u>1,581,000</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Cash Received from Tap-in Fees in Excess of Cost	0	158,492	277,620
Receipt of Intergovernmental Revenue	0	0	220,500
Acquisition and Construction of Assets	(395,968)	(160,938)	(1,054,437)
Principal Paid on General Obligation Bonds	(150,000)	(21,250)	(15,100)
Principal Paid on Capital Lease	(36,465)	(16,789)	(1,095)
Principal Paid on Mortgage Revenue Bonds	0	(665,000)	(695,000)
Interest Paid on All Debt	(208,138)	(639,949)	(934,102)
Net Cash Used by Capital and Related Financing Activities	<u>(790,571)</u>	<u>(1,345,434)</u>	<u>(2,201,614)</u>
<u>Cash Flows from Investing Activities:</u>			
Receipt of Interest	9,065	210,798	249,067
Sale of Investments	0	481,481	259,921
Net Cash Provided by Investing Activities	<u>9,065</u>	<u>692,279</u>	<u>508,988</u>
Net Increase in Cash and Cash Equivalents	136,674	515,506	548,569
Cash and Cash Equivalents at Beginning of Year	96,371	1,323,758	2,865,623
Cash and Cash Equivalents at End of Year	<u>\$233,045</u>	<u>\$1,839,264</u>	<u>\$3,414,192</u>
<u>Reconciliation of Cash and Cash</u>			
<u>Equivalents per the Balance Sheet:</u>			
Cash and Cash Equivalents	\$233,045	\$1,140,285	\$1,154,835
Restricted Cash and Cash Equivalents	0	96,665	0
Restricted Cash with Fiscal and Escrow Agents	0	602,314	2,259,357
Cash and Cash Equivalents at End of Year	<u>\$233,045</u>	<u>\$1,839,264</u>	<u>\$3,414,192</u>

CITY OF SPRINGBORO, OHIO

<u>Trash</u>	<u>Storm Water</u>	<u>Totals</u>
\$840,234	\$226,144	\$8,110,942
0	0	154,036
(743,466)	(25,194)	(4,534,446)
(50,223)	(25,613)	(2,152,514)
<u>46,545</u>	<u>175,337</u>	<u>1,578,018</u>
0	40,000	3,011,900
<u>0</u>	<u>40,000</u>	<u>3,011,900</u>
0	0	436,112
0	0	220,500
0	(65,991)	(1,677,334)
0	0	(186,350)
0	(8,121)	(62,470)
0	0	(1,360,000)
<u>0</u>	<u>(822)</u>	<u>(1,783,011)</u>
0	(74,934)	(4,412,553)
0	0	468,930
<u>63,842</u>	<u>0</u>	<u>805,244</u>
<u>63,842</u>	<u>0</u>	<u>1,274,174</u>
110,387	140,403	1,451,539
<u>171,203</u>	<u>230,197</u>	<u>4,687,152</u>
<u>\$281,590</u>	<u>\$370,600</u>	<u>\$6,138,691</u>
\$281,590	\$370,600	\$3,180,355
0	0	96,665
0	0	2,861,671
<u>\$281,590</u>	<u>\$370,600</u>	<u>\$6,138,691</u>

(continued)

CITY OF SPRINGBORO, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2007**

	Business-Type Activities		
	Enterprise Funds		
	Golf Course	Water	Sewer
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	(\$687,965)	\$566,491	\$212,693
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	281,857	585,224	485,144
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	(1,764)	(15,955)	(9,497)
Increase in Intergovernmental Receivable	0	0	(6,280)
Increase in Inventory	(12,327)	0	0
Increase in Inventory Held for Resale	(3,939)	0	0
(Increase) Decrease in Prepaid Items	229	(1,273)	(208)
Increase (Decrease) in Accounts Payable	(71,123)	(7,170)	(24,184)
Increase in Accrued Wages and Benefits	8,295	4,140	2,015
Increase (Decrease) in Intergovernmental Payable	9,192	17,060	(1,040)
Increase in Refundable Deposits	0	19,992	0
Increase in Compensated Absences	4,825	152	1,552
Total Adjustments	<u>215,245</u>	<u>602,170</u>	<u>447,502</u>
Net Cash Provided (Used) by Operating Activities	<u>(\$472,720)</u>	<u>\$1,168,661</u>	<u>\$660,195</u>

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2007, the Golf Course and Sewer Funds had outstanding liabilities of \$41,038 and \$1,863, respectively, for the purchase of certain capital assets. During 2007, the Water, Sewer and Storm Water Funds received \$151,436, \$541,868 and \$41,637, respectively, of capital assets donated by developers. During 2007, the fair value of investments increased by \$34,668, \$534, \$4,967 respectively in the Water, Sewer and Trash Funds.

See accompanying notes to the basic financial statements

CITY OF SPRINGBORO, OHIO

<u>Trash</u>	<u>Storm Water</u>	<u>Totals</u>
\$43,499	\$44,362	\$179,080
0	134,559	1,486,784
(14)	370	(26,860)
0	0	(6,280)
0	0	(12,327)
0	0	(3,939)
524	0	(728)
1,853	(4,273)	(104,897)
271	136	14,857
(110)	(40)	25,062
0	0	19,992
522	223	7,274
<u>3,046</u>	<u>130,975</u>	<u>1,398,938</u>
<u>\$46,545</u>	<u>\$175,337</u>	<u>\$1,578,018</u>

CITY OF SPRINGBORO, OHIO

**Statement of Assets and Liabilities
Fiduciary Funds
December 31, 2007**

	<u>Agency Funds</u>
Assets:	
Cash and Cash Equivalents	\$ 14,612
Receivables:	
Special Assessments	418,951
Total Assets	<u>\$ 433,563</u>
Liabilities:	
Due to Others	\$ 418,951
Undistributed Monies	14,612
Total Liabilities	<u>\$ 433,563</u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

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, 2007 and for the year then ended and have been prepared in conformity with accounting principles generally accepted in the United States of America (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,"* as amended by GASB Statement No. 39, *"Determining Whether Certain Organizations are Component Units"* 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, trash collection and disposal services and storm water collection 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. The City is also associated with the Greater Warren County Drug Task Force and the Miami Valley Regional Planning Commission, also jointly governed organizations. The City is also a member of the Ohio Municipal League of Workers Compensation Group Rating Plan (GRP), an insurance purchasing pool. See Notes 16 and 17 for additional information on these organizations.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

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 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.

Land Acquisition Fund - This fund is used to purchase land for City use or for land held for resale.

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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

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.

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.

Storm Water Fund - This fund is used to account for the City's storm water collection system.

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. The City's agency funds account for Mayor's court fines and special assessments collected on behalf of neighborhood associations. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Interfund services provided and used are not eliminated in the process of consolidation.

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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

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.

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 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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

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, 2007 but which are not intended to finance 2007 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 government-wide statements, the enterprise funds and the agency funds. Revenues are recognized when they are earned and expenses are recognized when incurred.

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. The City has elected not to apply FASB statements and interpretations issued after November 30, 1989 to its business-type activities and enterprise funds.

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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

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 2007.

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 2007, 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 Budgetary Basis) 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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

4. Lapsing of Appropriations

At the close of each 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.

5. Budgetary Basis of Accounting

The City's budgetary process accounts for certain transactions on a basis other than accounting principles generally accepted in the United States of America (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:

	Net Change in Fund Balance
	General Fund
GAAP Basis (as reported)	\$835,232
Increase (Decrease):	
Accrued Revenues at December 31, 2007 received during 2008	(791,643)
Accrued Revenues at December 31, 2006 received during 2007	952,823
Accrued Expenditures at December 31, 2007 paid during 2008	389,561
Accrued Expenditures at December 31, 2006 paid during 2007	(327,361)
2006 Prepays for 2007	123,734
2007 Prepays for 2008	(55,459)
Outstanding Encumbrances	(331,680)
Budget Basis	<u>\$795,207</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Cash Equivalents

During 2007, cash and cash equivalents included amounts in demand deposits and U.S. Treasury Money Market accounts in Firststar Seasongood Asset Management and Huntington investment 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 4 "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 4, "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 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, 2007, 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, 2007***

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 \$7,500 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 and construction in progress. 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, 2007***

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, Golf Course Fund, Water Fund, Sewer Fund, Trash Fund and Storm Water Fund
Capital Lease Agreements	General Fund, Street Maintenance and Repair Fund, Golf Course Fund, Water Fund, Sewer Fund and Storm Water 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, 2007***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Compensated Absences (Continued)

For governmental funds, that portion of unpaid compensated absences that has matured as of year end, 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. Any unspent capital debt proceeds at year end does not reduce the City's invested in capital assets, net of debt. 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.

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. In addition, interfund transfers between governmental funds are eliminated for reporting on the government-wide financial statements. Only transfers between governmental activities and business-type activities are reported on the statement of activities.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

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.” There were no outstanding interfund loans at December 31, 2007.

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 supplies inventory, prepaid items, debt service, assets held for resale and encumbered amounts not accrued at year end.

T. Assets Held for Resale

As part of the economic development program, the City has acquired land at the South Tech Industrial Park. The City’s intent is for the land to be sold to businesses to promote economic development within the City. Transactions are conducted through the City’s Land Acquisition Fund.

U. Estimates

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

V. 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 2007.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

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 activities 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	\$523,170
Delinquent Property Tax Revenue	54,143
Intergovernmental, unrestricted	454,695
Special Assessment Revenue	<u>4,143,774</u>
	\$5,175,782

Long-Term liabilities not reported in the funds:

General Obligation Bonds Payable	(\$1,852,100)
Special Assessment Bonds Payable	(3,070,000)
Accrued Interest on Long-Term Debt	(39,935)
Capital Leases Payable	(23,832)
Compensated Absences Payable	<u>(205,469)</u>
	(\$5,191,336)

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

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 depreciation exceeded capital outlay in the current period:

Capital Outlay	\$1,524,581
Depreciation Expense	<u>(1,601,007)</u>
	(\$76,426)

Net effect of capital asset transactions:

Loss on Disposal of Capital Asset	(\$108,016)
Capital Contributions Received	<u>559,491</u>
	\$451,475

Governmental revenues not reported in the funds:

Decrease in Delinquent Income Tax Revenue	(\$52,755)
Increase in Delinquent Property Tax	48,982
Increase in Intergovernmental, unrestricted	246,058
Decrease in Special Assessment Revenue	<u>(265,462)</u>
	(\$23,177)

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

General Obligation Bond Principal Payment	\$328,650
Special Assessment Bond Principal Payment	226,000
Capital Lease Payments	<u>15,058</u>
	\$569,708

Expenses not requiring the use of current financial resources:

Increase in Compensated Absences Payable	(\$26,801)
Increase in supplies inventory	<u>11,202</u>
	(\$15,599)

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2007**

NOTE 3 – RESTATEMENT OF NET ASSETS

A. Restatement of Net Assets

The net assets of the Governmental Activities and the net assets of the Golf Course, Water, Sewer and Storm Water Funds were restated from balances previously reported due to a change in the capitalization level for capital assets from \$1,000 to \$7,500. The restatement resulted in changes to balances reported last year as follows:

	<u>Governmental Activities</u>	<u>Golf Course</u>	<u>Water</u>
Net Assets at December 31, 2006 (as reported)	\$47,927,230	\$7,711,478	\$21,971,316
Capital Assets - Change in Capitalization Level	<u>(208,974)</u>	<u>(80,252)</u>	<u>(1,545,020)</u>
Net Assets at December 31, 2006 (as restated)	<u><u>\$47,718,256</u></u>	<u><u>\$7,631,226</u></u>	<u><u>\$20,426,296</u></u>
	<u>Sewer</u>	<u>Storm Water</u>	
Net Assets at December 31, 2006 (as reported)	\$20,585,004	\$9,823,557	
Capital Assets - Change in Capitalization Level	<u>(859,471)</u>	<u>(1,930,116)</u>	
Net Assets at December 31, 2006 (as restated)	<u><u>\$19,725,533</u></u>	<u><u>\$7,893,441</u></u>	

NOTE 4 - 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.

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:

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

- 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).

A. Deposits

Custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned. Protection of City cash and deposits is provided by the federal deposit insurance corporation as well as qualified securities pledged by the institution holding the assets. 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. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2007**

NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

A. Deposits (Continued)

At year end the carrying amount of the City's deposits was \$6,516,633 and the bank balance was \$6,120,163. Federal deposit insurance covered \$600,000 of the bank balance and \$5,520,163 was uninsured. Of the remaining uninsured bank balance, the City was exposed to custodial risk as follows:

	<u>Balance</u>
Uninsured and collateralized with securities held by the pledging institution's trust department not in the City's name	<u>\$5,520,163</u>
Total Balance	<u><u>\$5,520,163</u></u>

B. Investments

The City's investments at December 31, 2007 were as follows:

	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Investment Maturities (in Years)</u>		
			<u>less than 1</u>	<u>1-3</u>	<u>3-5</u>
US Treasury Notes	\$1,010,239	N/A	\$0	\$1,010,239	\$0
FHLB	5,476,850	AAA ^{1,2}	0	5,476,850	0
FHLMC	3,231,183	AAA ^{1,2}	0	3,231,183	0
FNMA	3,003,003	AAA ^{1,2}	0	2,302,063	700,940
Repurchase Agreements	<u>4,911,000</u>	N/A	<u>4,911,000</u>	<u>0</u>	<u>0</u>
Total Investments	<u><u>\$17,632,275</u></u>		<u><u>\$4,911,000</u></u>	<u><u>\$12,020,335</u></u>	<u><u>\$700,940</u></u>

¹ Standard & Poor's

² Moody's Investor Service

Interest Rate Risk – The Ohio Revised Code generally limits security purchases to those that mature within five years of settlement date.

Concentration of Credit Risk – The City places no limit on the amount the City may invest in one issuer. Of the City's total investments, 5.7 % are US Treasury Notes, 31% are FHLB, 18.3% are FHLMC, 17% are FNMA and 28% are Repurchase Agreements.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The City's investment policy states that it will diversify its investments to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions. All of the City's investments are collateralized by underlying securities pledged by the investment's counterparty, not in the name of the City.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 5 - TAXES

A. Property Taxes

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

2007 real property taxes are levied after October 1, 2007, on assessed value as of January 1, 2007, the lien date. Assessed values are established by State law at 35 percent of the appraised value. 2007 real property taxes are collected in and intended to finance 2008.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2007 public utility property taxes became a lien December 31, 2006, are levied after October 1, 2007, and are collected in 2008 with real property taxes.

2007 tangible personal property taxes are levied after October 1, 2007, on the value as of December 31, 2006. Collections are made in 2007. Tangible personal property assessments for machinery and equipment were 25 percent of true value and 23 percent of true value of inventory. The tangible personal property tax is being phased out – the assessment percentage for all property including inventory for 2007 is 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009.

The full tax rate for all City operations for the year ended December 31, 2007, was \$1.11 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2007 property tax receipts were based are as follows: \$488,047,040 in real property assessed value, \$6,968,960 in public utility assessed value and \$9,039,570 in tangible personal property assessed value.

Real property taxes are payable annually and semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established. For 2007, the due dates were February 19 and July 15.

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

The County Treasurer collects property taxes on behalf of Warren County, including the City. The County Auditor periodically remits to the City its portion of the taxes collected.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 5 – TAXES (Continued)

Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2007 and for which there is an enforceable legal claim. In the General Fund, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2007 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

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 67% 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 2007 was \$9,654,160.

NOTE 6 - RECEIVABLES

Receivables at December 31, 2007 consisted of income taxes, property taxes, accounts, special assessments 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, 2007***

NOTE 7 - TRANSFERS

Following is a summary of transfers in and out for all funds for 2007:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$0	\$1,748,392
Debt Service Fund	231,418	0
Construction Fund	2,326,000	81,000
Land Acquisition Fund	25,000	0
Income Tax Capital Improvement Fund	0	3,570,900
Other Governmental Funds	179,510	373,536
Total Governmental Funds	<u>2,761,928</u>	<u>5,773,828</u>
Golf Course Fund	1,390,900	0
Sewer Fund	1,581,000	0
Storm Water Fund	40,000	0
Total Proprietary Funds	<u>3,011,900</u>	<u>0</u>
Totals	<u>\$5,773,828</u>	<u>\$5,773,828</u>

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. All transfers are considered allowable in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

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CITY OF SPRINGBORO, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2007**

NOTE 8 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2007:

<i>Historical Cost:</i>	Restated Balance at December 31, 2006	Additions	Deletions	Balance at December 31, 2007
Class				
<i>Non-depreciable Capital assets:</i>				
Land	\$15,744,794	\$362,493	\$0	\$16,107,287
Construction in Progress	0	393,499	0	393,499
Total Non-depreciable Capital assets	<u>15,744,794</u>	<u>755,992</u>	<u>0</u>	<u>16,500,786</u>
<i>Capital assets being depreciated:</i>				
Improvements	411,711	13,630	0	425,341
Infrastructure	32,588,107	992,984	(197,025)	33,384,066
Buildings	3,221,357	93,880	0	3,315,237
Machinery and Equipment	2,408,088	227,586	(134,756)	2,500,918
Total Depreciable Capital assets	<u>38,629,263</u>	<u>1,328,080</u>	<u>(331,781)</u>	<u>39,625,562</u>
Total Cost	<u>\$54,374,057</u>	<u>\$2,084,072</u>	<u>(\$331,781)</u>	<u>\$56,126,348</u>
<i>Accumulated Depreciation:</i>				
Class	Restated Balance at December 31, 2006	Additions	Deletions	Balance at December 31, 2007
Improvements	(\$293,192)	(\$40,352)	\$0	(\$333,544)
Infrastructure	(14,439,138)	(1,259,359)	94,305	(15,604,192)
Buildings	(896,765)	(87,136)	0	(983,901)
Machinery and Equipment	(1,735,426)	(214,160)	129,460	(1,820,126)
Total Depreciation	<u>(\$17,364,521)</u>	<u>(\$1,601,007) *</u>	<u>\$223,765</u>	<u>(\$18,741,763)</u>
<i>Net Value:</i>	<u>\$37,009,536</u>			<u>\$37,384,585</u>

* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	(\$67,409)
Leisure Time Activities	(113,324)
Community Environment	(6,727)
Transportation	(1,391,836)
General Government	(21,711)
Total Depreciation Expense	<u>(\$1,601,007)</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2007**

NOTE 8 - CAPITAL ASSETS (Continued)

B. Business-Type Activities Capital Assets

Summary by Category at December 31, 2007:

<i>Historical Cost:</i>	Restated Balance at December 31, 2006	Additions	Deletions	Balance at December 31, 2007
Class				
<i>Non-depreciable Capital assets:</i>				
Land	\$8,685,240	\$0	\$0	\$8,685,240
Construction in Progress	18,488,848	223,382	(18,488,848)	223,382
Total Non-depreciable Capital Assets	<u>27,174,088</u>	<u>223,382</u>	<u>(18,488,848)</u>	<u>8,908,622</u>
<i>Capital assets being depreciated:</i>				
Buildings	3,363,747	63,270	(8,450)	3,418,567
Land Improvements	1,257,471	0	0	1,257,471
Infrastructure	60,792,138	20,286,452	0	81,078,590
Machinery and Equipment	1,232,523	334,690	(13,719)	1,553,494
Total Depreciable Capital assets	<u>66,645,879</u>	<u>20,684,412</u>	<u>(22,169)</u>	<u>87,308,122</u>
Total Cost	<u>\$93,819,967</u>	<u>\$20,907,794</u>	<u>(\$18,511,017)</u>	<u>\$96,216,744</u>
 <i>Accumulated Depreciation:</i>				
Class	Restated Balance at December 31, 2006	Additions	Deletions	Balance at December 31, 2007
Buildings	(\$1,159,868)	(\$86,226)	\$3,169	(\$1,242,925)
Land Improvements	(497,292)	(151,875)	0	(649,167)
Infrastructure	(8,928,972)	(1,127,944)	0	(10,056,916)
Machinery and Equipment	(954,388)	(120,739)	13,719	(1,061,408)
Total Depreciation	<u>(\$11,540,520)</u>	<u>(\$1,486,784)</u>	<u>\$16,888</u>	<u>(\$13,010,416)</u>
<i>Net Value:</i>	<u>\$82,279,447</u>			<u>\$83,206,328</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 9 – 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 that has elements of both a defined benefit and defined contribution 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, including postemployment health care 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 OPERS, Attention: Finance Director, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2007, employee and employer contribution rates were consistent across all three plans (TP, MD and CO). The employee contribution rate is 9.5%. The 2007 employer contribution rate for local government employer units was 13.85%, of covered payroll. From January 1 through June 30, 2007, 8.85% was allocated to fund the pension and 5.0% to fund health care and from July 1, 2007 through December 31, 2007, 7.85% was allocated to fund the pension and 6.0% 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, 2007, 2006, and 2005 were \$356,845, \$282,796 and \$290,313, respectively, which were equal to the required contributions for each year.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 9 – 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 under the TP and CO plans 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 2007 employer contribution rate (identified above) that was used to fund health care was 5.0% from January 1 through June 30, 2007 and 6.0% from July 1 through December 31, 2007, of covered payroll which amounted to \$141,707.

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, 2006. The individual entry age 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 annually, not to exceed a 12% corridor. The investment assumption rate for 2006 was 6.5%. 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 plus an additional factor ranging from .50% to 5% for the next 8 years. In subsequent years (9 and beyond) health care costs were assumed to increase 4% (the projected wage inflation rate).

Benefits are advanced-funded on an actuarially determined basis. The number of active contributing participants for the TP and CO Plans was 374,979. The actuarial value of the Ohio PERS net assets available for OPEB at December 31, 2006 is \$12.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$30.7 billion and \$18.7 billion, respectively.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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.

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, 2007, 2006, and 2005 were \$247,833, \$246,243 and \$243,674, 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 2007 covered payroll that was used to fund postemployment health care benefits was \$85,788 representing 6.75% 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, 2006, the date of the last actuarial evaluation available, the number of participants eligible to receive health care benefits was 14,120 for police and 10,563 for firefighters. 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, 2006 were \$120,373,722, which was net of member contributions of \$58,532,848.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 10 - 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, 2007, the City's accumulated, unpaid compensated absences amounted to \$279,119, of which \$205,469 is recorded as a liability of the Governmental Activities and \$73,650 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 Government Wide Statement of Net Assets.

NOTE 11 - 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, 2006	Issued	(Retired)	Balance December 31, 2007
Land Acquisition Fund:				
4.00% Real Estate Acquisition	\$4,280,000	\$0	(\$4,280,000)	\$0
4.00% Real Estate Acquisition	0	2,700,000	0	2,700,000
Total General Obligation Notes	\$4,280,000	\$2,700,000	(\$4,280,000)	\$2,700,000

CITY OF SPRINGBORO, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2007**

NOTE 12 - LONG-TERM OBLIGATIONS

Long-term debt and other long-term obligations of the City at December 31, 2007 were as follows:

		Balance December 31, 2006	Issued	(Retired)	Balance December 31, 2007	Amount Due Within One Year
Business Type-Activities:						
General Obligation Bonds:						
6.4 - 7.5% Sewer Real Estate Acquisition	1989	\$20,000	\$0	(\$10,000)	\$10,000	\$10,000
3.0 - 6.1% Sewer Various Purpose	1993	10,500	0	(5,100)	5,400	5,400
3.0 - 6.1% Water Various Purpose	1993	43,750	0	(21,250)	22,500	22,500
3.9 - 5.4% Golf Course Refunding	1999	3,525,000	0	(150,000)	3,375,000	155,000
3.9 - 5.4% Discount on Golf Course Refunding	1999	(13,575)	0	849	(12,726)	0
Total General Obligation Bonds		3,585,675	0	(185,501)	3,400,174	192,900
Mortgage Revenue Bonds:						
2.00 - 4.00% Waterworks Improvement Refunding	2004	2,865,000	0	(200,000)	2,665,000	205,000
2.00 - 4.00% Discount on Waterworks Refunding	2004	(12,089)	0	1,007	(11,082)	(1,007)
4.00 - 5.70% Water	1997	11,520,000	0	(465,000)	11,055,000	485,000
4.00 - 5.70% Sewer Refunding	1997	3,285,000	0	(200,000)	3,085,000	210,000
2.00 - 5.00% Sewer	2004	17,565,000	0	(495,000)	17,070,000	505,000
2.00 - 5.00% Premium on Sewer Bond	2004	449,851	0	(20,448)	429,403	20,448
Total Mortgage Revenue Bonds		35,672,762	0	(1,379,441)	34,293,321	1,424,441
Compensated Absences Payable		66,376	73,650	(66,376)	73,650	8,869
Capital Leases Payable		120,279	0	(62,470)	57,809	39,215
Total Business-Type Activity Long-Term Liabilities		\$39,445,092	\$73,650	(\$1,693,788)	\$37,824,954	\$1,665,425
Governmental Activities:						
Special Assessment Bonds:						
7.500% Hiawatha Trail	1987	\$5,000	\$0	(\$5,000)	\$0	\$0
7.500% Hiawatha Trail II	1989	23,000	0	(7,000)	16,000	8,000
7.500% Sharts Road Improvement	1989	28,000	0	(9,000)	19,000	9,000
5.500% Various Purpose	1993	500,000	0	(50,000)	450,000	55,000
5.500% Various Purpose	1994	195,000	0	(20,000)	175,000	20,000
4.200 - 6.350% Pioneer Blvd. North	1994	265,000	0	(25,000)	240,000	30,000
4.200 - 5.600% Commercial Way	1997	385,000	0	(25,000)	360,000	30,000
6.750% N. Pioneer Blvd.	1998	230,000	0	(15,000)	215,000	15,000
1.500 - 5.350% Various Purpose	2003	1,665,000	0	(70,000)	1,595,000	70,000
Total Special Assessment Bonds (with Governmental Commitment)		3,296,000	0	(226,000)	3,070,000	237,000
Unvoted General Obligation Bonds:						
3.000 - 6.100% Various Purpose	1993	120,750	0	(58,650)	62,100	62,100
3.500 - 5.900% St. Route 741 Improvement	1996	280,000	0	(20,000)	260,000	25,000
4.500 - 6.000% South Main St. Improvement	1997	150,000	0	(10,000)	140,000	10,000
3.900 - 5.375% Various Purpose	1999	785,000	0	(45,000)	740,000	45,000
4.850 - 5.250% Street Improvement TIF	2000	845,000	0	(195,000)	650,000	205,000
Total General Obligation Bonds		2,180,750	0	(328,650)	1,852,100	347,100
Compensated Absences Payable		178,668	205,469	(178,668)	205,469	24,957
Capital Leases Payable		38,890	0	(15,058)	23,832	15,717
Total Governmental Activity Long-Term Liabilities		\$5,694,308	\$205,469	(\$748,376)	\$5,151,401	\$624,774

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2007**

NOTE 12 - LONG-TERM OBLIGATIONS (Continued)

The principal amount of the City's special assessment bonds outstanding at December 31, 2007, \$3,070,000, 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.

A. Future Long-Term Financing Requirements

The City's future long-term obligation funding requirements, including principal and interest payments as of December 31, 2007, follow:

Years	General Obligation Bonds		Special Assessment Bonds	
	Principal	Interest	Principal	Interest
2008	\$540,000	\$277,430	\$237,000	\$160,339
2009	460,000	251,391	238,000	148,330
2010	485,000	227,735	235,000	135,727
2011	275,000	202,522	260,000	123,295
2012	290,000	188,222	265,000	109,318
2013-2017	1,635,000	690,406	1,065,000	346,390
2018-2022	1,580,000	251,518	630,000	136,626
2023	0	0	140,000	7,490
Totals	\$5,265,000	\$2,089,224	\$3,070,000	\$1,167,515

Years	Mortgage Revenue Bonds		Totals	
	Principal	Interest	Principal	Interest
2008	\$1,405,000	\$1,521,959	\$2,182,000	\$1,959,728
2009	1,450,000	1,473,911	2,148,000	1,873,632
2010	1,505,000	1,419,115	2,225,000	1,782,577
2011	1,565,000	1,355,533	2,100,000	1,681,350
2012	1,625,000	1,289,741	2,180,000	1,587,281
2013-2017	9,275,000	5,274,730	11,975,000	6,311,526
2018-2022	8,755,000	3,110,304	10,965,000	3,498,448
2023-2027	5,945,000	1,207,290	6,085,000	1,214,780
2028-2029	2,350,000	103,906	2,350,000	103,906
Totals	\$33,875,000	\$16,756,489	\$42,210,000	\$20,013,228

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, 2007, \$5,610,000 of bonds outstanding are considered defeased.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 13 - 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, water, sewer and storm water 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 \$1,088,006. The leased assets were categorized as follows: \$568,213 as buildings and \$519,793 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, 2007.

Year Ending December 31,	Governmental Type	Business Type
2008	\$16,580	\$41,244
2009	8,290	18,988
Minimum Lease Payments	24,870	60,232
Less: Amount representing interest at the City's incremental borrowing rate of interest	(1,038)	(2,423)
Present value of minimum lease payments	<u>\$23,832</u>	<u>\$57,809</u>

NOTE 14 - 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 2007 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	25,000

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 14 - RISK MANAGEMENT (Continued)

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 years.

For the year 2007, the City participated in the Ohio Municipal League of Ohio Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (see Note 16). 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 15 - CONTRACTUAL COMMITMENTS

As of December 31, 2007, the City had the following significant contractual commitments:

<u>Project</u>	<u>Remaining Contractual Commitment</u>
Municipal Building	\$5,665,134
E. Milo Beck Park	1,484,639
East Street Roadway Improvement	319,627
Yankee Road Sanitary Sewer - Phase II	250,560
Factory Rd. Water Main Replacement	190,860
Total	<u><u>\$7,910,820</u></u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 16 – 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 17 – JOINTLY GOVERNED ORGANIZATIONS

During 2007, the City participated in the Warren County General Health District, the Greater Warren Drug Task Force, and the Miami Valley Regional Planning Commission, jointly governed organizations. The following describes the relationship between these organizations and the City:

Warren County General Health District

The Warren County General Health District (the District) provides health services to the citizens within the County. The District, 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 2007 for the operation of the District was minimal. 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 County 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.

The Greater Warren County Drug Task Force

The Greater Warren County Drug Task Force (the Task Force) is a multijurisdictional drug task force with the primary goal of combating major narcotic traffickers in Warren and Clinton Counties. It is governed by a local policy board consisting members from local police departments, sheriff's offices, and county prosecutor's offices. Participating members contribute a fee for the operation of the task force, with each member's control over the operation limited to its representation on the Board. The City does not have any financial interest in or responsibility for the operations of the Task Force.

Miami Valley Regional Planning Commission

The Miami Valley Regional Planning Commission (the Commission) was formed to provide planning and administrative services to approximately 71 governmental and 18 non-governmental members that constitute the full Board of Directors. Each unit of local government members pays a per capita assessment to join the Commission. Non-governmental and other governmental members pay a flat rate to cover associated Commission expenses if they are not a member. The Commission is not dependent upon the City for its existence, no debt exists, and the City does not have an equity interest or a financial responsibility for the Commission.

*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

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

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue funds are used to account for the proceeds of specific revenue sources (other than amounts relating to 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.

Mayor's Court Improvement Fund

To account for fees collected from each paid case in the Springboro Mayor's Court. The money may be used to purchase and improve the court computer systems.

Austin Center Municipal Public Improvement TIF Fund

To account for all activities related to the Austin Center TIF District. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Special Revenue Funds

Library Donation Trust Fund

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

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.

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

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

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2007**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets:			
Cash and Cash Equivalents	\$ 958,691	\$ 141,541	\$ 1,100,232
Receivables:			
Intergovernmental	443,434	0	443,434
Inventory of Supplies, at Cost	85,228	0	85,228
Prepaid Items	3,856	0	3,856
Total Assets	\$ 1,491,209	\$ 141,541	\$ 1,632,750
Liabilities:			
Accounts Payable	\$ 48,263	\$ 4,500	\$ 52,763
Accrued Wages and Benefits Payable	15,106	0	15,106
Intergovernmental Payable	13,460	0	13,460
Deferred Revenue	298,218	0	298,218
Total Liabilities	375,047	4,500	379,547
Fund Balances:			
Reserved for Encumbrances	43,276	585	43,861
Reserved for Prepaid Items	3,856	0	3,856
Reserved for Supplies Inventory	85,228	0	85,228
Undesignated/Unreserved in:			
Special Revenue Funds	983,802	0	983,802
Capital Projects Fund	0	136,456	136,456
Total Fund Balances	1,116,162	137,041	1,253,203
Total Liabilities and Fund Balances	\$ 1,491,209	\$ 141,541	\$ 1,632,750

CITY OF SPRINGBORO, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2007***

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues:			
Property and Other Taxes	\$ 0	\$ 75,000	\$ 75,000
Intergovernmental Revenues	748,391	0	748,391
Fines, Licenses and Permits	21,809	38,132	59,941
Investment Earnings	29,845	0	29,845
Donations	9,434	0	9,434
All Other Revenue	27,952	2,000	29,952
Total Revenue	837,431	115,132	952,563
Expenditures:			
Current:			
Security of Persons and Property	51,257	0	51,257
Transportation	813,735	0	813,735
General Government	63,650	0	63,650
Capital Outlay	0	139,539	139,539
Debt Service:			
Principal Retirement	7,026	0	7,026
Interest and Fiscal Charges	710	0	710
Total Expenditures	936,378	139,539	1,075,917
Excess (Deficiency) of Revenues Over Expenditures	(98,947)	(24,407)	(123,354)
Other Financing Sources (Uses):			
Transfers In	179,510	0	179,510
Transfers Out	(340,000)	(33,536)	(373,536)
Total Other Financing Sources (Uses)	(160,490)	(33,536)	(194,026)
Net Change in Fund Balances	(259,437)	(57,943)	(317,380)
Fund Balances at Beginning of Year	1,363,257	194,984	1,558,241
Increase in Inventory Reserve	12,342	0	12,342
Fund Balances End of Year	\$ 1,116,162	\$ 137,041	\$ 1,253,203

CITY OF SPRINGBORO, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2007**

	Street Maintenance and Repair	State Highway	Permissive Use Tax	Motor Vehicle License Tax	COPS Grant
Assets:					
Cash and Cash Equivalents	\$ 357,086	\$ 191,535	\$ 1,565	\$ 20,923	\$ 135,655
Receivables:					
Intergovernmental	305,546	24,774	0	91,601	21,363
Inventory of Supplies, at Cost	85,228	0	0	0	0
Prepaid Items	3,856	0	0	0	0
Total Assets	\$ 751,716	\$ 216,309	\$ 1,565	\$ 112,524	\$ 157,018
Liabilities:					
Accounts Payable	\$ 46,080	\$ 2,051	\$ 0	\$ 0	\$ 106
Accrued Wages and Benefits Payable	14,062	0	0	0	1,044
Intergovernmental Payable	11,329	0	0	0	2,131
Deferred Revenue	203,697	16,516	0	61,067	16,938
Total Liabilities	275,168	18,567	0	61,067	20,219
Fund Balances:					
Reserved for Encumbrances	42,763	513	0	0	0
Reserved for Prepaid Items	3,856	0	0	0	0
Reserved for Supplies Inventory	85,228	0	0	0	0
Undesignated/Unreserved	344,701	197,229	1,565	51,457	136,799
Total Fund Balances	476,548	197,742	1,565	51,457	136,799
Total Liabilities and Fund Balances	\$ 751,716	\$ 216,309	\$ 1,565	\$ 112,524	\$ 157,018

CITY OF SPRINGBORO, OHIO

<u>Drug Law Enforcement</u>	<u>Mayor's Court Improvement</u>	<u>Library Donation Trust</u>	<u>Law Enforcement Trust</u>	<u>DARE Trust</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 28,900	\$ 174,495	\$ 6,737	\$ 10,121	\$ 31,674	\$ 958,691
0	0	0	150	0	443,434
0	0	0	0	0	85,228
0	0	0	0	0	3,856
<u>\$ 28,900</u>	<u>\$ 174,495</u>	<u>\$ 6,737</u>	<u>\$ 10,271</u>	<u>\$ 31,674</u>	<u>\$ 1,491,209</u>
\$ 26	\$ 0	\$ 0	\$ 0	\$ 0	\$ 48,263
0	0	0	0	0	15,106
0	0	0	0	0	13,460
0	0	0	0	0	298,218
<u>26</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>375,047</u>
0	0	0	0	0	43,276
0	0	0	0	0	3,856
0	0	0	0	0	85,228
28,874	174,495	6,737	10,271	31,674	983,802
<u>28,874</u>	<u>174,495</u>	<u>6,737</u>	<u>10,271</u>	<u>31,674</u>	<u>1,116,162</u>
<u>\$ 28,900</u>	<u>\$ 174,495</u>	<u>\$ 6,737</u>	<u>\$ 10,271</u>	<u>\$ 31,674</u>	<u>\$ 1,491,209</u>

CITY OF SPRINGBORO, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2007**

	Street Maintenance and Repair	State Highway	Permissive Use Tax	Motor Vehicle License Tax	COPS Grant
Revenues:					
Intergovernmental Revenues	\$ 488,504	\$ 39,607	\$ 75,000	\$ 145,280	\$ 0
Fines, Licenses and Permits	0	0	0	0	0
Investment Earnings	16,910	7,177	632	5,126	0
Donations	0	0	0	0	0
All Other Revenue	0	0	0	0	26,353
Total Revenue	505,414	46,784	75,632	150,406	26,353
Expenditures:					
Current:					
Security of Persons and Property	0	0	0	0	38,949
Transportation	790,967	22,768	0	0	0
General Government	0	0	0	0	0
Debt Service:					
Principal Retirement	7,026	0	0	0	0
Interest and Fiscal Charges	710	0	0	0	0
Total Expenditures	798,703	22,768	0	0	38,949
Excess (Deficiency) of Revenues Over Expenditures	(293,289)	24,016	75,632	150,406	(12,596)
Other Financing Sources (Uses):					
Transfers In	100,000	0	0	0	50,000
Transfers Out	0	0	(90,000)	(250,000)	0
Total Other Financing Sources (Uses)	100,000	0	(90,000)	(250,000)	50,000
Net Change in Fund Balances	(193,289)	24,016	(14,368)	(99,594)	37,404
Fund Balance at Beginning of Year	657,495	173,726	15,933	151,051	99,395
Increase in Inventory Reserve	12,342	0	0	0	0
Fund Balance End of Year	\$ 476,548	\$ 197,742	\$ 1,565	\$ 51,457	\$ 136,799

CITY OF SPRINGBORO, OHIO

<u>Drug Law Enforcement</u>	<u>Mayor's Court Improvement</u>	<u>Austin Center Municipal Public Improvement TIF</u>	<u>Library Donation Trust</u>	<u>Law Enforcement Trust</u>	<u>DARE Trust</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 748,391
744	21,065	0	0	0	0	21,809
0	0	0	0	0	0	29,845
0	0	0	5,974	0	3,460	9,434
0	0	0	0	1,071	528	27,952
<u>744</u>	<u>21,065</u>	<u>0</u>	<u>5,974</u>	<u>1,071</u>	<u>3,988</u>	<u>837,431</u>
7,511	0	0	0	149	4,648	51,257
0	0	0	0	0	0	813,735
0	32,931	24,667	6,052	0	0	63,650
0	0	0	0	0	0	7,026
0	0	0	0	0	0	710
<u>7,511</u>	<u>32,931</u>	<u>24,667</u>	<u>6,052</u>	<u>149</u>	<u>4,648</u>	<u>936,378</u>
(6,767)	(11,866)	(24,667)	(78)	922	(660)	(98,947)
0	0	24,510	0	0	5,000	179,510
0	0	0	0	0	0	(340,000)
0	0	24,510	0	0	5,000	(160,490)
(6,767)	(11,866)	(157)	(78)	922	4,340	(259,437)
35,641	186,361	157	6,815	9,349	27,334	1,363,257
0	0	0	0	0	0	12,342
<u>\$ 28,874</u>	<u>\$ 174,495</u>	<u>\$ 0</u>	<u>\$ 6,737</u>	<u>\$ 10,271</u>	<u>\$ 31,674</u>	<u>\$ 1,116,162</u>

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, 2007**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal Income Taxes	\$ 6,195,038	\$ 6,195,038	\$ 6,581,652	\$ 386,614
Property and Other Taxes	580,000	580,000	727,953	147,953
Intergovernmental Revenues	405,400	405,400	573,539	168,139
Charges for Services	998,800	950,000	961,574	11,574
Fines, Licenses and Permits	339,498	339,498	490,769	151,271
Investment Earnings	330,000	330,000	681,884	351,884
Special Assessments	24,500	24,500	34,267	9,767
All Other Revenues	132,100	132,100	168,516	36,416
Total Revenues	<u>9,005,336</u>	<u>8,956,536</u>	<u>10,220,154</u>	<u>1,263,618</u>
Expenditures:				
Security of Persons and Property:				
Police Department:				
Personal Services	1,933,063	1,846,181	1,737,640	108,541
Materials and Supplies	110,406	127,137	120,307	6,830
Contractual Services	166,467	159,767	136,591	23,176
Capital Outlay	139,036	133,036	129,002	4,034
Total Police Department	<u>2,348,972</u>	<u>2,266,121</u>	<u>2,123,540</u>	<u>142,581</u>
Police Dispatcher:				
Personal Services	344,940	343,097	304,001	39,096
Materials and Supplies	4,000	4,500	4,387	113
Contractual Services	20,250	13,214	9,413	3,801
Total Police Dispatcher	<u>369,190</u>	<u>360,811</u>	<u>317,801</u>	<u>43,010</u>
Street Lighting:				
Contractual Services	129,731	119,731	114,819	4,912
Total Street Lighting	<u>129,731</u>	<u>119,731</u>	<u>114,819</u>	<u>4,912</u>
Civil Defense:				
Contractual Services	2,000	2,000	1,981	19
Total Civil Defense	<u>2,000</u>	<u>2,000</u>	<u>1,981</u>	<u>19</u>
Prisoner Care:				
Contractual Services	4,000	4,000	3,691	309
Total Prisoner Care	<u>4,000</u>	<u>4,000</u>	<u>3,691</u>	<u>309</u>
Total Security of Persons and Property	<u>2,853,893</u>	<u>2,752,663</u>	<u>2,561,832</u>	<u>190,831</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, 2007**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Public Health and Welfare:				
Health Board:				
Contractual Services	11,518	11,518	11,518	0
Total Public Health and Welfare	11,518	11,518	11,518	0
Leisure Time Activities:				
Parks:				
Contractual Services	20,400	4,400	3,950	450
Materials and Supplies	6,000	6,000	542	5,458
Total Parks	26,400	10,400	4,492	5,908
Park Maintenance:				
Personal Services	274,522	274,523	247,224	27,299
Contractual Services	47,886	47,986	23,193	24,793
Materials and Supplies	78,346	78,246	63,089	15,157
Capital Outlay	56,000	56,000	55,788	212
Total Park Maintenance	456,754	456,755	389,294	67,461
Library Services:				
Contractual Services	25,929	33,834	33,242	592
Materials and Supplies	1,000	1,300	913	387
Total Library Services	26,929	35,134	34,155	979
Total Leisure Time Activities	510,083	502,289	427,941	74,348
Community Environment:				
Planning and Zoning:				
Personal Services	97,850	82,011	70,852	11,159
Contractual Services	185,763	175,763	168,864	6,899
Materials and Supplies	3,000	3,064	3,014	50
Total Planning and Zoning	286,613	260,838	242,730	18,108
Engineering:				
Personal Services	119,800	119,800	107,030	12,770
Contractual Services	86,589	64,689	59,647	5,042
Materials and Supplies	6,500	8,400	6,722	1,678
Total Engineering	212,889	192,889	173,399	19,490

(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, 2007**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Economic Development:				
Personal Services	1,000	1,000	655	345
Contractual Services	131,136	178,359	170,910	7,449
Materials and Supplies	300	100	0	100
Total Economic Development	132,436	179,459	171,565	7,894
Building Inspection:				
Personal Services	164,211	164,211	146,467	17,744
Contractual Services	73,833	73,833	65,308	8,525
Materials and Supplies	9,000	9,000	6,200	2,800
Total Building Inspection	247,044	247,044	217,975	29,069
Total Community Environment	878,982	880,230	805,669	74,561
General Government:				
City Council:				
Personal Services	133,770	116,055	99,207	16,848
Contractual Services	51,543	58,258	52,298	5,960
Materials and Supplies	3,500	3,500	2,764	736
Total City Council	188,813	177,813	154,269	23,544
City Manager:				
Personal Services	116,700	116,665	104,145	12,520
Contractual Services	143,367	62,183	51,163	11,020
Materials and Supplies	1,500	19,030	18,067	963
Total City Manager	261,567	197,878	173,375	24,503
Assistant City Manager:				
Personal Services	63,884	63,849	58,043	5,806
Contractual Services	37,185	26,990	17,369	9,621
Materials and Supplies	1,000	2,230	1,301	929
Total Assistant City Manager	102,069	93,069	76,713	16,356
Computer Administration:				
Personal Services	72,450	72,650	65,976	6,674
Contractual Services	44,550	57,486	53,338	4,148
Materials and Supplies	30,301	29,965	24,491	5,474
Total Computer Administration	147,301	160,101	143,805	16,296

(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, 2007**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Finance Department:				
Personal Services	145,350	145,350	128,702	16,648
Contractual Services	77,521	70,501	66,623	3,878
Materials and Supplies	5,000	4,500	3,835	665
Total Finance Department	227,871	220,351	199,160	21,191
Mayor's Court:				
Personal Services	74,550	74,550	53,608	20,942
Contractual Services	64,319	64,423	62,822	1,601
Materials and Supplies	2,065	1,961	973	988
Total Mayor's Court	140,934	140,934	117,403	23,531
Income Tax:				
Personal Services	136,325	136,137	111,962	24,175
Contractual Services	740,645	771,308	770,026	1,282
Materials and Supplies	2,000	3,000	2,646	354
Total Income Tax	878,970	910,445	884,634	25,811
Legal Administration:				
Contractual Services	347,456	216,031	207,299	8,732
Total Legal Administration	347,456	216,031	207,299	8,732
Volunteer Services:				
Contractual Services	0	200	182	18
Total Volunteer Services	0	200	182	18
Building and Land:				
Personal Services	488,290	490,040	489,633	407
Contractual Services	574,641	577,589	533,609	43,980
Materials and Supplies	52,717	69,954	63,173	6,781
Total Building and Land	1,115,648	1,137,583	1,086,415	51,168
Miscellaneous:				
Contractual Services	80,313	80,313	64,871	15,442
Materials and Supplies	200	200	0	200
Total Miscellaneous	80,513	80,513	64,871	15,642

(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, 2007**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Health Insurance:				
Contractual Services	942,000	942,000	836,469	105,531
Total Health Insurance	942,000	942,000	836,469	105,531
Total General Government	4,433,142	4,276,918	3,944,595	332,323
Total Expenditures	8,687,618	8,423,618	7,751,555	672,063
Excess (Deficiency) of Revenues Over (Under) Expenditures	317,718	532,918	2,468,599	1,935,681
Other Financing Sources (Uses):				
Transfers In	75,990	75,990	75,997	7
Transfers Out	(1,299,997)	(1,749,997)	(1,749,389)	608
Total Other Financing Sources (Uses)	(1,224,007)	(1,674,007)	(1,673,392)	615
Net Change in Fund Balance	(906,289)	(1,141,089)	795,207	1,936,296
Fund Balance at Beginning of Year	3,911,996	3,911,996	3,911,996	0
Prior Year Encumbrances	231,661	231,661	231,661	0
Fund Balance at End of Year	<u>\$ 3,237,368</u>	<u>\$ 3,002,568</u>	<u>\$ 4,938,864</u>	<u>\$ 1,936,296</u>

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, 2007**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Payment in Lieu of Taxes	\$ 475,000	\$ 384,014	\$ 384,014	\$ 0
Special Assessments	359,100	282,365	293,688	11,323
Total Revenues	<u>834,100</u>	<u>666,379</u>	<u>677,702</u>	<u>11,323</u>
Expenditures:				
Debt Service:				
Principal Retirement	4,834,650	4,834,650	4,834,650	0
Interest and Fiscal Charges	494,680	494,063	484,106	9,957
Total Expenditures	<u>5,329,330</u>	<u>5,328,713</u>	<u>5,318,756</u>	<u>9,957</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,495,230)	(4,662,334)	(4,641,054)	21,280
Other Financing Sources (Uses):				
Transfers In	4,704,100	4,703,483	4,703,483	0
Total Other Financing Sources (Uses)	<u>4,704,100</u>	<u>4,703,483</u>	<u>4,703,483</u>	<u>0</u>
Net Change in Fund Balance	208,870	41,149	62,429	21,280
Fund Balance at Beginning of Year	401,568	401,568	401,568	0
Fund Balance at End of Year	<u>\$ 610,438</u>	<u>\$ 442,717</u>	<u>\$ 463,997</u>	<u>\$ 21,280</u>

CITY OF SPRINGBORO, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Project Fund
For the Year Ended December 31, 2007**

CONSTRUCTION FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 495,000	\$ 0	\$ 0	\$ 0
Special Assessments	35,575	35,575	22,931	(12,644)
All Other Revenues	20,000	20,000	152,433	132,433
Total Revenues	<u>550,575</u>	<u>55,575</u>	<u>175,364</u>	<u>119,789</u>
Expenditures:				
General Government:				
Contractual Services	8,378	601,819	592,475	9,344
Total General Government	<u>8,378</u>	<u>601,819</u>	<u>592,475</u>	<u>9,344</u>
Capital Outlay	<u>3,767,867</u>	<u>2,564,426</u>	<u>2,141,320</u>	<u>423,106</u>
Total Expenditures	<u>3,776,245</u>	<u>3,166,245</u>	<u>2,733,795</u>	<u>432,450</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,225,670)	(3,110,670)	(2,558,431)	552,239
Other Financing Sources (Uses):				
General Obligation Notes Issued	3,000,000	0	0	0
Transfers In	2,636,100	2,271,790	2,326,000	54,210
Transfers Out	<u>(81,000)</u>	<u>(81,000)</u>	<u>(81,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>5,555,100</u>	<u>2,190,790</u>	<u>2,245,000</u>	<u>54,210</u>
Net Change in Fund Balance	2,329,430	(919,880)	(313,431)	606,449
Fund Balance at Beginning of Year	2,809,406	2,809,406	2,809,406	0
Prior Year Encumbrances	485,615	485,615	485,615	0
Fund Balance at End of Year	<u>\$ 5,624,451</u>	<u>\$ 2,375,141</u>	<u>\$ 2,981,590</u>	<u>\$ 606,449</u>

CITY OF SPRINGBORO, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Project Fund
For the Year Ended December 31, 2007**

	LAND ACQUISITION FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
All Other Revenues	\$ 225,000	\$ 225,000	\$ 1,538,809	\$ 1,313,809
Total Revenues	<u>225,000</u>	<u>225,000</u>	<u>1,538,809</u>	<u>1,313,809</u>
Expenditures:				
Capital Outlay	15,000	15,000	575	14,425
Total Expenditures	<u>15,000</u>	<u>15,000</u>	<u>575</u>	<u>14,425</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	210,000	210,000	1,538,234	1,328,234
Other Financing Sources (Uses):				
General Obligation Notes Issued	4,280,000	4,038,916	2,700,108	(1,338,808)
Transfers In	0	0	25,000	25,000
Transfers Out	(4,472,600)	(4,472,065)	(4,472,065)	0
Total Other Financing Sources (Uses)	<u>(192,600)</u>	<u>(433,149)</u>	<u>(1,746,957)</u>	<u>(1,313,808)</u>
Net Change in Fund Balance	17,400	(223,149)	(208,723)	14,426
Fund Balance at Beginning of Year	211,079	211,079	211,079	0
Prior Year Encumbrances	15,000	15,000	15,000	0
Fund Balance at End of Year	<u>\$ 243,479</u>	<u>\$ 2,930</u>	<u>\$ 17,356</u>	<u>\$ 14,426</u>

CITY OF SPRINGBORO, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Project Fund
For the Year Ended December 31, 2007**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal Income Taxes	\$ 3,310,085	\$ 3,146,638	\$ 3,290,821	\$ 144,183
Total Revenues	<u>3,310,085</u>	<u>3,146,638</u>	<u>3,290,821</u>	<u>144,183</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,310,085	3,146,638	3,290,821	144,183
Other Financing Sources (Uses):				
Transfers In	1,985,185	1,950,000	1,950,000	0
Transfers Out	<u>(5,556,185)</u>	<u>(5,521,000)</u>	<u>(5,520,900)</u>	<u>100</u>
Total Other Financing Sources (Uses)	<u>(3,571,000)</u>	<u>(3,571,000)</u>	<u>(3,570,900)</u>	<u>100</u>
Net Change in Fund Balance	(260,915)	(424,362)	(280,079)	144,283
Fund Balance at Beginning of Year	<u>461,331</u>	<u>461,331</u>	<u>461,331</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 200,416</u>	<u>\$ 36,969</u>	<u>\$ 181,252</u>	<u>\$ 144,283</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, 2007**

STREET MAINTENANCE AND REPAIR FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 585,000	\$ 560,000	\$ 599,854	\$ 39,854
Investment Earnings	0	0	16,910	16,910
Total Revenues	<u>585,000</u>	<u>560,000</u>	<u>616,764</u>	<u>56,764</u>
Expenditures:				
Transportation:				
Personal Services	462,089	448,690	432,072	16,618
Materials and Supplies	187,370	266,269	237,703	28,566
Contractual Services	130,185	114,684	89,127	25,557
Capital Outlay	83,000	83,000	83,000	0
Total Expenditures	<u>862,644</u>	<u>912,643</u>	<u>841,902</u>	<u>70,741</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(277,644)	(352,643)	(225,138)	127,505
Other Financing Sources (Uses):				
Transfers In	100,000	100,000	100,000	0
Total Other Financing Sources (Uses)	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>0</u>
Net Change in Fund Balance	(177,644)	(252,643)	(125,138)	127,505
Fund Balance at Beginning of Year	393,944	393,944	393,944	0
Prior Year Encumbrances	8,856	8,856	8,856	0
Fund Balance at End of Year	<u>\$ 225,156</u>	<u>\$ 150,157</u>	<u>\$ 277,662</u>	<u>\$ 127,505</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, 2007**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 47,000	\$ 47,000	\$ 48,636	\$ 1,636
Investment Earnings	0	0	7,177	7,177
Total Revenues	<u>47,000</u>	<u>47,000</u>	<u>55,813</u>	<u>8,813</u>
Expenditures:				
Transportation:				
Contractual Services	<u>32,000</u>	<u>32,000</u>	<u>21,230</u>	<u>10,770</u>
Total Expenditures	<u>32,000</u>	<u>32,000</u>	<u>21,230</u>	<u>10,770</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	15,000	15,000	34,583	19,583
Fund Balance at Beginning of Year	<u>156,439</u>	<u>156,439</u>	<u>156,439</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 171,439</u>	<u>\$ 171,439</u>	<u>\$ 191,022</u>	<u>\$ 19,583</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, 2007***

	PERMISSIVE USE TAX FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 125,000	\$ 75,632	\$ 75,000	\$ (632)
Investment Earnings	0	0	632	632
Total Revenues	<u>125,000</u>	<u>75,632</u>	<u>75,632</u>	<u>0</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	125,000	75,632	75,632	0
Other Financing Sources (Uses):				
Transfers Out	<u>(125,000)</u>	<u>(90,000)</u>	<u>(90,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(125,000)</u>	<u>(90,000)</u>	<u>(90,000)</u>	<u>0</u>
Net Change in Fund Balance	0	(14,368)	(14,368)	0
Fund Balance at Beginning of Year	<u>15,933</u>	<u>15,933</u>	<u>15,933</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 15,933</u></u>	<u><u>\$ 1,565</u></u>	<u><u>\$ 1,565</u></u>	<u><u>\$ 0</u></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, 2007**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 180,000	\$ 187,500	\$ 187,596	\$ 96
Investment Earnings	0	4,500	5,126	626
Total Revenues	<u>180,000</u>	<u>192,000</u>	<u>192,722</u>	<u>722</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	180,000	192,000	192,722	722
Other Financing Sources (Uses):				
Transfers Out	<u>(250,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(250,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	<u>0</u>
Net Change in Fund Balance	(70,000)	(58,000)	(57,278)	722
Fund Balance at Beginning of Year	<u>78,201</u>	<u>78,201</u>	<u>78,201</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 8,201</u>	<u>\$ 20,201</u>	<u>\$ 20,923</u>	<u>\$ 722</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, 2007**

	COPS GRANT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
All Other Revenues	\$ 40,000	\$ 27,000	\$ 27,808	\$ 808
Total Revenues	<u>40,000</u>	<u>27,000</u>	<u>27,808</u>	<u>808</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	55,850	55,850	36,713	19,137
Materials and Supplies	600	600	0	600
Contractual Services	850	850	571	279
Total Expenditures	<u>57,300</u>	<u>57,300</u>	<u>37,284</u>	<u>20,016</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,300)	(30,300)	(9,476)	20,824
Other Financing Sources (Uses):				
Transfers In	50,000	50,000	50,000	0
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>0</u>
Net Change in Fund Balance	32,700	19,700	40,524	20,824
Fund Balance at Beginning of Year	95,131	95,131	95,131	0
Fund Balance at End of Year	<u>\$ 127,831</u>	<u>\$ 114,831</u>	<u>\$ 135,655</u>	<u>\$ 20,824</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, 2007**

DRUG LAW ENFORCEMENT FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines, Licenses and Permits	\$ 5,000	\$ 5,000	\$ 8,795	\$ 3,795
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>8,795</u>	<u>3,795</u>
Expenditures:				
Security of Persons and Property:				
Contractual Services	45	400	311	89
Capital Outlay	<u>16,556</u>	<u>16,201</u>	<u>7,200</u>	<u>9,001</u>
Total Expenditures	<u>16,601</u>	<u>16,601</u>	<u>7,511</u>	<u>9,090</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,601)	(11,601)	1,284	12,885
Fund Balance at Beginning of Year	26,060	26,060	26,060	0
Prior Year Encumbrances	<u>1,556</u>	<u>1,556</u>	<u>1,556</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 16,015</u>	<u>\$ 16,015</u>	<u>\$ 28,900</u>	<u>\$ 12,885</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, 2007***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines, Licenses and Permits	\$ 16,000	\$ 16,000	\$ 21,690	\$ 5,690
Total Revenues	<u>16,000</u>	<u>16,000</u>	<u>21,690</u>	<u>5,690</u>
Expenditures:				
General Government:				
Materials and Supplies	1,000	500	0	500
Contractual Services	30,300	31,102	30,867	235
Capital Outlay	<u>2,500</u>	<u>2,198</u>	<u>2,064</u>	<u>134</u>
Total Expenditures	<u>33,800</u>	<u>33,800</u>	<u>32,931</u>	<u>869</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,800)	(17,800)	(11,241)	6,559
Fund Balance at Beginning of Year	<u>184,876</u>	<u>184,876</u>	<u>184,876</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 167,076</u>	<u>\$ 167,076</u>	<u>\$ 173,635</u>	<u>\$ 6,559</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, 2007***

AUSTIN CENTER MUNICIPAL PUBLIC IMPROVEMENT TIF FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
General Government:				
Contractual Services	25,000	24,667	24,667	0
Total Expenditures	<u>25,000</u>	<u>24,667</u>	<u>24,667</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(25,000)	(24,667)	(24,667)	0
Other Financing Sources (Uses):				
Transfers In	25,000	24,510	24,510	0
Total Other Financing Sources (Uses)	<u>25,000</u>	<u>24,510</u>	<u>24,510</u>	<u>0</u>
Net Change in Fund Balance	0	(157)	(157)	0
Fund Balance at Beginning of Year	157	157	157	0
Fund Balance at End of Year	<u>\$ 157</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</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, 2007**

LIBRARY DONATION TRUST FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Revenues:				
Donations	\$ 6,000	\$ 5,000	\$ 5,974	\$ 974
Total Revenues	<u>6,000</u>	<u>5,000</u>	<u>5,974</u>	<u>974</u>
Expenditures:				
General Government:				
Contractual Services	<u>6,500</u>	<u>6,500</u>	<u>6,052</u>	<u>448</u>
Total Expenditures	<u>6,500</u>	<u>6,500</u>	<u>6,052</u>	<u>448</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(500)	(1,500)	(78)	1,422
Fund Balance at Beginning of Year	<u>6,815</u>	<u>6,815</u>	<u>6,815</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 6,315</u></u>	<u><u>\$ 5,315</u></u>	<u><u>\$ 6,737</u></u>	<u><u>\$ 1,422</u></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, 2007***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
All Other Revenues	\$ 1,000	\$ 1,000	\$ 1,312	\$ 312
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>1,312</u>	<u>312</u>
Expenditures:				
Security of Persons and Property:				
Materials and Supplies	1,000	1,000	149	851
Contractual Services	<u>500</u>	<u>500</u>	<u>0</u>	<u>500</u>
Total Expenditures	<u>1,500</u>	<u>1,500</u>	<u>149</u>	<u>1,351</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(500)	(500)	1,163	1,663
Fund Balance at Beginning of Year	<u>8,958</u>	<u>8,958</u>	<u>8,958</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 8,458</u>	<u>\$ 8,458</u>	<u>\$ 10,121</u>	<u>\$ 1,663</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, 2007**

D.A.R.E. TRUST FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 5,000	\$ 2,200	\$ 0	\$ (2,200)
Donations	2,000	2,000	3,760	1,760
All Other Revenues	0	0	528	528
Total Revenues	<u>7,000</u>	<u>4,200</u>	<u>4,288</u>	<u>88</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	17,000	17,300	2,956	14,344
Materials and Supplies	3,544	3,244	2,236	1,008
Contractual Services	560	560	0	560
Total Expenditures	<u>21,104</u>	<u>21,104</u>	<u>5,192</u>	<u>15,912</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,104)	(16,904)	(904)	16,000
Other Financing Sources (Uses):				
Transfers In	5,000	5,000	5,000	0
Total Other Financing Sources (Uses)	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>0</u>
Net Change in Fund Balance	(9,104)	(11,904)	4,096	16,000
Fund Balance at Beginning of Year	27,034	27,034	27,034	0
Prior Year Encumbrances	544	544	544	0
Fund Balance at End of Year	<u>\$ 18,474</u>	<u>\$ 15,674</u>	<u>\$ 31,674</u>	<u>\$ 16,000</u>

CITY OF SPRINGBORO, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Fund
For the Year Ended December 31, 2007**

PERMANENT IMPROVEMENT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Property and Other Taxes	\$ 75,000	\$ 75,000	\$ 75,000	\$ 0
Fines, Licenses and Permits	67,500	40,132	38,132	(2,000)
All Other Revenues	0	0	2,000	2,000
Total Revenues	<u>142,500</u>	<u>115,132</u>	<u>115,132</u>	<u>0</u>
Expenditures:				
Capital Outlay	<u>218,558</u>	<u>218,558</u>	<u>145,050</u>	<u>73,508</u>
Total Expenditures	<u>218,558</u>	<u>218,558</u>	<u>145,050</u>	<u>73,508</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(76,058)	(103,426)	(29,918)	73,508
Other Financing Sources (Uses):				
Transfers Out	<u>(33,536)</u>	<u>(33,536)</u>	<u>(33,536)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(33,536)</u>	<u>(33,536)</u>	<u>(33,536)</u>	<u>0</u>
Net Change in Fund Balance	(109,594)	(136,962)	(63,454)	73,508
Fund Balance at Beginning of Year	191,352	191,352	191,352	0
Prior Year Encumbrances	8,558	8,558	8,558	0
Fund Balance at End of Year	<u>\$ 90,316</u>	<u>\$ 62,948</u>	<u>\$ 136,456</u>	<u>\$ 73,508</u>

Fiduciary Funds

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 Funds

Mayor's Court Fund

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

Special Assessment Fund

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

CITY OF SPRINGBORO, OHIO

***Statement Of Changes In Assets And Liabilities
Agency Funds
For the Year Ended December 31, 2007***

	Balance December 31, 2006	Additions	Deductions	Balance December 31, 2007
<u>Mayor's Court Fund</u>				
Assets:				
Cash and Cash Equivalents	\$10,909	\$443,678	(\$439,975)	\$14,612
Total Assets	<u>\$10,909</u>	<u>\$443,678</u>	<u>(\$439,975)</u>	<u>\$14,612</u>
Liabilities:				
Undistributed Monies	\$10,909	\$443,678	(\$439,975)	\$14,612
Total Liabilities	<u>\$10,909</u>	<u>\$443,678</u>	<u>(\$439,975)</u>	<u>\$14,612</u>
<u>Special Assessment Fund</u>				
Assets:				
Special Assessments Receivable	\$239,658	\$250,838	(\$71,545)	\$418,951
Total Assets	<u>\$239,658</u>	<u>\$250,838</u>	<u>(\$71,545)</u>	<u>\$418,951</u>
Liabilities:				
Due to Others	\$239,658	\$250,838	(\$71,545)	\$418,951
Total Liabilities	<u>\$239,658</u>	<u>\$250,838</u>	<u>(\$71,545)</u>	<u>\$418,951</u>
<u>Total Agency Funds:</u>				
Assets:				
Cash and Cash Equivalents	\$10,909	\$443,678	(\$439,975)	\$14,612
Special Assessments Receivable	239,658	250,838	(71,545)	418,951
Total Assets	<u>\$250,567</u>	<u>\$694,516</u>	<u>(\$511,520)</u>	<u>\$433,563</u>
Liabilities:				
Due to Others	\$239,658	\$250,838	(\$71,545)	\$418,951
Undistributed Monies	10,909	443,678	(439,975)	14,612
Total Liabilities	<u>\$250,567</u>	<u>\$694,516</u>	<u>(\$511,520)</u>	<u>\$433,563</u>

*CAPITAL ASSETS USED IN THE
OPERATION OF GOVERNMENTAL FUNDS*



CITY OF SPRINGBORO, OHIO

***Capital Assets Used in the Operation of Governmental Funds
Schedule by Source
December 31, 2007***

Capital Assets:

Land	\$16,107,287
Construction in Progress	393,499
Land Improvements	425,341
Infrastructure	33,384,066
Buildings	3,315,237
Equipment	<u>2,500,918</u>
Total Capital Assets	<u><u>\$56,126,348</u></u>

Investment in Capital Assets from:

General Fund	\$6,951,239
Special Revenue Funds	514,677
Capital Projects Funds	8,374,521
Infrastructure Prior to 2002	35,699,383
Donated Infrastructure	3,920,647
Enterprise Funds	<u>665,881</u>
Total Investment in Capital Assets	<u><u>\$56,126,348</u></u>

CITY OF SPRINGBORO, OHIO

***Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
December 31, 2007***

<u>Function and Activity</u>	<u>Land</u>	<u>Construction in Progress</u>	<u>Land Improvements</u>
<u>General Government:</u>			
City Manager	\$0	\$0	\$0
Records Management	0	0	0
Finance	0	0	0
Taxation	0	0	0
Public Land and Buildings	3,222,820	334,866	23,458
Total	<u>3,222,820</u>	<u>334,866</u>	<u>23,458</u>
<u>Security of Persons and Property:</u>			
Police	0	0	0
Street Lighting	0	0	0
Traffic Control	0	15,280	0
Total	<u>0</u>	<u>15,280</u>	<u>0</u>
<u>Transportation:</u>			
Street	12,009,832	0	78,250
Grounds	153,795	0	0
Total	<u>12,163,627</u>	<u>0</u>	<u>78,250</u>
<u>Leisure Time Activities:</u>			
Parks and Recreation	720,840	43,353	323,633
Library	0	0	0
Total	<u>720,840</u>	<u>43,353</u>	<u>323,633</u>
<u>Community Environment:</u>			
Engineering	0	0	0
Planning and Zoning	0	0	0
Building Inspection	0	0	0
Total	<u>0</u>	<u>0</u>	<u>0</u>
Total Capital Assets	<u>\$16,107,287</u>	<u>\$393,499</u>	<u>\$425,341</u>

CITY OF SPRINGBORO, OHIO

<u>Infrastructure</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Total</u>
\$0	\$0	\$8,845	\$8,845
0	0	12,202	12,202
0	0	26,582	26,582
0	0	8,200	8,200
0	521,309	179,858	4,282,311
<u>0</u>	<u>521,309</u>	<u>235,687</u>	<u>4,338,140</u>
0	31,040	505,766	536,806
0	0	78,675	78,675
0	0	120,315	135,595
<u>0</u>	<u>31,040</u>	<u>704,756</u>	<u>751,076</u>
33,384,066	872,294	950,955	47,295,397
0	12,376	51,721	217,892
<u>33,384,066</u>	<u>884,670</u>	<u>1,002,676</u>	<u>47,513,289</u>
0	1,155,935	391,076	2,634,837
0	685,000	39,920	724,920
<u>0</u>	<u>1,840,935</u>	<u>430,996</u>	<u>3,359,757</u>
0	37,283	62,840	100,123
0	0	17,356	17,356
0	0	46,607	46,607
<u>0</u>	<u>37,283</u>	<u>126,803</u>	<u>164,086</u>
<u>\$33,384,066</u>	<u>\$3,315,237</u>	<u>\$2,500,918</u>	<u>\$56,126,348</u>

CITY OF SPRINGBORO, OHIO

***Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity
For the Year Ended December 31, 2007***

Function and Activity	Restated Balance at January 1, 2006	Additions	Deletions	Balance at December 31, 2007
<u>General Government:</u>				
City Manager	\$8,845	\$0	\$0	\$8,845
Records Management	12,202	0	0	12,202
Finance	58,460	0	(31,878)	26,582
Taxation	8,200	0	0	8,200
Public Land and Buildings	3,677,454	604,857	0	4,282,311
Total	<u>3,765,161</u>	<u>604,857</u>	<u>(31,878)</u>	<u>4,338,140</u>
<u>Security of Persons and Property:</u>				
Police	522,537	72,099	(57,830)	536,806
Street Lighting	78,675	0	0	78,675
Traffic Control	120,315	15,280	0	135,595
Total	<u>721,527</u>	<u>87,379</u>	<u>(57,830)</u>	<u>751,076</u>
<u>Transportation:</u>				
Street	46,323,036	1,214,434	(242,073)	47,295,397
Grounds	217,892	0	0	217,892
Total	<u>46,540,928</u>	<u>1,214,434</u>	<u>(242,073)</u>	<u>47,513,289</u>
<u>Leisure Time Activities:</u>				
Parks and Recreation	2,457,435	177,402	0	2,634,837
Library	724,920	0	0	724,920
Total	<u>3,182,355</u>	<u>177,402</u>	<u>0</u>	<u>3,359,757</u>
<u>Community Environment:</u>				
Engineering	100,123	0	0	100,123
Planning and Zoning	17,356	0	0	17,356
Building Inspection	46,607	0	0	46,607
Total	<u>164,086</u>	<u>0</u>	<u>0</u>	<u>164,086</u>
Total Capital Assets	<u>\$54,374,057</u>	<u>\$2,084,072</u>	<u>(\$331,781)</u>	<u>\$56,126,348</u>

STATISTICAL SECTION



STATISTICAL TABLES

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

Contents

Financial Trends	S 2 – S 13
These schedules contain trend information to help the reader understand how the City’s financial position has changed over time.	
Revenue Capacity	S 14 – S 17
These schedules contain information to help the reader understand and assess the factors affecting the City’s ability to generate its most significant local revenue sources, the property tax and the income tax.	
Debt Capacity	S 18 – S 27
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	
Economic and Demographic Information	S 28 – S 31
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City’s financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	
Operating Information	S 32 – S 39
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City’s provides and the activities it performs.	
Sources Note:	
Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.	

City of Springboro

*Net Assets by Component
Last Six Years
(accrual basis of accounting)*

	2002	2003	2004	2005
Governmental Activities:				
Invested in Capital Assets, Net of Related Debt	\$26,620,573	\$26,568,831	\$26,779,476	\$26,884,114
Restricted	507,667	8,191,414	5,917,872	10,161,903
Unrestricted	3,627,300	2,904,963	7,560,929	8,593,613
Total Governmental Activities Net Assets	<u>\$30,755,540</u>	<u>\$37,665,208</u>	<u>\$40,258,277</u>	<u>\$45,639,630</u>
Business-type Activities:				
Invested in Capital Assets, Net of Related Debt	\$35,142,066	\$38,353,625	\$41,799,090	\$48,700,584
Restricted	2,507,436	2,524,224	2,465,210	1,988,424
Unrestricted	9,143,921	11,331,271	10,390,664	6,795,398
Total Business-type Activities Net Assets	<u>\$46,793,423</u>	<u>\$52,209,120</u>	<u>\$54,654,964</u>	<u>\$57,484,406</u>
Primary Government:				
Invested in Capital Assets, Net of Related Debt	\$61,762,639	\$64,922,456	\$68,578,566	\$75,584,698
Restricted	3,015,103	10,715,638	8,383,082	12,150,327
Unrestricted	12,771,221	14,236,234	17,951,593	15,389,011
Total Primary Government Net Assets	<u>\$77,548,963</u>	<u>\$89,874,328</u>	<u>\$94,913,241</u>	<u>\$103,124,036</u>

Source: Finance Director's Office

City of Springboro

<u>2006</u>	<u>2007</u>
\$27,213,897	\$29,738,654
10,981,263	11,542,608
9,523,096	8,809,701
<u>\$47,718,256</u>	<u>\$50,090,963</u>
\$46,543,923	\$48,566,261
2,080,999	2,186,063
7,879,343	8,746,907
<u>\$56,504,265</u>	<u>\$59,499,231</u>
\$73,757,820	\$78,304,915
13,062,262	13,728,671
17,402,439	17,556,608
<u>\$104,222,521</u>	<u>\$109,590,194</u>

City of Springboro

*Changes in Net Assets
Last Six Years
(accrual basis of accounting)*

	2002	2003	2004	2005
Expenses				
Governmental Activities:				
Security of Persons and Property	\$2,357,149	\$2,509,238	\$2,514,444	\$2,640,056
Public Health and Welfare Services	1,866	6,950	8,965	8,780
Leisure Time Activities	448,763	451,964	453,041	509,990
Community Environment	1,045,933	820,106	607,037	768,207
Transportation	1,949,497	1,829,937	1,848,412	1,878,604
General Government	3,462,461	3,758,165	3,470,693	4,174,898
Interest and Fiscal Charges	461,402	438,662	410,280	505,312
<i>Total Governmental Activities Expenses</i>	<u>9,727,071</u>	<u>9,815,022</u>	<u>9,312,872</u>	<u>10,485,847</u>
Business-type Activities:				
Golf Course	1,829,780	2,153,667	2,357,184	2,136,737
Water	2,778,871	2,754,140	3,026,472	3,108,710
Sewer	1,790,854	2,462,129	2,451,894	3,410,660
Trash	507,351	545,247	591,690	777,021
Storm Water	0	0	14,092	198,394
<i>Total Business-type Activities Expenses</i>	<u>6,906,856</u>	<u>7,915,183</u>	<u>8,441,332</u>	<u>9,631,522</u>
<i>Total Primary Government Expenses</i>	<u>\$16,633,927</u>	<u>\$17,730,205</u>	<u>\$17,754,204</u>	<u>\$20,117,369</u>
Program Revenues				
Governmental Activities:				
Charges for Services				
Security of Persons and Property	\$14,480	\$29,809	\$4,572	\$56,722
Public Health and Welfare Services	0	0	0	0
Leisure Time Activities	212,217	232,856	210,156	162,396
Community Environment	457,132	372,617	367,699	363,826
Transportation	3,839	95	9,276	11,465
General Government	881,652	951,148	1,055,041	1,185,351
Operating Grants and Contributions	55,999	137,084	761,155	931,375
Capital Grants and Contributions	102,191	6,088,874	368,056	2,021,941
<i>Total Governmental Activities Program Revenues</i>	<u>1,727,510</u>	<u>7,812,483</u>	<u>2,775,955</u>	<u>4,733,076</u>

City of Springboro

<u>2006</u>	<u>2007</u>
\$2,630,222	\$2,697,240
10,647	11,518
507,364	534,363
693,745	736,720
1,922,942	2,194,691
4,087,878	4,076,554
492,472	466,493
<u>10,345,270</u>	<u>10,717,579</u>
2,503,701	2,641,012
3,463,779	3,349,609
3,202,723	3,000,301
768,894	796,749
216,285	182,234
<u>10,155,382</u>	<u>9,969,905</u>
<u>\$20,500,652</u>	<u>\$20,687,484</u>

\$51,861	\$32,256
0	0
84,870	46,106
207,017	190,536
5,392	0
1,205,212	1,275,011
800,017	950,410
301,873	587,717
<u>2,656,242</u>	<u>3,082,036</u>

(continued)

City of Springboro

Changes in Net Assets Last Six Years (accrual basis of accounting)

	2002	2003	2004	2005
Business-type Activities:				
Charges for Services				
Golf Course	2,092,199	2,197,741	2,256,350	2,181,616
Water	2,555,439	2,697,118	2,737,202	3,197,131
Sewer	1,590,251	1,904,284	1,752,509	2,239,458
Trash	606,102	752,780	686,131	828,675
Storm Water	0	0	189,852	235,912
Capital Grants and Contributions	3,567,977	5,242,698	2,638,394	2,515,267
<i>Total Business-type Activities Program Revenues</i>	10,411,968	12,794,621	10,260,438	11,198,059
<i>Total Primary Government Program Revenues</i>	12,139,478	20,607,104	13,036,393	15,931,135
Net (Expense)/Revenue				
Governmental Activities	(7,999,561)	(2,002,539)	(6,536,917)	(5,752,771)
Business-type Activities	3,505,112	4,879,438	1,819,106	1,566,537
<i>Total Primary Government Net (Expense)/Revenue</i>	(\$4,494,449)	\$2,876,899	(\$4,717,811)	(\$4,186,234)
General Revenues and Other Changes in Net Assets				
Governmental Activities:				
Income Taxes	\$6,617,829	\$6,577,076	\$7,280,875	\$9,341,580
Property Taxes	494,394	613,347	585,395	605,193
Other Local Taxes	26,030	53,455	59,379	80,126
Payment in Lieu of Taxes	0	0	0	157,646
Intergovernmental, unrestricted	954,235	1,233,182	761,646	558,942
Investment Earnings	379,252	204,171	398,038	317,708
Miscellaneous	271,427	380,568	744,882	416,746
Loss on Disposal of Capital Assets	(130,045)	0	0	0
Gain on Sale of Assets Held for Resale	0	0	0	0
Transfers	(180,123)	(509,592)	(590,874)	(743,817)
<i>Total Governmental Activities</i>	8,432,999	8,552,207	9,239,341	10,734,124
Business-type Activities:				
Property Taxes	62,672	0	0	0
Investment Earnings	0	26,667	35,864	627,827
Loss on Disposal of Capital Assets	(458,182)	0	0	0
Transfers	180,123	509,592	590,874	743,817
<i>Total Business-type Activities</i>	(215,387)	536,259	626,738	1,371,644
<i>Total Primary Government</i>	\$8,217,612	\$9,088,466	\$9,866,079	\$12,105,768
Change in Net Assets				
Governmental Activities	\$433,438	\$6,549,668	\$2,702,424	\$4,981,353
Business-type Activities	3,289,725	5,415,697	2,445,844	2,938,181
<i>Total Primary Government Change in Net Assets</i>	\$3,723,163	\$11,965,365	\$5,148,268	\$7,919,534

Source: Finance Director's Office

City of Springboro

<u>2006</u>	<u>2007</u>
1,749,643	1,719,244
2,897,468	3,244,071
2,118,810	2,243,482
831,763	840,248
222,619	225,774
<u>3,576,737</u>	<u>1,171,053</u>
<u>11,397,040</u>	<u>9,443,872</u>
<u>14,053,282</u>	<u>12,525,908</u>
(7,689,028)	(7,635,543)
1,241,658	(526,033)
<u>(\$6,447,370)</u>	<u>(\$8,161,576)</u>
\$9,008,615	\$9,654,160
629,933	763,912
79,746	87,807
473,153	384,014
566,082	564,359
478,662	770,851
326,437	357,341
0	0
0	437,706
<u>(1,586,000)</u>	<u>(3,011,900)</u>
<u>9,976,628</u>	<u>10,008,250</u>
0	0
607,060	509,099
0	0
<u>1,586,000</u>	<u>3,011,900</u>
<u>2,193,060</u>	<u>3,520,999</u>
<u>\$12,169,688</u>	<u>\$13,529,249</u>
\$2,287,600	\$2,372,707
<u>3,434,718</u>	<u>2,994,966</u>
<u>\$5,722,318</u>	<u>\$5,367,673</u>

City of Springboro

*Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	1998	1999	2000	2001
General Fund				
Reserved	\$65,087	\$159,116	\$1,914,456	\$2,318,835
Unreserved	1,601,442	1,694,243	219,230	87,914
<i>Total General Fund</i>	<u>1,666,529</u>	<u>1,853,359</u>	<u>2,133,686</u>	<u>2,406,749</u>
All Other Governmental Funds				
Reserved	622,633	910,202	1,701,307	1,803,166
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	455,495	611,470	443,786	351,492
Debt Service Funds	4,601	0	0	0
Capital Projects Funds	558,570	(2,698,169)	(2,959,788)	(2,742,599)
<i>Total All Other Governmental Funds</i>	<u>1,641,299</u>	<u>(1,176,497)</u>	<u>(814,695)</u>	<u>(587,941)</u>
<i>Total Governmental Funds</i>	<u><u>\$3,307,828</u></u>	<u><u>\$676,862</u></u>	<u><u>\$1,318,991</u></u>	<u><u>\$1,818,808</u></u>

Source: Finance Director's Office

NOTE: Years 1998-2001 Do not include the Civic Center Fund which was classified as a Fiduciary Fund prior to implementing GASB 34 in 2002.

City of Springboro

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
\$1,852,314	\$1,491,541	\$451,350	\$256,689	\$307,002	\$304,124
<u>434,530</u>	<u>1,145,044</u>	<u>3,178,124</u>	<u>4,106,407</u>	<u>4,595,923</u>	<u>5,432,893</u>
<u>2,286,844</u>	<u>2,636,585</u>	<u>3,629,474</u>	<u>4,363,096</u>	<u>4,902,925</u>	<u>5,737,017</u>
1,019,737	1,448,737	932,104	5,232,418	5,302,224	5,091,688
475,110	636,736	547,372	822,349	1,277,471	983,802
0	(67,752)	0	0	0	0
<u>(2,661,803)</u>	<u>568,707</u>	<u>(3,859,964)</u>	<u>(1,784,381)</u>	<u>(232,619)</u>	<u>909,425</u>
<u>(1,166,956)</u>	<u>2,586,428</u>	<u>(2,380,488)</u>	<u>4,270,386</u>	<u>6,347,076</u>	<u>6,984,915</u>
<u>\$1,119,888</u>	<u>\$5,223,013</u>	<u>\$1,248,986</u>	<u>\$8,633,482</u>	<u>\$11,250,001</u>	<u>\$12,721,932</u>

City of Springboro

*Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	1998	1999	2000	2001
Revenues:				
Municipal Income Taxes	\$4,289,187	\$4,847,739	\$5,102,632	\$5,766,115
Property Tax	324,624	345,122	359,309	486,562
Payment in Lieu of Taxes	0	0	0	0
Intergovernmental Revenues	1,072,824	904,526	1,219,893	1,149,376
Charges for Services	404,577	352,465	381,632	526,743
Fines, Licenses and Permits	661,578	718,523	662,927	648,304
Investment Earnings	375,255	224,200	555,356	679,289
Special Assessments	295,905	286,070	266,787	261,317
Donations	123,329	130,700	125,613	8,096
All Other Revenue	109,731	263,336	539,881	286,201
Total Revenue	7,657,010	8,072,681	9,214,030	9,812,003
Expenditures:				
Current:				
Security of Persons and Property	1,568,042	1,764,306	1,817,020	1,982,231
Public Health and Welfare Services	21,533	13,569	1,923	1,874
Leisure Time Activities	235,084	214,419	206,529	296,561
Community Environment	617,174	716,566	950,210	684,998
Basic Utility Services	0	11,477	0	0
Transportation	355,769	455,676	505,980	400,002
General Government	1,668,400	2,298,666	2,636,861	2,937,994
Capital Outlay	1,830,827	1,955,149	2,424,680	2,254,887
Debt Service:				
Principal Retirement	266,734	199,950	283,986	296,154
Interest and Fiscal Charges	378,287	330,102	442,268	568,123
Advance Refunding Escrow	0	323,123	0	0
Total Expenditures	6,941,850	8,283,003	9,269,457	9,422,824
Excess (Deficiency) of Revenues Over Expenditures	715,160	(210,322)	(55,427)	389,179

City of Springboro

2002	2003	2004	2005	2006	2007
\$6,500,632	\$6,540,059	\$7,312,583	\$9,119,941	\$8,951,015	\$9,706,915
527,192	666,802	644,774	682,471	716,356	802,737
0	0	0	157,646	473,153	384,014
1,306,729	2,033,354	1,450,786	2,035,269	1,445,957	1,268,711
675,520	749,372	825,777	924,184	890,655	961,574
768,071	801,176	802,255	806,742	627,877	542,849
379,252	204,171	398,038	317,708	478,662	770,851
265,319	299,856	432,914	382,752	477,898	350,886
37,148	8,588	7,873	8,209	8,787	9,434
360,008	407,957	691,314	423,325	298,314	330,195
<u>10,819,871</u>	<u>11,711,335</u>	<u>12,566,314</u>	<u>14,858,247</u>	<u>14,368,674</u>	<u>15,128,166</u>
2,170,837	2,192,558	2,474,163	2,516,280	2,508,433	2,613,876
1,829	6,343	8,965	8,780	10,647	11,518
360,850	320,075	342,388	387,963	380,019	418,201
978,325	739,251	589,764	750,053	679,947	725,553
0	0	0	0	0	0
489,743	628,947	646,669	623,135	561,958	813,735
2,950,063	3,343,835	3,383,311	4,032,228	3,532,737	3,943,581
3,587,564	1,179,323	7,466,196	1,833,003	1,925,812	1,524,581
461,732	479,553	562,513	605,986	543,625	569,708
465,437	416,250	436,819	509,976	498,708	472,490
0	0	0	0	0	0
<u>11,466,380</u>	<u>9,306,135</u>	<u>15,910,788</u>	<u>11,267,404</u>	<u>10,641,886</u>	<u>11,093,243</u>
(646,509)	2,405,200	(3,344,474)	3,590,843	3,726,788	4,034,923

(Continued)

City of Springboro

*Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	1998	1999	2000	2001
Other Financing Sources (Uses):				
Sale of Capital Assets	311,409	0	0	176,055
Other Financing Sources - Capital Leases	0	24,752	0	0
Issuance of Special Assessment Bonds	0	0	0	0
Issuance of General Obligation Bonds	325,000	1,045,000	1,690,000	0
Transfers In	689,000	1,020,859	877,518	2,235,670
Transfers Out	(1,362,323)	(4,514,654)	(1,863,439)	(2,410,670)
Total Other Financing Sources (Uses)	<u>(36,914)</u>	<u>(2,424,043)</u>	<u>704,079</u>	<u>1,055</u>
Net Change in Fund Balance	<u>\$678,246</u>	<u>(\$2,634,365)</u>	<u>\$648,652</u>	<u>\$390,234</u>
 Debt Service as a Percentage of Noncapital Expenditures				
	14.44%	15.58%	11.87%	13.71%

Source: Finance Director's Office

NOTE: Years 1998-2001 Do not include the Civic Center Fund which was classified as a Fiduciary Fund prior to implementing GASB 34 in 2002.

City of Springboro

2002	2003	2004	2005	2006	2007
0	0	0	0	315,000	437,706
0	0	73,827	0	0	0
0	1,840,000	0	0	0	0
0	0	0	0	0	0
4,801,853	2,546,960	2,713,152	3,911,840	3,907,388	2,761,928
(4,993,782)	(3,056,888)	(3,319,127)	(4,655,657)	(5,333,388)	(5,773,828)
(191,929)	1,330,072	(532,148)	(743,817)	(1,111,000)	(2,574,194)
(\$838,438)	\$3,735,272	(\$3,876,622)	\$2,847,026	\$2,615,788	\$1,460,729

13.34%	12.39%	13.42%	13.42%	13.58%	12.22%
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City of Springboro

Income Tax Revenues by Source, Governmental Funds Last Ten Years

Tax year	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Income Tax Rate	1.50%	1.50%	1.50%	1.50%
Estimated Personal Income	\$316,770,000	\$355,677,000	\$379,571,000	\$418,007,000
Total Tax Collected	\$4,285,483	\$4,535,237	\$5,273,125	\$5,794,560
Income Tax Receipts				
Withholding	2,830,322	3,024,235	3,614,085	3,930,283
Percentage	66%	67%	69%	68%
Corporate	658,451	620,574	625,945	725,005
Percentage	15%	14%	12%	13%
Individuals	796,710	890,428	1,033,095	1,139,272
Percentage	19%	20%	20%	20%
Income Tax by Business Type				
Industrial	\$912,124	\$874,603	\$999,484	\$1,019,410
Education/Government	182,193	198,610	220,883	251,616
Service	433,733	487,252	556,740	682,122
Retail	345,981	308,942	353,537	373,016
Medical	85,637	101,694	133,089	153,642
Construction	10,222	11,632	11,626	16,852
Financial	24,010	22,789	30,114	38,879
Restaurants	88,959	97,224	107,138	118,413
Miscellaneous	9,604	11,824	21,151	24,526
Total Tax	<u>\$2,092,463</u>	<u>\$2,114,570</u>	<u>\$2,433,761</u>	<u>\$2,678,477</u>

Source: City Income Tax Department

City of Springboro

2002	2003	2004	2005	2006	2007
1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
\$456,533,000	\$494,378,000	\$546,416,000	\$567,729,000	\$602,762,000	\$620,374,000
\$6,058,816	\$6,683,821	\$7,086,005	\$9,300,710	\$8,193,357	\$9,960,281
4,071,301	4,412,779	4,752,968	5,419,613	5,086,290	5,935,297
67%	66%	67%	58%	62%	60%
702,910	875,184	777,214	720,866	749,040	1,039,162
12%	13%	11%	8%	9%	10%
1,284,605	1,395,858	1,555,823	3,160,231	2,358,027	2,985,822
21%	21%	22%	34%	29%	30%
\$1,148,899	\$1,276,266	\$1,435,267	\$1,463,903	\$1,449,585	\$1,447,450
290,922	330,251	364,682	367,225	365,954	380,932
751,948	836,480	889,236	833,096	861,166	992,999
412,348	392,535	403,940	370,263	387,102	392,700
146,706	213,987	206,807	245,175	225,991	262,250
26,559	30,986	45,306	54,523	49,915	55,556
83,886	80,980	96,354	111,192	103,773	127,922
138,667	154,644	180,124	189,199	184,661	192,051
30,324	27,418	28,343	31,913	30,128	31,396
<u>\$3,030,258</u>	<u>\$3,343,549</u>	<u>\$3,650,060</u>	<u>\$3,666,489</u>	<u>\$3,658,275</u>	<u>\$3,883,256</u>



City of Springboro

Income Tax Statistics Current Year and Nine Years Ago

Calendar Year 2007

Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	2,245	32.48%	\$12,451,257	2.61%
20,000 - 49,999	1,197	17.32%	41,432,145	8.68%
50,000 - 74,999	907	13.12%	56,794,070	11.90%
75,000 - 99,999	870	12.59%	75,766,534	15.87%
Over 100,000	1,693	24.49%	290,930,582	60.94%
Total	6,912	100.00%	\$477,374,589	100.00%

Local Taxes Paid by Residents

	Tax Dollars
Taxes Paid to Springboro	\$4,579,489
Taxes Credited to Other Municipalities	2,581,129
	\$7,160,619

Calendar Year 1998

Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	1,332	27.92%	\$8,946,686	2.93%
20,000 - 49,999	997	20.90%	34,904,508	11.42%
50,000 - 74,999	838	17.56%	52,616,526	17.21%
75,000 - 99,999	715	14.99%	62,332,101	20.39%
Over 100,000	889	18.63%	146,902,197	48.05%
Total	4,771	100.00%	\$305,702,018	100.00%

Local Taxes Paid by Residents

	Tax Dollars
Taxes Paid to Springboro	\$1,844,596
Taxes Credited to Other Municipalities	2,741,235
	\$4,585,830

Source: City Income Tax Department

City of Springboro

Ratio of Outstanding Debt By Type Last Ten Years

	1998	1999	2000	2001
Governmental Activities ⁽¹⁾				
Special Assessment Bonds Payable	\$2,704,000	\$2,561,000	\$2,445,000	\$2,321,000
Unvoted General Obligation Bonds Payable	1,451,800	2,123,850	3,717,450	3,616,050
Capital Leases	501,217	460,512	388,926	318,172
Business-type Activities ⁽¹⁾				
Mortgage Revenue Bonds Payable	\$23,190,000	\$22,580,000	\$21,950,000	\$21,300,000
General Obligation Bonds Payable	3,463,200	4,721,150	4,577,550	4,428,950
Capital Leases	4,673,261	62,122	190,204	220,972
Total Primary Government	<u>\$35,983,478</u>	<u>\$32,508,634</u>	<u>\$33,269,130</u>	<u>\$32,205,144</u>
Population ⁽²⁾				
City of Springboro	11,200	12,045	12,380	13,265
Outstanding Debt Per Capita	\$3,213	\$2,699	\$2,687	\$2,428
Income ⁽³⁾				
Personal (in thousands)	316,770	355,677	379,571	418,007
Percentage of Personal Income	11.36%	9.14%	8.76%	7.70%

Sources:

- (1) Source: Finance Director's Office
- (2) US Bureau of Census, Population Division
- (3) US Department of Commerce, Bureau of Economic Analysis
 - (a) Per Capita Income is only available by County, Total Personal Income is a calculation

City of Springboro

2002	2003	2004	2005	2006	2007
\$2,194,000	\$3,907,000	\$3,724,000	\$3,515,000	\$3,296,000	\$3,070,000
3,356,200	3,082,900	2,791,150	2,490,950	2,180,750	1,852,100
243,290	164,037	150,100	53,314	38,890	23,832
\$20,620,000	\$19,910,000	\$38,096,644	\$37,012,203	\$35,672,762	\$34,293,321
4,273,800	4,112,100	3,928,577	3,759,626	3,585,675	3,400,174
185,392	223,502	296,712	200,210	120,279	57,809
<u>\$30,872,682</u>	<u>\$31,399,539</u>	<u>\$48,987,183</u>	<u>\$47,031,303</u>	<u>\$44,894,356</u>	<u>\$42,697,236</u>
14,483	15,596	16,687	16,935	17,980	18,094
\$2,132	\$2,013	\$2,936	\$2,777	\$2,497	\$2,360
456,533	494,378	546,416	589,338	649,689	653,809
6.76%	6.35%	8.97%	7.98%	6.91%	6.53%

City of Springboro

Ratios of General Bonded Debt Outstanding Last Ten Years

Year	1998	1999	2000	2001
Population ⁽¹⁾	11,200	12,045	12,380	13,265
Assessed Value ⁽²⁾	\$261,198,945	\$274,679,923	\$333,482,819	\$341,498,280
General Bonded Debt ⁽³⁾				
General Obligation Bonds	\$4,915,000	\$6,845,000	\$8,295,000	\$8,045,000
Resources Available to Pay Principal ⁽⁴⁾	\$4,601	\$11,923	\$24,803	\$202,249
Net General Bonded Debt	\$4,910,399	\$6,833,077	\$8,270,197	\$7,842,751
Ratio of Net Bonded Debt to Estimated Actual Value	1.88%	2.49%	2.48%	2.30%
Net Bonded Debt per Capita	\$438.43	\$567.30	\$668.03	\$591.24

Source:

- (1) U.S. Bureau of Census of Population
- (2) Warren County Auditor
- (3) Includes all general obligation bonded debt
- (4) Includes only Debt Service funds available for general obligation bonded debt.

City of Springboro

2002	2003	2004	2005	2006	2007
14,483	15,596	16,687	16,935	17,980	18,094
\$359,871,190	\$393,984,760	\$421,610,140	\$436,014,232	\$502,197,960	\$504,055,570
\$7,630,000	\$7,195,000	\$6,719,727	\$6,250,576	\$5,766,425	\$5,252,274
\$26,767	\$0	\$16,181	\$126,482	\$401,568	\$463,997
\$7,603,233	\$7,195,000	\$6,703,546	\$6,124,094	\$5,364,857	\$4,788,277
2.11%	1.83%	1.59%	1.40%	1.07%	0.95%
\$524.98	\$461.34	\$401.72	\$361.62	\$298.38	\$264.63



City of Springboro

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2007*

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to the City of Springboro</u>	<u>Amount Applicable to the City of Springboro</u>
Direct:			
City of Springboro	\$7,952,274 (1)	100.00%	\$7,952,274
Overlapping:			
Warren County	12,421,047	8.95%	<u>1,111,684</u>
		Subtotal	<u>1,111,684</u>
		Total	<u><u>\$9,063,958</u></u>

Source: Warren County Auditor's Office

(1) Includes General Obligation Bonds and Notes Payable

City of Springboro

Debt Limitations Last Ten Years

	1998	1999	2000	2001
Total Debt				
Net Assessed Valuation	\$261,198,945	\$274,679,923	\$333,482,819	\$341,498,280
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	27,425,889	28,841,392	35,015,696	35,857,319
City Debt Outstanding (2)	3,971,800	5,543,850	7,737,450	9,736,050
Less: Applicable Debt Service Fund Amounts	(4,601)	(11,923)	(24,803)	(202,249)
Net Indebtedness Subject to Limitation	3,967,199	5,531,927	7,712,647	9,533,801
Overall Legal Debt Margin	\$23,458,690	\$23,309,465	\$27,303,049	\$26,323,518
Unvoted Debt				
Net Assessed Valuation	\$261,198,945	\$274,679,923	\$333,482,819	\$341,498,280
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	14,365,942	15,107,396	18,341,555	18,782,405
City Debt Outstanding (2)	3,971,800	5,543,850	7,737,450	9,736,050
Less: Applicable Debt Service Fund Amounts	(4,601)	(11,923)	(24,803)	(202,249)
Net Indebtedness Subject to Limitation	3,967,199	5,531,927	7,712,647	9,533,801
Overall Legal Debt Margin	\$10,398,743	\$9,575,469	\$10,628,908	\$9,248,604

(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 Bonds and Notes only.
Enterprise Debt is not considered in the computation of the Legal Debt Margin.

Source: Finance Director's Office

City of Springboro

2002	2003	2004	2005	2006	2007
\$359,871,190	\$393,984,760	\$421,610,140	\$436,014,232	\$502,197,960	\$504,055,570
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
37,786,475	41,368,400	44,269,065	45,781,494	52,730,786	52,925,835
7,356,200	5,322,900	9,341,150	7,220,950	6,460,750	4,552,100
(26,767)	0	(16,181)	(126,482)	(401,568)	(463,997)
7,329,433	5,322,900	9,324,969	7,094,468	6,059,182	4,088,103
\$30,457,042	\$36,045,500	\$34,944,096	\$38,687,026	\$46,671,604	\$48,837,732
\$359,871,190	\$393,984,760	\$421,610,140	\$436,014,232	\$502,197,960	\$504,055,570
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
19,792,915	21,669,162	23,188,558	23,980,783	27,620,888	27,723,056
7,356,200	5,322,900	9,341,150	7,220,950	6,460,750	4,552,100
(26,767)	0	(16,181)	(126,482)	(401,568)	(463,997)
7,329,433	5,322,900	9,324,969	7,094,468	6,059,182	4,088,103
\$12,463,482	\$16,346,262	\$13,863,589	\$16,886,315	\$21,561,706	\$23,634,953

City of Springboro

Pledged Revenue Coverage Last Ten Years

	1998	1999	2000	2001
Water System Bonds (1 a)				
Gross Revenues (2)	\$2,360,083	\$2,615,761	\$2,725,797	\$2,671,855
Direct Operating Expenses (3)	1,378,223	1,381,313	983,364	1,079,429
Net Revenue Available for Debt Service	981,860	1,234,448	1,742,433	1,592,426
Annual Debt Service Requirement	125,566	1,341,929	1,326,344	1,324,214
Coverage	7.82	0.92	1.31	1.20
Sewer System Bonds (1 b)				
Gross Revenues (2)	\$1,820,233	\$1,488,972	\$1,708,096	\$1,793,762
Direct Operating Expenses (3)	994,844	941,114	944,391	1,169,247
Net Revenue Available for Debt Service	825,389	547,858	763,705	624,515
Annual Debt Service Requirement	382,630	381,643	380,418	378,705
Coverage	2.16	1.44	2.01	1.65
Special Assessment Bonds (4)				
Special Assessment Collections	\$295,905	\$286,070	\$266,787	\$261,317
Debt Service				
Principal	133,150	142,000	116,000	124,000
Interest	176,155	155,728	143,787	137,243
Coverage	0.96	0.96	1.03	1.00

(1) The Mortgage Revenue Bonds were issued as follows:

(a) The Water system Mortgage Revenue Bonds were issued in 1998, in the amount of \$14,675,000

(a) The Water system Mortgage Revenue Bonds were issued in 2004, in the amount of \$3,255,000

(b) The Sewer system Mortgage Revenue Bonds were issued in 1997, in the amount of \$4,730,000

(b) The Sewer system Mortgage Revenue Bonds were issued in 2004, in the amount of \$18,310,000

(2) Gross revenues include operating revenues plus interest income.

(3) Direct operating expenses include operating expenses less depreciation.

(4) This includes several different Special Assessment Bond issues.

** Refunding bonds were issued during 1997. No principal was paid.

Source: City Finance Director's Office

City of Springboro

2002	2003	2004	2005	2006	2007
\$2,555,439	\$2,706,927	\$2,741,352	\$3,334,461	\$3,071,933	\$3,489,537
1,467,476	1,455,464	1,722,922	1,840,597	2,181,422	2,092,356
1,087,963	1,251,463	1,018,430	1,493,864	890,511	1,397,181
1,325,674	1,330,874	1,329,476	1,298,390	1,326,057	1,301,242
0.82	0.94	0.77	1.15	0.67	1.07
\$1,590,251	\$1,904,125	\$1,751,800	\$2,684,569	\$2,483,615	\$2,493,083
1,113,824	1,774,868	1,617,297	2,025,640	1,880,995	1,545,645
476,427	129,257	134,503	658,929	602,620	947,438
381,495	378,775	380,528	1,512,549	1,644,532	1,627,008
1.25	0.34	0.35	0.44	0.37	0.58
\$265,319	\$299,856	\$432,914	\$382,752	\$477,898	\$350,886
127,000	127,000	183,000	209,000	219,000	226,000
130,494	123,188	220,314	191,359	181,963	171,571
1.03	1.20	1.07	0.96	1.19	0.88

City of Springboro

Demographic and Economic Statistics Last Ten Years

Calendar Year	1998	1999	2000	2001
Population (1)				
City of Springboro (a)	11,200	12,045	12,380	13,265
Warren County	113,909	113,909	158,383	158,383
Income (2) (a)				
Total Personal (in thousands)	316,770	355,677	379,571	418,007
County Per Capita	28,283	29,529	30,660	31,512
Unemployment Rate (3)				
Federal	4.9%	4.5%	4.2%	3.8%
State	4.6%	4.3%	4.3%	3.7%
Warren County	3.0%	3.0%	2.9%	3.3%
Civilian Work Force Estimates (3)				
State	5,678,000	5,749,000	5,900,400	5,857,000
Warren County	74,000	77,400	81,300	83,000
Employment Distribution by Occupation (4)				
Industrial	1,887	2,039	2,238	2,150
Education/Government	614	641	694	736
Service	1,275	1,307	2,273	2,300
Retail	1,129	1,525	1,674	1,613
Medical	252	290	443	543
Construction	12	17	69	50
Financial	92	96	105	143
Restaurants	1,209	1,525	1,803	1,894
Miscellaneous	76	66	248	279

Sources:

(1) US Bureau of Census of Population

(a) City of Springboro Community Development Department

(2) US Department of Commerce, Bureau of Economic Analysis information is only available through 2006 for the presentation of 2007 statistics, the City is using the latest information available.

(a) Total Personal Income is a calculation based on the County's Per Capita Income, which is the only information available.

(3) State Department of Labor Statistics

(4) Source: City Income Tax Department

City of Springboro

2002	2003	2004	2005	2006	2007
14,483	15,596	16,687	16,935	17,980	18,094
158,383	158,383	158,383	196,622	196,622	196,622
456,533	494,378	546,416	589,338	649,689	653,809
31,522	31,699	32,745	34,800	36,134	36,134
4.8%	5.8%	6.0%	5.5%	4.6%	4.6%
4.3%	5.7%	6.1%	6.0%	5.5%	5.6%
4.0%	4.4%	4.5%	4.4%	4.9%	4.6%
5,828,000	5,915,000	5,875,300	5,900,400	5,934,000	5,976,500
89,500	93,900	99,200	100,200	105,600	107,800
2,205	2,424	2,743	2,333	1,889	2,360
811	853	905	926	1,120	987
2,423	3,054	3,249	3,768	3,358	3,711
1,524	1,850	1,899	1,974	1,868	1,956
591	598	671	767	799	792
79	118	152	143	96	141
156	177	244	266	260	259
1,979	2,071	2,246	2,426	2,749	2,514
310	247	315	339	391	353



City of Springboro

Principal Employers Current Year and Nine Years Ago

Employer	Nature of Business	2007		
		Number of Employees	Rank	Percentage of Total Employment
Springboro Community Schools	Education	914	1	0.06
Sourcelink Ohio, LLC	Industrial	384	2	0.02
DLM Springboro, LLC	Grocery Store	366	3	0.02
Miami Valley Dinner Theatre	Dinner Theater	342	4	0.02
Hillspring Rehabilitation Center	Nursing Home	334	5	0.02
Pioneer Automotive Tech, Inc	Industrial	286	6	0.02
Dayton Metro YMCA	YMCA Center	276	7	0.02
Gayston Corp	Industrial	264	8	0.02
Kroger Limited Partnership	Grocery Store	222	9	0.01
J & A Management Co, Inc	Restaurant	221	10	0.01
Total		<u>3,609</u>		
Total Employment within the City		<u>16,054</u>		

Employer	Nature of Business	1998		
		Number of Employees	Rank	Percentage of Total Employment
Pioneer Automotive Tech, Inc	Industry	480	1	0.06
Springboro Community Schools	Education	462	2	0.05
Gayston Corp	Industry	439	3	0.05
Kroger Limited Partnership	Grocery Store	431	4	0.05
Miami Valley Dinner Theatre	Dinner Theatre	291	5	0.03
MBA, Inc	Restaurant	181	6	0.02
Concrete Technology, Inc	Industry	145	7	0.02
Nasm, Inc	Restaurant	144	8	0.02
Paper Systems, Inc	Industry	141	9	0.02
Trugreen Chem Lawn	Service	140	10	0.02
Total		<u>2,854</u>		
Total Employment within the City		<u>8,544</u>		

Sources:

Source: City Income Tax Department

City of Springboro

Full Time Equivalent Employees by Function Last Ten Years

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Governmental Activities				
General Government				
Finance	5.50	5.50	5.50	5.50
Income Tax	2.50	2.50	2.50	2.50
Mayor's Court	1.50	1.50	1.50	1.50
City Manager's Office	3.00	3.00	3.00	3.00
Computer Administration	2.00	2.00	1.00	1.00
Council/Clerk of Council	1.00	1.00	1.00	1.00
Security of Persons and Property				
Police	18.00	19.00	20.00	21.00
Dispatch	7.00	7.00	7.00	7.00
Transportation				
Street	6.00	6.00	6.00	7.00
Leisure Time Activities				
Parks and Recreation	4.25	4.25	4.25	5.25
Community Environment				
Economic Development	1.00	1.00	1.00	1.00
Engineering	2.00	2.00	2.00	2.00
Building and Zoning	3.00	4.00	5.00	5.00
Business-Type Activities				
Utilities				
Water	4.00	5.00	5.00	5.50
Sewer	1.00	1.00	1.00	1.50
Trash	1.00	1.00	1.00	1.00
Golf Maintenance	0.00	0.00	0.00	0.00
<i>Total Employees</i>	<u>62.75</u>	<u>65.75</u>	<u>66.75</u>	<u>70.75</u>

Method: 1.00 for each full-time, 0.50 for each part-time and 0.25 for each seasonal employee

Source: Finance Director's Office

City of Springboro

2002	2003	2004	2005	2006	2007
5.50	5.50	5.50	5.50	5.50	6.00
2.50	2.50	2.50	2.50	2.50	2.50
2.00	2.00	2.00	2.00	2.00	2.00
3.00	3.00	3.00	3.00	3.00	3.00
1.00	1.00	1.00	1.00	1.00	1.00
1.50	1.50	1.50	1.50	1.50	1.50
22.00	23.00	23.00	23.00	23.00	25.00
7.00	7.00	7.00	7.00	7.00	6.00
7.00	7.00	7.00	7.00	7.00	6.50
5.25	5.25	5.25	5.25	6.25	6.25
1.00	1.00	0.00	0.00	0.00	0.00
2.00	2.00	2.00	2.00	2.00	2.00
5.00	5.00	7.00	7.00	6.00	6.00
5.50	5.50	5.50	5.50	5.50	4.50
1.50	1.50	1.50	1.50	1.50	1.50
1.00	1.00	1.00	1.00	1.00	1.00
0.00	0.00	0.00	0.00	0.00	11.00
<u>72.75</u>	<u>73.75</u>	<u>74.75</u>	<u>74.75</u>	<u>74.75</u>	<u>85.75</u>

City of Springboro

Operating Indicators by Function Last Ten Years

	1998	1999	2000	2001
Governmental Activities				
General Government				
Court				
Number of Criminal Cases	223	162	326	279
Number of Traffic Cases	1,565	1,043	1,208	1,648
Number of Citations	2,093	1,503	1,677	1,835
Number of Offenses	3,550	2,862	1,714	2,127
Number of Open Cases	423	502	637	791
Licenses and Permits				
Number of Residential Building Permits	251	313	304	257
Number of Commercial Building Permits	2	23	20	12
Number of Residential Building Inspections	6,491	9,197	9,314	9,006
Number of Commercial Building Inspections	658	988	898	1,100
Security of Persons and Property				
Police				
Number of Calls for Service	7,220	7,123	7,437	8,017
Number of Criminal Arrests	615	553	564	661
Number of DUI Arrests	145	95	115	146
Number of Traffic Accidents	315	296	310	330
Transportation				
Street				
Number of Streets Resurfaced	7	7	13	27
Community Environment				
Number of New Jobs	221	235	317	142
Business-Type Activities				
Golf Course				
Number of Rounds	33,594	44,129	36,136	41,945
Water				
Number of Service Connections	4,435	4,981	5,409	5,613
Daily Average Consumption (MGD)	1.959	2.097	1.530	1.684
Peak Daily Consumption (MGD)	2.403	2.289	2.451	3.871
Sewer				
Number of Service Connections	4,237	4,642	5,185	5,439
Daily Average Sewage Treatment (MGD)	1.439	1.394	1.616	1.804
Trash				
Number of Customers Served	4,274	4,801	5,258	5,465

Source: Finance Director's Office

City of Springboro

2002	2003	2004	2005	2006	2007
266	185	260	372	329	101
1,769	1,595	1,596	1,678	2,014	1,895
1,984	1,975	1,836	1,841	2,121	1,996
2,242	2,039	2,027	2,160	2,460	2,364
985	398	459	562	526	522
277	283	210	140	80	42
41	36	94	127	25	16
7,581	9,124	7,504	4,639	3,369	1,934
1,275	1,669	1,797	2,420	1,442	1,176
8,953	9,574	9,830	13,512	15,569	15,345
638	532	628	704	776	910
133	92	103	154	112	120
379	373	357	372	381	318
7	15	7	17	11	7
712	700	550	690	495	422
38,625	36,773	37,189	35,412	34,554	33,380
5,728	5,821	6,423	6,994	7,104	7,452
1,925	1,865	1,976	2,050	1,920	2,270
4,114	4,003	4,118	4,630	4,124	4,300
5,596	5,798	6,327	6,951	6,992	7,012
2,105	2,165	2,171	2,226	2,406	2,310
5,562	5,683	5,266	6,814	6,928	6,950

City of Springboro

Capital Asset Statistics by Function Last Ten Years

	1998	1999	2000	2001
Governmental Activities				
General Government				
Public Land and Buildings				
Land (acres)	575	579	580	573
Buildings	7	8	12	8
Licensed Vehicles	5	5	4	4
Library	1	1	1	1
Security of Persons and Property				
Police				
Stations	1	1	1	1
Vehicles	13	13	14	14
Transportation				
Street				
Number of Paved Streets	286	300	305	311
Total Paved Miles	72	77	79	80
Street Lights	117	117	117	117
Signal Controlled Intersections	11	12	12	13
Licensed Vehicles	11	13	13	13
Leisure Time Activities				
Parks and Recreation				
Land (acres)	131	131	131	131
Buildings	9	9	9	8
Parks	3	3	3	3
Playgrounds	2	2	2	2
Tennis Courts	4	4	4	4
Skate Board Park	0	0	0	0
Baseball/Softball Diamonds	7	7	7	7
Basketball Courts	2	2	2	2
Soccer Fields	7	7	7	6
Licensed Vehicles	3	3	3	3

City of Springboro

2002	2003	2004	2005	2006	2007
573	556	637	650	645	619
10	11	13	15	15	14
6	6	7	6	8	7
1	1	1	1	1	1
1	1	1	1	1	1
16	18	15	19	21	18
328	337	345	357	360	364
82	84	86	88	89	90
117	117	117	117	117	117
13	13	13	13	13	14
15	16	16	14	16	16
131	131	212	228	228	228
8	8	8	9	10	11
3	3	4	4	4	4
2	2	2	3	3	4
4	4	4	4	4	4
1	1	1	1	1	1
7	7	7	8	8	8
2	2	2	2	2	2
6	6	6	6	6	6
3	3	3	3	6	6

City of Springboro

Capital Asset Statistics by Function Last Ten Years

	1998	1999	2000	2001
Business-Type Activities				
Golf Course / Clubhouse				
Land (acres)	188	188	188	188
Buildings	9	9	9	9
Golf Carts	80	80	80	80
Licensed Vehicles	1	1	1	1
Utilities				
Water				
Water Towers	3	3	3	3
Waterlines (Miles)	61	70	71	73
Water Treatment Plant	1	1	1	1
Buildings	1	2	3	3
Licensed Vehicles	3	5	5	5
Pump Stations	5	5	5	5
Storage Capacity (thousands of gallons)	3,700,000	4,100,000	4,100,000	4,100,000
Sewer				
Sewage Treatment Plant	1	1	1	1
Buildings	3	3	3	3
Licensed Vehicles	0	0	0	0
Sewerlines (Miles)	50	56	57	60
Lift Stations	13	13	11	10

Source: Finance Director's Office

City of Springboro

2002	2003	2004	2005	2006	2007
188	188	188	188	188	188
9	10	10	11	11	11
80	80	80	80	80	84
1	1	1	1	1	1
3	3	3	3	4	4
76	81	83	86	89	0
1	1	1	1	1	1
3	3	3	3	3	3
5	5	5	9	10	9
5	5	5	5	5	5
4,100,000	4,100,000	4,100,000	4,100,000	5,100,000	5,100,000
1	1	1	1	1	1
3	3	3	3	7	7
0	0	0	0	1	5
63	66	71	74	76	0
10	10	10	10	10	9

