

# **CITY OF SPRINGBORO, OHIO**

## **Comprehensive Annual Financial Report**

**For the Year Ended December 31, 2017**





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

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WARREN COUNTY

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

FOR THE YEAR ENDED  
December 31, 2017

Prepared by:  
**Department of Finance**

Robyn L. Brown  
Director of Finance

*CITY OF SPRINGBORO, OHIO*

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CITY OF SPRINGBORO  
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WARREN COUNTY, OHIO**

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*CITY OF SPRINGBORO, OHIO*

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## *INTRODUCTORY SECTION*

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## CITY OF SPRINGBORO

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

phone (937) 748-4343

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June 15, 2018

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, 2017. 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**

We became a chartered municipality thirty-nine years ago, a City twenty-six years ago and have 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 most recently on November 4, 2009. The seven-member Council is elected to four-year terms. The Council appoints a City Manager who serves as the chief executive officer.

## **CITY OF SPRINGBORO, OHIO**

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### ***Letter of Transmittal*** ***For the Year Ended December 31, 2017***

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#### **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 Community Improvement Corporation of Springboro is reported as a discretely presented component unit in a separate column on the entity wide financial statements.

The Warren County General Health District, the Greater Warren County Drug Task Force, the Miami Valley Regional Planning Commission, the Warren County Transportation Improvement District and the Montgomery County Transportation Improvement District 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 17 and 18 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, 2010 as 17,409, an increase of 5,029 from the 2000 United States Census Bureau count. The estimated population from the US Census Bureau in 2017 was 18,213. 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 2017, 70 single-family residential construction permits were issued. This is a slight increase from 2016 and reflective of projections.

Springboro is an important center for manufacturing and service industries. Metal fabrication, electronics assembly, distribution and aerospace comprise a substantial portion of the economic base in this region. Pioneer Industrial Components assembles audio components for the automobile industry. Advanced Engineering designs solutions for interiors of domestic and foreign vehicles, and Bosch Batteries develops nickel-hybrid batteries for BMW and Fiat vehicles. Thaler Machine designs and manufactures parts for the aerospace and defense industries. These few companies alone generate over 700 jobs.

## **CITY OF SPRINGBORO, OHIO**

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### ***Letter of Transmittal*** ***For the Year Ended December 31, 2017***

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Add to that Victory Wholesale Grocers, a national grocery distributor and Klosterman Bakery, a bread distributor, Springboro's prominence as a distribution center becomes evident. In October 2017, Victory Wholesale Grocers completed construction on a 220,000 square foot building expansion that created an additional 127 jobs.

Over 600 businesses call Springboro home, including corporate headquarters, branch offices and bustling distribution and retail/service establishments.

Since the City annexed the South Tech Business Park in 1997 and began marketing the Stoltz Industrial Park and Commercial Way Industrial Park, industrial growth in Springboro has blossomed. In November 2004, the City of Springboro purchased the remaining 89 acres of land at the South Tech Business Park on the northern edge of the City and, in conjunction with other local governments, redeveloped the surrounding infrastructure to create Austin Landing, a mixed-use development along Interstate 75. The developer for the project announced plans in 2017 to fully build out the entire 142-acre development within the next two years, including retail and entertainment establishments and restaurants, including 54 acres within the City.

The City has recently extended West Tech Boulevard 1,100 linear feet to open an additional 30 acres of property for development and the City is currently working with Mills-Morgan to develop the Ascent, a thirteen building office park, which will be marketed to business prospects interested in locating near the Austin Boulevard Interchange on Interstate 75. The first business to open on the newly extended West Tech Boulevard, Shiver Security, employs 25 employees. Business retention efforts have resulted in Caesar Creek Software staying and expanding in Springboro by building a 20,000 square foot headquarters in the Ascent Business Park. Caesar Creek currently has 64 employees in Springboro residing in their new building.

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.

New senior housing was recently completed in the city. The 2-story, 93,000 square foot facility, called The Landing of Springboro, sits on 7.5 acres on the corner of a former farm property. The complex contains 111 suites, 86 for assisted living residents and 25 for residents in need of dementia care.

Growth and development in the City are expected to continue to be strong through 2017. Medical office development and business retention are high on the City's Economic Development priority list. Dayton Children's Medical Center has recently opened a new 16-bed Emergency Care Unit at their current facility in South Tech Business Park and they have completed a new surgery center at the same site in late 2017. In all, Dayton Children's has invested over \$40 million in a 110,000 square foot medical facility in Springboro and they have plans to expand beyond that in the near future.

## **CITY OF SPRINGBORO, OHIO**

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### ***Letter of Transmittal For the Year Ended December 31, 2017***

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#### **MAJOR INITIATIVES**

##### **For the Year (2017):**

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:***

In 2017, the telephone system in the Municipal Building was replaced and demolition of buildings continued on the property the City purchased at the corner of SR 73 and SR 741. The veteran's memorial project that started in 2016 was completed and dedicated on Veteran's Day 2017.

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

The City has an annual resurfacing and miscellaneous street repair program that is completed each year. Sidewalks were installed in various areas of the City as per the Mobility Master Plan. Improvements to the intersection of SR 73 and SR 741 began in 2014 and will continue over the next couple years. The light poles on SR 741 north were painted. Sidewalk and a pedestrian bridge were installed on Red Lion Five Points Road to connect the Farms of Heatherwoode subdivision to Heatherwoode Subdivision. There was also a new public works storage facility upgrade completed on our wellfield property.

##### ***Park Improvements:***

Improvements to Community Park included installation of scoreboards and construction of new concession stands. In 2014, a Master Plan was completed for Hazel Woods Park. Work continued in 2017 on Hazel Woods Park with the demolition of a house, installation of a parking area and completion of a dog park.

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

The interior of the Lytle Water Tower was completed in 2017. The Tamarack Hills Water Main Replacement program and the Royal Oaks Water Main Replacement program continued in 2017, replacing 6" water mains with 8" water mains and will be done over several years.

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

There were no sewer capital improvement projects in 2017.

##### ***Storm Water Utility Capital Improvements:***

Several catch basin repairs/replacements occurred in the Royal Oaks Subdivision in conjunction with the concrete work going on in that area. There were also some catch basin replacements completed in Tamarack Hills Subdivision.

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

Improvements at the clubhouse continued in 2017 to maintain quality standards. These improvements included brick replacement, major restroom renovations, window replacements and fire system replacement in the clubhouse. A new fuel pump was installed at the Golf Maintenance Facility.

## **CITY OF SPRINGBORO, OHIO**

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### ***Letter of Transmittal*** ***For the Year Ended December 31, 2017***

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#### **For the Future (2018):**

##### ***General Capital Improvements:***

2018 budget of \$485,000 includes: \$115,000 for digital signage and gateway signage; \$300,000 for property redevelopment at the NW corner of SR73/SR74; and \$70,000 for a regional fiber project.

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

Mobility Master Plan was completed in 2001, which analyzed both motorized and non-motorized transportation needs and developed a capital improvement plan. The 2018 budget includes funding for \$2,336,000 of street capital improvements in various areas: \$850,000 for street resurfacing; \$25,000 is designated for light pole painting on SR73; \$241,000 is for intersection improvements on South Main Street at the entrance to the Springboro Junior High School; \$200,000 for Lytle Five Points Road improvements; \$230,000 is for West Tech Lighting improvements; \$40,000 to replace banner poles on South Main Street; \$600,000 is for improvements to South Pioneer Boulevard; \$75,000 for improvements to the medians on SR73 west of SR741; \$50,000 for the Clearcreek Park Bike Trail Connection, Phase I; and \$25,000 for the installation of various sidewalks.

##### ***Park Improvements:***

The 2018 budget includes: \$80,000 for improvements to Community Park that includes rehabilitating the tennis courts; and \$50,000 for improvements to Mills Park for landscaping and hardscape; \$350,000 for improvements to Hazel Woods Park that includes development of additional soccer / lacrosse fields; \$70,000 for Gardner Park to construct a fishing pier at the pond and a parking lot at the Veterans Memorial; \$15,000 for North Park to install two additional solar parking lights; and \$120,000 for Clearcreek Park to add lighting to the two practice football fields to allow for later usage.

##### ***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, 2001 and 2008 to evaluate how the City's growth and development had compared to that projected in the earlier study and was updated again in 2009. The 2018 budget includes funding for \$750,000 water capital improvements as follows: \$325,000 for the replacement of a 6" water main with an 8" water main in the Tamarack Hills Subdivision; \$325,000 for replacement of a 6" water main with an 8" water main in the Royal Oaks Subdivision; \$60,000 to install water main interconnects with Warren County; and \$40,000 for water projects in conjunction with street capital projects.

##### ***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. In 2018 the budget includes \$150,000 to extend the sanitary sewer to the Villages of Creekside subdivision, which will eliminate that lift station and \$140,000 for influent piping at the Wastewater Treatment Plant.

##### ***Storm Water Utility Capital Improvements:***

The 2018 budget includes: \$75,000 to catch basin replacement program; \$50,000 to construct a retaining wall at Heatherwoode Golf Course at the #16 hole for safety purposes; and \$177,000 for storm water projects in conjunction with street capital projects.

## **CITY OF SPRINGBORO, OHIO**

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### ***Letter of Transmittal* *For the Year Ended December 31, 2017***

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

Heatherwoode Golf Course improvements for 2017 include: \$50,000 for emergency repairs; \$60,000 for new tee construction at holes #2, #10, #17 and #18; and \$128,500 replace lighting, remodel the fireplace and replace carpeting at Heatherwoode Clubhouse.

### ***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.

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.

## **CITY OF SPRINGBORO, OHIO**

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### ***Letter of Transmittal For the Year Ended December 31, 2017***

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#### **OTHER INFORMATION**

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

An audit team from the Wilson, Shannon and Snow, Inc. has performed this year's audit. The independent auditor's unmodified 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, 2016. This was the twenty-eighth year that the government has achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual 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.



Christopher Pozzuto  
City Manager



Robyn L. Brown  
Director of Finance

## **CITY OF SPRINGBORO, OHIO**

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### ***List of Principal Officials For the Year Ended December 31, 2017***

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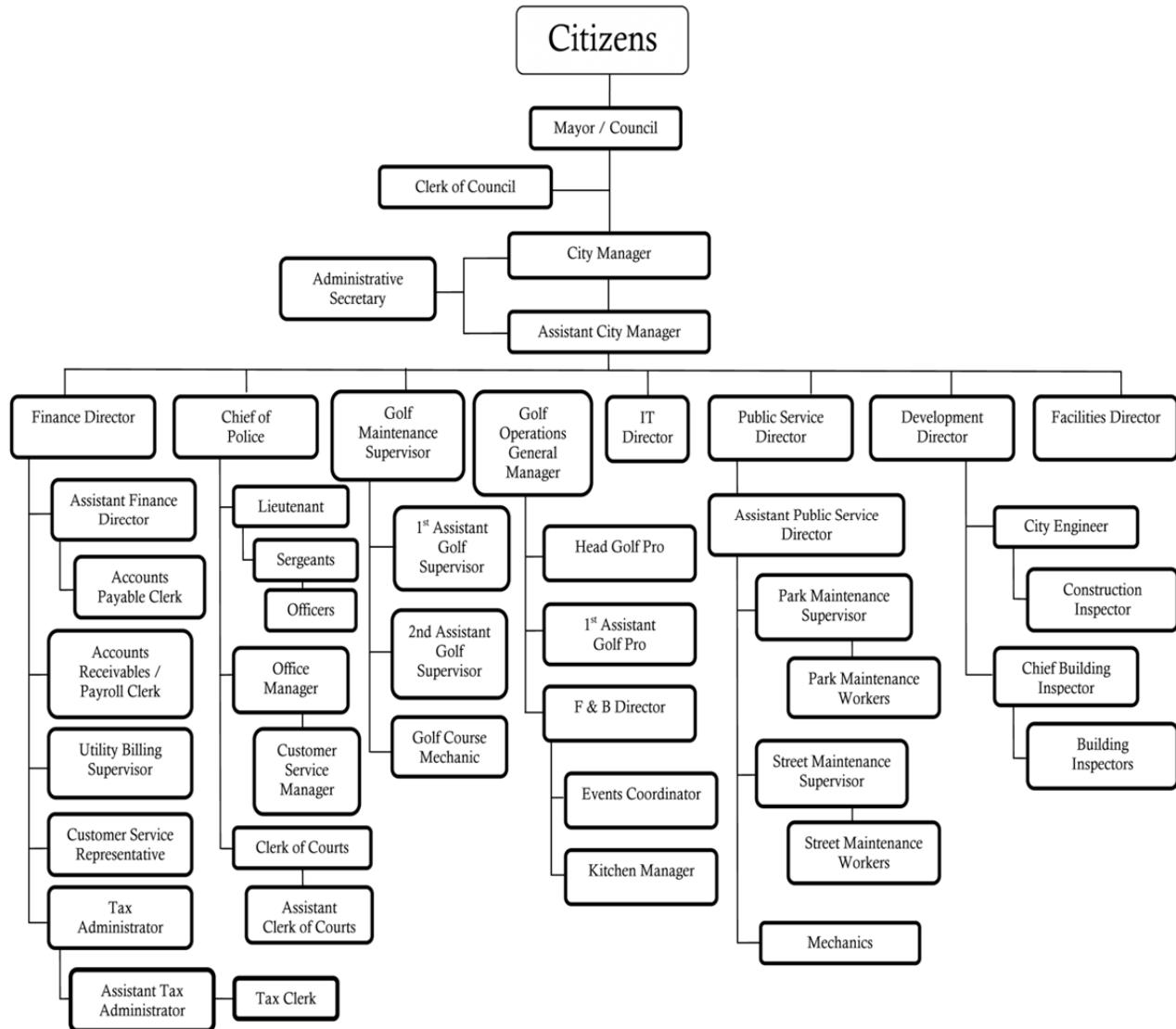
<b><i>Council</i></b>	<b><i>Title</i></b>	<b><i>Years of Service *</i></b>	<b><i>Term expires</i></b>
John Agenbroad	Mayor	22	December 2019
Janie Ridd	Council Member Ward 1	3	December 2017
Dale Brunner	Council Member Ward 2	2	December 2017
Carol Moore	Council Member Ward 3	1	December 2017
Jim Chmiel	Council Member Ward 4	16	December 2017
Becky Iverson	Council Member at Large	6	December 2019
Steve Harding	Council Member at Large	2	December 2019

<b><i>Appointed Officials</i></b>	<b><i>Title</i></b>
Chris Pozzuto	City Manager
Robyn Brown	Finance Director
Jeff Kruithoff	Chief of Police
Elmer Dudas	Development Director
Vincent Murphy	Public Service Director
Mike Eaton	Facilities Director
Matt Lang	IT Director
Alan Schaeffer	City Solicitor
Lori Martin	Clerk of Council
Beth Eaton	Assistant Finance Director
James Rutherford	Assistant Public Service Director
Ryan Michel	Street Maintenance Supervisor
Jonathon Brown	Park Maintenance Supervisor
Deitra Dalton	Utilities Billing Supervisor
Taylor Hause	Golf Maintenance Supervisor
Michelle Baker	Income Tax Administrator
Kelly Carroll	Clerk of Mayor's Court
Chad Dixon	City Engineer
Tom West	Golf Operations Manager

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

# CITY OF SPRINGBORO, OHIO

## *City Organizational Chart For the Year Ended December 31, 2017*



**CITY OF SPRINGBORO, OHIO**

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*Government Finance Officers Association of the United States and Canada*  
*Certificate of Achievement for Excellence in Financial Reporting*

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Government Finance Officers Association

**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, 2016**

*Christopher P. Morrell*

Executive Director/CEO

## *FINANCIAL SECTION*

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

## INDEPENDENT AUDITOR'S REPORT

To the City Council and Management:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Springboro, Warren County, Ohio (the City), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

City of Springboro  
Warren County  
Independent Auditor's Report

***Opinion***

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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Springboro, Warren County, Ohio, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* and schedules of net pension liabilities and pension contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

***Supplementary and Other Information***

Our audit was conducted to opine on the City's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

City of Springboro  
Warren County  
Independent Auditor's Report

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2018 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Wilson, Shuman & Snow, Inc.*

Newark, Ohio  
June 15, 2018



## **CITY OF SPRINGBORO, OHIO**

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### ***Management's Discussion and Analysis For the Year Ended December 31, 2017***

***Unaudited***

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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 year ended December 31, 2017. 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 2017 are as follows:

- In total, net position increased \$3.7 million. Net position of governmental activities increased \$297,009 million which represents a .5% increase from 2016. Net position of business-type activities increased \$3.4 million or 4.3 % from 2016.
- General revenues accounted for \$15.4 million in revenue or 49.7% of all revenues. Program specific revenues in the form of charges for services and sales and grants and contributions accounted for 50.3% of total revenues of \$31.1 million.
- Total net position of governmental activities increased by \$297,009 in total. Both revenues and expenses increased from 2016. Income tax collections continued to increase in 2017 and helped to offset the increase in expenses resulting in the increased net position.
- The City had \$16.3 million in expenses related to governmental activities; \$2.2 million of these expenses were offset by program specific charges for services and sales, grants or contributions. General revenues (primarily taxes) of \$15.4 million were adequate to provide for these programs.
- Among major funds, the general fund had \$11.5 million in revenues and other financing sources and \$10.4 million in expenditures and other financing uses. The general fund's fund balance increased \$1.1 million.
- Net position for enterprise funds increased by \$3.4 million. Revenues were virtually unchanged from 2016 while expenses increased in the current year. Additional transfers from governmental activities and the surplus of revenues over expenses accounted for the increase in 2017.

### **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.

## **CITY OF SPRINGBORO, OHIO**

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### ***Management's Discussion and Analysis For the Year Ended December 31, 2017***

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***Unaudited***

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#### **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 position includes all of the government's assets, liabilities and deferred inflows/outflows of resources. 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 position and how they have changed. Net position (the difference between the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources) is one way to measure the City's financial health or position.

- Over time, increases or decreases in the City's net position 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 Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

## **CITY OF SPRINGBORO, OHIO**

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### **Management's Discussion and Analysis For the Year Ended December 31, 2017**

**Unaudited**

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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 Assets and Liabilities.

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

The following table provides a summary of the City's net position for 2017 compared to 2016:

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$24,731,351	\$24,712,004	\$20,445,274	\$17,535,028	\$45,176,625	\$42,247,032
Capital assets, Net	59,140,105	59,558,717	79,145,865	80,055,296	138,285,970	139,614,013
Total assets	<u>83,871,456</u>	<u>84,270,721</u>	<u>99,591,139</u>	<u>97,590,324</u>	<u>183,462,595</u>	<u>181,861,045</u>
Deferred Outflows of Resources	2,264,276	2,064,483	2,139,338	1,905,221	4,403,614	3,969,704
Net Pension Liability	8,293,058	7,330,026	2,623,122	1,954,083	10,916,180	9,284,109
Long-term debt outstanding	15,171,512	16,079,583	16,658,511	18,591,992	31,830,023	34,671,575
Other liabilities	667,452	1,209,896	639,751	518,696	1,307,203	1,728,592
Total liabilities	<u>24,132,022</u>	<u>24,619,505</u>	<u>19,921,384</u>	<u>21,064,771</u>	<u>44,053,406</u>	<u>45,684,276</u>
Deferred Inflows of Resources	965,440	974,438	15,612	37,757	981,052	1,012,195
Net investment in capital assets	48,013,645	47,661,162	63,777,140	62,763,659	111,790,785	110,424,821
Restricted	14,376,740	14,603,501	724,349	830,181	15,101,089	15,433,682
Unrestricted	(1,352,115)	(1,523,402)	17,291,992	14,799,177	15,939,877	13,275,775
Total net position	<u>\$61,038,270</u>	<u>\$60,741,261</u>	<u>\$81,793,481</u>	<u>\$78,393,017</u>	<u>\$142,831,751</u>	<u>\$139,134,278</u>

The adoption of GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," significantly revised accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

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

## **CITY OF SPRINGBORO, OHIO**

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### ***Management's Discussion and Analysis For the Year Ended December 31, 2017***

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***Unaudited***

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Under the new standards required by GASB 68, the net pension liability equals the City's proportionate share of each plan's collective:

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

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system as against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

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

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

**CITY OF SPRINGBORO, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2017**

**Unaudited**

Changes in Net Position – The following table shows the changes in net position for 2017 compared to 2016:

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues						
Program Revenues:						
Charges for Services and Sales	\$908,135	\$1,019,306	\$12,517,258	\$12,353,224	\$13,425,393	\$13,372,530
Operating Grants and Contributions	1,209,464	1,072,047	0	0	1,209,464	1,072,047
Capital Grants and Contributions	79,145	59,071	909,511	1,247,132	988,656	1,306,203
Total Program Revenues	2,196,744	2,150,424	13,426,769	13,600,356	15,623,513	15,750,780
General revenues:						
Income Taxes	13,272,536	12,476,441	0	0	13,272,536	12,476,441
Property Taxes	871,019	856,208	0	0	871,019	856,208
Other Local Taxes	78,581	83,300	0	0	78,581	83,300
Payment in Lieu of Taxes	175,264	264,735	0	0	175,264	264,735
Intergovernmental, unrestricted	289,115	244,861	0	0	289,115	244,861
Investment Earnings	109,278	104,955	63,530	45,685	172,808	150,640
Miscellaneous	508,430	356,905	0	0	508,430	356,905
Gain (Loss) on Sale of Assets						
Held for Resale	66,152	0	0	0	66,152	0
Total General Revenues	15,370,375	14,387,405	63,530	45,685	15,433,905	14,433,090
Total Revenues	17,567,119	16,537,829	13,490,299	13,646,041	31,057,418	30,183,870
Program Expenses						
Security of Persons and Property	3,875,186	3,726,152	0	0	3,875,186	3,726,152
Public Health and Welfare Services	16,480	16,685	0	0	16,480	16,685
Leisure Time Activities	930,498	828,342	0	0	930,498	828,342
Community Environment	894,046	1,665,239	0	0	894,046	1,665,239
Transportation	5,708,785	3,501,098	0	0	5,708,785	3,501,098
General Government	4,496,267	4,222,777	0	0	4,496,267	4,222,777
Interest and Fiscal Charges	338,394	432,103	0	0	338,394	432,103
Golf Course	0	0	2,744,386	2,970,701	2,744,386	2,970,701
Water	0	0	3,634,171	3,242,720	3,634,171	3,242,720
Sewer	0	0	3,139,008	2,992,339	3,139,008	2,992,339
Trash	0	0	1,174,847	1,153,549	1,174,847	1,153,549
Storm Water	0	0	407,877	333,538	407,877	333,538
Total Expenses	16,259,656	14,392,396	11,100,289	10,692,847	27,359,945	25,085,243
Change in Net Position before transfers	1,307,463	2,145,433	2,390,010	2,953,194	3,697,473	5,098,627
Transfers	(1,010,454)	(960,912)	1,010,454	960,912	0	0
Total Change in Net Position	297,009	1,184,521	3,400,464	3,914,106	3,697,473	5,098,627
Beginning Net Position	60,741,261	59,556,740	78,393,017	74,478,911	139,134,278	134,035,651
Ending Net Position	\$61,038,270	\$60,741,261	\$81,793,481	\$78,393,017	\$142,831,751	\$139,134,278

## **CITY OF SPRINGBORO, OHIO**

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### ***Management's Discussion and Analysis For the Year Ended December 31, 2017***

***Unaudited***

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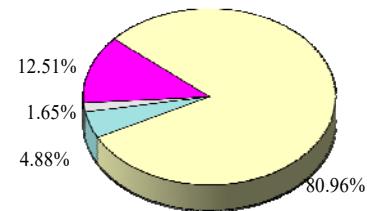
#### **Governmental Activities**

Net position of the City's governmental activities increased by \$297,009. Revenues increased by \$1,029,290 in 2017 compared to 2016 and expenses and transfers increased by \$1,916,802. Income taxes and proceeds from the sale of land accounted for virtually all of the increase in revenues. Income tax increases are mostly due to business net profits and withholdings. Expenses increased across almost all functions except the Community Environment function. The decrease in Community Environment was from incentives provided to existing businesses in 2016 in order for them to grow and stay in the City, which will only increase income tax and property tax revenue over time.

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 5% and 75.6% respectively of revenues for governmental activities for the City in 2017. The City's reliance upon tax revenues is demonstrated by the following graph indicating 80.96% of total revenues from general tax revenues:

Revenue Sources	2017	Percent of Total
Intergovernmental, unrestricted	\$289,115	1.65%
Program Revenues	2,196,744	12.51%
General Tax Revenues	14,222,136	80.96%
General Other	859,124	4.88%
<b>Total Revenue</b>	<b>\$17,567,119</b>	<b>100.00%</b>



#### ***Business-Type Activities***

Net position of the business-type activities increased by \$3,400,464. This increase was the result of additional transfers for projects, as well as the higher beginning net position from previous year. Revenues were virtually unchanged from 2016. Expenses increased 3.8%.

## **CITY OF SPRINGBORO, OHIO**

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### **Management's Discussion and Analysis For the Year Ended December 31, 2017**

**Unaudited**

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

The City's governmental funds reported a combined fund balance of \$20,524,996, which is an increase from last year's balance of \$19,733,828. The schedule below indicates the fund balance and the total change in fund balance by fund type as of December 31, 2017 and 2016:

	<b>Fund Balance December 31, 2017</b>	<b>Fund Balance December 31, 2016</b>	<b>Increase (Decrease)</b>
General	\$8,133,014	\$7,035,219	\$1,097,795
Debt Service	278,412	225,749	52,663
Construction (Capital Project)	5,051,485	4,508,538	542,947
Income Tax Capital			
Improvement (Capital Project)	2,029,892	2,652,860	(622,968)
Other Governmental	5,032,193	5,311,462	(279,269)
<b>Total</b>	<b>\$20,524,996</b>	<b>\$19,733,828</b>	<b>\$791,168</b>

*General Fund* – The City's General Fund balance increase is due mainly to a decrease in the amount of Community Environment expenditures. In 2016, the City offered economic incentives leading to the spike in Community Environment expenditures, which did not happen in 2017. Increases in income taxes and miscellaneous revenues helped to offset the decrease in fines, licenses and permits decrease. The tables that follow assist in illustrating the financial activities and balance of the General Fund:

	<b>2017 Revenues</b>	<b>2016 Revenues</b>	<b>Increase (Decrease)</b>
Municipal Income Taxes	\$8,920,577	\$8,721,837	\$198,740
Property and Other Taxes	678,200	672,999	5,201
Intergovernmental Revenue	239,076	247,878	(8,802)
Fines, Licenses and Permits	546,587	650,170	(103,583)
Investment Earnings	101,836	100,862	974
Special Assessments	34,020	34,975	(955)
All Other Revenue	474,410	321,930	152,480
<b>Total</b>	<b>\$10,994,706</b>	<b>\$10,750,651</b>	<b>\$244,055</b>

General Fund revenues increased compared with revenues in 2016. The majority of the increase is attributed to higher collections of income taxes and miscellaneous revenues, which included the receipt of the sale of property as well as a cash performance bond.

**CITY OF SPRINGBORO, OHIO****Management's Discussion and Analysis  
For the Year Ended December 31, 2017****Unaudited**

	2017 Expenditures	2016 Expenditures	Increase (Decrease)
Security of Persons and Property	\$3,142,430	\$3,016,911	\$125,519
Public Health and Welfare Services	16,480	16,685	(205)
Leisure Time Activities	636,392	642,794	(6,402)
Community Environment	783,064	1,642,089	(859,025)
General Government	3,972,677	3,732,207	240,470
Debt Service:			
Interest and Fiscal Charges	4,250	1,750	2,500
Total	<u>\$8,555,293</u>	<u>\$9,052,436</u>	<u>(\$497,143)</u>

General Fund expenditures decreased by \$497,143 or 5.5% over the prior year mostly due to decreased costs in the Community Environment function. These decreased costs are a result of an agreement with the Warren County Port Authority and incentives for the construction, equipping and operating of a new 225,000 square foot warehouse and distribution facility within the City in 2016.

*Debt Service Fund* – The Debt Service Fund balance increased this year by \$52,663. The fund balance of this fund will vary from year to year based upon the City's debt service requirements, as well as premiums received on notes or bonds sold during the year.

*Construction Fund* - The fund balance of this fund will vary from year to year based upon the City's capital project schedules. The City is required by Charter to maintain a five-year Capital Improvement Program, which is approved each year by City Council. The five-year Capital Improvement Program includes capital projects, as well as new and replacement vehicles and equipment.

*Income Tax Capital Improvement Fund* - The fund balance decreased \$622,968 to a balance of \$2,029,892. Increased transfers out accounted for the majority of the decrease, which will also vary year to year, depending on the capital projects slated for that year.

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 2017 the City amended its General Fund budget several times, none significant.

For the General Fund, final budget basis revenue of \$10.5 million changed very little when compared to the original budget estimates. 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 a reduction in expenditures as noted above.

# CITY OF SPRINGBORO, OHIO

## Management's Discussion and Analysis For the Year Ended December 31, 2017

*Unaudited*

### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### *Capital Assets*

At the end of 2017 the City had \$138,285,970 net of accumulated depreciation invested in land, improvements, infrastructure, buildings, machinery and equipment and construction in progress. Of this total, \$59,140,105 was related to governmental activities and \$79,145,865 to the business-type activities. The following table shows 2017 and 2016 balances:

	Governmental Activities		Changes
	2017	2016	
Land	\$17,685,652	\$17,685,652	\$0
Construction in Progress	7,465,948	6,712,910	753,038
Total Non-Depreciable Capital Assets	<u>25,151,600</u>	<u>24,398,562</u>	<u>753,038</u>
Improvements	4,972,497	4,866,369	106,128
Infrastructure	45,812,903	45,305,013	507,890
Buildings	13,190,912	12,859,711	331,201
Machinery and Equipment	5,542,565	5,197,922	344,643
Less: Accumulated Depreciation	(35,530,372)	(33,068,860)	(2,461,512)
Total Depreciable Capital Assets, Net	<u>33,988,505</u>	<u>35,160,155</u>	<u>(1,171,650)</u>
Totals	<u>\$59,140,105</u>	<u>\$59,558,717</u>	<u>(\$418,612)</u>
	Business-Type Activities		Changes
	2017	2016	
Land	\$8,685,240	\$8,685,240	\$0
Total Non-Depreciable Capital Assets	<u>8,685,240</u>	<u>8,685,240</u>	<u>0</u>
Buildings	3,848,637	3,848,637	0
Land Improvements	1,633,905	1,633,905	0
Infrastructure	90,727,904	90,066,044	661,860
Machinery and Equipment	3,364,816	3,363,048	1,768
Less: Accumulated Depreciation	(29,114,637)	(27,541,578)	(1,573,059)
Total Depreciable Capital Assets, Net	<u>70,460,625</u>	<u>71,370,056</u>	<u>(909,431)</u>
Totals	<u>\$79,145,865</u>	<u>\$80,055,296</u>	<u>(\$909,431)</u>

The primary increases occurred in construction in progress and infrastructure for governmental activities. The increase in improvements and infrastructure is relative to the major intersection improvements being made at the intersection of two state routes in the center of the City (SR73/SR741). The largest changes in the business-type activities capital assets (other than accumulated depreciation) occurred primarily in infrastructure (i.e. replacement of small water and sewer mains to larger sizes). This is a result of the decision by City Council and management to start to revitalize some of the older neighborhoods within the City.

## **CITY OF SPRINGBORO, OHIO**

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### ***Management's Discussion and Analysis For the Year Ended December 31, 2017***

***Unaudited***

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As of December 31, 2017, the City has contractual commitments of \$730,449 for various projects. Included in these projects are the Tamarack Hills/Royal Oaks Subdivision water main and catch basin replacement and the Hazel Woods park development. Additional information on the City's capital assets can be found in Note 9.

#### ***Debt***

At December 31, 2017, the City had \$25 million in bonds outstanding, \$3,463,156 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2017 and 2016:

	<b>2017</b>	<b>2016</b>
Governmental Activities:		
Special Assessment Bonds	\$794,842	\$895,000
General Obligation Bonds	7,727,538	7,319,597
General Obligation Notes	6,050,000	7,300,000
Compensated Absences	599,132	564,986
Net Pension Liability	8,293,058	7,330,026
Total Governmental Activities	<u>23,464,570</u>	<u>23,409,609</u>
Business-Type Activities:		
General Obligation Bonds	6,598,911	7,439,390
Mortgage Revenue Bonds	9,907,366	10,989,602
Compensated Absences	152,234	163,000
Net Pension Liability	2,623,122	1,954,083
Total Business-Type Activities	<u>19,281,633</u>	<u>20,546,075</u>
Totals	<u><u>\$42,746,203</u></u>	<u><u>\$43,955,684</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, 2017, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 13.

#### **ECONOMIC FACTORS**

The City's budget for 2018 is very conservative. The City of Springboro has been fortunate enough to sustain and thrive over the past several years despite economic conditions during that time. We have a good residential and business base, which continues to grow and expand, and our income tax revenue has increased and is budgeted to increase in 2018. The 2018 expenditures were decreased from 2017 levels due to a reduction in capital projects. City Council wants to continue to maintain current service levels to the residents of the City and they will continue to monitor the revenue stream for 2018 and if necessary, adjust expenditures accordingly.

**CITY OF SPRINGBORO, OHIO**

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***Management's Discussion and Analysis***  
***For the Year Ended December 31, 2017***

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***Unaudited***

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**REQUESTS FOR INFORMATION**

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

**CITY OF SPRINGBORO, OHIO**

**Statement of Net Position**  
**December 31, 2017**

	Primary Government			Component Unit
				Community Improvement Corporation of Springboro
	Governmental Activities	Business-Type Activities	Total	
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 3,623,423	\$ 3,437,379	\$ 7,060,802	\$ 22,020
Investments	9,584,175	14,377,022	23,961,197	0
Receivables:				
Taxes	955,096	0	955,096	0
Accounts	9,847	1,394,875	1,404,722	0
Intergovernmental	693,980	388	694,368	0
Income Taxes	2,166,480	0	2,166,480	0
Special Assessments	1,420,841	0	1,420,841	0
Inventory of Supplies at Cost	163,433	40,394	203,827	0
Inventory Held for Resale	0	64,363	64,363	0
Prepaid Items	266,500	275,686	542,186	0
Restricted Assets:				
Cash and Cash Equivalents	0	130,818	130,818	0
Cash and Cash Equivalents with Fiscal Agent	0	724,349	724,349	0
Assets Held for Resale	5,847,576	0	5,847,576	0
Non-Depreciable Capital Assets	25,151,600	8,685,240	33,836,840	0
Depreciable Capital Assets, Net	33,988,505	70,460,625	104,449,130	0
<b>Total Assets</b>	<b>83,871,456</b>	<b>99,591,139</b>	<b>183,462,595</b>	<b>22,020</b>
<b>Deferred Outflows of Resources:</b>				
Deferred Charge on Debt Refunding	120,920	1,137,552	1,258,472	0
Pension	2,143,356	1,001,786	3,145,142	0
<b>Total Deferred Outflows of Resources</b>	<b>2,264,276</b>	<b>2,139,338</b>	<b>4,403,614</b>	<b>0</b>
<b>Liabilities:</b>				
Accounts Payable	262,681	296,525	559,206	0
Accrued Wages and Benefits	170,097	60,725	230,822	0
Intergovernmental Payable	95,789	99,423	195,212	0
Refundable Deposits	0	130,818	130,818	0
Accrued Interest Payable	138,885	52,260	191,145	0
Long Term Liabilities:				
Due within one year	7,424,364	2,171,199	9,595,563	0
Due in More Than One Year:				
Net Pension Liability	8,293,058	2,623,122	10,916,180	0
Other Amounts Due in More Than One Year	7,747,148	14,487,312	22,234,460	0
<b>Total Liabilities</b>	<b>24,132,022</b>	<b>19,921,384</b>	<b>44,053,406</b>	<b>0</b>
<b>Deferred Inflows of Resources:</b>				
Property Tax Levy for Next Fiscal Year	933,996	0	933,996	0
Pension	31,444	15,612	47,056	0
<b>Total Deferred Inflows of Resources</b>	<b>965,440</b>	<b>15,612</b>	<b>981,052</b>	<b>0</b>

**CITY OF SPRINGBORO, OHIO**

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	<b>Primary Government</b>			<b>Component Unit</b> <b>Community Improvement Corporation of Springboro</b>
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	
<b>Net Position:</b>				
Net Investment in Capital Assets	48,013,645	63,777,140	111,790,785	0
Restricted For:				
Capital Projects	10,378,028	0	10,378,028	0
Debt Service	1,672,293	724,349	2,396,642	0
Security of Persons	204,038	0	204,038	0
Transportation	1,660,389	0	1,660,389	0
General Government	461,992	0	461,992	0
Unrestricted	(1,352,115)	17,291,992	15,939,877	22,020
<b>Total Net Position</b>	<b>\$ 61,038,270</b>	<b>\$ 81,793,481</b>	<b>\$ 142,831,751</b>	<b>\$ 22,020</b>

See accompanying notes to the basic financial statements

**CITY OF SPRINGBORO, OHIO**

**Statement of Activities**  
**For the Year Ended December 31, 2017**

<b>Program Revenues</b>					
	<b>Expenses</b>	<b>Charges for Services and Sales</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	
<b>Governmental Activities:</b>					
Security of Persons and Property	\$ 3,875,186	\$ 87,773	\$ 47,383	\$ 0	
Public Health and Welfare Services	16,480	0	0	0	
Leisure Time Activities	930,498	109,780	0	0	
Community Environment	894,046	331,005	0	0	
Transportation	5,708,785	136,981	1,162,081	79,145	
General Government	4,496,267	242,596	0	0	
Interest and Fiscal Charges	338,394	0	0	0	
<b>Total Governmental Activities</b>	<b>16,259,656</b>	<b>908,135</b>	<b>1,209,464</b>	<b>79,145</b>	
<b>Business-Type Activities:</b>					
Golf Course	2,744,386	1,897,763	0	0	
Water	3,634,171	4,731,894	0	558,354	
Sewer	3,139,008	4,430,069	0	351,157	
Trash	1,174,847	1,177,890	0	0	
Storm Water	407,877	279,642	0	0	
<b>Total Business-Type Activities</b>	<b>11,100,289</b>	<b>12,517,258</b>	<b>0</b>	<b>909,511</b>	
<b>Totals</b>	<b>\$ 27,359,945</b>	<b>\$ 13,425,393</b>	<b>\$ 1,209,464</b>	<b>\$ 988,656</b>	
<b>Component Unit:</b>					
Community Improvement	\$ 330,439	\$ 1,912	\$ 0	\$ 49,920	
<b>General Revenues:</b>					
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					
<b>Transfers</b>					
Total General Revenues and Transfers					
Change in Net Position					
Net Position Beginning of Year					
Net Position End of Year					

See accompanying notes to the basic financial statements

**CITY OF SPRINGBORO, OHIO**

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Net (Expense) Revenue and Changes in Net Position			Component Unit
Governmental Activities	Business-Type Activities	Total	Community Improvement Corporation of Springboro
\$ (3,740,030)	\$ 0	\$ (3,740,030)	
(16,480)	0	(16,480)	
(820,718)	0	(820,718)	
(563,041)	0	(563,041)	
(4,330,578)	0	(4,330,578)	
(4,253,671)	0	(4,253,671)	
(338,394)	0	(338,394)	
<u>(14,062,912)</u>	<u>0</u>	<u>(14,062,912)</u>	
0	(846,623)	(846,623)	
0	1,656,077	1,656,077	
0	1,642,218	1,642,218	
0	3,043	3,043	
0	(128,235)	(128,235)	
<u>0</u>	<u>2,326,480</u>	<u>2,326,480</u>	
<u>(14,062,912)</u>	<u>2,326,480</u>	<u>(11,736,432)</u>	
		\$ (278,607)	
13,272,536	0	13,272,536	0
871,019	0	871,019	0
78,581	0	78,581	0
175,264	0	175,264	0
289,115	0	289,115	0
109,278	63,530	172,808	85
508,430	0	508,430	0
66,152	0	66,152	0
<u>(1,010,454)</u>	<u>1,010,454</u>	<u>0</u>	<u>0</u>
<u>14,359,921</u>	<u>1,073,984</u>	<u>15,433,905</u>	<u>85</u>
297,009	3,400,464	3,697,473	(278,522)
60,741,261	78,393,017	139,134,278	300,542
<u>\$ 61,038,270</u>	<u>\$ 81,793,481</u>	<u>\$ 142,831,751</u>	<u>\$ 22,020</u>

**CITY OF SPRINGBORO, OHIO**

**Balance Sheet**  
**Governmental Funds**  
**December 31, 2017**

	General	Debt Service	Construction	Income Tax Capital Improvement
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 621,885	\$ 278,412	\$ 134,097	\$ 134,304
Investments	6,637,402	0	1,472,247	1,474,526
Receivables:				
Taxes	735,096	0	0	0
Accounts	5,631	0	0	0
Intergovernmental	116,463	0	97,180	0
Income Taxes	1,444,320	0	0	722,160
Special Assessments	0	1,420,841	0	0
Inventory of Supplies, at Cost	39,788	0	0	0
Prepaid Items	235,311	0	0	0
Assets Held for Resale	0	0	3,535,103	0
<b>Total Assets</b>	<b>\$ 9,835,896</b>	<b>\$ 1,699,253</b>	<b>\$ 5,238,627</b>	<b>\$ 2,330,990</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 58,560	\$ 0	\$ 187,142	\$ 0
Accrued Wages and Benefits Payable	146,078	0	0	0
Intergovernmental Payable	82,562	0	0	0
<b>Total Liabilities</b>	<b>287,200</b>	<b>0</b>	<b>187,142</b>	<b>0</b>
<b>Deferred Inflows of Resources:</b>				
Property Tax Levy for Next Fiscal Year	713,996	0	0	0
Unavailable Amounts	701,686	1,420,841	0	301,098
<b>Total Deferred Inflows of Resources</b>	<b>1,415,682</b>	<b>1,420,841</b>	<b>0</b>	<b>301,098</b>
<b>Fund Balances:</b>				
Nonspendable	275,099	0	0	0
Restricted	0	278,412	5,051,485	2,029,892
Assigned	1,438,163	0	0	0
Unassigned	6,419,752	0	0	0
<b>Total Fund Balances</b>	<b>8,133,014</b>	<b>278,412</b>	<b>5,051,485</b>	<b>2,029,892</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 9,835,896</b>	<b>\$ 1,699,253</b>	<b>\$ 5,238,627</b>	<b>\$ 2,330,990</b>

See accompanying notes to the basic financial statements

**CITY OF SPRINGBORO, OHIO**

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Other Governmental Funds	Total Governmental Funds
\$ 2,454,725	\$ 3,623,423
0	9,584,175
220,000	955,096
4,216	9,847
480,337	693,980
0	2,166,480
0	1,420,841
123,645	163,433
31,189	266,500
2,312,473	5,847,576
<u>\$ 5,626,585</u>	<u>\$ 24,731,351</u>
\$ 16,979	\$ 262,681
24,019	170,097
13,227	95,789
<u>54,225</u>	<u>528,567</u>
220,000	933,996
320,167	2,743,792
<u>540,167</u>	<u>3,677,788</u>
154,834	429,933
4,877,359	12,237,148
0	1,438,163
0	6,419,752
<u>5,032,193</u>	<u>20,524,996</u>
<u>\$ 5,626,585</u>	<u>\$ 24,731,351</u>

**CITY OF SPRINGBORO, OHIO**

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**Reconciliation Of Total Governmental Fund Balances  
To Net Position Of Governmental Activities  
December 31, 2017**

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**Total Governmental Fund Balances** \$ 20,524,996

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

Capital Assets used in governmental activities are not resources and therefore are not reported in the funds. 59,140,105

Other long-term assets are not available to pay for current-period expenditures and therefore are reported as deferred inflows of resources in the funds.

Income Taxes Receivable - accrual basis	903,294
Property Taxes Receivable - accrual basis	13,224
Special Assessments Receivable - accrual basis	1,420,841
Grants Receivable - accrual basis	406,433
<hr/>	
Total	2,743,792

The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:

Deferred Outflows - Pension	2,143,356
Deferred Inflows - Pension	(31,444)
Net Pension Liability	(8,293,058)
<hr/>	
Total	(6,181,146)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Amounts Due Within One Year	(7,424,364)
Amounts Due in More Than One Year	(7,747,148)
Accrued Interest on Long-Term Debt	(138,885)
Deferred Charge on Debt Refunding	120,920
<hr/>	
Total	(15,189,477)

**Net Position of Governmental Activities** \$ 61,038,270

See accompanying notes to the basic financial statements

*CITY OF SPRINGBORO, OHIO*

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**CITY OF SPRINGBORO, OHIO**

**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2017**

	General	Debt Service	Construction	Income Tax Capital Improvement
<b>Revenues:</b>				
Municipal Income Tax	\$ 8,920,577	\$ 0	\$ 0	\$ 4,459,623
Property and Other Taxes	678,200	0	0	0
Payment in Lieu of Taxes	0	0	0	0
Intergovernmental Revenues	239,076	0	0	0
Fines, Licenses and Permits	546,587	0	0	0
Investment Earnings	101,836	0	0	0
Special Assessments	34,020	209,189	15,858	0
Donations	0	0	0	0
All Other Revenue	474,410	0	127,252	0
<b>Total Revenue</b>	<b>10,994,706</b>	<b>209,189</b>	<b>143,110</b>	<b>4,459,623</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	3,142,430	0	0	0
Public Health and Welfare Services	16,480	0	0	0
Leisure Time Activities	636,392	0	0	0
Community Environment	783,064	0	0	0
Transportation	0	0	0	0
General Government	3,972,677	0	1,693	0
Capital Outlay	0	0	4,304,680	0
Debt Service:				
Principal Retirement	0	1,235,000	5,800,000	0
Interest and Fiscal Charges	4,250	286,601	86,758	0
<b>Total Expenditures</b>	<b>8,555,293</b>	<b>1,521,601</b>	<b>10,193,131</b>	<b>0</b>
Excess (Deficiency) of Revenues Over Expenditures	2,439,413	(1,312,412)	(10,050,021)	4,459,623
<b>Other Financing Sources (Uses):</b>				
General Obligation Bonds Issued	0	0	0	0
General Obligation Notes Issued	0	0	6,050,000	0
Refunding Bonds Issued	0	830,000	2,005,000	0
Premium on Debt Issued	0	281,517	0	0
Payment to Refunded Bond Escrow Agent	0	(2,995,367)	0	0
Transfers In	495,446	3,248,925	5,406,342	0
Transfers Out	(1,836,060)	0	(2,868,374)	(5,082,591)
Sale of Capital Assets	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>(1,340,614)</b>	<b>1,365,075</b>	<b>10,592,968</b>	<b>(5,082,591)</b>
Net Change in Fund Balances	1,098,799	52,663	542,947	(622,968)
<b>Fund Balances at Beginning of Year</b>	<b>7,035,219</b>	<b>225,749</b>	<b>4,508,538</b>	<b>2,652,860</b>
Change in Inventory Reserve	(1,004)	0	0	0
<b>Fund Balances End of Year</b>	<b>\$ 8,133,014</b>	<b>\$ 278,412</b>	<b>\$ 5,051,485</b>	<b>\$ 2,029,892</b>

See accompanying notes to the basic financial statements

**CITY OF SPRINGBORO, OHIO**

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Other Governmental Funds	Total Governmental Funds
\$ 0	\$ 13,380,200
270,001	948,201
175,264	175,264
1,248,586	1,487,662
123,748	670,335
7,442	109,278
0	259,067
1,200	1,200
109,348	711,010
<u>1,935,589</u>	<u>17,742,217</u>

168,447	3,310,877
0	16,480
0	636,392
0	783,064
913,025	913,025
25,340	3,999,710
647,778	4,952,458
1,500,000	8,535,000
<u>22,500</u>	<u>400,109</u>
<u>3,277,090</u>	<u>23,547,115</u>

(1,341,501) (5,804,898)

1,370,000	1,370,000
0	6,050,000
0	2,835,000
0	281,517
0	(2,995,367)
633,205	9,783,918
(1,007,347)	(10,794,372)
66,152	66,152
<u>1,062,010</u>	<u>6,596,848</u>
(279,491)	791,950
5,311,462	19,733,828
<u>222</u>	<u>(782)</u>
<u>\$ 5,032,193</u>	<u>\$ 20,524,996</u>

**CITY OF SPRINGBORO, OHIO**

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**Reconciliation Of The Statement Of Revenues, Expenditures  
And Changes In Fund Balances Of Governmental Funds  
To The Statement Of Activities  
For The Year Ended December 31, 2017**

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<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$ 791,950
<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.	(398,998)
The net effect of various miscellaneous transactions involving capital assets (i.e. disposals and donations) is to change net position.	(19,614)
Revenues and transfers in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(241,250)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	60,037
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.	(915,753)
The issuance of long-term debt (e.g. notes, bonds) provides current financial resources to government funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position.	
General Obligation Bonds Issued	(1,370,000)
General Obligation Notes Issued	(6,050,000)
Refunding Bonds Issued	(2,835,000)
Premium on All Issues	(281,517)
<b>Total</b>	<b>(10,536,517)</b>
The repayment of principal of long-term debt consumes current financial resources of governmental funds, however, it does not effect net position.	
Principal Retirement	8,535,000
Payment to Refunded Bond Escrow Agent	2,995,367
<b>Total</b>	<b>11,530,367</b>
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	61,715
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.	(34,928)
<b><i>Change in Net Position of Governmental Activities</i></b>	<b><u>\$ 297,009</u></b>

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, 2017**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Municipal Income Tax	\$ 8,670,000	\$ 8,670,000	\$ 8,874,976	\$ 204,976
Property and Other Taxes	763,000	763,000	677,116	(85,884)
Intergovernmental Revenue	222,500	222,500	238,033	15,533
Fines, Licenses and Permits	478,720	478,720	544,956	66,236
Investment Earnings	100,000	100,000	131,914	31,914
Special Assessments	30,000	30,000	34,020	4,020
All Other Revenues	281,000	280,316	628,295	347,979
<b>Total Revenues</b>	<b>10,545,220</b>	<b>10,544,536</b>	<b>11,129,310</b>	<b>584,774</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	3,477,571	3,481,483	3,182,183	299,300
Public Health and Welfare Services	16,480	16,480	16,480	0
Leisure Time Activities	773,947	778,947	658,782	120,165
Community Environment	1,075,488	1,075,735	955,372	120,363
General Government	3,786,451	4,652,748	4,166,335	486,413
<b>Total Expenditures</b>	<b>9,129,937</b>	<b>10,005,393</b>	<b>8,979,152</b>	<b>1,026,241</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,415,283	539,143	2,150,158	1,611,015
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	0	337,299	337,299
Transfers Out	(2,761,800)	(2,611,200)	(2,442,060)	169,140
<b>Total Other Financing Sources (Uses):</b>	<b>(2,761,800)</b>	<b>(2,611,200)</b>	<b>(2,104,761)</b>	<b>506,439</b>
Net Change in Fund Balance	(1,346,517)	(2,072,057)	45,397	2,117,454
Fund Balance at Beginning of Year	6,380,194	6,380,194	6,380,194	0
Prior Year Encumbrances	432,160	432,160	432,160	0
<b>Fund Balance at End of Year</b>	<b>\$ 5,465,837</b>	<b>\$ 4,740,297</b>	<b>\$ 6,857,751</b>	<b>\$ 2,117,454</b>

See accompanying notes to the basic financial statements

**CITY OF SPRINGBORO, OHIO**

**Statement of Net Position  
Proprietary Funds  
December 31, 2017**

	Business-Type Activities Enterprise Funds		
	Golf Course	Water	Sewer
<b>Assets:</b>			
<i>Current Assets:</i>			
Cash and Cash Equivalents	\$ 694,224	\$ 484,831	\$ 699,924
Investments	0	6,728,022	7,649,000
Receivables:			
Accounts	0	574,459	616,879
Intergovernmental	197	98	60
Inventory of Supplies at Cost	40,394	0	0
Inventory Held for Resale	64,363	0	0
Prepaid Items	16,641	117,249	130,461
<b>Total Current Assets</b>	<b>815,819</b>	<b>7,904,659</b>	<b>9,096,324</b>
<i>Non Current Assets:</i>			
Restricted Assets:			
Cash and Cash Equivalents	0	130,818	0
Cash and Cash Equivalents with Fiscal Agent	0	0	724,349
Non-Depreciable Capital Assets	7,755,718	706,872	222,650
Depreciable Capital Assets, Net	2,297,065	29,291,533	30,630,359
<b>Total Noncurrent Assets</b>	<b>10,052,783</b>	<b>30,129,223</b>	<b>31,577,358</b>
<b>Total Assets</b>	<b>10,868,602</b>	<b>38,033,882</b>	<b>40,673,682</b>
<b>Deferred Outflows of Resources:</b>			
Deferred Charge on Debt Refunding	141,889	368,154	627,509
Pension	435,320	286,213	176,425
<b>Total Deferred Outflows of Resources</b>	<b>577,209</b>	<b>654,367</b>	<b>803,934</b>

**CITY OF SPRINGBORO, OHIO**

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Trash	Storm Water	Total
\$ 541,725	\$ 1,016,675	\$ 3,437,379
0	0	14,377,022
163,265	40,272	1,394,875
17	16	388
0	0	40,394
0	0	64,363
5,657	5,678	275,686
<hr/> 710,664	<hr/> 1,062,641	<hr/> 19,590,107
0	0	130,818
0	0	724,349
0	0	8,685,240
0	8,241,668	70,460,625
0	8,241,668	80,001,032
<hr/> 710,664	<hr/> 9,304,309	<hr/> 99,591,139
0	0	1,137,552
43,399	60,429	1,001,786
<hr/> 43,399	<hr/> 60,429	<hr/> 2,139,338

(Continued)

**CITY OF SPRINGBORO, OHIO**

**Statement of Net Position  
Proprietary Funds  
December 31, 2017**

	Business-Type Activities Enterprise Funds		
	Golf Course	Water	Sewer
<b>Liabilities:</b>			
<i>Current Liabilities:</i>			
Accounts Payable	28,786	125,177	54,249
Accrued Wages and Benefits	23,270	19,418	11,082
Intergovernmental Payable	14,352	72,994	6,569
Refundable Deposits	0	130,818	0
Accrued Interest Payable	3,789	15,542	32,929
Compensated Absences Payable - Current	5,328	5,443	3,573
General Obligation Bonds - Current	250,000	797,318	0
Mortgage Revenue Bonds - Current	0	0	1,107,236
<i>Total Current Liabilities</i>	<u>325,525</u>	<u>1,166,710</u>	<u>1,215,638</u>
<i>Noncurrent Liabilities:</i>			
Compensated Absences Payable	28,165	51,076	34,806
General Obligation Bonds Payable	1,095,000	4,456,593	0
Mortgage Revenue Bonds Payable	0	0	8,800,130
Net Pension Liability	1,139,859	749,434	461,959
<i>Total Noncurrent Liabilities</i>	<u>2,263,024</u>	<u>5,257,103</u>	<u>9,296,895</u>
<b>Total Liabilities</b>	<u>2,588,549</u>	<u>6,423,813</u>	<u>10,512,533</u>
<b>Deferred Inflows of Resources:</b>			
Pension	<u>6,784</u>	<u>4,460</u>	<u>2,750</u>
<b>Net Position:</b>			
Net Investment in Capital Assets	8,849,672	25,112,648	21,573,152
Restricted for:			
Debt Service	0	0	724,349
Unrestricted	806	7,147,328	8,664,832
<b>Total Net Position</b>	<u>\$ 8,850,478</u>	<u>\$ 32,259,976</u>	<u>\$ 30,962,333</u>

See accompanying notes to the basic financial statements

**CITY OF SPRINGBORO, OHIO**

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Trash	Storm Water	Total
83,704	4,609	296,525
3,007	3,948	60,725
1,327	4,181	99,423
0	0	130,818
0	0	52,260
1,040	1,261	16,645
0	0	1,047,318
0	0	1,107,236
<hr/> <u>89,078</u>	<hr/> <u>13,999</u>	<hr/> <u>2,810,950</u>
9,549	11,993	135,589
0	0	5,551,593
0	0	8,800,130
<u>113,639</u>	<u>158,231</u>	<u>2,623,122</u>
<u>123,188</u>	<u>170,224</u>	<u>17,110,434</u>
<u>212,266</u>	<u>184,223</u>	<u>19,921,384</u>
<hr/> <u>677</u>	<hr/> <u>941</u>	<hr/> <u>15,612</u>
0	8,241,668	63,777,140
0	0	724,349
<u>541,120</u>	<u>937,906</u>	<u>17,291,992</u>
<u>\$ 541,120</u>	<u>\$ 9,179,574</u>	<u>\$ 81,793,481</u>

**CITY OF SPRINGBORO, OHIO**

**Statement of Revenues, Expenses and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended December 31, 2017**

	Business-Type Activities		
	Enterprise Funds		
	Golf Course	Water	Sewer
<b>Operating Revenues:</b>			
Charges for Services	\$ 1,674,507	\$ 4,730,301	\$ 4,251,733
Sales	150,602	0	0
Other Operating Revenue	72,654	1,593	178,336
<b>Total Operating Revenues</b>	<b>1,897,763</b>	<b>4,731,894</b>	<b>4,430,069</b>
<b>Operating Expenses:</b>			
Personal Services	1,251,250	865,646	532,617
Contractual Services	707,886	1,715,062	1,479,479
Materials and Supplies	499,576	113,213	34,286
Depreciation	205,087	646,124	703,586
<b>Total Operating Expenses</b>	<b>2,663,799</b>	<b>3,340,045</b>	<b>2,749,968</b>
Operating Income (Loss)	(766,036)	1,391,849	1,680,101
<b>Nonoperating Revenue (Expenses):</b>			
Investment Earnings	0	31,408	32,122
Interest and Fiscal Charges	(80,587)	(195,717)	(389,040)
Loss on Disposal of Capital Assets	0	(98,409)	0
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(80,587)</b>	<b>(262,718)</b>	<b>(356,918)</b>
Income (Loss) Before Transfers and Contributions	(846,623)	1,129,131	1,323,183
Transfers In	966,938	0	0
Transfers Out	0	(81,970)	(81,970)
Capital Contributions - Tap in Fees	0	558,354	351,157
Change in Net Position	120,315	1,605,515	1,592,370
Net Position Beginning of Year	8,730,163	30,654,461	29,369,963
<b>Net Position End of Year</b>	<b>\$ 8,850,478</b>	<b>\$ 32,259,976</b>	<b>\$ 30,962,333</b>

See accompanying notes to the basic financial statements

**CITY OF SPRINGBORO, OHIO**

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Trash	Storm Water	Total
\$ 1,175,939	\$ 278,225	\$ 12,110,705
0	0	150,602
1,951	1,417	255,951
<u>1,177,890</u>	<u>279,642</u>	<u>12,517,258</u>
128,579	186,454	2,964,546
1,042,615	47,437	4,992,479
3,653	1,364	652,092
0	172,622	1,727,419
<u>1,174,847</u>	<u>407,877</u>	<u>10,336,536</u>
3,043	(128,235)	2,180,722
0	0	63,530
0	0	(665,344)
0	0	(98,409)
<u>0</u>	<u>0</u>	<u>(700,223)</u>
3,043	(128,235)	1,480,499
0	207,456	1,174,394
0	0	(163,940)
0	0	909,511
3,043	79,221	3,400,464
538,077	9,100,353	78,393,017
<u>\$ 541,120</u>	<u>\$ 9,179,574</u>	<u>\$ 81,793,481</u>

**CITY OF SPRINGBORO, OHIO**

**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2017**

	Business-Type Activities Enterprise Funds		
	Golf Course	Water	Sewer
<b><u>Cash Flows from Operating Activities:</u></b>			
Cash Received from Customers	\$1,674,507	\$4,739,030	\$4,254,279
Other Operating Receipts	223,470	361,141	178,406
Cash Payments for Goods and Services	(1,217,160)	(1,916,725)	(1,515,362)
Cash Payments to Employees	(1,153,229)	(718,888)	(443,280)
Net Cash Provided (Used) by Operating Activities	<u>(472,412)</u>	<u>2,464,558</u>	<u>2,474,043</u>
<b><u>Cash Flows from Noncapital Financing Activities:</u></b>			
Transfers In from Other Funds	966,938	0	0
Transfers Out to Other Funds	<u>0</u>	<u>(81,970)</u>	<u>(81,970)</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>966,938</u>	<u>(81,970)</u>	<u>(81,970)</u>
<b><u>Cash Flows from Capital and Related Financing Activities:</u></b>			
Cash Received from Tap-in Fees in Excess of Cost	0	558,354	351,157
Issuance of Refunding Bonds	0	4,300,000	0
Premium on Refunding Bonds	0	331,229	0
Payment to Refunded Bond Escrow Agent	0	(4,568,136)	0
Acquisition and Construction of Assets	(59,407)	(595,424)	(10,397)
Principal Paid on General Obligation Bonds	(245,000)	(785,000)	0
Principal Paid on Mortgage Revenue Bonds	0	0	(1,005,000)
Interest Paid on All Debt	<u>(52,822)</u>	<u>(167,047)</u>	<u>(405,200)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(357,229)</u>	<u>(926,024)</u>	<u>(1,069,440)</u>
<b><u>Cash Flows from Investing Activities:</u></b>			
Receipt of Interest	0	50,235	53,037
Purchase of Investments	<u>0</u>	<u>(1,320,681)</u>	<u>(1,286,857)</u>
Net Cash Used by Investing Activities	<u>0</u>	<u>(1,270,446)</u>	<u>(1,233,820)</u>
Net Increase in Cash and Cash Equivalents	137,297	186,118	88,813
Cash and Cash Equivalents at Beginning of Year	<u>556,927</u>	<u>429,531</u>	<u>1,335,460</u>
Cash and Cash Equivalents at End of Year	<u>\$694,224</u>	<u>\$615,649</u>	<u>\$1,424,273</u>
<b><u>Reconciliation of Cash and Cash Equivalents per the Balance Sheet:</u></b>			
Cash and Cash Equivalents	\$694,224	\$484,831	\$699,924
Restricted Cash and Cash Equivalents	0	130,818	0
Restricted Cash and Cash Equivalents with Fiscal Agent	0	0	724,349
Cash and Cash Equivalents at End of Year	<u>\$694,224</u>	<u>\$615,649</u>	<u>\$1,424,273</u>

**CITY OF SPRINGBORO, OHIO**

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Trash	Storm Water	Totals
\$1,172,501	\$278,316	\$12,118,633
1,973	1,437	766,427
(1,042,222)	(44,511)	(5,735,980)
(113,374)	(135,060)	(2,563,831)
<u>18,878</u>	<u>100,182</u>	<u>4,585,249</u>
0	207,456	1,174,394
0	0	(163,940)
<u>0</u>	<u>207,456</u>	<u>1,010,454</u>
0	0	909,511
0	0	4,300,000
0	0	331,229
0	0	(4,568,136)
0	(120,556)	(785,784)
0	0	(1,030,000)
0	0	(1,005,000)
0	0	(625,069)
<u>0</u>	<u>(120,556)</u>	<u>(2,473,249)</u>
0	0	103,272
0	0	(2,607,538)
<u>0</u>	<u>0</u>	<u>(2,504,266)</u>
18,878	187,082	618,188
<u>522,847</u>	<u>829,593</u>	<u>3,674,358</u>
<u>\$541,725</u>	<u>\$1,016,675</u>	<u>\$4,292,546</u>
\$541,725	\$1,016,675	\$3,437,379
0	0	130,818
0	0	724,349
<u>\$541,725</u>	<u>\$1,016,675</u>	<u>\$4,292,546</u>

(Continued)

**CITY OF SPRINGBORO, OHIO**

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**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2017**

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	Business-Type Activities		
	Enterprise Funds		
	Golf Course	Water	Sewer
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>			
<u>Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	(\$766,036)	\$1,391,849	\$1,680,101
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	205,087	646,124	703,586
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	0	8,729	2,546
Decrease in Intergovernmental Receivable	214	299,055	70
Decrease in Inventory	1,722	0	0
Increase in Inventory Held for Resale	(8,553)	0	0
(Increase) Decrease in Prepaid Items	(1,609)	(14,304)	(14,753)
Increase in Deferred Outflows - Pension	(46,968)	(91,317)	(58,484)
Increase (Decrease) in Accounts Payable	(4,031)	(10,258)	12,709
Increase (Decrease) in Accrued Wages and Benefits	2,709	965	(200)
Increase (Decrease) in Intergovernmental Payable	818	10,684	(907)
Decrease in Refundable Deposits	0	(16,811)	0
Increase (Decrease) in Compensated Absences	4,973	(8,493)	(9,394)
Increase in Net Pension Liability	151,574	253,458	161,818
Decrease in Deferred Inflows - Pension	(12,312)	(5,123)	(3,049)
Total Adjustments	293,624	1,072,709	793,942
Net Cash Provided (Used) by Operating Activities	<u>(\$472,412)</u>	<u>\$2,464,558</u>	<u>\$2,474,043</u>

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2017, the Golf Course and Water Funds had an outstanding liabilities of \$25,410 and \$117,947 for the purchase of certain capital assets. During 2017, the fair value of investments decreased by \$18,827 and \$20,915 in the Water and Sewer Funds, respectively.

See accompanying notes to the basic financial statements

**CITY OF SPRINGBORO, OHIO**

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<b>Trash</b>	<b>Storm Water</b>	<b>Totals</b>
\$3,043	(\$128,235)	\$2,180,722
0	172,622	1,727,419
(3,460)	91	7,906
22	20	299,381
0	0	1,722
0	0	(8,553)
3,088	2,860	(24,718)
(9,070)	(28,081)	(233,920)
622	862	(96)
(219)	935	4,190
(835)	2,119	11,879
0	0	(16,811)
421	1,727	(10,766)
26,277	75,912	669,039
(1,011)	(650)	(22,145)
<u>15,835</u>	<u>228,417</u>	<u>2,404,527</u>
<u>\$18,878</u>	<u>\$100,182</u>	<u>\$4,585,249</u>

**CITY OF SPRINGBORO, OHIO**

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***Statement of Assets and Liabilities***  
***Fiduciary Funds***  
***December 31, 2017***

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	<u>Agency Funds</u>
<b>Assets:</b>	
Cash and Cash Equivalents	\$ 69,818
Receivables:	
Special Assessments	830,029
<b>Total Assets</b>	<u>899,847</u>
<b>Liabilities:</b>	
Due to Others	897,775
Undistributed Monies	2,072
<b>Total Liabilities</b>	<u>\$ 899,847</u>

See accompanying notes to the basic financial statements

## **CITY OF SPRINGBORO, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2017***

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

The City of Springboro, Ohio (the City) is a home rule municipal corporation created under the laws of the State of Ohio. The City operates under its own Charter. The current Charter, which provides for a Council - Manager form of government, was adopted November 7, 1978, became effective January 1, 1979, and was amended November 4, 2011. 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, 2017 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"* as amended by GASB Statement No. 61, *"The Financial Reporting Entity Omnibus"* 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 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. In addition, the City has included the Community Improvement Corporation of Springboro (CIC) as a discretely presented component unit.

***Discretely Presented Component Unit*** – The component unit column in the entity-wide financial statements includes the financial data of the City's component unit. It is reported in a separate column to emphasize that it is legally separate from the City. The component unit is being presented as a part of the City's reporting entity because the City appoints the voting majority of the component unit's board and the City can impose its' will on the component unit.

## **CITY OF SPRINGBORO, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2017***

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

##### **A. Reporting Entity (Continued)**

Community Improvement Corporation of Springboro – The Community Improvement Corporation of Springboro (CIC), a non-profit organization, has a Board of Directors consisting of no less than three and no more than five board members as determined by the City of Springboro. The CIC was created to serve the business community of Springboro. The CIC spends a majority of its time and effort on administering financial assistance programs that provide resources to local businesses for projects that improve the community through increased local investment, more viable businesses, and increasing or maintaining employment opportunities in the City. The City provides all subsidies to the CIC to finance its operations and activities. Financial statements related to the CIC can be obtained from the Finance Director.

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 associated with the Greater Warren County Drug Task Force, the Miami Valley Regional Planning Commission, Warren County Transportation Improvement District and the Montgomery County Transportation Improvement District 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 17 and 18 for additional information on these organizations.

##### **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, deferred inflows/outflows of resources, 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:

## **CITY OF SPRINGBORO, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2017***

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

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

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

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

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

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

##### ***Proprietary Funds***

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

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:

## **CITY OF SPRINGBORO, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2017***

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

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

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 donations to the Library, Joint Economic Development District (JEDD) activity, 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.

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## **CITY OF SPRINGBORO, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2017***

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

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

**Government-wide Financial Statements** – The statement of net position 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 Position. 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.

## **CITY OF SPRINGBORO, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2017***

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#### **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, current liabilities, deferred inflows of resources, 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 and all deferred outflows/inflows associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. 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.

## **CITY OF SPRINGBORO, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2017***

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#### **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, 2017 but which are not intended to finance 2017 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred inflows of resources.

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.

##### **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.

## **CITY OF SPRINGBORO, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2017***

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#### **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 2017.

###### **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 2017, 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.

## **CITY OF SPRINGBORO, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2017***

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#### **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:

<u>Net Change in Fund Balance</u>	
	<u>General Fund</u>
GAAP Basis (as reported)	\$1,098,799
Increase (Decrease):	
Accrued Revenues at December 31, 2017 received during 2018	(854,678)
Accrued Revenues at December 31, 2016 received during 2017	831,135
Accrued Expenditures at December 31, 2017 paid during 2018	287,200
Accrued Expenditures at December 31, 2016 paid during 2017	(910,842)
2017 Prepays for 2018	(235,311)
2016 Prepays for 2017	261,780
Outstanding Encumbrances	(432,686)
Budget Basis	<u><u>\$45,397</u></u>

## **CITY OF SPRINGBORO, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2017***

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

##### **F. Cash and Cash Equivalents**

During 2017, cash and cash equivalents included amounts in demand deposits, the State Treasury Asset Reserve (STAR Ohio) and in U.S. Treasury Money Market accounts in US Bank and Charles Schwab 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 5, "Cash, Cash Equivalents and Investments."

##### **G. Investments**

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. The City allocates interest among certain funds based upon the fund's cash balance at the date of investment. In accordance with GASB Statement No. 31, "*Accounting and Financial Reporting for Certain Investments and for External Investment Pools*" and GASB Statement No. 72, "*Fair Value Measurement and Application*," the City records all its investments at fair value except for nonparticipating investment contracts which are reported at cost, which approximates fair value. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statements.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. See Note 5, "Cash, Cash Equivalents and Investments."

The City's investment in the State Treasury Asset Reserve of Ohio (STAR Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company and is recognized as an external investment pool by the City. The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value. For fiscal year 2017, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

## **CITY OF SPRINGBORO, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2017***

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

##### **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, 2017, 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.

##### **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 Position, but they are not reported in the Fund Financial Statements.

Contributed capital assets are recorded at acquisition 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.

# **CITY OF SPRINGBORO, OHIO**

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## ***Notes to the Basic Financial Statements For the Year Ended December 31, 2017***

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

#### **K. Capital Assets and Depreciation (Continued)**

##### **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 acquisition value at the date received. These assets are reported in both the Business-Type Activities column of the Government-wide Statement of Net Position 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:

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

#### **L. Long-Term Obligations**

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

Obligation	Fund
Special Assessment Bonds	Bond Retirement Fund
General Obligation Bonds	Bond Retirement Fund, Golf Course Fund and Water Fund.
Compensated Absences	General Fund, Street Maintenance and Repair Fund,
Net Pension Liability	Golf Course Fund, Water Fund, Sewer Fund, Trash Fund and Storm Water Fund
Mortgage Revenue Bonds	Sewer Fund

## **CITY OF SPRINGBORO, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2017***

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

##### **M. Bond Discounts/Premiums**

Bond discounts and premiums are 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, while premiums are presented as an increase in the face amount of the bonds payable.

##### **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.

For governmental funds, if a portion of unpaid compensated absences has matured as of year-end, it 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 position, "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 position**

Net position represents the difference between assets and liabilities and deferred outflows/inflows of resources. Net investment in capital assets 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. As disclosed in Note 18, the City is participating in a jointly governed organization related to the Austin Road Interchange and the City will not be responsible for maintaining any infrastructure improvements, therefore any debt (or any unspent debt proceeds) associated with this project is excluded from net investment in capital assets. Net position 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. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

## **CITY OF SPRINGBORO, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2017***

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

##### **P. Pensions**

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

##### **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.

##### **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, 2017.

## **CITY OF SPRINGBORO, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2017***

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

##### **S. Fund Balance**

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

*Nonspendable* – Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally contractually required to be maintained intact.

*Restricted* – Restricted fund balance consists of amounts that have constraints placed on them either externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the City to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

*Committed* – Committed fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City's highest level of decision making authority. For the City, these constraints consist of ordinances passed by City Council. Committed amounts cannot be used for any other purpose unless the City removes or changes the specified use by taking the same type of action (ordinance) it employed previously to commit those amounts.

*Assigned* – Assigned fund balance consists of amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The City Charter authorizes the Director of Finance to assign fund balance.

*Unassigned* – Unassigned fund balance consists of amounts that have not been restricted, committed or assigned to specific purposes within the General Fund as well as negative fund balances in all other governmental funds.

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

##### **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 and Construction Funds.

## **CITY OF SPRINGBORO, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2017***

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

##### **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 2017.

##### **W. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. For the City, deferred outflows of resources are reported for pension amounts (See Note 10) and also for deferred charges on the refunding of debt. The amounts are reported in the government-wide and proprietary statements of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. On the government-wide statement of net position and governmental funds balance sheet, property taxes that are intended to finance future fiscal periods are reported as deferred inflows. In addition, the governmental funds balance sheet reports deferred inflows which arise only under a modified accrual basis of accounting. Accordingly, the item, *unavailable amounts*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable amounts for property taxes, income taxes, special assessments, and state levied shared taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide and proprietary funds statement of net position. See Note 10.

## **CITY OF SPRINGBORO, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2017***

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#### **NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE**

For 2017, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 73, “Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68,” Statement No. 74, “Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans,” Statement No. 80, “Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14,” Statement No. 81, “Irrevocable Split-Interest Agreements,” and Statement No. 82, “Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73.”

GASB Statement No. 73 establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, Accounting and Financial Reporting for Pensions, as well as for the assets accumulated for purposes of providing those pensions.

GASB Statement No. 74 establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities.

GASB Statement No. 80 amends the blending requirements for the financial statement presentation of component units of all state and local governments.

GASB Statement No. 81 addresses irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement.

GASB Statement No. 82 addresses certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB Statements 67 and 68.

These changes were incorporated in the City’s 2017 financial statements; however, there was no effect on beginning net position/fund balance.

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**CITY OF SPRINGBORO, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2017**

**NOTE 3 – FUND BALANCE CLASSIFICATION**

Fund balance is classified as nonspendable, restricted, assigned and unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General	Debt Service	Construction	Income Tax Capital Improvement	Other Governmental Funds	Total Governmental Funds
<b>Nonspendable:</b>						
Prepaid Items	\$235,311	\$0	\$0	\$0	\$31,189	\$266,500
Supplies Inventory	39,788	0	0	0	123,645	163,433
<b>Total Nonspendable</b>	<b>275,099</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>154,834</b>	<b>429,933</b>
<b>Restricted:</b>						
Transportation Projects	0	0	0	0	1,217,173	1,217,173
Court Projects	0	0	0	0	199,604	199,604
Law Enforcement	0	0	0	0	202,784	202,784
TIF Projects	0	0	0	0	262,245	262,245
Debt Service	0	278,412	0	0	0	278,412
Capital Improvements	0	0	5,051,485	2,029,892	2,995,553	10,076,930
<b>Total Restricted</b>	<b>0</b>	<b>278,412</b>	<b>5,051,485</b>	<b>2,029,892</b>	<b>4,877,359</b>	<b>12,237,148</b>
<b>Assigned:</b>						
Projected budgetary deficit	1,034,274	0	0	0	0	1,034,274
Goods and Services	403,889	0	0	0	0	403,889
<b>Total Assigned</b>	<b>1,438,163</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,438,163</b>
Unassigned	6,419,752	0	0	0	0	6,419,752
<b>Total Fund Balances</b>	<b>\$8,133,014</b>	<b>\$278,412</b>	<b>\$5,051,485</b>	<b>\$2,029,892</b>	<b>\$5,032,193</b>	<b>\$20,524,996</b>

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## **CITY OF SPRINGBORO, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2017***

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#### **NOTE 4 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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 position 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	\$2,198,896
Depreciation Expense	(2,597,894)
	<u>(\$398,998)</u>

*Net effect of capital asset transactions:*

Loss on Disposal of Capital Asset	(\$19,614)
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*Governmental revenues not reported in the funds:*

Decrease in Delinquent Income Tax Revenue	(\$107,664)
Increase in Delinquent Property Tax	1,399
Increase in Intergovernmental, unrestricted	10,917
Decrease in Special Assessment Revenue	(145,902)
	<u>(\$241,250)</u>

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

Increase in Compensated Absences Payable	(\$34,146)
Decrease in supplies inventory	(782)
	<u>(\$34,928)</u>

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## **CITY OF SPRINGBORO, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2017***

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

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

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

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

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

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

## **CITY OF SPRINGBORO, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2017***

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

##### **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. The City has no policy on custodial credit risk and is governed by Ohio Revised Code. 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.

At year end the carrying amount of the City's deposits was \$6,979,317 and the bank balance was \$7,290,516. Federal deposit insurance covered \$533,569 of the bank balance and \$6,756,947 was uninsured. Of the remaining uninsured bank balance, the City was exposed to custodial risk as follows:

	Balance
Uninsured and collateralized with securities held by the pledging institution's trust department not in the City's name	<u>\$6,756,947</u>
Total Balance	<u><u>\$6,756,947</u></u>

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## **CITY OF SPRINGBORO, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2017***

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

##### **B. Investments**

The City's investments at December 31, 2017 were as follows:

	Measurement Amount	Credit Rating	Fair Value Hierarchy	Investment Maturities (in Years)		
				less than 1	1-3	3-5
Star Ohio	\$1,006,470	AAAm	N/A	\$1,006,470	\$0	\$0
Negotiable C/D's	6,342,584	AAA	Level 2	1,468,493	3,165,838	1,708,253
FHLB	3,648,503	AA+	Level 2	1,499,184	1,551,935	597,384
FHLMC	3,750,052	AA+	Level 2	1,101,585	2,648,467	0
FNMA	5,722,484	AA+	Level 2	1,708,382	4,014,102	0
FFCB	1,913,068	AA+	Level 2	1,002,402	910,666	0
Freddie Mac	543,984	AA+	Level 2	0	543,984	0
US Treasury Bills	1,160,821	A-1+	Level 2	1,160,821	0	0
US Treasury Notes	879,701	A-1+	Level 2	879,701	0	0
Total Investments	<u>\$24,967,667</u>			<u>\$9,827,038</u>	<u>\$12,834,992</u>	<u>\$2,305,637</u>

Credit Rating – Standard and Poor's

*Interest Rate Risk* – The Ohio Revised Code generally limits security purchases to those that mature within five years of settlement date. The City has no policy that limits investment purchases beyond the requirements of the Ohio Revised Code.

*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 4% are Star Ohio, 25.4% are Negotiable C/D's, 14.6% are FHLB, 15% are FHLMC, 22.9% are FNMA, 7.7% are FFCB, 2.2% are Freddie Mac, 4.7% are U.S. Treasury Bills and 3.5% are U.S. Treasury Notes.

*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.

## **CITY OF SPRINGBORO, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2017***

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#### **NOTE 6 - 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 2017 for real and public utility property taxes represents collections of 2016 taxes. Property tax payments received during 2017 for tangible personal property (other than public utility property) is for 2017 taxes.

2017 real property taxes are levied after October 1, 2017, on assessed value as of January 1, 2017, the lien date. Assessed values are established by State law at 35 percent of the appraised value. 2017 real property taxes are collected in and intended to finance 2017.

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. 2017 public utility property taxes became a lien December 31, 2016, are levied after October 1, 2017, and are collected in 2017 with real property taxes.

Tangible personal property tax revenue received during 2017 (other than public utility property tax) represents the collection of 2017 taxes levied against local inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, furniture and fixtures is no longer levied and collected. Tangible personal property taxes received from telephone companies in 2017 were levied after October 1, 2016, on the value as of December 31, 2016.

The full tax rate for all City operations for the year ended December 31, 2017, was \$1.11 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2017 property tax receipts were based are as follows: \$520,048,020 in real property assessed value and \$14,872,650 in public utility 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 2017, 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.

## **CITY OF SPRINGBORO, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2017***

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#### **NOTE 6 – TAXES (Continued)**

##### **A. Property Taxes (Continued)**

Property taxes receivable represents real property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2017 and for which there is an enforceable legal claim. In the General Fund and the Austin Center Municipal Public Improvement TIF Fund, the entire receivable has been offset by deferred inflows of resources since the current taxes were not levied to finance 2017 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 inflows of resources.

##### **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 2017 was \$13,272,536.

#### **NOTE 7 - RECEIVABLES**

Receivables at December 31, 2017 consisted of income taxes, property taxes, accounts, special assessments and intergovernmental receivables arising from shared revenues. All receivables are considered collectible in full.

## **CITY OF SPRINGBORO, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2017***

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#### **NOTE 8 - TRANSFERS**

Following is a summary of transfers in and out for all funds for 2017:

Fund	Transfer In	Transfer Out
General Fund	\$495,446	\$1,836,060
Debt Service Fund	3,248,925	0
Construction Fund	5,406,342	2,868,374
Income Tax Capital Improvement Fund	0	5,082,591
Other Governmental Funds	633,205	1,007,347
<b>Total Governmental Funds</b>	<b>9,783,918</b>	<b>10,794,372</b>
 Golf Course Fund	966,938	0
Water Fund	0	81,970
Sewer Fund	0	81,970
Storm Water Fund	207,456	0
<b>Total Proprietary Funds</b>	<b>1,174,394</b>	<b>163,940</b>
<b>Totals</b>	<b>\$10,958,312</b>	<b>\$10,958,312</b>

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.

Transfers into the General Fund from other governmental funds include a legally authorized transfer from the Austin JEDD Fund as well as a transfer of proceeds from the sale of land held for resale. Transfers out of the General Fund to the Other Governmental Funds was to cover street maintenance, the DARE program, general capital projects, vehicles, equipment and capital improvements to various parks; and the General Fund's share of the debt service for outstanding debt. Transfers out of the Income Tax Capital Improvement Fund to the Construction Fund, Golf Course Fund and Storm Water Fund were for vehicles, equipment, capital improvements and/or debt service on capital improvements within each of those funds. The transfers from the Water and Sewer Funds to the Debt Service fund were to cover a portion of the 2008 Various Purpose Bonds.

**CITY OF SPRINGBORO, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2017**

**NOTE 9 - CAPITAL ASSETS**

**A. Governmental Activities Capital Assets**

Summary by category of changes in governmental activities capital assets at December 31, 2017:

<i>Historical Cost:</i>	Balance at December 31, 2016	Additions	Deletions	Balance at December 31, 2017
Class				
<i>Non-depreciable Capital assets:</i>				
Land	\$17,685,652	\$0	\$0	\$17,685,652
Construction in Progress	6,712,910	781,465	(28,427)	7,465,948
Total Non-depreciable Capital assets	<u>24,398,562</u>	<u>781,465</u>	<u>(28,427)</u>	<u>25,151,600</u>
<i>Capital assets being depreciated:</i>				
Improvements	4,866,369	106,128	0	4,972,497
Infrastructure	45,305,013	590,605	(82,715)	45,812,903
Buildings	12,859,711	331,201	0	13,190,912
Machinery and Equipment	5,197,922	438,363	(93,720)	5,542,565
Total Depreciable Capital assets	<u>68,229,015</u>	<u>1,466,297</u>	<u>(176,435)</u>	<u>69,518,877</u>
Total Cost	<u><u>\$92,627,577</u></u>	<u><u>\$2,247,762</u></u>	<u><u>(\$204,862)</u></u>	<u><u>\$94,670,477</u></u>
<i>Accumulated Depreciation:</i>				
Class	Balance at December 31, 2016	Additions	Deletions	Balance at December 31, 2017
Improvements	(\$1,436,818)	(\$393,480)	\$0	(\$1,830,298)
Infrastructure	(26,240,761)	(1,463,659)	63,101	(27,641,319)
Buildings	(2,366,167)	(246,011)	0	(2,612,178)
Machinery and Equipment	(3,025,114)	(494,744)	73,281	(3,446,577)
Total Depreciation	<u><u>(\$33,068,860)</u></u>	<u><u>(\$2,597,894)</u></u> *	<u><u>\$136,382</u></u>	<u><u>(\$35,530,372)</u></u>
<i>Net Value:</i>	<u><u>\$59,558,717</u></u>			<u><u>\$59,140,105</u></u>

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

Security of Persons and Property	(\$216,774)
Leisure Time Activities	(211,934)
Community Environment	(26,315)
Transportation	(1,958,175)
General Government	(184,696)
Total Depreciation Expense	<u><u>(\$2,597,894)</u></u>

**CITY OF SPRINGBORO, OHIO**

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2017**

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**NOTE 9 - CAPITAL ASSETS (Continued)**

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

Summary by Category at December 31, 2017:

<i>Historical Cost:</i>	Balance at December 31, 2016	Additions	Deletions	Balance at December 31, 2017
Class				
<i>Non-depreciable Capital assets:</i>				
Land	\$8,685,240	\$0	\$0	\$8,685,240
Total Non-depreciable Capital Assets	<u>8,685,240</u>	<u>0</u>	<u>0</u>	<u>8,685,240</u>
<i>Capital assets being depreciated:</i>				
Buildings	3,848,637	0	0	3,848,637
Land Improvements	1,633,905	0	0	1,633,905
Infrastructure	90,066,044	828,717	(166,857)	90,727,904
Machinery and Equipment	3,363,048	87,680	(85,912)	3,364,816
Total Depreciable Capital assets	<u>98,911,634</u>	<u>916,397</u>	<u>(252,769)</u>	<u>99,575,262</u>
Total Cost	<u><u>\$107,596,874</u></u>	<u><u>\$916,397</u></u>	<u><u>(\$252,769)</u></u>	<u><u>\$108,260,502</u></u>
<i>Accumulated Depreciation:</i>				
Class	Balance at December 31, 2016	Additions	Deletions	Balance at December 31, 2017
Buildings	(\$2,113,440)	(\$97,741)	\$0	(\$2,211,181)
Land Improvements	(1,419,095)	(26,984)	0	(1,446,079)
Infrastructure	(22,054,884)	(1,380,818)	68,448	(23,367,254)
Machinery and Equipment	(1,954,159)	(221,876)	85,912	(2,090,123)
Total Depreciation	<u>(\$27,541,578)</u>	<u>(\$1,727,419)</u>	<u>\$154,360</u>	<u>(\$29,114,637)</u>
<i>Net Value:</i>	<u><u>\$80,055,296</u></u>			<u><u>\$79,145,865</u></u>

## **CITY OF SPRINGBORO, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2017***

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#### **NOTE 10 – DEFINED BENEFIT PENSION PLANS**

##### ***Net Pension Liability***

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

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

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

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

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

##### ***Plan Description – Ohio Public Employees Retirement System (OPERS)***

Plan Description - City employees other than full-time police participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

## **CITY OF SPRINGBORO, OHIO**

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### **Notes to the Basic Financial Statements For the Year Ended December 31, 2017**

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#### **NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

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## **CITY OF SPRINGBORO, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2017***

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#### **NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>State and Local</u>
<b>2017 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee	10.0 %
<b>2017 Actual Contribution Rates</b>	
Employer:	
Pension	13.0 %
Post-employment Health Care Benefits	<u>1.0</u>
Total Employer	<u><u>14.0 %</u></u>
Employee	<u><u>10.0 %</u></u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$438,624 for 2017.

## **CITY OF SPRINGBORO, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2017***

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#### **NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

##### ***Plan Description – Ohio Police & Fire Pension Fund (OPF)***

Plan Description - City full-time police participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OPF issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. The report may be obtained by visiting the OPF website at [www.op-f.org](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OPF may retire and receive a lifetime monthly pension. OPF offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to three percent of their base pension or disability benefit.

## **CITY OF SPRINGBORO, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2017***

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#### **NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

		<u>Police</u>
<b>2017 Statutory Maximum Contribution Rates</b>		
Employer		19.50 %
Employee:		
January 1, 2017 through December 31, 2017		12.25 %
<b>2017 Actual Contribution Rates</b>		
Employer:		
Pension		19.00 %
Post-employment Health Care Benefits		<u>0.50</u>
Total Employer		<u>19.50 %</u>
Employee:		
January 1, 2017 through December 31, 2017		12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$372,169 for 2017.

#### ***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

The net pension liability for OPERS was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2016, and was determined by rolling forward the total pension liability as of January 1, 2016, to December 31, 2016. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS	OP&F	Total
Proportionate Share of the Net Pension Liability	\$6,007,271	\$4,908,909	\$10,916,180
Proportion of the Net Pension Liability-2017	0.026454%	0.077502%	
Proportion of the Net Pension Liability-2016	<u>0.025022%</u>	<u>0.076945%</u>	
Percentage Change	<u>0.001432%</u>	<u>0.000557%</u>	
Pension Expense	\$1,540,771	\$612,549	\$2,153,320

## CITY OF SPRINGBORO, OHIO

### Notes to the Basic Financial Statements For the Year Ended December 31, 2017

#### NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS	OP&F	Total
<b>Deferred Outflows of Resources</b>			
Net difference between projected and actual earnings on pension plan investments	\$894,621	\$477,370	\$1,371,991
Changes in assumptions	952,827	0	952,827
Differences between expected and actual experience	8,142	1,389	9,531
City contributions subsequent to the measurement date	438,624	372,169	810,793
<b>Total Deferred Outflows of Resources</b>	<b>\$2,294,214</b>	<b>\$850,928</b>	<b>\$3,145,142</b>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$35,754	\$11,302	\$47,056
<b>Total Deferred Inflows of Resources</b>	<b>\$35,754</b>	<b>\$11,302</b>	<b>\$47,056</b>

\$810,793 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS	OP&F	Total
2018	\$750,649	\$181,154	\$931,803
2019	777,393	181,154	958,547
2020	318,019	137,894	455,913
2021	(26,225)	(32,534)	(58,759)
2022	0	(240)	(240)
2023	0	29	29
<b>Total</b>	<b>\$1,819,836</b>	<b>\$467,457</b>	<b>\$2,287,293</b>

#### Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

## **CITY OF SPRINGBORO, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2017***

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#### **NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	3 percent simple through 2018. 2.15 percent simple, thereafter
Investment Rate of Return	7.5 percent
Actuarial Cost Method	Individual Entry Age

Mortality rates are based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2016, OPERS managed investments in four investment portfolios: the Defined Benefit portfolio, the 401(h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The 401(h) Health Care Trust portfolio was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. The Defined Benefit portfolio historically included the assets of the Member-Directed retiree medical accounts funded through the VEBA Trust. However, the VEBA Trust was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio is 8.3% for 2016.

## **CITY OF SPRINGBORO, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2017***

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#### **NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2016 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>	
Fixed Income	23.00 %	2.75 %	
Domestic Equities	20.70	6.34	
Real Estate	10.00	4.75	
Private Equity	10.00	8.97	
International Equities	18.30	7.95	
Other investments	18.00	4.92	
<b>Total</b>	<b>100.00 %</b>	<b>5.66 %</b>	

***Discount Rate*** The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

***Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*** The following table presents the City's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.5 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.5 percent) or one-percentage-point higher (8.5 percent) than the current rate:

	<u>Current</u>		
	<u>1% Decrease</u> <u>(6.50%)</u>	<u>Discount Rate</u> <u>(7.50%)</u>	<u>1% Increase</u> <u>(8.50%)</u>
City's proportionate share of the net pension liability	\$9,177,446	\$6,007,271	\$3,365,487

## **CITY OF SPRINGBORO, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2017***

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#### **NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

##### ***Actuarial Assumptions – OPF***

OPF's total pension liability as of December 31, 2016 is based on the results of an actuarial valuation date of January 1, 2016, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2016, are presented below:

Valuation Date	January 1, 2016
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
Cost of Living Adjustments	2.60 percent and 3.00 percent

Rates of death are based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

The most recent experience study was completed January 1, 2012.

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

***Changes Between Measurement Date and Report Date*** - In October 2017, the OP&F Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of January 1, 2017. The most significant change is a reduction in the discount rate from 8.25% to 8.00%. Although the exact amount of these changes is not known, it has the potential to impact to the City's net pension liability.

## CITY OF SPRINGBORO, OHIO

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### **Notes to the Basic Financial Statements For the Year Ended December 31, 2017**

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#### **NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2016 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	16.00	5.21
Non-US Equity	16.00	5.40
Core Fixed Income *	20.00	2.37
Global Inflation Protected *	20.00	2.33
High Yield	15.00	4.48
Real Estate	12.00	5.65
Private Markets	8.00	7.99
Real Assets	5.00	6.87
Master Limited Partnerships	8.00	7.36
Total	<u>120.00 %</u>	

\* levered 2x

OPF's Board of Trustees has incorporated the "risk parity" concept into OPF's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

**Discount Rate** The total pension liability was calculated using the discount rate of 8.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.25 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25 percent), or one percentage point higher (9.25 percent) than the current rate.

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$6,538,083	\$4,908,909	\$3,528,159

## **CITY OF SPRINGBORO, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2017***

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#### **NOTE 11 - POSTEMPLOYMENT BENEFITS**

##### **A. Ohio Public Employees Retirement System (“OPERS”)**

Plan Description – OPERS administers three separate pension plans: the Traditional Pension Plan – a cost-sharing, multiple-employer defined benefit pension plan; the Member directed Plan – a defined contribution plan; and the Combined Plan – a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined plans. This trust is also used to fund health care for Member Directed Plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, Member-Directed Plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45. Please see the Plan Statement in the OPERS 2016 CAFR for details.

The ORC permits, but does not mandate, OPERS to provide OPEB benefits to its eligible benefit recipients. Authority to establish and amend benefits is provided in Chapter 145 of the ORC.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml#CAFR>, by making a written request to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

Funding Policy – The ORC provides the statutory authority requiring public employers to fund post retirement health care coverage through their contributions to OPERS. A portion of each employer’s contribution to OPERS may be set aside for the funding of post retirement health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2017, local government employers contributed at a rate of 14.00% of covered payroll. The ORC currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for local government employers. Active members do not make contributions to the OPEB plan.

## **CITY OF SPRINGBORO, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2017***

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#### **NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)**

##### **A. Ohio Public Employees Retirement System (“OPERS”) (Continued)**

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0% during calendar year 2017. As recommended by OPERS’ actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0.0% for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited for Member-Directed Plan participants for 2017 was 4.0%.

The City's contributions for health care to the OPERS for the years ending December 31, 2017, 2016, and 2015 were \$31,330, \$77,552 and \$69,654, respectively, which were equal to the required contributions for each year.

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

Plan Description – The City contributes to the OP&F sponsored health care program, a cost-sharing multiple-employer defined postemployment health care plan administered by OP&F. OP&F provides health care benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45.

The ORC permits, but does not mandate, OP&F to provide OPEB benefits. Authority to establish and amend benefits is provided in Chapter 742 of the ORC.

OP&F issues a stand-alone financial report that includes financial information and required supplementary information for the plan. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164. That report is also available on OP&F’s website at [www.op-f.org](http://www.op-f.org).

Funding Policy – The ORC provides for contribution requirements of the participating employers and of plan members to the OP&F. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5% of covered payroll for police. The ORC states that the employer contribution may not exceed 19.5% of covered payroll for police employer units. Active members do not make contributions to the OPEB Plan.

## **CITY OF SPRINGBORO, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2017***

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#### **NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)**

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

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS code Section 115 trust and one for Medicare Part B reimbursements administrated as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2017, the portion of employer contributions allocated to health care was 0.5% of covered payroll for police officers. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h). The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions for health care to the OP&F for the years ended December 31, 2017, 2016, and 2015 were \$9,543, \$8,496 and \$8,663 for police, which were equal to the required contributions for each year.

#### **NOTE 12 - COMPENSATED ABSENCES**

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

At December 31, 2017, the City's accumulated, unpaid compensated absences amounted to \$751,366, of which \$599,132 is recorded as a liability of the Governmental Activities and \$152,234 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 Position.

**CITY OF SPRINGBORO, OHIO**

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2017**

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**NOTE 13 - LONG-TERM OBLIGATIONS**

Long-term debt and other long-term obligations of the City at December 31, 2017 were as follows:

	Balance			Balance December 31, 2017	Amount Due Within One Year
	December 31, 2016	Issued	(Retired)		
<b>Business Type-Activities:</b>					
General Obligation Bonds:					
1.00 - 3.65% Golf Course Refunding	2010	\$1,590,000	\$0	(\$245,000)	\$1,345,000
3.00 - 5.00% Water Capital Refunding Bond	2008	5,720,000	0	(4,980,000)	740,000
Premium on Refunding Bond	2008	129,390	0	(129,390)	0
2.00 - 5.00% Water Refunding Bond	2017	0	4,300,000	(70,000)	4,230,000
Premium on Refunding Bond	2017	0	331,229	(47,318)	283,911
Total General Obligation Bonds		<u>7,439,390</u>	<u>4,631,229</u>	<u>(5,471,708)</u>	<u>6,598,911</u>
Mortgage Revenue Bonds:					
1.50 - 2.50% Sewer Refunding - 1997 Issue	2011	610,000	0	(300,000)	310,000
2.00 - 5.00% Sewer Refunding - 2004 Issue	2012	9,530,000	0	(705,000)	8,825,000
2.00 - 5.00% Premium on Sewer Funding - 2004	2012	849,602	0	(77,236)	772,366
Total Mortgage Revenue Bonds		<u>10,989,602</u>	<u>0</u>	<u>(1,082,236)</u>	<u>9,907,366</u>
Net Pension Liability:					
Ohio Public Employers Retirement System		1,954,083	669,039	0	2,623,122
Compensated Absences Payable		<u>163,000</u>	<u>152,234</u>	<u>(163,000)</u>	<u>152,234</u>
Total Business-Type Activity Long-Term Liabilities		<u>\$20,546,075</u>	<u>\$5,452,502</u>	<u>(\$6,716,944)</u>	<u>\$19,281,633</u>
					<u>\$2,171,199</u>

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**CITY OF SPRINGBORO, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2017**

**NOTE 13 - LONG-TERM OBLIGATIONS (Continued)**

		Balance December 31, 2016	Issued	(Retired)	Balance December 31, 2017	Amount Due Within One Year
<b>Governmental Activities:</b>						
Special Assessment Bonds:						
4.200 - 5.600% Commercial Way	1997	\$45,000	\$0	(\$45,000)	\$0	\$0
1.500 - 5.350% Various Purpose	2003	850,000	0	(850,000)	0	0
2.000 - 5.000% Various Purpose Refunding	2017	0	830,000	(80,000)	750,000	115,000
Premium on Refunding	2017	0	52,316	(7,474)	44,842	7,474
Total Special Assessment Bonds (with Governmental Commitment)		895,000	882,316	(982,474)	794,842	122,474
Unvoted General Obligation Bonds:						
4.500 - 6.000% South Main St. Improvement	1997	20,000	0	(20,000)	0	0
3.000 - 5.000% Street Paving Projects	2008	225,000	0	(110,000)	115,000	115,000
3.000 - 5.000% Street Reconstruction	2008	675,000	0	(330,000)	345,000	345,000
3.000 - 5.000% Municipal Building	2008	2,660,000	0	(2,315,000)	345,000	345,000
3.000 - 5.000% Refunding Bonds	2008	185,000	0	(60,000)	125,000	60,000
2.000 - 5.000% Austin Road Interchange Bonds	2010	3,470,000	0	(145,000)	3,325,000	150,000
2.000 - 5.000% Municipal Building Refunding	2017	0	2,005,000	(35,000)	1,970,000	5,000
2.000 - 5.000% Street Improvement Bonds	2017	0	1,370,000	(80,000)	1,290,000	125,000
Premium on Bonds		84,597	229,201	(101,260)	212,538	41,128
Total General Obligation Bonds		7,319,597	3,604,201	(3,196,260)	7,727,538	1,186,128
Net Pension Liability:						
Ohio Public Employees Retirement System		2,380,074	1,004,075	0	3,384,149	0
Ohio Police and Fire Pension Fund		4,949,952	(41,043)	0	4,908,909	0
Total Net Pension Liability		7,330,026	963,032	0	8,293,058	0
General Obligation Note Payable		7,300,000	6,050,000	(7,300,000)	6,050,000	6,050,000
Compensated Absences Payable		564,986	599,132	(564,986)	599,132	65,762
Total Governmental Activity Long-Term Liabilities		\$23,409,609	\$12,098,681	(\$12,043,720)	\$23,464,570	\$7,424,364

The principal amount of the City's special assessment bonds outstanding at December 31, 2017, \$750,000, 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. Delinquent special assessments related to outstanding special assessment bonded debt at year end was \$13,900.

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## **CITY OF SPRINGBORO, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2017***

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#### **NOTE 13 - LONG-TERM OBLIGATIONS (Continued)**

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

The City's future long-term obligation funding requirements, including principal and interest payments as of December 31, 2017, follow:

Years	General Obligation Bonds			
	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2018	\$1,145,000	\$298,715	\$1,000,000	\$231,985
2019	720,000	245,365	1,045,000	187,285
2020	685,000	211,765	1,095,000	139,585
2021	700,000	195,590	1,120,000	113,905
2022	730,000	167,590	1,160,000	70,365
2023-2027	2,025,000	537,153	895,000	40,275
2028-2032	1,230,000	234,000	0	0
2033	280,000	12,600	0	0
Totals	<u>\$7,515,000</u>	<u>\$1,902,778</u>	<u>\$6,315,000</u>	<u>\$783,400</u>
Years	Special Assessment Bonds		Mortgage Revenue Bonds	
	Principal	Interest	Principal	Interest
2018	\$115,000	\$24,800	\$1,030,000	\$376,875
2019	120,000	22,500	750,000	339,850
2020	125,000	16,500	785,000	301,475
2021	125,000	14,000	825,000	261,225
2022	130,000	9,000	870,000	223,200
2023-2027	135,000	6,075	4,875,000	424,850
Totals	<u>\$750,000</u>	<u>\$92,875</u>	<u>\$9,135,000</u>	<u>\$1,927,475</u>

##### **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, 2017, \$1,495,000 of bonds outstanding are considered defeased.

## **CITY OF SPRINGBORO, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2017***

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#### **NOTE 13 - LONG-TERM OBLIGATIONS (Continued)**

##### **B. Defeased Debt (Continued)**

In September 2008, the City partially refunded \$515,000 of General Obligation Bonds for Various Purpose 1999, through the issuance of \$535,000 of General Obligation Bonds. The refunded bonds, which have an outstanding balance of \$125,000 at December 31, 2017, are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

In September 2008, the City refunded \$10,570,000 of Mortgage Revenue Bonds for Water 1997, through the issuance of \$10,630,000 of General Obligation Bonds. The refunded bonds, which have an outstanding balance of \$5,140,000 at December 31, 2017, are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

In March 2010, the City refunded \$3,060,000 of General Obligation Bonds for Golf Course Refunding 1999, through the issuance of \$3,200,000 of General Obligation Bonds. The refunded bonds, which have an outstanding balance of \$1,425,000 at December 31, 2017, are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

In April 2012, the City partially refunded \$10,245,000 of Mortgage Revenue Bonds for Sewer Improvements 2004, through the issuance of \$10,295,000 of Mortgage Revenue Bonds. The refunded bonds, which have an outstanding balance of \$8,910,000 at December 31, 2017, are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

In March 2017, the City refunded \$850,000 of Special Assessment Bonds for Various Purposes 2003, through the issuance of \$830,000 of Special Assessment Bonds. The refunded bonds, were called and paid off May 15, 2017. The City reduced its aggregate debt service payments over the life of the refunded bonds by \$96,081 and obtained an economic gain (difference between the present values of the old and new debt service payments) of \$93,429.

In March 2017, the City partially refunded \$4,265,000 of General Obligation Bonds for Water Capital Refunding 2008, through the issuance of \$4,300,000 of Water Refunding Bonds. The refunded bonds, which have an outstanding balance of \$4,265,000 at December 31, 2017, are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding. The City reduced its aggregate debt service payments over the life of the refunded bonds by \$436,625 and obtained an economic gain (difference between the present values of the old and new debt service payments) of \$249,270.

## **CITY OF SPRINGBORO, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2017***

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#### **NOTE 13 - LONG-TERM OBLIGATIONS** (Continued)

##### **B. Defeased Debt** (Continued)

In March 2017, the City partially refunded \$1,985,000 of General Obligation Bonds for Municipal Building 2008, through the issuance of \$2,050,000 of Municipal Building Refunding Bonds. The refunded bonds, which have an outstanding balance of \$1,985,000 at December 31, 2017, are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding. The City reduced its aggregate debt service payments over the life of the refunded bonds by \$202,188 and obtained an economic gain (difference between the present values of the old and new debt service payments) of \$116,032.

#### **NOTE 14 – COOPERATIVE AGREEMENT**

The City entered into a cooperative agreement in September of 2016 with the Warren County Port Authority and Brothers Trading Company, Inc. (Developer). The City determined it is in the best interest of the City and its residents to provide an incentive to the Developer to induce the Developer to expand its operations in the City by constructing, equipping and operating a new two-hundred fifty-five (255,000) square foot warehouse and distribution facility in the City, that would provide an additional 127 employees with an estimated payroll of \$2.5 million.

The Port Authority issued \$600,000 in notes to finance the project. The note was repaid by the City to the Port Authority, in 2017, from revenues derived by the project (income and property taxes).

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## **CITY OF SPRINGBORO, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2017***

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#### **NOTE 15 - 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 2017 the City contracted with several different insurance providers for various insurance coverages, as follows:

Type of Coverage	Liability Limits	Deductible
Property	\$84,902,675	\$5,000
Crime	250,000	2,500
Inland Marine	2,366,001	1,000
General Liability	10,000,000	0
Employee Benefits Liability	8,000,000	1,000
Employers Liability	8,000,000	0
Automobile Liability	8,000,000	0
Public Officials Liability	9,000,000	2,500
Police Liability	9,000,000	2,500
Employment Practices Liability	9,000,000	2,500

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 2017, the City participated in the Ohio Municipal League of Ohio Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (see Note 17). 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 Comp Management, Inc. 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.

## **CITY OF SPRINGBORO, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2017***

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#### **NOTE 16 - CONTRACTUAL COMMITMENTS**

As of December 31, 2017, the City had the following significant contractual commitments:

Project	Remaining Contractual Commitment
Hazel Woods Park Development	\$377,322
Bank Stabilization - Heatherwoode Golf Club	142,100
Tamarack Hills/Royal Oaks Catch Basin	110,281
Tamarack Hills/Royal Oaks Water Main	100,746
Total	<u><u>\$730,449</u></u>

#### **NOTE 17 – 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.

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## **CITY OF SPRINGBORO, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2017***

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#### **NOTE 18 – JOINTLY GOVERNED ORGANIZATIONS**

During 2017, the City participated in the Warren County General Health District, the Greater Warren County Drug Task Force, Miami Valley Regional Planning Commission, the Montgomery County Transportation Improvement District and the Warren County Transportation Improvement District, 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 2017 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 of 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. Any information requests should be directed to P.O. Box 898, Lebanon, Ohio 45036.

##### **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. Any information requests should be directed to One South Main St., Suite 260, Dayton, OH 45402.

##### **Montgomery County Transportation Improvement District**

The City is a participant in the Montgomery County Transportation Improvement District (the District), a statutorily created political subdivision created for the purpose of financing, constructing, maintaining, repairing and operating selected transportation projects. The District is a jointly governed entity administered by a Board of Directors that acts as a legislative body and is comprised of seven board members, of whom five are voting and two are non-voting appointed by Montgomery County and State governments. Of the seven, three are elected as officers of the District.

## **CITY OF SPRINGBORO, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2017***

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#### **NOTE 18 – JOINTLY GOVERNED ORGANIZATIONS (Continued)**

The City entered into a cooperative agreement with the District on December 15, 2005 which was amended on July 21, 2010 and includes Miami Township, the City of Miamisburg, and the Miamisburg City School District related to the Austin Road Interchange Project. This project is intended to enhance and facilitate traffic flow in the southern portion of Montgomery County and further simulate development of real property in the hope of expanding the employment base in the area. Each entity has agreed to borrow their predetermined respective sum as collateral for the District borrowing monies from the State Infrastructure Bank or from any other appropriate sources in an amount to pay their respective portion of the costs to be incurred for the Austin Road Interchange Project.

On July 30, 2010 the District issued \$20,335,000 Austin Road Interchange Bonds, Series 2010. These 33 year bonds were used for repayment of the note, cost of issuance of the bonds and new money for right-of-way acquisition. The responsibilities for repayment of these bonds is governed by each participating entity in the Austin Road Interchange Project and were allocated to Miami Township of \$11,520,000, City of Miamisburg of \$4,580,000, and the City of Springboro of \$4,235,000. Repayment of the City of Springboro's bonds are collateralized by Tax Increment Financing and full faith and credit of the City. Any information requests should be directed to Steve Stanley, (937) 226-8240, 451 W Third Street, Dayton, OH 45422.

#### Warren County Transportation Improvement District

The City is a participant in the Warren County Transportation Improvement District (the WCTID), a statutorily created political subdivision created for the purpose of financing, constructing, maintaining, repairing and operating selected transportation projects. The WCTID is a jointly governed entity administered by a Board of Directors that acts as a legislative body and is comprised of seven board members, of whom five are voting and two are non-voting appointed by Warren County and State governments. Of the seven, three are elected from the voting members as officers of the WCTID.

The City entered into an intergovernmental agreement with the WCTID on August 23, 2013, which was amended on December 4, 2015 related to the SR73/SR741 Intersection Improvement Project. The WCTID will act as the project manager for the intersection project in order to facilitate the property acquisitions and the construction of the project which began in 2015 and should be completed in 2019.

## **CITY OF SPRINGBORO, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2017***

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#### **NOTE 19 – RELATED ORGANIZATION**

The Springboro Friends and Family Fund (the Fund) was incorporated on August 6, 2007 and was created to promote a spirit of good fellowship among the members, their families and dependents, and to assist others during time of health related distress. All permanent full-time employees and permanent part-time employees of the City of Springboro shall be eligible for membership in the Fund as of the date of their hiring.

The Fund shall have a Board of Directors consisting of 5 members. Three members shall be employees of the City of Springboro and two members shall be of the general public at large. The Board of Directors shall have general control over business and activities of the Fund and shall approve all requests for benefits. Although the Fund was created to benefit all employees of the City of Springboro, the City of Springboro does not have an ability to impose its will over the Fund, is not responsible for approving the Fund's annual budget, or would be responsible for any debt issued or outstanding during the course of its existence. Finally, in the event the Fund is dissolved any funds shall be remitted to the Hospice of Dayton in accordance with the Fund's by-laws.

Any requests for information should be directed to Ryan Michel, President, 220 East Mill St, Springboro, OH 45066.

#### **NOTE 20 – SUBSEQUENT EVENT**

On January 25, 2018, the City issued general obligation bond anticipation notes in the amount of \$6,050,000 for the SR73/SR741 intersection improvements and site development improvements. This was to retire notes previously issued. The notes have an interest rate of 3.0 percent and mature on January 24, 2019. The Warren County Transportation Improvement District is managing this project for the City. The note was for right-of-way acquisition, utility relocation, management fee and construction costs.

## **CITY OF SPRINGBORO, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2017***

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#### **NOTE 21 – SIGNIFICANT ENCUMBRANCES**

At December 31, 2017 the City had the following significant encumbrances outstanding:

Fund	Total Encumbrances	Significant Encumbrances	Explanation
<b>Major Funds:</b>			
Construction	\$ 925,240	\$ 276,780 85,834 195,400 200,000	Street Resurfacing/Concrete Work Sidewalk Installation and Improvements City Wide General Improvements Sparc N Go at Clearcreek Park
Golf Course	96,535	0	None Significant
Water	738,407	129,329 305,798	Water Plant Operations Contract Water Facility Repairs
Sewer	784,892	323,862 300,536	Sewer Plant Operations Contract Sewer Facility Repairs
Storm Water	410,513	388,100	Retaining Wall/Bank Stabilization
<b>All Nonmajor Funds</b>			
	371,796	117,634 97,611	TIF Payment to Miamisburg City Schools Health Insurance Premiums

## **CITY OF SPRINGBORO, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2017***

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#### **NOTE 22 – TAX ABATEMENT DISCLOSURES**

As of December 31, 2017, the City of Springboro provides tax incentives under the Community Reinvestment Area (CRA) program.

#### **Real Estate Tax Abatements**

Pursuant to Ohio Revised Code Chapter 5709, the City established a Community Reinvestment Area in 1981, which included all commercial and industrial land within the boundaries of the City of Springboro. The City of Springboro authorizes incentives based upon each businesses investment criteria, and through a contractual application process with each business, including proof that the improvements have been made. The abatement equals an agreed upon percentage of the additional property tax resulting from the increase in assessed value as a result of the improvements. The amount of the abatement is deducted from the recipient's property tax bill. The establishment of the CRA gave the City the ability to maintain and expand businesses located in the City and create new jobs by abating or reducing assessed valuation of properties, resulting in abated taxes, from new or improved business real estate.

The City of Springboro also has an agreement with the Springboro Community City School District, Franklin City School District, Miamisburg City School District and Warren County Career Center for payments in lieu of taxes when required by Section 5709.82 of the Ohio Revised Code.

#### **Incentive Criteria for Decision Making**

The City of Springboro has offered **Community Reinvestment Act** (CRA) abatements to various businesses based upon substantial project investment in the City. The City considers projects that have at least a payroll of \$1,000,000 dollars annually. There have been a few CRA tax abatement transactions in the past that were less than the criteria above, however, these projects rehabilitated some areas of the City needing improvement with such success.

Below is the information relevant to the disclosure of those programs for the year ended December 31, 2017:

<u>Tax Abatement Program</u>	<u>Total Amount of Taxes Abated for the Year 2017 (In Actual Dollars)</u>
Community Reinvestment Act (CRA)	
Commercial	\$113,296
Industrial	<u>364,224</u>
	<u><u>\$477,520</u></u>

## **CITY OF SPRINGBORO, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2017***

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#### **NOTE 22 – TAX ABATEMENT DISCLOSURES (Continued)**

The City of Springboro and the Springboro Community City School District, Franklin City School District, Miamisburg City School District and Warren County Career Center, in line with section 5709.82 of the Ohio Revised Code, have created a Community Reinvestment Area (CRA) Compensation Agreement. This agreement requires municipal income tax sharing with the School Districts, when new income tax collections exceed \$1,000,000 dollars for a project granted a CRA abatement. The agreement with Springboro Community City School District and Franklin City School District reimburses those school districts 90 percent of one-third of the municipal income tax revenue. In those same agreements, the Warren County Career Center is reimbursed 10 percent of one-third of the municipal income tax revenue. The agreement with Miamisburg City School District reimburses that school district 50 percent of the municipal income tax revenue.

The following are the required amounts of income tax dollars paid by the City to each School District in 2017:

<u>Springboro City School District</u>		
Commercial	90% of 1/3 Municipal Income Tax Revenue	\$9,578
<u>Franklin City School District</u>		
Industrial	90% of 1/3 Municipal Income Tax Revenue	\$89,376
<u>Miamisburg City School District</u>		
Commercial	50% of Municipal Income Tax Revenue	\$83,743
<u>Warren County Career Center</u>		
Commercial	10% of Municipal Income Tax Revenue	\$1,064
Industrial	10% of Municipal Income Tax Revenue	<u>9,931</u>
		<u><u>\$10,995</u></u>

#### **NOTE 23 – CITY OF SPRINGBORO COMMUNITY IMPROVEMENT CORPORATION (CIC)**

##### *Summary of Significant Accounting Policies*

###### Organization

The Community Improvement Corporation of Springboro (“CIC” or “the Organization”) is a non- profit organization incorporated in Ohio on March 30, 1989 by resolution from the City of Springboro, Ohio. The Organization was established as a “community improvement corporation”, as set forth in the Ohio Revised Code. The Board of Directors consist of no less than three and no more than five board members as determined by the City of Springboro.

The CIC was created to serve the business community of Springboro. The CIC's responsibilities include providing financial resources and assistance for development that benefits the business community. Due to the variable nature of local development, the CIC consistently seeks potential projects that support its identified core principles of maintaining a functioning CIC, supporting the business community, developing or maintaining local infrastructure, and encouraging stability and vitality within the region.

## **CITY OF SPRINGBORO, OHIO**

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### ***Notes to the Basic Financial Statements For the Year Ended December 31, 2017***

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#### **NOTE 23 – CITY OF SPRINGBORO COMMUNITY IMPROVEMENT CORPORATION (CIC)** (Continued)

##### Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net position and revenues and expenses are classified based on the existence or absence of imposed restrictions. Accordingly, net position of the CIC is classified as unrestricted net position because it is not subject to imposed stipulations.

##### Cash and Cash Equivalents

During the calendar year 2017, the CIC's cash in an interest bearing account is considered to be cash equivalents. The CIC had no investments.

##### Income Taxes

The CIC is a non-profit entity exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in these financial statements.

##### Fin 48- Accounting for Uncertain Tax Positions

The CIC may file income tax returns and information returns in the US Federal jurisdiction and various state and local jurisdictions. The CIC is no longer subject to US Federal income tax examination by authorities for the years prior to 2007. With respect to state and local jurisdictions the CIC is no longer subject to income tax examinations prior to 2007. In the normal course of business, the CIC is subject to examination by various taxing authorities. Although the outcome of tax audits is always uncertain, the CIC believes that there are no significant unrecognized tax liabilities as of December 31, 2017.

*CITY OF SPRINGBORO, OHIO*

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***R*EQ*U*IRE*D* *S*UPPL*E*MENTAL *I*NFORMATION**

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## **CITY OF SPRINGBORO, OHIO**

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### ***Schedule of the City's Proportionate Share of the Net Pension Liability Last Four Years***

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#### **Ohio Public Employees Retirement System**

Fiscal Year	2013	2014	2015	2016
City's proportion of the net pension liability	0.022048%	0.022048%	0.025022%	0.026454%
City's proportionate share of the net pension liability	\$2,599,172	\$2,659,236	\$4,334,157	\$6,007,271
City's covered-employee payroll	\$2,938,923	\$2,762,517	\$3,128,433	\$3,576,317
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	88.44%	96.26%	138.54%	167.97%
Plan fiduciary net position as a percentage of the total pension liability	86.36%	86.45%	81.08%	77.25%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

#### **Ohio Police and Fire Pension Fund**

Fiscal Year	2013	2014	2015	2016
City's proportion of the net pension liability	0.077251%	0.077251%	0.076945%	0.077502%
City's proportionate share of the net pension liability	\$3,762,361	\$4,001,919	\$4,949,952	\$4,908,909
City's covered-employee payroll	\$1,629,956	\$1,703,247	\$1,732,632	\$1,702,937
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	230.83%	234.96%	285.69%	288.26%
Plan fiduciary net position as a percentage of the total pension liability	73.00%	72.20%	66.77%	68.36%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 68 in 2015.

Information prior to 2013 is not available.

The schedule is reported as of the measurement date of the Net Pension Liability.

## **CITY OF SPRINGBORO, OHIO**

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### ***Schedule of City Contributions Last Five Years***

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#### **Ohio Public Employees Retirement System**

Fiscal Year	2013	2014	2015	2016	2017
Contractually required contribution	\$382,060	\$331,502	\$375,412	\$429,158	\$438,624
Contributions in relation to the contractually required contribution	<u>382,060</u>	<u>331,502</u>	<u>375,412</u>	<u>429,158</u>	<u>438,624</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered-employee payroll	\$2,938,923	\$2,762,517	\$3,128,433	\$3,576,317	\$3,374,031
Contributions as a percentage of covered-employee payroll	13.00%	12.00%	12.00%	12.00%	13.00%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

#### **Ohio Police and Fire Pension Fund**

Fiscal Year	2013	2014	2015	2016	2017
Contractually required contribution	\$259,652	\$323,617	\$329,200	\$323,558	\$372,169
Contributions in relation to the contractually required contribution	<u>259,652</u>	<u>323,617</u>	<u>329,200</u>	<u>323,558</u>	<u>372,169</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered-employee payroll	\$1,629,956	\$1,703,247	\$1,732,632	\$1,702,937	\$1,958,784
Contributions as a percentage of covered-employee payroll	15.93%	19.00%	19.00%	19.00%	19.00%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 68 in 2015.

Information prior to 2013 is not available.

## **CITY OF SPRINGBORO, OHIO**

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### ***Notes to the Required Supplemental Information For the Year Ended December 31, 2017***

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#### **OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)**

There were no recent significant changes of benefit terms, investment policies, the size or composition of the population covered by the benefit terms impacting the actuarial valuation study for the year ended December 31, 2016.

In 2016, a five-year experience study was completed on the period January 1, 2011 through December 31, 2015. The Board adopted changes to both the demographic and economic assumptions as a result of the study. The most notable change in demographic assumptions is an increased life expectancy of the members and the most notable change in economic assumptions is the reduction in the actuarially assumed rate of return from 8.00% down to 7.50% for the defined benefit investments. The new assumptions are included in the 2016 actuarial valuation.

In 2016, OPERS, in conjunction with the Board's investment consultants, also completed and asset liability study. Periodically, the System engages in a more comprehensive study that examines the nature of the pension liabilities the plan will ultimately pay and the characteristics of the asset allocation projections and the associated level of risk. As a result of this study, OPERS modified the asset allocation slightly, but not substantively.

#### **OHIO POLICE AND FIRE (OP&F) PENSION FUND**

In October 2017, the OPF Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of January 1, 2017. The most significant change is a reduction in the discount rate from 8.25 percent to 8.0 percent. Although the exact amount of these changes is not known, the impact to the City's net pension liability is expected to be significant.

*COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES*

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

## **CITY OF SPRINGBORO, OHIO**

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### ***Nonmajor Governmental Funds***

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#### ***Special Revenue Funds***

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Special Revenue funds are used to account for the proceeds of specific revenue sources (other than amounts relating to 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 payments in lieu of taxes from Montgomery County for properties within the Austin TIF area to be used for repayment of the Austin Road Interchange Bonds and payments to the Miamisburg City School District as required per the Cooperative Agreement.

## **CITY OF SPRINGBORO, OHIO**

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### ***Special Revenue Funds***

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#### **Austin JEDD Fund**

To account for the City's portion of income tax revenue distributed from the Austin JEDD and expensed for maintenance and improvements to the Austin JEDD area, as required by the Austin Center JEDD Contract.

#### **South Tech Public Improvement TIF Fund**

To account for payments in lieu of taxes from Warren County for properties within the South Tech TIF area to be used for repayment of the South Tech Street Improvement Bond Anticipation Note and payments to the Springboro Community City School District as required per the Cooperative Agreement.

#### **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 Funds***

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

#### **Permanent Improvement Fund**

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

#### **Land Acquisition Fund**

To account for purchase of land for City use or for land held for resale. (This fund only exists on a GAAP basis and is not part of the City's appropriated budget, therefore no budgetary schedule is presented)

**CITY OF SPRINGBORO, OHIO**

**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2017**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 1,771,645	\$ 683,080	\$ 2,454,725
Receivables:			
Taxes	220,000	0	220,000
Accounts	4,216	0	4,216
Intergovernmental	480,337	0	480,337
Inventory of Supplies, at Cost	123,645	0	123,645
Prepaid Items	31,189	0	31,189
Assets Held for Resale	0	2,312,473	2,312,473
<b>Total Assets</b>	<b>\$ 2,631,032</b>	<b>\$ 2,995,553</b>	<b>\$ 5,626,585</b>
<b>Liabilities:</b>			
Accounts Payable	\$ 16,979	\$ 0	\$ 16,979
Accrued Wages and Benefits Payable	24,019	0	24,019
Intergovernmental Payable	13,227	0	13,227
<b>Total Liabilities</b>	<b>\$ 54,225</b>	<b>\$ 0</b>	<b>\$ 54,225</b>
<b>Deferred Inflows of Resources:</b>			
Property Tax Levy for Next Fiscal Year	220,000	0	220,000
Unavailable Amounts	320,167	0	320,167
<b>Total Deferred Inflows of Resources</b>	<b>\$ 540,167</b>	<b>\$ 0</b>	<b>\$ 540,167</b>
<b>Fund Balances:</b>			
Nonspendable	154,834	0	154,834
Restricted	1,881,806	2,995,553	4,877,359
<b>Total Fund Balances</b>	<b>\$ 2,036,640</b>	<b>\$ 2,995,553</b>	<b>\$ 5,032,193</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 2,631,032</b>	<b>\$ 2,995,553</b>	<b>\$ 5,626,585</b>

**CITY OF SPRINGBORO, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2017**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>			
Property and Other Taxes	\$ 0	\$ 270,001	\$ 270,001
Payment in Lieu of Taxes	175,264	0	175,264
Intergovernmental Revenues	1,201,130	47,456	1,248,586
Fines, Licenses and Permits	26,678	97,070	123,748
Investment Earnings	7,442	0	7,442
Donations	1,200	0	1,200
All Other Revenue	96,638	12,710	109,348
<b>Total Revenue</b>	<b>1,508,352</b>	<b>427,237</b>	<b>1,935,589</b>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property	168,447	0	168,447
Transportation	913,025	0	913,025
General Government	24,540	800	25,340
Capital Outlay	0	647,778	647,778
Debt Service:			
Principal Retirement	1,500,000	0	1,500,000
Interest and Fiscal Charges	22,500	0	22,500
<b>Total Expenditures</b>	<b>2,628,512</b>	<b>648,578</b>	<b>3,277,090</b>
Excess (Deficiency) of Revenues			
Over Expenditures	(1,120,160)	(221,341)	(1,341,501)
<b>Other Financing Sources (Uses):</b>			
General Obligation Bonds Issued	1,370,000	0	1,370,000
Transfers In	380,003	253,202	633,205
Transfers Out	(849,200)	(158,147)	(1,007,347)
Sale of Capital Assets	0	66,152	66,152
<b>Total Other Financing Sources (Uses)</b>	<b>900,803</b>	<b>161,207</b>	<b>1,062,010</b>
Net Change in Fund Balances	(219,357)	(60,134)	(279,491)
<b>Fund Balances at Beginning of Year</b>	<b>2,255,775</b>	<b>3,055,687</b>	<b>5,311,462</b>
Change in Inventory Reserve	222	0	222
<b>Fund Balances End of Year</b>	<b>\$ 2,036,640</b>	<b>\$ 2,995,553</b>	<b>\$ 5,032,193</b>

**CITY OF SPRINGBORO, OHIO**

**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**December 31, 2017**

	Street Maintenance and Repair	State Highway	Permissive Use Tax	Motor Vehicle License Tax
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 772,447	\$ 225,972	\$ 3,958	\$ 94,685
Receivables:				
Taxes	0	0	0	0
Accounts	4,216	0	0	0
Intergovernmental	341,542	27,686	0	111,099
Inventory of Supplies, at Cost	123,645	0	0	0
Prepaid Items	29,792	0	0	0
<b>Total Assets</b>	<b>\$ 1,271,642</b>	<b>\$ 253,658</b>	<b>\$ 3,958</b>	<b>\$ 205,784</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 10,719	\$ 902	\$ 0	\$ 0
Accrued Wages and Benefits Payable	24,019	0	0	0
Intergovernmental Payable	8,625	0	0	0
<b>Total Liabilities</b>	<b>43,363</b>	<b>902</b>	<b>0</b>	<b>0</b>
<b>Deferred Inflows of Resources:</b>				
Property Tax Levy for Next Fiscal Year	0	0	0	0
Unavailable Amounts	227,643	18,458	0	74,066
<b>Total Deferred Inflows of Resources</b>	<b>227,643</b>	<b>18,458</b>	<b>0</b>	<b>74,066</b>
<b>Fund Balances:</b>				
Nonspendable	153,437	0	0	0
Restricted	847,199	234,298	3,958	131,718
<b>Total Fund Balances</b>	<b>1,000,636</b>	<b>234,298</b>	<b>3,958</b>	<b>131,718</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 1,271,642</b>	<b>\$ 253,658</b>	<b>\$ 3,958</b>	<b>\$ 205,784</b>

**CITY OF SPRINGBORO, OHIO**

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COPS Grant	Drug Law Enforcement	Mayor's Court Improvement	Austin Center Municipal Public Improvement TIF	South Tech Public Improvement TIF	Law Enforcement Trust
\$ 50,738	\$ 65,419	\$ 199,744	\$ 247,944	\$ 14,301	\$ 26,540
0	0	0	220,000	0	0
0	0	0	0	0	0
10	0	0	0	0	0
0	0	0	0	0	0
1,254	0	143	0	0	0
<b>\$ 52,002</b>	<b>\$ 65,419</b>	<b>\$ 199,887</b>	<b>\$ 467,944</b>	<b>\$ 14,301</b>	<b>\$ 26,540</b>
\$ 0	\$ 5,358	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0
<b>2,552</b>	<b>0</b>	<b>140</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2,552</b>	<b>5,358</b>	<b>140</b>	<b>0</b>	<b>0</b>	<b>0</b>
0	0	0	220,000	0	0
0	0	0	0	0	0
0	0	0	220,000	0	0
1,254	0	143	0	0	0
<b>48,196</b>	<b>60,061</b>	<b>199,604</b>	<b>247,944</b>	<b>14,301</b>	<b>26,540</b>
<b>49,450</b>	<b>60,061</b>	<b>199,747</b>	<b>247,944</b>	<b>14,301</b>	<b>26,540</b>
<b>\$ 52,002</b>	<b>\$ 65,419</b>	<b>\$ 199,887</b>	<b>\$ 467,944</b>	<b>\$ 14,301</b>	<b>\$ 26,540</b>

(Continued)

**CITY OF SPRINGBORO, OHIO**

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**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**December 31, 2017**

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	DARE Trust	Total Nonmajor Special Revenue Funds
<b>Assets:</b>		
Cash and Cash Equivalents	\$ 69,897	\$ 1,771,645
Receivables:		
Taxes	0	220,000
Accounts	0	4,216
Intergovernmental	0	480,337
Inventory of Supplies, at Cost	0	123,645
Prepaid Items	0	31,189
<b>Total Assets</b>	<b><u>\$ 69,897</u></b>	<b><u>\$ 2,631,032</u></b>
<b>Liabilities:</b>		
Accounts Payable	\$ 0	\$ 16,979
Accrued Wages and Benefits Payable	0	24,019
Intergovernmental Payable	1,910	13,227
<b>Total Liabilities</b>	<b><u>1,910</u></b>	<b><u>54,225</u></b>
<b>Deferred Inflows of Resources:</b>		
Property Tax Levy for Next Fiscal Year	0	220,000
Unavailable Amounts	0	320,167
<b>Total Deferred Inflows of Resources</b>	<b><u>0</u></b>	<b><u>540,167</u></b>
<b>Fund Balances:</b>		
Nonspendable	0	154,834
Restricted	67,987	1,881,806
<b>Total Fund Balances</b>	<b><u>67,987</u></b>	<b><u>2,036,640</u></b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b><u>\$ 69,897</u></b>	<b><u>\$ 2,631,032</u></b>

*CITY OF SPRINGBORO, OHIO*

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**CITY OF SPRINGBORO, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended December 31, 2017**

	Street Maintenance and Repair	State Highway	Permissive Use Tax	Motor Vehicle License Tax
<b>Revenues:</b>				
Payment in Lieu of Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	694,652	56,322	0	217,670
Fines, Licenses and Permits	0	0	0	0
Investment Earnings	4,357	1,724	31	1,330
Donations	0	0	0	0
All Other Revenue	9,729	0	0	0
<b>Total Revenue</b>	<b>708,738</b>	<b>58,046</b>	<b>31</b>	<b>219,000</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	0	0	0	0
Transportation	861,723	51,302	0	0
General Government	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<b>Total Expenditures</b>	<b>861,723</b>	<b>51,302</b>	<b>0</b>	<b>0</b>
Excess (Deficiency) of Revenues Over Expenditures	(152,985)	6,744	31	219,000
<b>Other Financing Sources (Uses):</b>				
General Obligation Bonds Issued	0	0	0	0
Transfers In	300,000	0	0	0
Transfers Out	0	0	0	(200,000)
<b>Total Other Financing Sources (Uses)</b>	<b>300,000</b>	<b>0</b>	<b>0</b>	<b>(200,000)</b>
Net Change in Fund Balances	147,015	6,744	31	19,000
<b>Fund Balance at Beginning of Year</b>	<b>853,399</b>	<b>227,554</b>	<b>3,927</b>	<b>112,718</b>
Change in Inventory Reserve	222	0	0	0
<b>Fund Balance End of Year</b>	<b>\$ 1,000,636</b>	<b>\$ 234,298</b>	<b>\$ 3,958</b>	<b>\$ 131,718</b>

**CITY OF SPRINGBORO, OHIO**

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COPS Grant	Drug Law Enforcement	Mayor's Court Improvement	Austin Center Municipal Public Improvement TIF	Austin JEDD	South Tech Public Improvement TIF
\$ 0	\$ 0	\$ 0	\$ 175,264	\$ 0	\$ 0
0	0	0	0	185,103	0
0	10,569	16,109	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<b>58,868</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,905</b>
<b>58,868</b>	<b>10,569</b>	<b>16,109</b>	<b>175,264</b>	<b>185,103</b>	<b>10,905</b>
<hr/>					
90,646	10,511	0	0	0	0
0	0	0	0	0	0
0	0	14,474	10,066	0	0
0	0	0	0	0	1,500,000
0	0	0	0	0	22,500
<b>90,646</b>	<b>10,511</b>	<b>14,474</b>	<b>10,066</b>	<b>0</b>	<b>1,522,500</b>
<hr/>					
(31,778)	58	1,635	165,198	185,103	(1,511,595)
<hr/>					
0	0	0	0	0	1,370,000
30,000	0	0	0	0	30,003
0	0	0	(290,752)	(337,299)	(21,149)
<b>30,000</b>	<b>0</b>	<b>0</b>	<b>(290,752)</b>	<b>(337,299)</b>	<b>1,378,854</b>
<hr/>					
(1,778)	58	1,635	(125,554)	(152,196)	(132,741)
<hr/>					
51,228	60,003	198,112	373,498	152,196	147,042
0	0	0	0	0	0
<b>\$ 49,450</b>	<b>\$ 60,061</b>	<b>\$ 199,747</b>	<b>\$ 247,944</b>	<b>\$ 0</b>	<b>\$ 14,301</b>

(Continued)

**CITY OF SPRINGBORO, OHIO**

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**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended December 31, 2017**

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	Law Enforcement Trust	DARE Trust	Total Nonmajor Special Revenue Funds
<b>Revenues:</b>			
Payment in Lieu of Taxes	\$ 0	\$ 0	\$ 175,264
Intergovernmental Revenues	0	47,383	1,201,130
Fines, Licenses and Permits	0	0	26,678
Investment Earnings	0	0	7,442
Donations	0	1,200	1,200
All Other Revenue	14,580	2,556	96,638
<b>Total Revenue</b>	<b>14,580</b>	<b>51,139</b>	<b>1,508,352</b>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property	0	67,290	168,447
Transportation	0	0	913,025
General Government	0	0	24,540
Debt Service:			
Principal Retirement	0	0	1,500,000
Interest and Fiscal Charges	0	0	22,500
<b>Total Expenditures</b>	<b>0</b>	<b>67,290</b>	<b>2,628,512</b>
Excess (Deficiency) of Revenues Over Expenditures	14,580	(16,151)	(1,120,160)
<b>Other Financing Sources (Uses):</b>			
General Obligation Bonds Issued	0	0	1,370,000
Transfers In	0	20,000	380,003
Transfers Out	0	0	(849,200)
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>20,000</b>	<b>900,803</b>
Net Change in Fund Balances	14,580	3,849	(219,357)
<b>Fund Balance at Beginning of Year</b>	<b>11,960</b>	<b>64,138</b>	<b>2,255,775</b>
Change in Inventory Reserve	0	0	222
<b>Fund Balance End of Year</b>	<b>\$ 26,540</b>	<b>\$ 67,987</b>	<b>\$ 2,036,640</b>

**CITY OF SPRINGBORO, OHIO**

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**Combining Balance Sheet**  
**Nonmajor Capital Projects Funds**  
**December 31, 2017**

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	Permanent Improvement	Land Acquisition	Total Nonmajor Capital Projects Funds
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 683,080	\$ 0	\$ 683,080
Assets Held for Resale	0	2,312,473	2,312,473
<b>Total Assets</b>	<b>\$ 683,080</b>	<b>\$ 2,312,473</b>	<b>\$ 2,995,553</b>
<b>Liabilities:</b>			
<b>Total Liabilities</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Fund Balances:</b>			
Restricted	683,080	2,312,473	2,995,553
<b>Total Fund Balances</b>	<b>683,080</b>	<b>2,312,473</b>	<b>2,995,553</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 683,080</b>	<b>\$ 2,312,473</b>	<b>\$ 2,995,553</b>

**CITY OF SPRINGBORO, OHIO**

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**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Capital Projects Funds**  
**For the Year Ended December 31, 2017**

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	Permanent Improvement	Land Acquisition	Total Nonmajor Capital Projects Funds
<b>Revenues:</b>			
Property and Other Taxes	\$ 270,001	\$ 0	\$ 270,001
Intergovernmental Revenues	47,456	0	47,456
Fines, Licenses and Permits	97,070	0	97,070
All Other Revenue	12,710	0	12,710
<b>Total Revenue</b>	<b>427,237</b>	<b>0</b>	<b>427,237</b>
<b>Expenditures:</b>			
Current:			
General Government	800	0	800
Capital Outlay	647,778	0	647,778
<b>Total Expenditures</b>	<b>648,578</b>	<b>0</b>	<b>648,578</b>
Excess (Deficiency) of Revenues Over Expenditures	(221,341)	0	(221,341)
<b>Other Financing Sources (Uses):</b>			
Transfers In	253,202	0	253,202
Transfers Out	0	(158,147)	(158,147)
Sale of Capital Assets	0	66,152	66,152
<b>Total Other Financing Sources (Uses)</b>	<b>253,202</b>	<b>(91,995)</b>	<b>161,207</b>
Net change in Fund Balances	31,861	(91,995)	(60,134)
<b>Fund Balances at Beginning of Year</b>	<b>651,219</b>	<b>2,404,468</b>	<b>3,055,687</b>
<b>Fund Balances End of Year</b>	<b>\$ 683,080</b>	<b>\$ 2,312,473</b>	<b>\$ 2,995,553</b>

**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, 2017***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Municipal Income Taxes	\$ 8,670,000	\$ 8,670,000	\$ 8,874,976	\$ 204,976
Property and Other Taxes	763,000	763,000	677,116	(85,884)
Intergovernmental Revenues	222,500	222,500	238,033	15,533
Fines, Licenses and Permits	478,720	478,720	544,956	66,236
Investment Earnings	100,000	100,000	131,914	31,914
Special Assessments	30,000	30,000	34,020	4,020
All Other Revenues	281,000	280,316	628,295	347,979
<b>Total Revenues</b>	<b>10,545,220</b>	<b>10,544,536</b>	<b>11,129,310</b>	<b>584,774</b>
<b>Expenditures:</b>				
Security of Persons and Property:				
Police Department:				
Personal Services	2,728,952	2,733,952	2,578,930	155,022
Materials and Supplies	176,192	174,692	120,702	53,990
Contractual Services	169,892	166,392	127,272	39,120
<b>Total Police Department</b>	<b>3,075,036</b>	<b>3,075,036</b>	<b>2,826,904</b>	<b>248,132</b>
Police Dispatcher:				
Personal Services	230,352	230,352	194,890	35,462
Materials and Supplies	4,171	4,171	1,444	2,727
Contractual Services	10,412	10,412	862	9,550
<b>Total Police Dispatcher</b>	<b>244,935</b>	<b>244,935</b>	<b>197,196</b>	<b>47,739</b>
Street Lighting:				
Contractual Services	150,000	153,912	153,018	894
<b>Total Street Lighting</b>	<b>150,000</b>	<b>153,912</b>	<b>153,018</b>	<b>894</b>
Civil Defense:				
Contractual Services	2,600	2,600	2,591	9
<b>Total Civil Defense</b>	<b>2,600</b>	<b>2,600</b>	<b>2,591</b>	<b>9</b>
Prisoner Care:				
Contractual Services	5,000	5,000	2,474	2,526
<b>Total Prisoner Care</b>	<b>5,000</b>	<b>5,000</b>	<b>2,474</b>	<b>2,526</b>
<b>Total Security of Persons and Property</b>	<b>3,477,571</b>	<b>3,481,483</b>	<b>3,182,183</b>	<b>299,300</b>
Public Health and Welfare:				
Health Board:				
Contractual Services	16,480	16,480	16,480	0
<b>Total Public Health and Welfare</b>	<b>16,480</b>	<b>16,480</b>	<b>16,480</b>	<b>0</b>

(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, 2017***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Leisure Time Activities:				
Park Maintenance:				
Personal Services	481,451	479,991	430,131	49,860
Contractual Services	136,181	137,641	113,892	23,749
Materials and Supplies	117,360	122,360	88,278	34,082
Total Park Maintenance	734,992	739,992	632,301	107,691
Library Services:				
Contractual Services	36,955	36,955	25,634	11,321
Materials and Supplies	2,000	2,000	847	1,153
Total Library Services	38,955	38,955	26,481	12,474
Total Leisure Time Activities	773,947	778,947	658,782	120,165
Community Environment:				
Planning and Zoning:				
Personal Services	15,296	15,296	8,132	7,164
Contractual Services	181,712	181,959	180,986	973
Materials and Supplies	1,200	1,200	665	535
Total Planning and Zoning	198,208	198,455	189,783	8,672
Engineering:				
Personal Services	114,738	114,888	103,379	11,509
Contractual Services	164,277	164,427	150,281	14,146
Materials and Supplies	10,556	10,256	4,537	5,719
Total Engineering	289,571	289,571	258,197	31,374
Economic Development:				
Personal Services	5,501	5,501	1,383	4,118
Contractual Services	160,312	160,312	134,919	25,393
Materials and Supplies	300	300	0	300
Total Economic Development	166,113	166,113	136,302	29,811
Building Inspection:				
Personal Services	350,651	350,651	316,143	34,508
Contractual Services	61,445	61,445	49,850	11,595
Materials and Supplies	9,500	9,500	5,097	4,403
Total Building Inspection	421,596	421,596	371,090	50,506
Total Community Environment	1,075,488	1,075,735	955,372	120,363

(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, 2017***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
General Government:				
City Council:				
Personal Services	224,015	212,804	201,128	11,676
Contractual Services	101,992	110,992	89,696	21,296
Materials and Supplies	8,900	11,111	10,003	1,108
Total City Council	334,907	334,907	300,827	34,080
City Manager:				
Personal Services	160,415	160,415	151,449	8,966
Contractual Services	57,328	52,081	30,706	21,375
Materials and Supplies	300	432	432	0
Total City Manager	218,043	212,928	182,587	30,341
Assistant City Manager:				
Personal Services	95,883	95,883	91,989	3,894
Contractual Services	106,850	106,850	88,780	18,070
Materials and Supplies	1,000	1,000	400	600
Total Assistant City Manager	203,733	203,733	181,169	22,564
Computer Administration:				
Personal Services	95,442	95,442	92,902	2,540
Contractual Services	106,008	114,372	112,587	1,785
Materials and Supplies	60,059	52,895	48,955	3,940
Total Computer Administration	261,509	262,709	254,444	8,265
Finance Department:				
Personal Services	181,508	178,900	177,566	1,334
Contractual Services	78,312	77,360	52,170	25,190
Materials and Supplies	1,500	2,300	2,144	156
Total Finance Department	261,320	258,560	231,880	26,680
Mayor's Court:				
Personal Services	98,076	97,431	87,042	10,389
Contractual Services	84,100	84,745	82,577	2,168
Materials and Supplies	500	500	0	500
Total Mayor's Court	182,676	182,676	169,619	13,057

(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, 2017**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Income Tax:				
Personal Services	217,283	217,283	198,947	18,336
Contractual Services	779,700	704,700	547,336	157,364
Materials and Supplies	1,500	1,500	0	1,500
Total Income Tax	998,483	923,483	746,283	177,200
Legal Administration:				
Contractual Services	9,691	13,691	9,865	3,826
Total Legal Administration	9,691	13,691	9,865	3,826
Volunteer Services:				
Contractual Services	4,000	4,000	80	3,920
Total Volunteer Services	4,000	4,000	80	3,920
Building and Land:				
Personal Services	199,958	1,080,164	1,013,846	66,318
Contractual Services	863,127	935,614	870,021	65,593
Materials and Supplies	129,330	110,609	97,806	12,803
Total Building and Land	1,192,415	2,126,387	1,981,673	144,714
Miscellaneous:				
Contractual Services	95,194	105,394	88,817	16,577
Materials and Supplies	24,480	24,280	19,091	5,189
Total Miscellaneous	119,674	129,674	107,908	21,766
Total General Government	3,786,451	4,652,748	4,166,335	486,413
Total Expenditures	9,129,937	10,005,393	8,979,152	1,026,241
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,415,283	539,143	2,150,158	1,611,015
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	0	337,299	337,299
Transfers Out	(2,761,800)	(2,611,200)	(2,442,060)	169,140
Total Other Financing Sources (Uses)	(2,761,800)	(2,611,200)	(2,104,761)	506,439
Net Change in Fund Balance	(1,346,517)	(2,072,057)	45,397	2,117,454
Fund Balance at Beginning of Year	6,380,194	6,380,194	6,380,194	0
Prior Year Encumbrances	432,160	432,160	432,160	0
Fund Balance at End of Year	\$ 5,465,837	\$ 4,740,297	\$ 6,857,751	\$ 2,117,454

**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, 2017***

			Variance with Final Budget
	Final Budget	Actual	Positive (Negative)
<b>Revenues:</b>			
Special Assessments	\$ 196,501	\$ 209,189	\$ 12,688
Total Revenues	<u>196,501</u>	<u>209,189</u>	<u>12,688</u>
<b>Expenditures:</b>			
Debt Service:			
Principal Retirement	9,135,000	9,135,000	0
Interest and Fiscal Charges	<u>437,614</u>	<u>437,614</u>	<u>0</u>
Total Expenditures	<u>9,572,614</u>	<u>9,572,614</u>	<u>0</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(9,376,113)	(9,363,425)	12,688
<b>Other Financing Sources (Uses):</b>			
Premium on the Sale of General Obligation Notes	35,755	35,755	0
Sale of Refunding Bonds	830,000	830,000	0
Premium on Sale of Refunding Bonds	206,213	206,213	0
Premium on Sale of General Obligation Bonds	75,304	75,304	0
Transfers In	11,264,183	11,264,183	0
Payment to Refunded Bond Escrow Agent	<u>(2,995,367)</u>	<u>(2,995,367)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>9,416,088</u>	<u>9,416,088</u>	<u>0</u>
Net Change in Fund Balance	39,975	52,663	12,688
Fund Balance at Beginning of Year	225,749	225,749	0
Fund Balance at End of Year	<u>\$ 265,724</u>	<u>\$ 278,412</u>	<u>\$ 12,688</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 Funds –Construction Fund  
For the Year Ended December 31, 2017***

				Variance with Final Budget
	Final Budget	Actual		Positive (Negative)
<b>Revenues:</b>				
Special Assessments	\$ 5,000	\$ 15,858		\$ 10,858
All Other Revenues	<u>15,000</u>	<u>30,072</u>		<u>15,072</u>
Total Revenues	<u>20,000</u>	<u>45,930</u>		<u>25,930</u>
<b>Expenditures:</b>				
General Government:				
Contractual Services	1,693	1,693		0
Total General Government	<u>1,693</u>	<u>1,693</u>		<u>0</u>
Capital Outlay	4,932,123	4,894,803		37,320
Total Expenditures	<u>4,933,816</u>	<u>4,896,496</u>		<u>37,320</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,913,816)	(4,850,566)		63,250
<b>Other Financing Sources (Uses):</b>				
Refunding Bonds Issued	2,004,911	2,005,000		89
General Obligation Notes Issued	6,050,000	6,050,000		0
Transfers In	4,929,658	5,406,342		476,684
Transfers Out	<u>(8,757,526)</u>	<u>(8,755,132)</u>		<u>2,394</u>
Total Other Financing Sources (Uses)	<u>4,227,043</u>	<u>4,706,210</u>		<u>479,167</u>
Net Change in Fund Balance	(686,773)	(144,356)		542,417
Fund Balance at Beginning of Year	281,078	281,078		0
Prior Year Encumbrances	777,955	777,955		0
Fund Balance at End of Year	<u>\$ 372,260</u>	<u>\$ 914,677</u>		<u>\$ 542,417</u>

**CITY OF SPRINGBORO, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Capital Project Funds –Income Tax Capital Improvement Fund  
For the Year Ended December 31, 2017***

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			Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
<b>Revenues:</b>			
Municipal Income Taxes	\$ 4,086,000	\$ 4,436,823	\$ 350,823
Total Revenues	<u>4,086,000</u>	<u>4,436,823</u>	<u>350,823</u>
<b>Expenditures:</b>			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	4,086,000	4,436,823	350,823
<b>Other Financing Sources (Uses):</b>			
Transfers Out	(5,901,965)	(5,082,591)	819,374
Total Other Financing Sources (Uses)	<u>(5,901,965)</u>	<u>(5,082,591)</u>	<u>819,374</u>
Net Change in Fund Balance	(1,815,965)	(645,768)	1,170,197
Fund Balance at Beginning of Year	2,254,598	2,254,598	0
Fund Balance at End of Year	<u>\$ 438,633</u>	<u>\$ 1,608,830</u>	<u>\$ 1,170,197</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, 2017***

**STREET MAINTENANCE AND REPAIR FUND**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 637,600	\$ 691,721	\$ 54,121
Investment Earnings	1,400	4,357	2,957
All Other Revenues	1,000	5,608	4,608
Total Revenues	<u>640,000</u>	<u>701,686</u>	<u>61,686</u>
<b>Expenditures:</b>			
Transportation:			
Personal Services	633,050	510,507	122,543
Materials and Supplies	421,423	290,565	130,858
Contractual Services	256,719	216,711	40,008
Total Expenditures	<u>1,311,192</u>	<u>1,017,783</u>	<u>293,409</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(671,192)	(316,097)	355,095
<b>Other Financing Sources (Uses):</b>			
Transfers In	200,000	300,000	100,000
Total Other Financing Sources (Uses)	<u>200,000</u>	<u>300,000</u>	<u>100,000</u>
Net Change in Fund Balance	(471,192)	(16,097)	455,095
Fund Balance at Beginning of Year	494,238	494,238	0
Prior Year Encumbrances	149,216	149,216	0
Fund Balance at End of Year	<u>\$ 172,262</u>	<u>\$ 627,357</u>	<u>\$ 455,095</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, 2017***

**STATE HIGHWAY FUND**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 51,100	\$ 56,086	\$ 4,986
Investment Earnings	900	1,724	824
Total Revenues	<u>52,000</u>	<u>57,810</u>	<u>5,810</u>
<b>Expenditures:</b>			
Transportation:			
Contractual Services	32,000	24,067	7,933
Capital Outlay	100,000	28,528	71,472
Total Expenditures	<u>132,000</u>	<u>52,595</u>	<u>79,405</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(80,000)	5,215	85,215
Fund Balance at Beginning of Year	220,757	220,757	0
Fund Balance at End of Year	<u>\$ 140,757</u>	<u>\$ 225,972</u>	<u>\$ 85,215</u>

**CITY OF SPRINGBORO, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2017***

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**PERMISSIVE USE TAX FUND**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Investment Earnings	\$ 15	\$ 31	\$ 16
Total Revenues	<u>15</u>	<u>31</u>	<u>16</u>
<b>Expenditures:</b>			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	15	31	16
Fund Balance at Beginning of Year	3,927	3,927	0
Fund Balance at End of Year	<u>\$ 3,942</u>	<u>\$ 3,958</u>	<u>\$ 16</u>

**CITY OF SPRINGBORO, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2017***

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**MOTOR VEHICLE LICENSE TAX FUND**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 198,600	\$ 216,670	\$ 18,070
Investment Earnings	400	1,330	930
Total Revenues	<u>199,000</u>	<u>218,000</u>	<u>19,000</u>
<b>Expenditures:</b>			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	199,000	218,000	19,000
<b>Other Financing Sources (Uses):</b>			
Transfers Out	(200,000)	(200,000)	0
Total Other Financing Sources (Uses)	<u>(200,000)</u>	<u>(200,000)</u>	<u>0</u>
Net Change in Fund Balance	(1,000)	18,000	19,000
Fund Balance at Beginning of Year	76,685	76,685	0
Fund Balance at End of Year	<u>\$ 75,685</u>	<u>\$ 94,685</u>	<u>\$ 19,000</u>

**CITY OF SPRINGBORO, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2017***

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**COPS GRANT FUND**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
All Other Revenues	\$ 30,000	\$ 58,865	\$ 28,865
Total Revenues	<u>30,000</u>	<u>58,865</u>	<u>28,865</u>
<b>Expenditures:</b>			
Security of Persons and Property:			
Personal Services	106,207	91,398	14,809
Materials and Supplies	0	0	0
Contractual Services	760	757	3
Total Expenditures	<u>106,967</u>	<u>92,155</u>	<u>14,812</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(76,967)	(33,290)	43,677
<b>Other Financing Sources (Uses):</b>			
Transfers In	30,000	30,000	0
Total Other Financing Sources (Uses)	<u>30,000</u>	<u>30,000</u>	<u>0</u>
Net Change in Fund Balance	(46,967)	(3,290)	43,677
Fund Balance at Beginning of Year	53,988	53,988	0
Prior Year Encumbrances	40	40	0
Fund Balance at End of Year	<u>\$ 7,061</u>	<u>\$ 50,738</u>	<u>\$ 43,677</u>

**CITY OF SPRINGBORO, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2017***

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**DRUG LAW ENFORCEMENT FUND**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Fines, Licenses and Permits	\$ 0	\$ 11,455	\$ 11,455
Total Revenues	<u>0</u>	<u>11,455</u>	<u>11,455</u>
<b>Expenditures:</b>			
Security of Persons and Property:			
Contractual Services	671	671	0
Capital Outlay	21,914	16,425	5,489
Total Expenditures	<u>22,585</u>	<u>17,096</u>	<u>5,489</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(22,585)	(5,641)	16,944
Fund Balance at Beginning of Year	59,117	59,117	0
Prior Year Encumbrances	6,585	6,585	0
Fund Balance at End of Year	<u>\$ 43,117</u>	<u>\$ 60,061</u>	<u>\$ 16,944</u>

**CITY OF SPRINGBORO, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2017***

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**MAYOR'S COURT IMPROVEMENT FUND**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Fines, Licenses and Permits	\$ 14,000	\$ 16,092	\$ 2,092
Total Revenues	<u>14,000</u>	<u>16,092</u>	<u>2,092</u>
<b>Expenditures:</b>			
General Government:			
Personal Services	6,900	6,517	383
Materials and Supplies	1,500	0	1,500
Contractual Services	7,900	3,189	4,711
Capital Outlay	8,851	4,722	4,129
Total Expenditures	<u>25,151</u>	<u>14,428</u>	<u>10,723</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,151)	1,664	12,815
Fund Balance at Beginning of Year	195,270	195,270	0
Prior Year Encumbrances	1,851	1,851	0
Fund Balance at End of Year	<u>\$ 185,970</u>	<u>\$ 198,785</u>	<u>\$ 12,815</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, 2017***

**AUSTIN CENTER MUNICIPAL PUBLIC IMPROVEMENT TIF FUND**

			Variance with Final Budget
	Final Budget	Actual	Positive (Negative)
<b>Revenues:</b>			
Payment in Lieu of Taxes	\$ 175,000	\$ 175,264	\$ 264
Total Revenues	<u>175,000</u>	<u>175,264</u>	<u>264</u>
<b>Expenditures:</b>			
General Government:			
Contractual Services	137,000	127,700	9,300
Total Expenditures	<u>137,000</u>	<u>127,700</u>	<u>9,300</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	38,000	47,564	9,564
<b>Other Financing Sources (Uses):</b>			
Transfers Out	(290,753)	(290,752)	1
Total Other Financing Sources (Uses)	<u>(290,753)</u>	<u>(290,752)</u>	<u>1</u>
Net Change in Fund Balance	(252,753)	(243,188)	9,565
Fund Balance at Beginning of Year	373,498	373,498	0
Fund Balance at End of Year	<u>\$ 120,745</u>	<u>\$ 130,310</u>	<u>\$ 9,565</u>

**CITY OF SPRINGBORO, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2017***

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**AUSTIN JEDD FUND**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 185,103	\$ 185,103	\$ 0
Total Revenues	<u>185,103</u>	<u>185,103</u>	<u>0</u>
<b>Expenditures:</b>			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	185,103	185,103	0
<b>Other Financing Sources (Uses):</b>			
Transfers Out	(337,299)	(337,299)	0
Total Other Financing Sources (Uses)	<u>(337,299)</u>	<u>(337,299)</u>	<u>0</u>
Net Change in Fund Balance	(152,196)	(152,196)	0
Fund Balance at Beginning of Year	152,196	152,196	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**CITY OF SPRINGBORO, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2017***

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**SOUTH TECH PUBLIC IMPROVEMENT TIF FUND**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
All Other Revenues	\$ 3,600	\$ 10,905	\$ 7,305
Total Revenues	<u>3,600</u>	<u>10,905</u>	<u>7,305</u>
<b>Expenditures:</b>			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,600	10,905	7,305
<b>Other Financing Sources (Uses):</b>			
General Obligation Bonds Issued	1,404,500	1,370,000	(34,500)
Transfers In	0	30,003	30,003
Transfers Out	<u>(1,543,700)</u>	<u>(1,543,649)</u>	<u>51</u>
Total Other Financing Sources (Uses)	<u>(139,200)</u>	<u>(143,646)</u>	<u>(4,446)</u>
Net Change in Fund Balance	(135,600)	(132,741)	2,859
Fund Balance at Beginning of Year	135,607	135,607	0
Prior Year Encumbrances	11,435	11,435	0
Fund Balance at End of Year	<u>\$ 11,442</u>	<u>\$ 14,301</u>	<u>\$ 2,859</u>

**CITY OF SPRINGBORO, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2017***

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**LAW ENFORCEMENT TRUST FUND**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
All Other Revenues	\$ 500	\$ 14,580	\$ 14,080
Total Revenues	<u>500</u>	<u>14,580</u>	<u>14,080</u>
<b>Expenditures:</b>			
Security of Persons and Property:			
Personal Services	1,000	0	1,000
Materials and Supplies	5,000	0	5,000
Contractual Services	1,000	0	1,000
Total Expenditures	<u>7,000</u>	<u>0</u>	<u>7,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,500)	14,580	21,080
Fund Balance at Beginning of Year	11,960	11,960	0
Fund Balance at End of Year	<u>\$ 5,460</u>	<u>\$ 26,540</u>	<u>\$ 21,080</u>

**CITY OF SPRINGBORO, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2017***

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**DARE TRUST FUND**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 35,000	\$ 47,383	\$ 12,383
Donations	600	1,200	600
All Other Revenues	0	2,556	2,556
Total Revenues	<u>35,600</u>	<u>51,139</u>	<u>15,539</u>
<b>Expenditures:</b>			
Security of Persons and Property:			
Personal Services	57,900	54,017	3,883
Materials and Supplies	15,018	13,035	1,983
Contractual Services	600	328	272
Total Expenditures	<u>73,518</u>	<u>67,380</u>	<u>6,138</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(37,918)	(16,241)	21,677
<b>Other Financing Sources (Uses):</b>			
Transfers In	20,000	20,000	0
Total Other Financing Sources (Uses)	<u>20,000</u>	<u>20,000</u>	<u>0</u>
Net Change in Fund Balance	(17,918)	3,759	21,677
Fund Balance at Beginning of Year	58,828	58,828	0
Prior Year Encumbrances	5,260	5,260	0
Fund Balance at End of Year	<u>\$ 46,170</u>	<u>\$ 67,847</u>	<u>\$ 21,677</u>

**CITY OF SPRINGBORO, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2017***

**PERMANENT IMPROVEMENT FUND**

				Variance with Final Budget
				Positive (Negative)
<b>Revenues:</b>		<u>Final Budget</u>	<u>Actual</u>	
Property and Other Taxes	\$ 240,000	\$ 270,001	\$ 30,001	
Intergovernmental Revenues	0	47,456	47,456	
Fines, Licenses and Permits	48,000	97,070	49,070	
All Other Revenues	4,000	12,710	8,710	
<b>Total Revenues</b>	<b><u>292,000</u></b>	<b><u>427,237</u></b>	<b><u>135,237</u></b>	
<b>Expenditures:</b>				
General Government:				
Contractual Services	6,800	6,800	0	
Total General Government	<u>6,800</u>	<u>6,800</u>	<u>0</u>	
Capital Outlay	926,088	899,919	26,169	
<b>Total Expenditures</b>	<b><u>932,888</u></b>	<b><u>906,719</u></b>	<b><u>26,169</u></b>	
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(640,888)	(479,482)	161,406	
<b>Other Financing Sources (Uses):</b>				
Transfers In	283,000	253,202	(29,798)	
Total Other Financing Sources (Uses)	<u>283,000</u>	<u>253,202</u>	<u>(29,798)</u>	
Net Change in Fund Balance	(357,888)	(226,280)	131,608	
Fund Balance at Beginning of Year	340,185	340,185	0	
Prior Year Encumbrances	335,602	335,602	0	
<b>Fund Balance at End of Year</b>	<b><u>\$ 317,899</u></b>	<b><u>\$ 449,507</u></b>	<b><u>\$ 131,608</u></b>	

***Fiduciary Funds***

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

***Agency Funds***

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**Library Donation Fund**

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

**Lytle Five Points JEDD Fund**

To account for the collection and disbursement of JEDD income tax from the Lytle Five Points JEDD area, as required per the Lytle Five Points JEDD Agreement.

**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, 2017**

	Balance December 31, 2016	Additions	Deductions	Balance December 31, 2017
<b>Library Donation Fund</b>				
Assets:				
Cash and Cash Equivalents	\$5,576	\$4,647	(\$4,813)	\$5,410
Total Assets	<u>\$5,576</u>	<u>\$4,647</u>	<u>(\$4,813)</u>	<u>\$5,410</u>
Liabilities:				
Due to Others	\$5,576	\$4,647	(\$4,813)	\$5,410
Total Liabilities	<u>\$5,576</u>	<u>\$4,647</u>	<u>(\$4,813)</u>	<u>\$5,410</u>
<b>Lytle Five Points JEDD Fund</b>				
Assets:				
Cash and Cash Equivalents	\$59,693	\$63,320	(\$60,677)	\$62,336
Total Assets	<u>\$59,693</u>	<u>\$63,320</u>	<u>(\$60,677)</u>	<u>\$62,336</u>
Liabilities:				
Due to Others	\$59,693	\$63,320	(\$60,677)	\$62,336
Total Liabilities	<u>\$59,693</u>	<u>\$63,320</u>	<u>(\$60,677)</u>	<u>\$62,336</u>
<b>Mayor's Court Fund</b>				
Assets:				
Cash and Cash Equivalents	\$2,158	\$282,681	(\$282,767)	\$2,072
Total Assets	<u>\$2,158</u>	<u>\$282,681</u>	<u>(\$282,767)</u>	<u>\$2,072</u>
Liabilities:				
Undistributed Monies	\$2,158	\$282,681	(\$282,767)	\$2,072
Total Liabilities	<u>\$2,158</u>	<u>\$282,681</u>	<u>(\$282,767)</u>	<u>\$2,072</u>
<b>Special Assessment Fund</b>				
Assets:				
Special Assessments Receivable	\$212,049	\$702,475	(\$84,495)	\$830,029
Total Assets	<u>\$212,049</u>	<u>\$702,475</u>	<u>(\$84,495)</u>	<u>\$830,029</u>
Liabilities:				
Due to Others	\$212,049	\$702,475	(\$84,495)	\$830,029
Total Liabilities	<u>\$212,049</u>	<u>\$702,475</u>	<u>(\$84,495)</u>	<u>\$830,029</u>
<b>Total Agency Funds:</b>				
Assets:				
Cash and Cash Equivalents	\$67,427	\$350,648	(\$348,257)	\$69,818
Special Assessments Receivable	212,049	702,475	(84,495)	830,029
Total Assets	<u>\$279,476</u>	<u>\$1,053,123</u>	<u>(\$432,752)</u>	<u>\$899,847</u>
Liabilities:				
Due to Others	\$277,318	\$770,442	(\$149,985)	\$897,775
Undistributed Monies	2,158	282,681	(282,767)	2,072
Total Liabilities	<u>\$279,476</u>	<u>\$1,053,123</u>	<u>(\$432,752)</u>	<u>\$899,847</u>

## *STATISTICAL SECTION*

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## ***STATISTICAL TABLES***

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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***

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#### **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 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.

## ***City of Springboro, Ohio***

*Net Position by Component  
Last Ten Years  
(accrual basis of accounting)*

	2008	2009	2010	2011
<b>Governmental Activities:</b>				
Net Investment in Capital Assets	\$28,928,245	\$33,359,772	\$35,279,823	\$36,427,139
Restricted	12,587,110	11,179,852	11,019,862	10,242,352
Unrestricted	9,194,739	5,717,437	7,290,300	7,448,349
Total Governmental Activities Net Position	<u><u>\$50,710,094</u></u>	<u><u>\$50,257,061</u></u>	<u><u>\$53,589,985</u></u>	<u><u>\$54,117,840</u></u>
<b>Business-type Activities:</b>				
Net Investment in Capital Assets	\$49,184,865	\$49,189,885	\$49,691,654	\$50,089,838
Restricted	2,525,520	2,491,880	2,504,293	2,356,441
Unrestricted	9,099,578	7,476,070	6,663,660	8,034,076
Total Business-type Activities Net Position	<u><u>\$60,809,963</u></u>	<u><u>\$59,157,835</u></u>	<u><u>\$58,859,607</u></u>	<u><u>\$60,480,355</u></u>
<b>Primary Government:</b>				
Net Investment in Capital Assets	\$78,113,110	\$82,549,657	\$84,971,477	\$86,516,977
Restricted	15,112,630	13,671,732	13,524,155	12,598,793
Unrestricted	18,294,317	13,193,507	13,953,960	15,482,425
Total Primary Government Net Position	<u><u>\$111,520,057</u></u>	<u><u>\$109,414,896</u></u>	<u><u>\$112,449,592</u></u>	<u><u>\$114,598,195</u></u>

Source: Finance Director's Office

***City of Springboro, Ohio***

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2012	2013	2014	2015	2016	2017
\$39,980,429	\$41,524,086	\$43,618,251	\$46,648,334	\$47,661,162	\$48,013,645
10,047,132	10,672,787	10,366,896	14,312,206	14,603,501	14,376,740
4,747,303	5,121,940	661,307	(1,403,800)	(1,523,402)	(1,352,115)
<b><u>\$54,774,864</u></b>	<b><u>\$57,318,813</u></b>	<b><u>\$54,646,454</u></b>	<b><u>\$59,556,740</u></b>	<b><u>\$60,741,261</u></b>	<b><u>\$61,038,270</u></b>
\$50,576,992	\$51,515,909	\$54,601,283	\$56,633,201	\$62,763,659	\$63,777,140
2,416,605	2,371,790	2,386,606	2,398,893	830,181	724,349
9,633,876	12,417,118	12,793,561	15,446,817	14,799,177	17,291,992
<b><u>\$62,627,473</u></b>	<b><u>\$66,304,817</u></b>	<b><u>\$69,781,450</u></b>	<b><u>\$74,478,911</u></b>	<b><u>\$78,393,017</u></b>	<b><u>\$81,793,481</u></b>
\$90,557,421	\$93,039,995	\$98,219,534	\$103,281,535	\$110,424,821	\$111,790,785
12,463,737	13,044,577	12,753,502	16,711,099	15,433,682	15,101,089
14,381,179	17,539,058	13,454,868	14,043,017	13,275,775	15,939,877
<b><u>\$117,402,337</u></b>	<b><u>\$123,623,630</u></b>	<b><u>\$124,427,904</u></b>	<b><u>\$134,035,651</u></b>	<b><u>\$139,134,278</u></b>	<b><u>\$142,831,751</u></b>

## ***City of Springboro, Ohio***

*Changes in Net Position  
Last Ten Years  
(accrual basis of accounting)*

	2008	2009	2010	2011
<b>Expenses</b>				
Governmental Activities:				
Security of Persons and Property	\$2,982,330	\$3,020,400	\$3,103,506	\$3,084,811
Public Health and Welfare Services	14,060	15,274	15,066	14,697
Leisure Time Activities	626,883	557,517	571,511	610,141
Community Environment	582,985	629,165	649,925	550,746
Transportation	2,492,616	2,350,862	2,375,477	2,269,438
General Government	5,399,004	8,932,219	4,960,892	4,309,581
Interest and Fiscal Charges	433,470	755,444	740,529	671,891
<i>Total Governmental Activities Expenses</i>	<u>12,531,348</u>	<u>16,260,881</u>	<u>12,416,906</u>	<u>11,511,305</u>
Business-type Activities:				
Golf Course	3,250,865	2,544,726	2,638,443	2,450,840
Water	3,437,672	3,575,866	3,641,434	3,296,748
Sewer	3,371,521	3,347,830	3,279,192	3,056,852
Trash	806,723	963,583	1,227,847	959,687
Storm Water	305,909	340,633	237,611	308,484
<i>Total Business-type Activities Expenses</i>	<u>11,172,690</u>	<u>10,772,638</u>	<u>11,024,527</u>	<u>10,072,611</u>
<i>Total Primary Government Expenses</i>	<u><u>\$23,704,038</u></u>	<u><u>\$27,033,519</u></u>	<u><u>\$23,441,433</u></u>	<u><u>\$21,583,916</u></u>
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services and Sales				
Security of Persons and Property	\$37,942	\$45,540	\$58,947	\$49,435
Leisure Time Activities	22,687	35,404	34,264	32,481
Community Environment	85,520	83,011	113,003	105,801
Transportation	291	35,075	2,725	274,693
General Government	1,373,883	1,520,630	1,674,928	277,137
Operating Grants and Contributions	1,072,511	942,623	991,710	938,552
Capital Grants and Contributions	1,124,572	1,346,957	1,293,808	1,146,666
<i>Total Governmental Activities Program Revenues</i>	<u>3,717,406</u>	<u>4,009,240</u>	<u>4,169,385</u>	<u>2,824,765</u>

***City of Springboro, Ohio***

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2012	2013	2014	2015	2016	2017
\$3,632,041	\$2,954,087	\$3,377,387	\$3,333,613	\$3,726,152	\$3,875,186
14,723	14,651	16,704	16,677	16,685	16,480
742,999	694,736	769,354	735,563	828,342	930,498
686,964	666,822	682,355	738,231	1,665,239	894,046
2,439,903	3,798,401	3,159,853	2,680,481	3,501,098	5,708,785
4,760,638	3,685,441	3,815,946	3,871,054	4,222,777	4,496,267
617,827	542,335	484,875	433,760	432,103	338,394
<u>12,895,095</u>	<u>12,356,473</u>	<u>12,306,474</u>	<u>11,809,379</u>	<u>14,392,396</u>	<u>16,259,656</u>
2,671,202	2,237,071	2,368,968	2,275,754	2,970,701	2,744,386
3,670,617	3,140,275	3,037,234	3,078,773	3,242,720	3,634,171
2,921,396	2,920,507	2,971,336	3,010,001	2,992,339	3,139,008
964,704	1,012,007	1,168,721	1,103,164	1,153,549	1,174,847
502,364	284,940	317,896	336,791	333,538	407,877
<u>10,730,283</u>	<u>9,594,800</u>	<u>9,864,155</u>	<u>9,804,483</u>	<u>10,692,847</u>	<u>11,100,289</u>
<u>\$23,625,378</u>	<u>\$21,951,273</u>	<u>\$22,170,629</u>	<u>\$21,613,862</u>	<u>\$25,085,243</u>	<u>\$27,359,945</u>
\$16,979	\$19,027	\$18,976	\$69,982	\$36,202	\$87,773
293,221	138,999	160,027	117,480	140,250	109,780
200,293	210,534	269,250	314,172	449,613	331,005
291,661	344,208	422,147	285,917	175,042	136,981
271,683	252,163	236,608	217,723	218,199	242,596
726,537	1,181,004	979,678	1,017,011	1,072,047	1,209,464
35,347	355,511	108,708	857,004	59,071	79,145
<u>1,835,721</u>	<u>2,501,446</u>	<u>2,195,394</u>	<u>2,879,289</u>	<u>2,150,424</u>	<u>2,196,744</u>

(continued)

## ***City of Springboro, Ohio***

*Changes in Net Position  
Last Ten Years  
(accrual basis of accounting)*

	2008	2009	2010	2011
<b>Business-type Activities:</b>				
Charges for Services				
Golf Course	2,081,195	1,759,451	1,923,208	1,815,148
Water	3,084,379	2,879,239	3,090,718	3,703,654
Sewer	2,494,398	2,403,702	2,640,345	3,184,400
Trash	922,152	889,922	945,873	919,731
Storm Water	242,065	240,027	253,925	93,911
Capital Grants and Contributions	523,074	282,629	485,025	360,540
<i>Total Business-type Activities Program Revenues</i>	<u>9,347,263</u>	<u>8,454,970</u>	<u>9,339,094</u>	<u>10,077,384</u>
<i>Total Primary Government Program Revenues</i>	<u>13,064,669</u>	<u>12,464,210</u>	<u>13,508,479</u>	<u>12,902,149</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(8,813,942)	(12,251,641)	(8,247,521)	(8,686,540)
Business-type Activities	(1,825,427)	(2,317,668)	(1,685,433)	4,773
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$10,639,369)</u>	<u>(\$14,569,309)</u>	<u>(\$9,932,954)</u>	<u>(\$8,681,767)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities:				
Income Taxes	\$9,678,509	\$9,640,943	\$10,481,235	\$9,595,447
Property Taxes	691,809	720,042	702,808	636,375
Other Local Taxes	83,684	70,232	56,322	67,699
Payment in Lieu of Taxes	381,409	538,388	550,819	217,620
Intergovernmental, unrestricted	453,943	646,503	505,227	506,161
Investment Earnings	625,240	309,102	169,589	108,369
Miscellaneous	366,047	503,598	385,479	296,839
Gain (Loss) on Sale of Assets Held for Resale	0	0	93,974	(59,560)
Transfers	(2,847,568)	(630,200)	(1,365,008)	(1,585,560)
<i>Total Governmental Activities</i>	<u>9,433,073</u>	<u>11,798,608</u>	<u>11,580,445</u>	<u>9,783,390</u>
Business-type Activities:				
Investment Earnings	288,591	35,340	22,197	30,415
Transfers	2,847,568	630,200	1,365,008	1,585,560
<i>Total Business-type Activities</i>	<u>3,136,159</u>	<u>665,540</u>	<u>1,387,205</u>	<u>1,615,975</u>
<i>Total Primary Government</i>	<u>\$12,569,232</u>	<u>\$12,464,148</u>	<u>\$12,967,650</u>	<u>\$11,399,365</u>
<b>Change in Net Position</b>				
Governmental Activities	\$619,131	(\$453,033)	\$3,332,924	\$1,096,850
Business-type Activities	1,310,732	(1,652,128)	(298,228)	1,620,748
<i>Total Primary Government Change in Net Position</i>	<u>\$1,929,863</u>	<u>(\$2,105,161)</u>	<u>\$3,034,696</u>	<u>\$2,717,598</u>

Source: Finance Director's Office

***City of Springboro, Ohio***

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2012	2013	2014	2015	2016	2017
1,974,536	1,621,898	1,713,411	1,688,183	1,828,392	1,897,763
4,892,729	4,475,509	4,630,118	4,589,298	4,768,013	4,731,894
3,847,960	3,963,098	4,146,437	4,247,656	4,337,885	4,430,069
931,295	1,030,615	1,069,469	1,108,436	1,143,061	1,177,890
190,946	264,150	269,083	272,996	275,873	279,642
694,590	794,448	1,060,632	1,502,175	1,247,132	909,511
<u>12,532,056</u>	<u>12,149,718</u>	<u>12,889,150</u>	<u>13,408,744</u>	<u>13,600,356</u>	<u>13,426,769</u>
14,367,777	14,651,164	15,084,544	16,288,033	15,750,780	15,623,513
(11,059,374)	(9,855,027)	(10,111,080)	(8,930,090)	(12,241,972)	(14,062,912)
1,801,773	2,554,918	3,024,995	3,604,261	2,907,509	2,326,480
<u>(\$9,257,601)</u>	<u>(\$7,300,109)</u>	<u>(\$7,086,085)</u>	<u>(\$5,325,829)</u>	<u>(\$9,334,463)</u>	<u>(\$11,736,432)</u>
\$11,234,399	\$11,755,014	\$11,925,126	\$13,274,634	\$12,476,441	\$13,272,536
624,866	828,996	870,963	768,398	856,208	871,019
57,355	70,427	69,690	73,476	83,300	78,581
111,074	147,717	96,645	103,114	264,735	175,264
426,267	441,753	253,287	259,602	244,861	289,115
58,757	67,201	77,679	77,545	104,955	109,278
233,235	195,995	258,713	332,784	356,905	508,430
65,954	0	2,305	0	0	66,152
<u>(942,176)</u>	<u>(1,108,127)</u>	<u>(1,263,069)</u>	<u>(1,049,177)</u>	<u>(960,912)</u>	<u>(1,010,454)</u>
11,869,731	12,398,976	12,291,339	13,840,376	13,426,493	14,359,921
27,245	14,299	42,366	44,023	45,685	63,530
942,176	1,108,127	1,263,069	1,049,177	960,912	1,010,454
969,421	1,122,426	1,305,435	1,093,200	1,006,597	1,073,984
<u>\$12,839,152</u>	<u>\$13,521,402</u>	<u>\$13,596,774</u>	<u>\$14,933,576</u>	<u>\$14,433,090</u>	<u>\$15,433,905</u>
\$810,357	\$2,543,949	\$2,180,259	\$4,910,286	\$1,184,521	\$297,009
2,771,194	3,677,344	4,330,430	4,697,461	3,914,106	3,400,464
<u>\$3,581,551</u>	<u>\$6,221,293</u>	<u>\$6,510,689</u>	<u>\$9,607,747</u>	<u>\$5,098,627</u>	<u>\$3,697,473</u>

## ***City of Springboro, Ohio***

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>General Fund</b>				
Nonspendable	\$0	\$0	\$0	\$118,633
Assigned	0	0	0	356,126
Unassigned	0	0	0	8,809,769
Reserved	467,125	458,766	452,474	0
Unreserved	<u>5,724,981</u>	<u>5,967,265</u>	<u>7,488,980</u>	<u>0</u>
<i>Total General Fund</i>	<u>6,192,106</u>	<u>6,426,031</u>	<u>7,941,454</u>	<u>9,284,528</u>
<b>All Other Governmental Funds</b>				
Nonspendable	\$0	\$0	\$0	\$105,578
Restricted	0	0	0	6,058,316
Unassigned	0	0	0	(298,460)
Reserved	6,520,184	7,300,879	5,710,045	0
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	1,115,267	(2,663,656)	1,259,760	0
Debt Service Funds	0	0	0	0
Capital Projects Funds	<u>6,898,355</u>	<u>(1,259,533)</u>	<u>(10,441)</u>	<u>0</u>
<i>Total All Other Governmental Funds</i>	<u>14,533,806</u>	<u>3,377,690</u>	<u>6,959,364</u>	<u>5,865,434</u>
<i>Total Governmental Funds</i>	<u><u>\$20,725,912</u></u>	<u><u>\$9,803,721</u></u>	<u><u>\$14,900,818</u></u>	<u><u>\$15,149,962</u></u>

Source: Finance Director's Office

Note: The City implemented GASB 54 in 2011 which established new fund balance classifications for governmental funds.

*City of Springboro, Ohio*

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2012	2013	2014	2015	2016	2017
\$141,708	\$193,739	\$218,291	\$241,847	\$302,572	\$275,099
328,242	1,007,606	1,402,360	749,159	1,766,114	1,438,163
7,524,414	6,746,464	7,031,255	5,399,772	4,966,533	6,419,752
0	0	0	0	0	0
0	0	0	0	0	0
<u>7,994,364</u>	<u>7,947,809</u>	<u>8,651,906</u>	<u>6,390,778</u>	<u>7,035,219</u>	<u>8,133,014</u>
\$115,026	\$105,942	\$107,944	\$136,487	\$144,919	\$154,834
6,947,280	7,797,447	7,861,782	11,867,883	12,553,690	12,237,148
(1,012,535)	(1,275,608)	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>6,049,771</u>	<u>6,627,781</u>	<u>7,969,726</u>	<u>12,004,370</u>	<u>12,698,609</u>	<u>12,391,982</u>
<u>\$14,044,135</u>	<u>\$14,575,590</u>	<u>\$16,621,632</u>	<u>\$18,395,148</u>	<u>\$19,733,828</u>	<u>\$20,524,996</u>

## ***City of Springboro, Ohio***

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

	2008	2009	2010	2011
<b>Revenues:</b>				
Municipal Income Taxes	\$9,729,065	\$9,388,476	\$9,710,970	\$10,362,125
Property Tax	800,270	808,536	741,189	702,381
Payment in Lieu of Taxes	381,409	538,388	550,819	217,620
Intergovernmental Revenues	1,632,075	1,970,660	2,490,006	2,026,299
Charges for Services	980,683	1,231,045	1,325,282	0
Fines, Licenses and Permits	366,726	391,751	507,841	406,845
Investment Earnings	625,240	222,636	149,940	150,895
Special Assessments	509,359	411,661	384,934	402,343
Donations	7,032	7,588	6,673	770
Payments from Developers	972,412	0	0	0
All Other Revenue	703,199	502,665	364,291	572,759
<b>Total Revenue</b>	<b><u>16,707,470</u></b>	<b><u>15,473,406</u></b>	<b><u>16,231,945</u></b>	<b><u>14,842,037</u></b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	2,818,460	2,902,211	2,855,621	2,879,485
Public Health and Welfare Services	14,060	15,274	15,066	14,697
Leisure Time Activities	434,357	463,693	463,880	500,822
Community Environment	583,002	629,695	608,100	531,565
Transportation	883,759	1,032,978	996,012	802,889
General Government	4,435,165	8,552,889	4,421,751	3,914,962
Capital Outlay	4,615,996	10,288,484	2,812,497	2,499,123
Debt Service:				
Principal Retirement	599,817	1,146,115	1,180,000	1,115,000
Interest and Fiscal Charges	608,577	766,936	737,543	680,895
<b>Total Expenditures</b>	<b><u>14,993,193</u></b>	<b><u>25,798,275</u></b>	<b><u>14,090,470</u></b>	<b><u>12,939,438</u></b>
Excess (Deficiency) of Revenues Over Expenditures	1,714,277	(10,324,869)	2,141,475	1,902,599

***City of Springboro, Ohio***

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2012	2013	2014	2015	2016	2017
\$11,029,649	\$11,576,805	\$11,627,659	\$13,067,114	\$13,082,097	\$13,380,200
686,985	903,357	951,075	843,022	938,153	948,201
111,074	147,717	96,645	103,114	264,735	175,264
2,031,769	1,944,528	1,348,059	1,298,239	1,304,187	1,487,662
0	0	0	0	0	0
540,093	540,991	573,421	657,868	764,413	670,335
122,346	67,201	77,679	77,545	104,955	109,278
407,512	370,615	400,731	255,278	249,288	259,067
965	1,020	800	6,825	1,200	1,200
0	0	0	0	0	0
721,702	549,190	681,417	640,878	575,623	711,010
<u>15,652,095</u>	<u>16,101,424</u>	<u>15,757,486</u>	<u>16,949,883</u>	<u>17,284,651</u>	<u>17,742,217</u>
2,935,104	2,888,617	3,042,822	3,054,604	3,165,959	3,310,877
14,723	14,651	16,704	16,677	16,685	16,480
565,858	581,460	589,217	580,393	642,794	636,392
587,997	631,873	644,956	719,559	1,642,089	783,064
798,160	975,291	1,368,605	925,913	906,513	913,025
4,026,518	3,429,879	3,546,195	3,667,354	3,814,706	3,999,710
4,975,287	4,222,106	3,044,966	3,639,098	9,116,981	4,952,458
1,375,000	1,150,000	1,190,000	2,590,000	2,630,000	8,535,000
618,544	567,797	499,621	458,607	367,933	400,109
<u>15,897,191</u>	<u>14,461,674</u>	<u>13,943,086</u>	<u>15,652,205</u>	<u>22,303,660</u>	<u>23,547,115</u>
(245,096)	1,639,750	1,814,400	1,297,678	(5,019,009)	(5,804,898)

(Continued)

## ***City of Springboro, Ohio***

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>Other Financing Sources (Uses):</b>				
Gain (Loss) on Sale of Assets Held for Resale	0	0	93,974	(59,560)
Issuance of General Obligation Notes	0	0	0	0
Issuance of General Obligation Bonds	8,900,000	0	4,235,000	0
Refunding General Obligation Bonds	775,000	0	0	0
Premium on General Obligation Bonds	232,146	0	0	0
Premium on Refunding Bonds	20,215	0	0	0
Payment to Refunded Bond Escrow Agent	(785,500)	0	0	0
Transfers In	2,497,919	4,816,392	2,589,995	5,036,406
Transfers Out	(5,345,487)	(5,446,592)	(3,955,003)	(6,621,966)
<b>Total Other Financing Sources (Uses)</b>	<b><u>6,294,293</u></b>	<b><u>(630,200)</u></b>	<b><u>2,963,966</u></b>	<b><u>(1,645,120)</u></b>
<b>Net Change in Fund Balance</b>	<b><u>\$8,008,570</u></b>	<b><u>(\$10,955,069)</u></b>	<b><u>\$5,105,441</u></b>	<b><u>\$257,479</u></b>

<b>Debt Service as a Percentage of Noncapital Expenditures</b>	13.18%	12.33%	16.43%	16.70%
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Source: Finance Director's Office

*City of Springboro, Ohio*

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2012	2013	2014	2015	2016	2017
65,954	0	2,305	0	0	66,152
0	0	1,500,000	1,500,000	7,300,000	6,050,000
0	0	0	0	0	1,370,000
0	0	0	0	0	2,835,000
0	0	0	0	0	281,517
0	0	0	0	0	0
0	0	0	0	0	(2,995,367)
8,258,341	6,659,391	5,798,965	9,256,027	4,756,696	9,783,918
(9,200,517)	(7,767,518)	(7,062,034)	(10,305,204)	(5,717,608)	(10,794,372)
(876,222)	(1,108,127)	239,236	450,823	6,339,088	6,596,848
<u>(\$1,121,318)</u>	<u>\$531,623</u>	<u>\$2,053,636</u>	<u>\$1,748,501</u>	<u>\$1,320,079</u>	<u>\$791,950</u>

16.33%              14.85%              15.25%              25.38%              21.51%              41.85%

## ***City of Springboro, Ohio***

### *Income Tax Revenues by Source, Governmental Funds Last Ten Years*

<b>Tax year</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Income Tax Rate	1.50%	1.50%	1.50%	1.50%
Estimated Personal Income	\$654,241,733	\$628,251,333	\$644,179,933	\$693,039,667
Total Tax Collected	\$9,813,626	\$9,423,770	\$9,662,699	\$10,395,595
Income Tax Receipts				
Withholding	6,118,077	5,955,246	5,991,024	6,497,945
Percentage	62%	64%	62%	63%
Corporate	955,291	690,695	818,146	979,952
Percentage	10%	7%	8%	9%
Individuals	2,740,258	2,777,829	2,853,529	2,917,698
Percentage	28%	29%	30%	28%
Income Tax by Business Type				
Industrial	\$1,494,079	\$1,264,935	\$1,402,155	\$1,453,710
Education/Government	422,883	473,948	425,921	477,010
Service	1,116,287	991,385	1,033,557	1,083,425
Retail	397,920	445,666	412,095	485,974
Medical	322,173	455,691	346,705	605,814
Construction	58,918	36,375	50,283	41,463
Financial	142,226	66,987	112,378	70,622
Restaurants	208,443	216,565	205,686	218,327
Miscellaneous	41,401	51,767	41,521	53,562
Total Tax	<u><u>\$4,204,330</u></u>	<u><u>\$4,003,319</u></u>	<u><u>\$4,030,301</u></u>	<u><u>\$4,489,907</u></u>

Source: City Income Tax Department

***City of Springboro, Ohio***

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2012	2013	2014	2015	2016	2017
1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
\$736,575,600	\$783,695,333	\$785,480,333	\$871,974,733	\$889,483,000	\$896,913,411
\$11,048,634	\$11,755,430	\$11,782,205	\$13,079,621	\$13,342,245	\$13,453,701
6,806,365	7,193,224	7,230,191	7,823,634	8,190,693	8,524,849
61%	60%	61%	60%	61%	63%
1,180,319	1,336,470	1,297,990	1,667,142	1,492,084	1,586,724
11%	11%	11%	13%	11%	12%
3,061,950	3,225,736	3,254,024	3,588,845	3,659,468	3,342,128
28%	27%	28%	27%	27%	25%
\$1,554,758	\$1,584,384	\$1,650,806	\$1,338,009	\$1,808,422	\$1,598,410
471,988	474,856	473,461	503,690	567,521	594,880
1,106,856	1,069,197	1,021,450	1,042,193	1,185,310	1,726,385
506,473	509,623	541,549	577,193	594,789	482,570
711,101	835,690	859,599	892,091	952,579	1,026,144
60,934	71,349	132,315	143,715	209,099	282,007
68,846	78,547	78,268	84,375	88,990	100,869
212,341	243,657	280,816	288,359	299,355	260,038
52,443	66,008	86,090	90,104	85,586	94,000
<u>\$4,745,740</u>	<u>\$4,933,310</u>	<u>\$5,124,354</u>	<u>\$4,959,729</u>	<u>\$5,791,651</u>	<u>\$6,165,302</u>

*City of Springboro, Ohio*

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## ***City of Springboro***

### *Income Tax Statistics Current Year and Nine Years Ago*

Income Level	Calendar Year 2017			
	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	4,465	44.46%	18,999,039	2.98%
20,000 - 49,999	1,372	13.66%	45,776,849	7.17%
50,000 - 74,999	931	9.27%	57,663,009	9.03%
75,000 - 99,999	788	7.85%	68,735,210	10.77%
Over 100,000	2,487	24.76%	447,127,504	70.05%
<b>Total</b>	<b>10,043</b>	<b>100.00%</b>	<b>\$638,301,611</b>	<b>100.00%</b>

Local Taxes Paid by Residents	Tax Dollars
Taxes Paid to Springboro	3,342,128
Taxes Credited to Other Municipalities	3,120,904
	<b>\$6,463,032</b>

Income Level	Calendar Year 2008			
	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	2,488	34.88%	\$12,383,547	2.55%
20,000 - 49,999	1,124	15.76%	38,835,783	7.99%
50,000 - 74,999	882	12.36%	55,055,852	11.32%
75,000 - 99,999	864	12.11%	75,394,008	15.51%
Over 100,000	1,776	24.89%	304,500,086	62.63%
<b>Total</b>	<b>7,134</b>	<b>100.00%</b>	<b>\$486,169,276</b>	<b>100.00%</b>

Local Taxes Paid by Residents	Tax Dollars
Taxes Paid to Springboro	\$4,674,395
Taxes Credited to Other Municipalities	2,618,145
	<b>\$7,292,539</b>

Source: City Income Tax Department

## ***City of Springboro, Ohio***

### *Ratio of Outstanding Debt By Type Last Ten Years*

	2008	2009	2010	2011
<b>Governmental Activities (1)</b>				
Special Assessment Bonds Payable	\$2,833,000	\$2,595,000	\$2,360,000	\$2,100,000
Unvoted General Obligation Bonds Payable	10,646,861	9,729,208	13,001,555	12,128,902
General Obligation Notes Payable	0	0	0	0
Capital Leases	8,115	0	0	0
<b>Business-type Activities (1)</b>				
Mortgage Revenue Bonds Payable	\$22,298,880	\$21,329,439	\$20,329,998	\$19,165,557
General Obligation Bonds Payable	13,522,197	12,834,107	11,855,661	11,886,815
Capital Leases	340,600	282,030	223,708	161,792
Total Primary Government	<u>\$49,649,653</u>	<u>\$46,769,784</u>	<u>\$47,770,922</u>	<u>\$45,443,066</u>
<b>Population (2)</b>				
City of Springboro	18,121	17,871	17,409	17,409
Outstanding Debt Per Capita	\$2,740	\$2,617	\$2,744	\$2,610
<b>Income (3)</b>				
Personal (in thousands)	794,008	749,474	745,802	786,103
Percentage of Personal Income	6.25%	6.24%	6.41%	5.78%

#### **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, Ohio*

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2012	2013	2014	2015	2016	2017
\$1,705,000	\$1,445,000	\$1,170,000	\$1,035,000	\$895,000	\$794,842
11,153,477	10,242,506	9,306,535	8,330,564	7,319,597	7,727,538
0	0	1,500,000	1,500,000	7,300,000	6,050,000
0	0	0	0	0	0
\$19,042,376	\$17,830,566	\$16,578,756	\$15,291,946	\$10,989,602	\$9,907,366
11,043,330	10,179,845	9,296,360	8,382,875	7,439,390	6,598,911
96,063	0	0	0	0	0
<u>\$43,040,246</u>	<u>\$39,697,917</u>	<u>\$37,851,651</u>	<u>\$34,540,385</u>	<u>\$33,943,589</u>	<u>\$31,078,657</u>
17,409	17,409	17,409	17,409	17,409	17,409
\$2,472	\$2,280	\$2,174	\$1,984	\$1,950	\$1,785
819,633	835,667	870,537	904,311	921,928	921,928
5.25%	4.75%	4.35%	3.82%	3.68%	3.37%

## ***City of Springboro, Ohio***

### *Ratios of General Bonded Debt Outstanding Last Ten Years*

Year	2008	2009	2010	2011
<b>Population</b> <sup>(1)</sup>	18,121	17,871	17,409	17,409
<b>Assessed Value</b> <sup>(2)</sup>	\$502,452,780	\$455,700,530	\$461,465,512	\$464,866,000
<b>General Bonded Debt</b> <sup>(3)</sup>				
General Obligation Bonds	\$24,169,058	\$22,563,315	\$24,857,216	\$24,015,717
<b>Resources Available to Pay Principal</b> <sup>(4)</sup>	\$690,035	\$957,269	\$1,084,280	\$160,734
<b>Net General Bonded Debt</b>	\$23,479,023	\$21,606,046	\$23,772,936	\$23,854,983
<b>Ratio of Net Bonded Debt to Estimated Actual Value</b>	4.67%	4.74%	5.15%	5.13%
<b>Net Bonded Debt per Capita</b>	\$1,295.68	\$1,209.00	\$1,365.55	\$1,370.27

**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, Ohio*

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2012	2013	2014	2015	2016	2017
17,409	17,409	17,409	17,409	17,409	17,409
\$450,215,740	\$453,795,120	\$487,025,000	\$522,384,960	\$534,920,670	\$552,457,420
\$22,196,807	\$20,422,351	\$18,602,895	\$16,713,439	\$14,758,987	\$14,326,449
\$165,952	\$149,414	\$140,602	\$156,654	\$225,749	\$278,412
\$22,030,855	\$20,272,937	\$18,462,293	\$16,556,785	\$14,533,238	\$14,048,037
4.89%	4.47%	3.79%	3.17%	2.72%	2.54%
\$1,265.49	\$1,164.51	\$1,060.50	\$951.05	\$834.81	\$806.94

*City of Springboro, Ohio*

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## *City of Springboro, Ohio*

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*Computation of Direct and Overlapping  
Debt Attributable to Governmental Activities  
December 31, 2017*

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<b>Jurisdiction</b>	<b>Gross Debt Outstanding</b>	<b>Percentage Applicable to the City of Springboro</b>	<b>Amount Applicable to the City of Springboro</b>
<b>Direct:</b>			
City of Springboro	\$14,572,380	(1) 100.00%	\$14,572,380
<b>Overlapping:</b>			
Warren County	14,978,948	8.01%	<u>1,199,814</u>
		Subtotal	<u>1,199,814</u>
		Total	<u><u>\$15,772,194</u></u>

**Source:** Warren County Auditor's Office

(1) Includes all Governmental Activity long-term debt instruments.

Percentages determined by dividing each overlapping subdivisions' assessed valuation within the City by the subdivisions' total assessed valuation.

## ***City of Springboro, Ohio***

### ***Debt Limitations Last Ten Years***

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>Total Debt</b>				
Net Assessed Valuation	\$502,452,780	\$455,700,530	\$461,465,512	\$464,866,000
Legal Debt Limitation (%) <sup>(1)</sup>	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) <sup>(1)</sup>	52,757,542	47,848,556	48,453,879	48,810,930
City Debt Outstanding <sup>(2)</sup>	13,346,861	16,372,208	15,501,555	12,128,902
Less: Applicable Debt Service Fund Amounts	<u>(690,035)</u>	<u>(957,269)</u>	<u>(1,084,280)</u>	<u>(160,734)</u>
Net Indebtedness Subject to Limitation	<u>12,656,826</u>	<u>15,414,939</u>	<u>14,417,275</u>	<u>11,968,168</u>
Overall Legal Debt Margin	<u><u>\$40,100,716</u></u>	<u><u>\$32,433,617</u></u>	<u><u>\$34,036,604</u></u>	<u><u>\$36,842,762</u></u>
<b>Unvoted Debt</b>				
Net Assessed Valuation	\$502,452,780	\$455,700,530	\$461,465,512	\$464,866,000
Legal Debt Limitation (%) <sup>(1)</sup>	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) <sup>(1)</sup>	27,634,903	25,063,529	25,380,603	25,567,630
City Debt Outstanding <sup>(2)</sup>	13,346,861	16,372,208	15,501,555	12,128,902
Less: Applicable Debt Service Fund Amounts	<u>(690,035)</u>	<u>(957,269)</u>	<u>(1,084,280)</u>	<u>(160,734)</u>
Net Indebtedness Subject to Limitation	<u>12,656,826</u>	<u>15,414,939</u>	<u>14,417,275</u>	<u>11,968,168</u>
Overall Legal Debt Margin	<u><u>\$14,978,077</u></u>	<u><u>\$9,648,590</u></u>	<u><u>\$10,963,328</u></u>	<u><u>\$13,599,462</u></u>

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

(2) City Debt Outstanding includes Non Self-Supporting General Obligation 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, Ohio*

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2012	2013	2014	2015	2016	2017
\$450,215,740	\$453,795,120	\$487,025,000	\$522,384,960	\$534,920,670	\$552,457,420
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
47,272,653	47,648,488	51,137,625	54,850,421	56,166,670	58,008,029
11,153,477	10,242,506	9,306,535	8,330,564	7,319,597	7,727,538
(165,952)	(149,414)	(140,602)	(156,654)	(225,749)	(278,412)
<u>10,987,525</u>	<u>10,093,092</u>	<u>9,165,933</u>	<u>8,173,910</u>	<u>7,093,848</u>	<u>7,449,126</u>
<u>\$36,285,128</u>	<u>\$37,555,396</u>	<u>\$41,971,692</u>	<u>\$46,676,511</u>	<u>\$49,072,822</u>	<u>\$50,558,903</u>
\$450,215,740	\$453,795,120	\$487,025,000	\$522,384,960	\$534,920,670	\$552,457,420
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
24,761,866	24,958,732	26,786,375	28,731,173	29,420,637	30,385,158
11,153,477	10,242,506	9,306,535	8,330,564	7,319,597	7,727,538
(165,952)	(149,414)	(140,602)	(156,654)	(225,749)	(278,412)
<u>10,987,525</u>	<u>10,093,092</u>	<u>9,165,933</u>	<u>8,173,910</u>	<u>7,093,848</u>	<u>7,449,126</u>
<u>\$13,774,341</u>	<u>\$14,865,640</u>	<u>\$17,620,442</u>	<u>\$20,557,263</u>	<u>\$22,326,789</u>	<u>\$22,936,032</u>

## ***City of Springboro, Ohio***

### *Pledged Revenue Coverage Last Ten Years*

	2008	2009	2010	2011
<b>Water System Bonds (1 a)</b>				
Gross Revenues (2)	\$3,252,627	\$2,897,513	\$3,100,393	\$3,716,585
Direct Operating Expenses (3)	2,189,111	2,390,341	2,460,853	2,121,551
Net Revenue Available for Debt Service	1,063,516	507,172	639,540	1,595,034
Annual Debt Service Requirement	1,301,142	294,272	298,601	294,801
Coverage	0.82	1.72	2.14	5.41
<b>Sewer System Bonds (1 b)</b>				
Gross Revenues (2)	\$2,612,246	\$2,423,160	\$2,654,117	\$3,202,051
Direct Operating Expenses (3)	1,683,534	1,659,795	1,750,014	1,644,881
Net Revenue Available for Debt Service	928,712	763,365	904,103	1,557,170
Annual Debt Service Requirement	1,625,816	1,627,332	1,619,455	1,631,378
Coverage	0.57	0.47	0.56	0.95
<b>Special Assessment Bonds (4)</b>				
Special Assessment Collections	\$509,359	\$411,661	\$384,934	\$402,343
Debt Service				
Principal	237,000	238,000	235,000	260,000
Interest	160,339	148,330	135,728	123,295
Coverage	1.28	1.07	1.04	1.05

- (1) The Mortgage Revenue Bonds were issued as follows:
  - (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 2004, in the amount of \$18,310,000  
Partially defeased in 2012.
  - (b) The Sewer system Mortgage Revenue Bonds were issued in 2011, in the amount of \$2,040,000.
  - (b) The Sewer system Mortgage Revenue Bonds were issued in 2012, in the amount of \$10,295,000.
- (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.

Source: City Finance Director's Office

***City of Springboro, Ohio***

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<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
\$4,902,949	\$4,478,496	\$4,649,905	\$4,610,395	\$4,788,553	\$0
2,571,976	2,081,257	2,021,365	2,078,527	2,283,596	0
2,330,973	2,397,239	2,628,540	2,531,868	2,504,957	0
298,051	295,708	297,908	294,470	855,545	0
7.82	8.11	8.82	8.60	2.93	N/A
\$3,864,985	\$3,964,822	\$4,169,016	\$4,270,582	\$4,363,030	\$4,462,191
1,849,513	1,695,235	1,764,117	1,796,455	1,891,237	2,046,382
2,015,472	2,269,587	2,404,899	2,474,127	2,471,793	2,415,809
1,328,452	1,507,344	1,510,100	1,511,038	3,857,363	1,410,200
1.52	1.51	1.59	1.64	0.64	1.71
\$407,512	\$370,615	\$400,731	\$255,278	\$249,288	\$259,067
265,000	260,000	275,000	135,000	140,000	125,000
109,318	88,268	73,868	60,650	53,660	42,217
1.09	1.06	1.15	1.30	1.29	1.55

## ***City of Springboro, Ohio***

### *Demographic and Economic Statistics Last Ten Years*

Calendar Year	2008	2009	2010	2011
<b>Population (1)</b>				
City of Springboro (a)	18,121	17,871	17,409	17,409
Warren County	196,622	196,622	212,693	212,693
<b>Income (2) (a)</b>				
Total Personal (in thousands)	794,008	749,474	745,802	786,103
County Per Capita	43,817	41,938	42,840	45,155
<b>Unemployment Rate (3)</b>				
Federal	5.8%	9.3%	9.6%	8.9%
State	6.6%	10.2%	10.1%	8.6%
Warren County	5.5%	8.8%	8.9%	7.6%
<b>Civilian Work Force Estimates (3)</b>				
State	5,986,400	5,970,200	5,897,600	5,806,000
Warren County	108,500	109,300	108,300	109,200
<b>Employment Distribution by Occupation (4)</b>				
Industrial	2,259	2,314	2,312	2,390
Education/Government	1,099	1,195	1,100	1,122
Service	3,963	3,869	2,295	2,270
Retail	1,961	1,919	1,528	1,448
Medical	913	1,023	1,235	1,499
Construction	128	119	127	110
Financial	271	274	157	176
Restaurants	2,569	2,534	1,991	1,828
Miscellaneous	376	390	355	332

**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 2012  
for the presentation of 2014-15 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, Ohio***

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2012	2013	2014	2015	2016	2017
17,409 212,693	17,409 212,693	17,409 212,693	17,409 212,693	17,409 212,693	17,409 212,693
819,633 47,081	835,667 48,002	870,537 50,005	904,311 51,945	921,928 52,957	921,928 52,957
8.1% 7.2% 6.3%	7.4% 7.4% 6.3%	5.4% 4.7% 3.9%	5.0% 4.6% 3.9%	4.9% 4.9% 4.1%	4.4% 5.0% 4.1%
5,747,900 109,100	5,698,900 110,200	5,697,000 110,500	5,669,200 110,100	5,713,100 113,300	5,780,000 116,400
2,386 1,096 2,317 1,409 1,534 212 170 1,917 339	2,137 1,109 2,174 1,615 1,741 190 172 2,384 356	2,015 1,053 2,125 1,771 1,773 222 153 2,375 350	1,873 1,256 2,124 1,506 1,861 397 162 2,480 397	1,979 1,201 2,419 1,726 2,203 450 147 2,382 391	1,971 1,208 2,897 1,517 2,302 593 161 2,201 445

*City of Springboro, Ohio*

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## ***City of Springboro***

*Principal Employers  
Current Year and Nine Years Ago*

Employer	Nature of Business	2017		
		Number of Employees	Rank	Percentage of Total Employment
Springboro Community Schools	Education	844	1	6.35%
DLM Springboro, LLC	Grocery Store	367	2	2.76%
Dayton Childrens Hospital	Medical	326	3	2.45%
Hillspring Rehabilitation Center	Nursing Home	298	4	2.24%
Dayton Metro YMCA	YMCA	268	5	2.02%
Kelchner Inc	Construction	265	6	1.99%
Victory Wholesales Grocers	Retail	258	7	1.94%
Kroger	Retail	257	8	1.93%
Miami Valley Dinner Threate	Dinner Theatre	211	9	1.59%
Hearth Grains Bakery	Industry	211	10	1.59%
Total		<u>3,305</u>		
Total Employment within the City		<u><u>13,295</u></u>		

Employer	Nature of Business	2008		
		Number of Employees	Rank	Percentage of Total Employment
Springboro Community Schools	Education	841	1	6.21%
Sourcelink Ohio, LLC	Industrial	417	2	3.08%
DLM Springboro, LLC	Grocery Store	359	3	2.65%
Miami Valley Dinner Theatre	Dinner Theater	335	4	2.47%
Hillspring Rehabilitation Center	Nursing Home	322	5	2.38%
Pioneer Automtovie Tech, Inc	Industrial	297	6	2.19%
Dayton Metro YMCA	YMCA Center	290	7	2.14%
Gayston Corp	Industrial	265	8	1.96%
Kroger Limited Partnership	Grocery Store	248	9	1.83%
J & A Management Co, Inc	Restaurant	229	10	1.69%
Total		<u>3,603</u>		
Total Employment within the City		<u><u>13,539</u></u>		

Source: City Income Tax Department

## ***City of Springboro, Ohio***

### *Full Time Equivalent Employees by Function Last Ten Years*

	2008	2009	2010	2011	2012
<b>Governmental Activities</b>					
General Government					
Finance	6.00	6.00	6.00	6.00	6.00
Income Tax	2.50	2.50	3.00	3.00	3.00
Mayor's Court	2.00	2.00	2.50	2.50	1.50
City Manager's Office	3.00	3.00	3.00	3.00	3.00
Computer Administration	1.00	1.00	1.50	1.00	1.00
Council/Clerk of Council	1.50	1.50	4.50	4.50	4.50
Security of Persons and Property					
Police	26.00	26.00	26.00	26.00	26.00
Dispatch	5.00	5.00	4.00	4.00	4.00
Transportation					
Street	6.50	6.50	7.75	7.25	7.25
Leisure Time Activities					
Parks and Recreation	6.25	6.25	7.25	9.50	11.00
Community Environment					
Economic Development	0.00	0.00	0.00	0.00	0.00
Engineering	2.00	2.00	3.50	3.50	3.50
Building and Zoning	5.00	5.00	2.50	2.50	2.50
<b>Business-Type Activities</b>					
Utilities					
Water	4.50	4.50	5.00	5.00	5.00
Sewer	1.50	1.50	1.00	1.00	1.00
Trash	1.00	1.00	0.00	0.00	0.00
Golf Operations	0.00	0.00	0.00	0.00	0.00
Golf Maintenance	11.00	11.00	10.00	8.75	9.25
<i>Total Employees</i>	<b>84.75</b>	<b>84.75</b>	<b>87.50</b>	<b>87.50</b>	<b>88.50</b>

**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, Ohio*

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2013	2014	2015	2016	2017
5.50	5.00	5.00	5.00	6.00
3.00	3.00	3.00	3.00	3.00
2.00	2.00	2.00	2.00	2.00
3.00	3.00	3.00	3.00	3.00
1.00	1.00	1.00	1.00	1.00
4.50	4.50	4.50	4.50	4.50
26.00	24.00	24.00	25.00	25.00
4.00	4.00	4.00	4.00	4.00
9.50	9.50	9.50	9.50	9.50
10.00	10.00	10.00	10.00	10.00
0.00	0.00	0.00	0.00	0.00
2.50	2.00	2.00	2.00	2.00
3.50	3.50	3.50	3.50	4.50
2.00	2.00	2.00	2.00	2.00
1.00	1.00	1.00	1.00	1.00
0.00	0.00	0.00	0.00	0.00
0.00	0.00	26.75	26.75	26.75
9.00	9.00	9.00	9.00	9.00
<b>86.50</b>	<b>83.50</b>	<b>110.25</b>	<b>111.25</b>	<b>113.25</b>

## ***City of Springboro, Ohio***

### *Operating Indicators by Function* *Last Ten Years*

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>Governmental Activities</b>					
General Government					
Court					
Number of Criminal Cases	425	389	424	425	364
Number of Traffic Cases	1,900	2,245	2,384	1,605	1,729
Number of Citations	1,872	2,376	2,773	1,943	2,005
Number of Offenses	2,072	2,612	3,037	2,170	2,253
Number of Open Cases	569	568	679	655	704
Licenses and Permits					
Number of Residential Building Permits	14	19	25	24	67
Number of Commercial Building Permits	14	2	3	8	6
Number of Residential Building Inspections	956	979	1,106	1,218	2,226
Number of Commercial Building Inspections	667	465	745	594	747
Security of Persons and Property					
Police					
Number of Calls for Service	14,470	18,215	18,622	17,311	18,597
Number of Criminal Arrests	696	747	1,104	917	807
Number of DUI Arrests	88	106	110	113	105
Number of Traffic Accidents	346	217	303	296	250
Transportation					
Street					
Number of Streets Resurfaced	24	25	4	15	5
Community Environment					
Number of New Jobs	215	97	104	121	94
<b>Business-Type Activities</b>					
Golf Course					
Number of Rounds	38,606	39,722	38,124	32,301	37,522
Water					
Number of Service Connections	7,457	7,382	7,412	7,506	7,713
Daily Average Consumption (MGD)	2,270	1,960	2,250	2,300	2,420
Peak Daily Consumption (MGD)	4,300	3,620	4,350	4,400	4,450
Sewer					
Number of Service Connections	7,047	7,566	7,608	7,734	8,211
Daily Average Sewage Treatment (MGD)	2,310	2,000	2,380	2,400	2,120
Trash					
Number of Customers Served	6,985	5,603	5,686	5,672	5,743

Source: Finance Director's Office

***City of Springboro, Ohio***

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2013	2014	2015	2016	2017
445	726	984	1,527	962
1,631	1,386	1,326	1,269	1,192
1,915	1,608	1,489	1,496	1,644
2,178	1,817	1,691	1,716	2,404
771	1,068	1,489	2,239	2,099
95	65	67	61	70
4	2	1	51	35
2,650	2,369	2,265	1,714	2,175
579	455	904	1,360	1,284
16,458	15,447	15,278	15,478	16,244
677	535	521	563	743
129	85	88	122	160
265	296	262	243	214
12	1	15	13	13
115	126	97	165	217
31,308	30,033	33,040	33,436	33,752
7,743	7,780	7,912	8,022	8,100
2,525	2,400	2,450	2,250	2,200
4,520	4,570	4,580	4,600	4,500
8,241	8,278	8,300	8,348	8,478
2,350	2,600	2,750	2,720	2,600
5,822	5,931	6,015	6,118	6,193

## ***City of Springboro, Ohio***

### *Capital Asset Statistics by Function* *Last Ten Years*

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>Governmental Activities</b>					
General Government					
Public Land and Buildings					
Land (acres)	613	613	610	608	594
Buildings	14	14	14	14	14
Licensed Vehicles	7	7	7	9	7
Library	1	1	1	1	1
Security of Persons and Property					
Police					
Stations	1	1	1	1	1
Vehicles	21	20	20	20	21
Transportation					
Street					
Number of Paved Streets	365	366	366	366	366
Total Paved Miles	90	91	91	91	91
Street Lights	117	117	117	117	118
Signal Controlled Intersections	15	16	16	16	17
Licensed Vehicles	16	16	16	16	18
Leisure Time Activities					
Parks and Recreation					
Land (acres)	232	232	232	232	387
Buildings	11	11	11	11	11
Parks	4	4	4	4	4
Playgrounds	4	4	4	4	4
Tennis Courts	4	4	4	4	4
Skate Board Park	1	1	1	0	0
Baseball/Softball Diamonds	8	9	9	10	10
Basketball Courts	2	2	2	2	2
Soccer Fields	6	6	6	8	8
Licensed Vehicles	6	6	6	6	4

*City of Springboro, Ohio*

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2013	2014	2015	2016	2017
594	592	599	600	600
15	15	21	17	17
8	8	8	8	8
1	1	1	1	1
1	1	1	1	1
25	25	25	22	22
368	368	371	371	371
91	91	85	85	85
118	118	118	118	118
17	18	16	16	16
16	17	17	17	18
495	495	495	495	495
11	11	11	11	11
5	5	5	5	5
5	5	5	5	5
4	4	4	4	4
0	0	0	0	0
10	10	10	10	10
2	2	2	2	2
8	8	8	8	8
4	4	4	3	3

(Continued)

## ***City of Springboro, Ohio***

### *Capital Asset Statistics by Function Last Ten Years*

	2008	2009	2010	2011	2012
<b>Business-Type Activities</b>					
Golf Course / Clubhouse					
Land (acres)	188	188	188	188	188
Buildings	11	11	11	11	11
Golf Carts	84	84	84	84	78
Licensed Vehicles	1	1	1	1	1
Utilities					
Water					
Water Towers	4	4	4	4	4
Waterlines (Miles)	0	0	0	0	0
Water Treatment Plant	1	1	1	1	1
Buildings	3	3	3	3	3
Licensed Vehicles	9	12	12	12	12
Pump Stations	0	4	4	4	4
Storage Capacity (thousands of gallons)	5,100,000	5,100,000	5,100,000	5,100,000	5,100,000
Sewer					
Sewage Treatment Plant	1	1	1	1	1
Buildings	7	7	7	7	7
Licensed Vehicles	2	2	3	4	4
Sewerlines (Miles)	0	0	0	0	0
Lift Stations	8	8	8	8	8

Source: Finance Director's Office

*City of Springboro, Ohio*

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2013	2014	2015	2016	2017
188	188	188	188	188
11	11	11	11	11
78	78	78	78	78
1	1	1	1	1
4	4	4	4	4
0	0	0	0	0
1	1	1	1	1
3	3	3	3	3
12	9	9	9	9
4	4	4	4	4
5,100,000	5,100,000	5,100,000	5,100,000	5,100,000
1	1	1	1	1
7	7	7	7	7
4	6	6	7	7
0	0	0	0	0
8	8	8	8	8

*City of Springboro, Ohio*

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