



**CITY OF SPRINGBORO
WARREN COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**CITY OF SPRINGBORO
TABLE OF CONTENTS**

TITLE	PAGE
Report of Independent Accountants	Under Separate Cover
General-Purpose Financial Statements	Under Separate Cover
Report of Independent Accountants on Compliance and on Internal Control Required by Government Auditing Standards	1
Schedule of Findings	3

This page intentionally left blank.



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

250 West Court Street
Suite 150 E
Cincinnati, Ohio 45202
Telephone 513-361-8550
800-368-7419
Facsimile 513-361-8577
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS

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

To the City Council:

We have audited the financial statements of the City of Springboro, Warren County, Ohio, (the City), as of and for the year ended December 31, 1999, and have issued our report thereon dated June 16, 2000, wherein we noted the City changed its method of accounting for compensated absences. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings as item 1999-20483-001.

Additionally, we have also noted certain immaterial instances of noncompliance that we have reported to the City Council in a separate letter dated June 16, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Springboro's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City of Springboro's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable conditions are described in the accompanying schedule of findings as items 1999-20483-002 through 1999-20483-005.

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

We also noted other matters involving the internal control structure that do not require inclusion in this report, that we have reported to the management of the City of Springboro in a separate letter dated June 16, 2000.

This report is intended for the information and use of management and the members of City Council and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

Jim Petro
Auditor of State

June 16, 2000

**CITY OF SPRINGBORO
SCHEDULE OF FINDINGS
DECEMBER 31, 1999**

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

FINDING NUMBER 1999-20483-001

Compliance

Possible Noncompliance With Bond Covenants Related to the Water and Sewer Funds

Provisions within the 1998 Water System Mortgage Revenue Bonds state that the entire income and revenue of the Water System shall be set aside and deposited by the City in a special and separate fund, the "Water System Revenue Fund." The Revenue Fund shall administer payments before the revenues are considered to be excess or surplus funds. The revenues must be used for payments of expenses of operation and maintenance of the Water System, not less of one-sixth of the operation and maintenance expense for the year immediately preceding must be reserved to maintain adequate working capital for the Water System, money must be set aside for the Required Debt Service Reserve Balance (which is used only for payment of principal and interest), money may also be set aside in the Required Replacement and Improvement Account Balance if the balance drops below the established amount, and payment shall be made into the Stabilization Account if the required balance is not maintained. Upon payment of principal and interest on all Bonds at maturity, any remaining revenues in the Revenue Fund should be transferred to the Surplus Fund. Monies in the Surplus Fund may be invested in Eligible Investments maturing in not more than five (5) years from the date of the investment. Monies produced from Income Tax may be used for the above items if the revenues generated by the Water System are not sufficient enough to meet the above procedures. Any Income Tax monies that are not required to be retained by the Bond Account should be deposited back into the Income Tax Capital Improvements Fund.

Provisions within the 1993 Waterworks Improvement Mortgage Revenue Bonds state that the entire income and revenue of the Water System shall be set aside and deposited by the City in a special and separate fund, the "Water System Revenue Fund." The Revenue Fund shall administer payments before the revenues are considered to be excess or surplus funds. The revenues must be used for payments of expenses of operation and maintenance of the Water System, not less of one-sixth of the operation and maintenance expense for the year immediately preceding must be reserved to maintain adequate working capital for the Water System, money must be set aside for the Required Debt Service Reserve Balance (which is used only for payment of principal and interest), and money may also be set aside in the Required Replacement and Improvement Account Balance if the balance drops below the established amount. Upon payment of principal and interest on all Bonds at maturity, any remaining revenues in the Revenue Fund should be transferred to the Surplus Fund. Monies in the Surplus Fund may be invested in Eligible Investments maturing in not more than five (5) years from the date of the investment. Monies produced from Income Tax may be used for the above items if the revenues generated by the Water System are not sufficient enough to meet the above procedures. Any Income Tax monies that are not required to be retained by the Bond Account should be deposited back into the Income Tax Capital Improvements Fund.

Provisions within the 1997 Sewer System Mortgage Revenue Refunding Bonds state that the entire income and revenue of the System shall be set aside and deposited by the City in a special and separate fund, the "Sewer System Revenue Fund." The Revenue shall administer payments before the revenues are considered to be excess or surplus funds. The revenues must be used for payments of expenses of operation and maintenance of the Sewer System, monies must be deposited into the Bond Account to fund principal, interest, and premium payments, money must be set aside for the Required Debt Service Reserve Balance and Rebate Fund, and money may also be set aside in the Replacement and Improvement Fund if the amount maintained in the account drops below \$200,000. Upon payment of principal and interest on all Bonds at maturity, any remaining revenues in the Revenue Fund should be transferred to the Surplus

**CITY OF SPRINGBORO
SCHEDULE OF FINDINGS
DECEMBER 31, 1999**

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

FINDING NUMBER 1999-20483-001 (Continued)

Fund. Monies in the Surplus Fund may be invested in Eligible Investments maturing in not more than five (5) years from the date of the investment. Monies produced from Income Tax may be used for the above items if the revenues generated by the Sewer System are not sufficient enough to meet the above procedures. Any Income Tax monies that are not required to be retained by the Bond Account should be deposited back into the Income Tax Capital Improvements Fund.

The City in 1999 loaned \$ 2,200,000 in cash from the water fund and \$ 1,210,869 in cash from the sewer fund to the golf course fund to cover a negative cash balance in the golf course fund which may meet the provisions of the debt issuances for the 1998 Water Systems Mortgage Revenue Bonds, 1993 Waterworks Improvement Mortgage Revenue Bonds, and the 1997 Sewer System Mortgage Revenue Refunding Bonds.

The possible effects of the City's noncompliance with the bond covenants include acceleration of the payment of bond principal upon written request of holders of at least 25% in bond principal. As of June 16, 2000, no bond holders have requested accelerated principal payment.

Legal counsel has advised the City that in order to eliminate any uncertainty as to compliance, the loan should be repaid to the water and sewer funds, with market interest, and another method of eliminating the negative balance in the golf course fund be identified and implemented as soon as possible .

We recommend that the City always consult with bond counsel before using water and sewer fund resources outside the scope of operations and debt service to determine that they are in compliance with the provisions of the water and sewer fund bond covenants.

FINDING NUMBER 1999-20483-002

Internal Control - Reportable Condition

Golf Course Accounting Records and Oversight by City Management

The City's contract with the American Golf Corporation (AGC) states that "AGC shall keep full and accurate books of account and such other records as are necessary to reflect the results of the operation of the Facility, including contract documents, invoices, and construction records. All of AGC's books and records for the Facility shall be located at the Facility". Contrary to this agreement, all of AGC's records are not kept at the Facility. AGC keeps copies of invoices at the facility but not the original invoices. Without complete records, the City and/or their independent certified public accountant will not be able to audit or monitor the golf course operations. The City should enforce this provision of their contract with AGC.

In addition, American Golf Corporation performs all hiring and all accounting functions for receipts, payroll, and other non-payroll expenditures (except debt and capital lease payments). The City has not established procedures to reasonably determine that receipts, payroll, and non-payroll expenditures have been completely and accurately processed and collected in accordance with the contract.

**CITY OF SPRINGBORO
SCHEDULE OF FINDINGS
DECEMBER 31, 1999**

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

FINDING NUMBER 1999-20483-002 (Continued)

We recommend that the City implement procedures to reasonably assure the completeness, and accuracy of the collection and processing of receipts, payroll, and non-payroll expenditures by their golf course management company. Statement on Auditing Standards No. 70 (SAS 70) prescribes testing and reporting standards for audits of service organizations controls which should satisfy this requirement. As described in that Statement, we suggest that the City obtain a "Report on Policies and Procedures Placed in Operation and Tests of Operating Effectiveness" from the golf course management company. Such a report, if unqualified, would provide evidence to the City's management that receipts, payroll, and non-payroll expenditures (except debt and capital lease payments) were being processed in conformance with the contract.

FINDING NUMBER 1999-20483-003

Internal Control - Reportable Condition

Hiring of Independent Certified Public Accounting Firm for the Golf Course

The City's contract with the American Golf Corporation (AGC) states that "AGC shall hire an independent certified public accounting firm with an office in close proximity to the Facility, which firm shall be reasonably acceptable to Owner, to review (and to assist in the preparation of) the books and records of the Facility and to prepare the financial statements required under this agreement. AGC will train the accounting firm with respect to the use and application of AGC's accounting software at the Facility, and AGC shall supervise the work of the accounting firm. All fees and charges of the accounting firm shall be an expense of the Facility payable from the Facility accounts".

American Golf Corporation did not hire an independent certified public accounting firm to review and to assist in the preparation of the books and records for the Golf Course and to prepare the financial statements. The City should require AGC to hire an independent certified public accounting firm and use their report as part of the monitoring procedures.

FINDING NUMBER 1999-20483-004

Internal Control - Reportable Condition

Fixed Assets

The City does not have an updated formal fixed asset policy. The City should rewrite its fixed asset policy to gain consistency from year to year. The policies and procedures should include, but not limited to: procedures for determining a fixed asset and their useful lives, computer procedures, and policies on additions, deletions, transfers, and improvements.

The City has not performed a departmental physical inventory of the equipment in recent years. A physical inventory will help the City keep the fixed assets inventory up-to-date. Each department should perform a yearly review of its equipment and compare it to the fixed asset report for accuracy. The review should identify those assets acquired and disposed of during the year. Inconsistencies between the department's records and the Finance Department's records should be reconciled.

**CITY OF SPRINGBORO
SCHEDULE OF FINDINGS
DECEMBER 31, 1999**

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

FINDING NUMBER 1999-20483-004 (Continued)

The City should perform a physical inventory of its undesignated personal property, either simultaneously, on a rotating basis, or as determined by a formal City policy, so that all the City's fixed assets are physically accounted for. While a well-designed and properly maintained perpetual inventory system can eliminate the need for annual inventory of a government's fixed assets, no inventory system is so reliable as to eliminate completely the need for a periodic inventory.

The City does not review golf course batch reports to ensure that all assets purchased by American Golf Corporation (AGC) for the golf course are properly included in the golf course fixed asset listing. The City should review these reports and request invoices to see that all golf course fixed assets are properly included and valued in the fixed asset system.

The asset useful lives used for depreciation purposes were different within the asset categories. Within each category the same useful life should be used to consistently match revenues and expenses. The City should review the asset useful lives to see that they meet City established fixed asset policies. Also, depreciation reports should be reviewed for completeness.

FINDING NUMBER 1999-20483-005

Internal Control - Reportable Condition

Credit Card Usage, Travel Policy, and Petty Cash

Proper documentation was not always attached to travel related vouchers to support the validity of the expenditure. In most cases for meals, the charge slip, which only listed the amount charged and the cardholder's signature was attached as supporting documentation. There was also nothing noted on the documentation as to the business purpose of the meal.

**CITY OF SPRINGBORO
SCHEDULE OF FINDINGS
DECEMBER 31, 1999**

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

FINDING NUMBER 1999-20483-005 (Continued)

Date	Person	Amount	Description
7/9/99	Lori Martin	\$61.88	Brothers Pizza receipt not detailed; Olive Garden receipt not detailed
5/27/99	Gary Hruska	\$9.47	Yoders Dutch Kitchen receipt not detailed
4/27/99	Edward Doczy	\$27.69	Jordan's restaurant receipt not detailed; Reimbursed \$2.48 for deodorant
12/22/99	Edward Doczy	\$100.58	Receipts were not detailed
12/28/99	Josh Allen (AGC)	\$2,244.58	Reimbursed for travel with no supporting receipts
1/7/99	City Manager credit card	\$304.15	Most receipts were not detailed - most only stated food and beverage
7/16/99	City credit card	\$597.13	Most receipts were not detailed - most only stated food and beverage
6/18/99	City credit card	\$941.63	Most receipts were not detailed - most only stated food and beverage
5/10/99	City manager credit card	\$718.96	Most receipts were not detailed - most only stated food and beverage
5/10/99	City credit card	\$464.66	Most receipts were not detailed - most only stated food and beverage

The City should:

- Have their credit card and travel policy state that only detailed receipts will be accepted for reimbursement.
- Ensure that all meals are business related and that documentation exists to support this so that there is no misconception that the payment is for personal lunches. If payments are for personal lunches, they should be evaluated whether they are taxable fringe benefits which should be reported to Internal Revenue Service.

Reimbursements from petty cash were sometimes approved only by the City Manager's secretary, who kept the petty cash drawer. The City should ensure that petty cash reimbursements are properly approved and meet a Council established policy.

THE CITY OF SPRINGBORO, OHIO

WARREN COUNTY

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 1999

Prepared by:
Department of Finance

Robyn L. Brown
Director of Finance

TABLE OF CONTENTS

CITY OF SPRINGBORO, OHIO WARREN COUNTY

I

INTRODUCTORY SECTION

A	Letter of Transmittal	v
B	Principal Officials	xiv
C	City Organizational Chart	xv
D	Certificate of Achievement	xvi

II

FINANCIAL SECTION

A	REPORT OF INDEPENDENT ACCOUNTANTS	1
B	GENERAL PURPOSE FINANCIAL STATEMENTS	
	Combined Financial Statements - Overview	
	Combined Balance Sheet All Fund Types and Account Groups	4
	Combined Statement of Revenues, Expenditures and Changes in Fund Balances All Governmental Fund Types and Expendable Trust Fund	9
	Combined Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual (Non-GAAP Budgetary Basis) All Governmental Fund Types	10
	Combined Statement of Revenues, Expenses and Changes in Retained Earnings Proprietary Fund Type	13
	Combined Statement of Cash Flows Proprietary Fund Type	14
	Notes to the General Purpose Financial Statements	16

C	COMBINING AND INDIVIDUAL FUND AND ACCOUNT GROUP STATEMENTS AND SCHEDULES	
	General Fund	
	Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis)	47
	Special Revenue Funds	
	Combining Balance Sheet	54
	Combining Statement of Revenues, Expenditures and Changes in Fund Balances	56
	Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual (Non-GAAP Budgetary Basis)	
	Community Oriented Policing Services (COPS) Grant Fund	58
	DARE Trust Fund	59
	Drug Law Enforcement Fund	60
	Housing Committee Fund	61
	Law Enforcement Fund	62
	Library Donation Fund	63
	Motor Vehicle License Tax Fund	64
	Permissive Use Tax Fund	65
	Shady Tree Grant Fund	66
	State Highway Fund	67
	Street Maintenance and Repair Fund	68
	Capital Projects Funds	
	Combining Balance Sheet	70
	Combining Statement of Revenues, Expenditures and Changes in Fund Balances	71
	Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual (Non-GAAP Budgetary Basis)	
	Construction Fund	72
	Income Tax Capital Improvement Fund	73
	Land Acquisition Fund	74
	Permanent Improvement Fund	75

Enterprise Funds	
Combining Balance Sheet	78
Combining Statement of Revenues, Expenses and Changes in Retained Earnings	81
Combining Statement of Cash Flows	82
Fiduciary Funds	
Combining Balance Sheet	85
Combining Statement of Changes in Assets and Liabilities - Agency Funds	86
General Fixed Assets Account Group	
Schedule of General Fixed Assets by Source	88
Schedule of General Fixed Assets by Category	89
Schedule of Changes in General Fixed Assets by Function and Activity	90

III

STATISTICAL SECTION

General Governmental Expenditures by Function - Last Ten Years	92
General Governmental Revenues By Source - Last Ten Years	93
Property Tax Levies and Collections - Last Ten Years	94
Assessed Valuations and Estimated True Values of Taxable Property - Last Ten Years	95
Property Tax Rates - Direct and Overlapping Governments - Last Ten Years	96
Special Assessment Billings and Collections - Last Ten Years	97
Computation of Legal Debt Margin	98
Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt Per Capita - Last Ten Years	99
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total General Governmental Expenditures - Last Ten Years	100
Computation of All Direct and Overlapping Governmental Debt	101
Revenue Bond Coverage – Water Mortgage Bonds - Last Ten Years	102
Revenue Bond Coverage – Sewer Mortgage Bonds - Last Ten Years	103
Demographic Statistics - Last Ten Years	104
Property Value and Construction Permits - Last Ten Years	105
Principal Taxpayers	106
Miscellaneous Statistics	107

THIS PAGE INTENTIONALLY LEFT BLANK

INTRODUCTORY SECTION

320 West Central Avenue
Springboro, Ohio 45066
(513) 748-4343
FAX (513) 748-0815

June 18, 2000

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

We are pleased to present the City of Springboro, Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 1999. The responsibility for both the accuracy of the presented data, and the completeness and fairness of presentation, including all disclosures, rests with the management of the City, particularly the Director of Finance's Office. This report is prepared in conformance with generally accepted accounting principles as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources. We believe the data is fairly presented in all material aspects and that it is presented in a manner designed to set forth the financial position and results of operations of the City as measured by the financial activity of its various funds and account groups; and that all disclosures necessary to enable the reader to gain a reasonable understanding of the City's financial affairs have been included.

This CAFR is divided into three sections as follows.

1. Introductory Section - This section introduces the reader to the report and includes the table of contents, this transmittal letter, the GFOA Certificate of Achievement, the list of principal officials, and the City's organizational chart.
2. Financial Section - Included within this section are the Report of Independent Accountants, the general purpose financial statements and the notes to the general purpose financial statements. The remainder of the financial section consists of the combining financial statements, individual fund statements and schedules focusing on individual funds rather than fund types.
3. Statistical Section - The multi-year information presented in this section is designed to reflect social and economical data, financial trends and the fiscal capacity of the City.

THE CITY

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

REPORTING ENTITY AND SERVICES

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

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

The Warren County General Health District was determined to be a jointly governed organization, and the Ohio Municipal League of Workers' Compensation Group Rating Plan was determined to be a group purchasing pool.

ECONOMIC OUTLOOK

It is estimated that the growth and development of the City of Springboro will continue to exceed the normal and average growth economy due to the City's physical location along Interstate 75 between Cincinnati and Dayton. Population in the City of Springboro increased by an estimated 875 to a total of 12,075 in 1999. The main factor contributing to this growth is an abundance of available building sites, which offer appealing terrain, location, amenities, small town atmosphere and a low crime rate. As a result, single-family residential construction increased by 57 permits over 1998 bringing the total to 319 permits in 1999. It is expected that the growth will continue in 2000 to total over 300 single-family residential construction permits.

Since the City annexed the South Tech Business Park in 1997 and began marketing the new Stolz Industrial Park in 1998, industrial growth in Springboro has blossomed. In 1999, the City witnessed the addition of 235 new manufacturing jobs and an additional payroll worth an estimated \$8.7 million.

The City continues to be an attractive location for a wide range of retail shops as well. The City is pursuing 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 pursue a nation-wide program for downtown development known as The Main Street Program.

MAJOR INITIATIVES

For the Year:

The citizens of Springboro are the City's greatest asset. The government'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.

Clearcreek Park Development Plan: The Park Board commissioned the completion of a master plan for Clearcreek Park in 1992. The 1998 budget and a capital improvement allocation awarded by the State of Ohio allowed for outfield fencing to be installed on all five (5) baseball/softball diamonds. Funding from the State arrived in 1999 and was used to complete installation of the fencing. Also completed was grading and seeding of a regulation size soccer field and the installation of goals. Other soccer fields at the park were equipped with bleachers. In 1999, grant funds provided an additional 22 parking spaces in the eastern portion of the park, as well as picnic equipment for the enjoyment of residents and visitors.

Strategic Planning: Springboro is experiencing residential and commercial growth. The availability of natural resources, an effective transportation system, strong economic markets and the area's natural beauty will most likely prolong the growth opportunities into the 21st century.

In October of 1994, a Strategic Planning Committee was formed, bringing together concerned citizens with employees of the City to participate in a comprehensive process to plan for the future of our community. This process was completed in 1996.

In 1998, the staff implemented many of the initiatives that were defined by the Strategic Planning Committee. The staff also continued the development of a multi-year financial planning and management tool referred to as the Strategic Plan. Using this tool, the staff and elected officials plan a financial course that will best achieve the goals and objectives of the Strategic Plan. Also in 1998, the Land Use Plan and Economic Development Marketing Plan that was developed along with the strategic plan moved forward towards achieving the Strategic Vision of the City. In 1999 and beyond, the Strategic Plan and Land Use Plan has been and will be the foundation used to guide Springboro into the new millennium. Comprehensive planning in parks, streetscaping, landscaping and mobility has begun. Sewer master planning and joint land use planning with Warren County and Clearcreek Township are also goals of the Strategic Plan that will guide Springboro in achieving the Strategic Vision created by the community.

For the Future

Street Capital Improvements: The proposed 2000 budget includes funding for \$595,000 of street capital improvements in three (3) project areas. There is \$40,000 designated for a Community Development Block Grant project for reconstruction of West North Street. There is \$100,000 designated for the construction of a public parking lot, as well as for storm sewer improvements on East Street. The majority of the funds, \$455,000, are designated for the City's annual asphalt resurfacing and miscellaneous street repair program. In addition, the budget includes funding for professional services to develop a Mobility Master Plan to analyze both motorized and non-motorized transportation needs and to develop a capital improvement plan.

Water System 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 to evaluate how the City's growth and development had compared to that projected in the earlier study. The initial planning effort was found to be consistent with actual growth trends. The projects that were identified in the study that are planned for 2000 include the following:

1. The city acquired an alternative wellfield site in 1999 and had a large production well installed on the property. The 2000 budget includes funding for the installation of pumping capacity, piping and appurtenances, and an emergency generator for the development of this contingency wellfield site. This contingency wellfield is independent of the primary wellfield, and will have a capacity of 4.32-MGD. This project should be completed in the fall of 2000.
2. As a part of the approval for the alternative wellfield site, the Ohio Environmental Protection Agency required that the City establish positive control of all property within 300-feet of the new well. The 2000 budget includes \$60,000 for the acquisition of one additional parcel of land east of the new well, and three utility easements along the west boundary of the site.
3. The City had a test well installed on the north end of its primary wellfield site, which indicated that another large capacity production well could be developed at this location. The 2000 budget includes \$175,000 for the installation of a 24-inch diameter well, pumps and appurtenances at this location. The City had previously acquired positive control over all property within 300-feet of this new well.
4. The City had three existing wells on its primary wellfield site that provided water to the old Water Treatment Plant located on the site. One of these wells was upgraded to be able to pump to the new Water Treatment Plant located in the City of Springboro. The other two wells were maintained in operation until the old Water Treatment Plant was no longer needed and must now be upgraded so that they can provide water to the new plant. The 2000 budget includes \$320,000 for the upgrade of these two wells.
5. The City acquired approximately 10-acres for its contingency wellfield located in Chautauqua, and also acquired approximately 7-acres adjacent to its new Water Treatment Plant in case this land is needed for future expansion and/or upgrades at the new facility. The 2000 budget includes funds for the construction of fencing around the contingency wellfield, the site of the new Water Treatment Plant and the property adjacent to the new plant. The total proposed budget to fence these properties is \$70,000.
6. As stated previously, the City commissioned the Water Master Plan in 1995 and has been completing a number of the capital improvement projects outlined in the plan. Projects such as further development of the Supervisory Control and Data Acquisition (SCADA) system, demolition of old buildings on acquired properties and other smaller miscellaneous projects are also proposed. The 2000 budget includes \$175,000 for these miscellaneous projects.

Sewer System Improvements: The City has commissioned a consultant to develop a Sewer Master Plan to address the sewer collection system and treatment plant needs for the next 20 years. This plan will include an analysis of the system and the development of a Capital Improvement Program (CIP) to address these needs. These CIP projects will be included in future proposed budgets and the following projects are included in the 2000 budget:

1. There is \$120,000 designated for the Eagle Ridge Lift Station that was carried over from the 1999 budget. The project was delayed due to difficulty in acquiring the needed easements. The project should be completed by the fall of 2000.
2. The preliminary Sewer Master Plan is recommending that the sewer system control be automated similar to that done for the water system. The 2000 budget includes \$80,000 for installation of Supervisory Control and Data Acquisition (SCADA) Equipment at various points in the collection system.

Assessment Projects: There are no new roadway improvements requiring assessments.

FINANCIAL INFORMATION

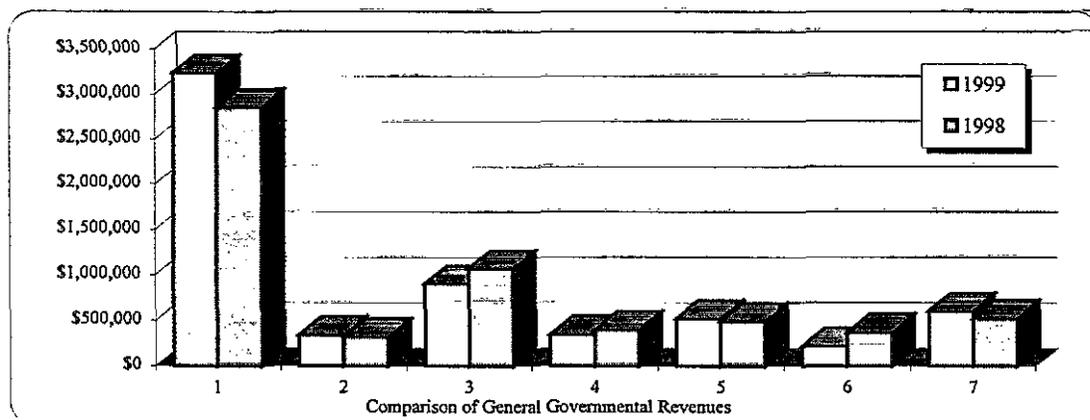
Internal Controls: In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of internal control should not exceed the benefits likely to be derived; and that the evaluation of cost and benefits requires estimates and judgments by management.

Budgetary Controls: The City Charter grants the City Council full authority over the financial affairs of the City. The Charter requires that all funds, other than agency funds, be budgeted and appropriated. The City Manager is charged with the responsibility of preparing the estimates of the annual budget and the enforcement of the provisions of the budget as specified in the budget resolution. Upon adoption of the annual budget resolution by the Council, it becomes the formal budget for City operations. After the budget resolution is adopted, Council, on recommendation of the City Manager, may at any time by ordinance, transfer any unencumbered balance of an appropriation from one item or project to another under the same fund, or reduce or increase any item, provided the ordinance as amended does not increase the authorized expenditures to an amount greater than the total estimated income. Financial reports, which compare actual performance with the budget, are prepared monthly and presented to the Council so the Council is able to review the financial status and measure the effectiveness of the budgetary controls. The City maintains a monitoring system to facilitate budgetary control over proposed purchases. Essentially, the system entails the use of weekly computerized printouts which detail year-to-date actual versus budgeted expenditures comparisons of the various funds by budgeted line item. 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 succeeding calendar year and need not be reappropriated.

As part of the City's strategic planning process, a computer modeling system is being developed to assist in financial, operational and capital planning. The modeling system also will be expanded to create a budgetary management tool. The system will be designed to provide timely analyses and projections and assist the administration in adjusting to the monthly dynamics of a growth community.

General Government Functions: The following schedules present a summary of general governmental revenues (including general, special revenue and debt service funds) for the years ended December 31, 1998 and 1999, the percentage of each source to total revenues, and the amount and percentage of increase or decrease from 1998 to 1999.

Revenue Source	1999 Total	Percent of Total	1998 Total	Percent of Total	Increase (Decrease) over 1998	Percent of Increase (Decrease)
1. Municipal Income Tax	\$3,236,247	52.29%	\$2,857,463	47.17%	\$378,784	13.26%
2. Property Taxes	345,122	5.58%	324,624	5.36%	20,498	6.31%
3. Intergovernmental Revenues	904,526	14.61%	1,072,824	17.71%	(168,298)	(15.69%)
4. Charges for Services	352,465	5.69%	404,577	6.68%	(52,112)	(12.88%)
5. Fines, Licenses, & Permits	523,587	8.46%	494,778	8.17%	28,809	5.82%
6. Investment Earnings	224,200	3.62%	375,255	6.20%	(151,055)	(40.25%)
7. All Other Revenues	603,548	9.75%	527,292	8.71%	76,256	14.46%
Total	\$6,189,695	100.00%	\$6,056,813	100.00%	\$132,882	



Municipal Income Tax increased by \$378,784 due to an increase in residential growth and additional new jobs created by industrial growth in the City.

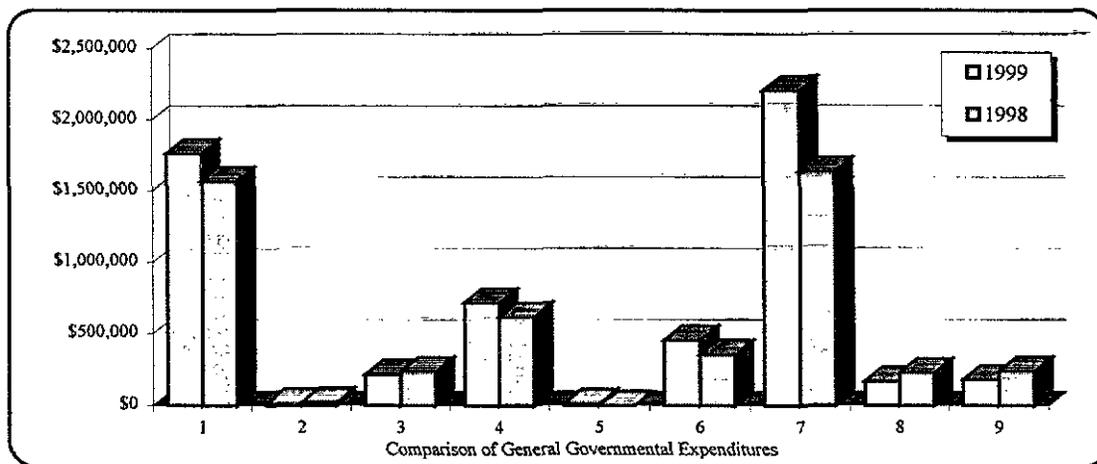
Intergovernmental revenues decreased by \$168,298 due to a decrease in federal grant and estate tax revenues.

Investment earnings decreased by \$151,055 due to investments held in trust, where the earnings from those investments will be realized in future years.

All other revenues increased by \$76,256 due to a grant from the Architectural Review Board and an increase in the amount of reimbursements.

Expenditures for general governmental purposes (as previously defined) totaled \$5,728,618, an increase of \$829,190 or 16.9% over 1998. Expenditures for the major functions of the City, increases/(decreases) over 1998 and the percentage of the total are shown in the following table:

Function	1999 Total	Percent of Total	1998 Total	Increase (Decrease) over 1998	Percent of Increase (Decrease)
1. Security of Persons & Property	\$1,764,306	30.80%	\$1,568,042	\$196,264	12.52%
2. Public Health & Welfare Services	13,569	0.24%	21,533	(7,964)	(36.99%)
3. Leisure Time Activities	214,419	3.74%	235,084	(20,665)	(8.79%)
4. Community Environment	716,566	12.51%	617,174	99,392	16.10%
5. Basic Utility Services	11,477	0.20%	0	11,477	100.00%
6. Transportation	455,676	7.95%	355,769	99,907	28.08%
7. General Government	2,206,726	38.52%	1,638,663	568,063	34.67%
8. Debt Service - Principal	167,200	2.92%	226,734	(59,534)	(26.26%)
9. Debt Service - Interest	178,679	3.12%	236,429	(57,750)	(24.43%)
Total	\$5,728,618	100.00%	\$4,899,428	\$829,190	



Security of Persons and Property expenditures increased by \$196,264 due to an increase in wages and benefits associated with additional police staff. The police also had higher than normal capital expenditures in 1999.

Transportation expenditures increased by \$99,907 due primarily to increased staffing levels, purchase of a dump truck and various pieces of maintenance equipment for the Street Department.

Community Environment expenditures increased by \$99,392 due to an increase in personnel and the start of the Ohio Main Street Program.

General Government expenditures increased by \$568,063 due to an increase in administrative and maintenance personnel, an increase in professional services for administration and engineering and an increase in capital improvements.

Special Revenue Funds: All special revenue funds on a combined basis operated with \$955,928 in revenues and other financing sources and \$865,120 in expenditures and other financing uses during 1999.

Capital Projects Funds: All capital projects funds on a combined basis operated with \$3,520,571 in revenues and other financing sources and \$6,438,180 in expenditures in 1999 which resulted in a decrease in fund balance of \$2,917,609. Capital projects funds will continue to be used to provide resources for capital improvements and renovations, and acquisitions of capital assets as the City Council authorizes expenditures of bond and note proceeds.

Proprietary Operations: The enterprise funds operated by the City include the golf course, sewer, trash and water funds. The City's enterprise funds operated in 1999 with \$10,633,499 in operating and non-operating revenues and transfers - in. This resulted in an increase in retained earnings of \$3,771,939.

Fiduciary Operations: At December 31, 1999, assets recorded in the expendable trust fund and the agency fund were \$151,815 and \$13,679, respectively.

Debt Administration: At December 31, 1999, the City had several debt issues outstanding. These debt issues consisted of \$2,561,000 in special assessment bonds, \$6,845,000 in general obligation bonds, \$22,580,000 in mortgage revenue bonds and \$522,634 in capital lease obligations. The City also had \$4,620,000 in notes outstanding that were issued in anticipation of long-term bond financing. All notes are backed by the full faith and credit of the City.

In August 1999, the City defeased \$315,000 of General Obligation Bonds for Real Estate Acquisition dated September 30, 1988, \$3,050,000 of General Obligation Bonds for Clubhouse Construction dated June 1, 1993 and \$4,480,000 in certificates of participation (capital lease) dated November 23, 1993 through the issuance of \$4,400,000 of General Obligation Bonds for Golf Course Refunding and through the payment of \$4,005,000 in City funds. The net proceeds of the 1999 Bonds and contributed City funds have been invested in obligations guaranteed as to both principal and interest by the United States and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds and certificates of participation (capital lease).

The refunding bonds were used to defease the \$3,050,000 of General Obligation Bonds for Club House Construction and to defease the remainder of the certificates of participation (capital lease). The City reduced its aggregate debt service payments over the life of the refunded bond and certificates of participation (capital lease) by \$3,289,398 and obtained an economic gain of \$205,583. The economic gain is much smaller than the aggregate reduction in debt service when the amount of City funds contributed in cash is figured into the equation. The aforementioned figures do not include the reduction of the debt service payments or economic gain on the Real Estate Acquisition Bond or the portion of the certificates of participation (capital lease) that were refunded with City funds.

The City's overall legal debt margin at December 31, 1999 was \$23,309,465 and the unvoted legal debt margin was \$9,575,469.

Cash Management: The primary objective of the City's investment activities is the preservation of capital and the protection of investment principal. In investing public funds, the City will strive to maximize the return on the portfolio but will avoid assuming unreasonable risks. The City's investment portfolio will remain sufficiently liquid to enable the City to meet operating requirements which might be reasonably anticipated. The City will diversify its investments to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions.

Inactive City funds are invested in various other instruments guaranteed by the U.S. Government or its agencies. Active City funds are typically invested in an overnight repurchase agreement with local commercial banks. At December 31, 1999 the City did not have a repurchase agreement in its portfolio. The city pools its cash for investment purposes and investment income is distributed to the general fund and golf, sewer, and water enterprise funds.

Certain deposits are collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the City's name under Ohio law. The pool of securities so pledged must have a current market value at least equal to 110% of all public monies on deposit with the depository including the amount covered by federal insurance.

Risk Management: The City has several different insurance policies, each covering a specific category of risk. The property and liability policy runs through April 2001. The limits of liability range from \$24,882 to \$5,000,000. Public officials and law enforcement employees are covered under separate policies and have aggregate limits of \$2,000,000 each.

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

For fiscal year 1999, the City participated in the Ohio Municipal League of Ohio Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool for Workers' Compensation coverage. A more thorough presentation of the City's risk management programs can be found in Note 17.

OTHER INFORMATION

Independent Audit: An audit team from Auditor of State Jim Petro's Office has performed this year's audit. The results of the audit are presented in the Report of Independent Accountants.

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 fiscal year ended December 31, 1998. This was the eleventh year that the government has received this prestigious award.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA.

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

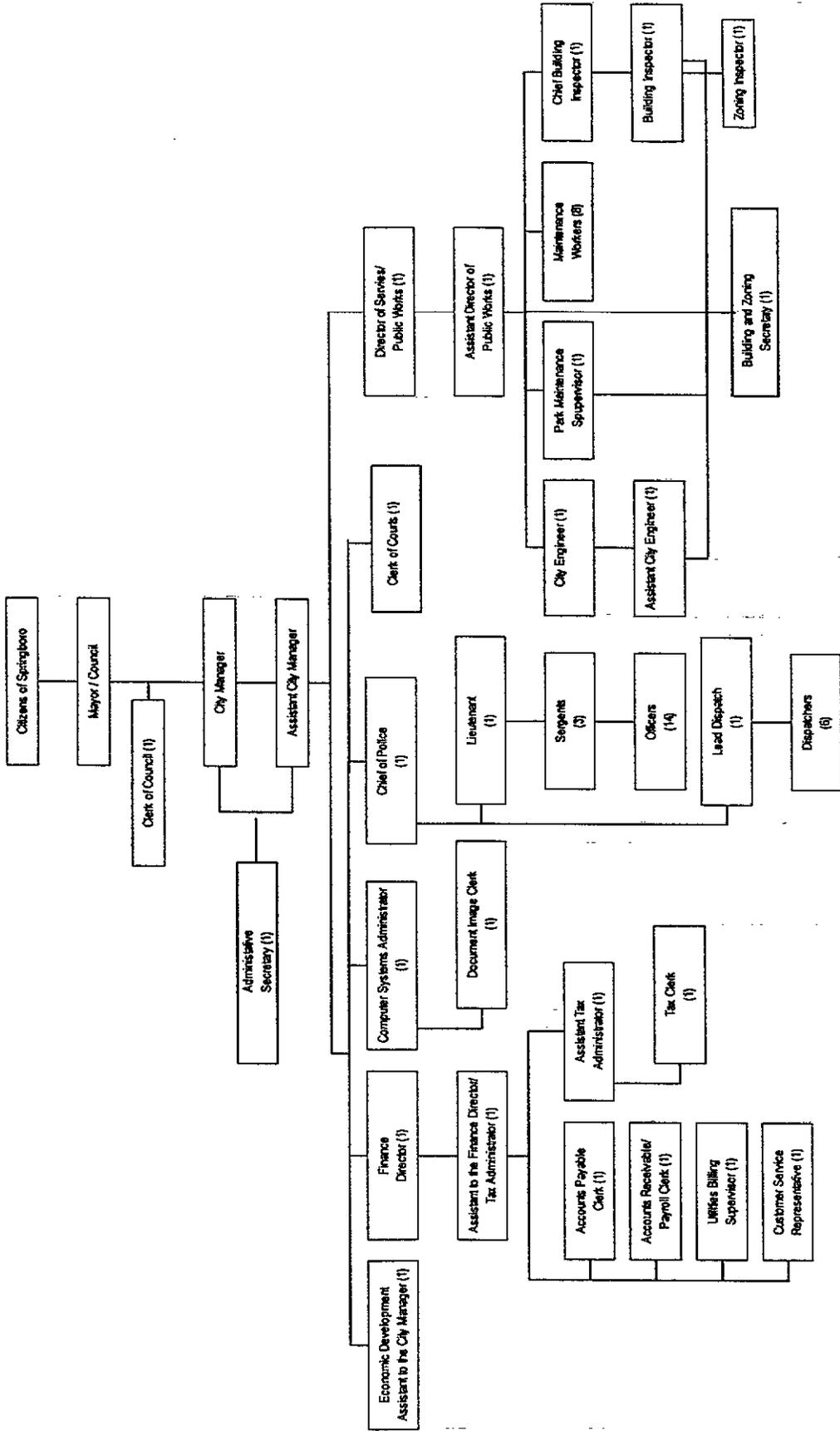
We would like to express appreciation to Mr. Donald J. Schonhardt and his staff for their guidance and efforts in preparing this report.

Sincerely,

Christine A. Thompson
Acting City Manager

Robyn L. Brown
Director of Finance

**CITY OF SPRINGBORO
1999 Organizational Chart**



Total Employees - 59

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, 1998

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



Cary Brueck
President

Jeffrey L. Esler
Executive Director

FINANCIAL SECTION



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

250 West Court Street
Suite 150 E
Cincinnati, Ohio 45202
Telephone 513-361-8550
800-368-7419
Facsimile 513-361-8577
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

City of Springboro
Warren County
320 W. Central Avenue
Springboro, Ohio 45066

To the City Council:

We have audited the accompanying general-purpose financial statements of the City of Springboro, Warren County, (the City) as of and for the year ended December 31, 1999, as listed in the table of contents. These general-purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Springboro, Warren County, as of December 31, 1999, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

As more fully described in Note 2 to the general-purpose financial statements, the City changed its method of accounting for compensated absences during 1999.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2000, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the City, taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the general-purpose financial statements taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report and therefore express no opinion thereon.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large loop at the end.

Jim Petro
Auditor of State

June 16, 2000

GENERAL PURPOSE FINANCIAL STATEMENTS

THE FOLLOWING GENERAL PURPOSE FINANCIAL STATEMENTS, ALONG WITH THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS, PRESENT AN OVERVIEW OF THE CITY'S FINANCIAL POSITION AT DECEMBER 31, 1999 AND THE RESULTS OF OPERATIONS AND CASH FLOWS OF ITS PROPRIETARY FUND FOR THE YEAR THEN ENDED.

**THE CITY OF SPRINGBORO, OHIO
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 DECEMBER 31, 1999**

	<i>Governmental</i>			
	<i>Fund Types</i>			
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds
<u>Assets and Other Debits:</u>				
Assets:				
Cash and Cash Equivalents	\$1,582,269	\$641,929	\$11,923	\$848,685
Receivables (net of allowance for doubtful accounts):				
Municipal Income Tax	534,522	0	0	263,271
Property Taxes	351,005	0	0	0
Accounts	23,442	521	0	112
Special Assessments	0	0	3,194,263	0
Due from Other Funds	10,743	250	0	0
Intergovernmental Receivables	39,331	14,229	0	0
Supplies Inventory	9,460	53,362	0	0
Inventory Held for Resale	0	0	0	0
Prepaid Items	38,597	2,449	0	0
Interfund Loans Receivable	32,800	0	0	590,000
Restricted Assets:				
Cash and Cash Equivalents	0	0	0	0
Cash with Fiscal and Escrow Agent	0	0	0	0
Investments with Fiscal Agent	0	0	0	0
Fixed Assets (net of accumulated depreciation)	0	0	0	0
Deferred Loss on Defeasance	0	0	0	0
Unamortized Bond Issuance Costs	0	0	0	0
Other Debits:				
Amount Available in Debt Service Fund	0	0	0	0
Amount to be Provided for General Long-Term Obligations	0	0	0	0
Total Assets and Other Debits	<u>\$2,622,169</u>	<u>\$712,740</u>	<u>\$3,206,186</u>	<u>\$1,702,068</u>

THE CITY OF SPRINGBORO, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 1999

<i>Proprietary Fund Type</i>	<i>Fiduciary Fund Types</i>	<i>Account Groups</i>		<i>Totals (Memorandum Only)</i>
Enterprise Funds	Trust and Agency Funds	General Fixed Assets	General Long-Term Obligations	
\$5,623,059	\$138,136	\$0	\$0	\$8,846,001
0	0	0	0	797,793
0	0	0	0	351,005
366,708	0	0	0	390,783
0	0	0	0	3,194,263
980	0	0	0	11,973
0	0	0	0	53,560
23,039	0	0	0	85,861
29,789	0	0	0	29,789
94,102	0	0	0	135,148
3,410,869	0	0	0	4,033,669
47,718	0	0	0	47,718
931,735	13,679	0	0	945,414
2,671,996	0	0	0	2,671,996
56,616,318	0	6,619,456	0	63,235,774
655,590	0	0	0	655,590
865,809	0	0	0	865,809
0	0	0	11,923	11,923
0	0	0	5,315,030	5,315,030
<u>\$71,337,712</u>	<u>\$151,815</u>	<u>\$6,619,456</u>	<u>\$5,326,953</u>	<u>\$91,679,099</u>

(Continued)

THE CITY OF SPRINGBORO, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 1999

	<i>Governmental</i>			
	<i>Fund Types</i>			
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds
<u>Liabilities, Equity and Other Credits:</u>				
Liabilities:				
Accounts Payable	\$173,427	\$18,006	\$0	\$63,969
Accrued Wages and Benefits	108,236	15,860	0	0
Due to Other Funds	980	0	0	0
Intergovernmental Payables	32,089	4,367	0	0
Interfund Loans Payable	0	0	0	32,800
Undistributed Monies	0	0	0	0
Accrued Interest Payable	0	0	0	25,241
Deferred Revenue	397,673	0	3,194,263	22,985
Compensated Absences Payable	0	0	0	0
Capital Leases Payable	0	0	0	0
Claims and Judgments Payable	56,405	0	0	0
General Obligation Notes Payable	0	0	0	3,420,000
Refundable Deposits	0	0	0	0
Special Assessment Bonds Payable with Governmental Commitment	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
Mortgage Revenue Bonds Payable	0	0	0	0
Total Liabilities	768,810	38,233	3,194,263	3,564,995
Equity and Other Credits:				
Investment in General Fixed Assets	0	0	0	0
Contributed Capital	0	0	0	0
Retained Earnings:				
Reserved for Replacement and Improvement	0	0	0	0
Unreserved	0	0	0	0
Fund Balances:				
Reserved for Encumbrances	78,259	7,226	0	245,242
Reserved for Supplies Inventory	9,460	53,362	0	0
Reserved for Prepaid Items	38,597	2,449	0	0
Reserved for Interfund Loans Receivable	32,800	0	0	590,000
Reserved for Debt Service	0	0	11,923	0
Unreserved:				
Undesignated	1,694,243	611,470	0	(2,698,169)
Total Equity and Other Credits	1,853,359	674,507	11,923	(1,862,927)
Total Liabilities, Equity and Other Credits	\$2,622,169	\$712,740	\$3,206,186	\$1,702,068

The notes to the general purpose financial statements are an integral part of this statement.

THE CITY OF SPRINGBORO, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 1999

<i>Proprietary Fund Type</i>	<i>Fiduciary Fund Types</i>	<i>Account Groups</i>		<i>Totals (Memorandum Only)</i>
Enterprise Funds	Trust and Agency Funds	General Fixed Assets	General Long-Term Obligations	
\$353,400	\$0	\$0	\$0	\$608,802
20,216	0	0	0	144,312
0	10,993	0	0	11,973
34,511	2,060	0	80,794	153,821
4,000,869	0	0	0	4,033,669
0	626	0	0	626
97,222	0	0	0	122,463
62,944	0	0	0	3,677,865
4,907	0	0	100,797	105,704
62,122	0	0	460,512	522,634
0	0	0	0	56,405
1,200,000	0	0	0	4,620,000
47,718	0	0	0	47,718
0	0	0	2,561,000	2,561,000
4,701,632	0	0	2,123,850	6,825,482
22,580,000	0	0	0	22,580,000
<u>33,165,541</u>	<u>13,679</u>	<u>0</u>	<u>5,326,953</u>	<u>46,072,474</u>
0	0	6,619,456	0	6,619,456
25,815,369	0	0	0	25,815,369
1,047,633	0	0	0	1,047,633
11,309,169	0	0	0	11,309,169
0	0	0	0	330,727
0	0	0	0	62,822
0	0	0	0	41,046
0	0	0	0	622,800
0	0	0	0	11,923
0	138,136	0	0	(254,320)
<u>38,172,171</u>	<u>138,136</u>	<u>6,619,456</u>	<u>0</u>	<u>45,606,625</u>
<u>\$71,337,712</u>	<u>\$151,815</u>	<u>\$6,619,456</u>	<u>\$5,326,953</u>	<u>\$91,679,099</u>

THIS PAGE INTENTIONALLY LEFT BLANK

THE CITY OF SPRINGBORO, OHIO
COMBINED STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 1999

	<i>Governmental Fund Types</i>			<i>Fiduciary Fund Type</i>	Totals (Memorandum Only)	
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds		Expendable Trust Fund
Revenues:						
Municipal Income Tax	\$3,236,247	\$0	\$0	\$1,611,492	\$0	\$4,847,739
Property Taxes	345,122	0	0	0	0	345,122
Intergovernmental Revenues	435,762	468,764	0	0	0	904,526
Charges for Services	352,465	0	0	0	0	352,465
Fines, Licenses and Permits	520,696	2,891	0	194,936	0	718,523
Investment Earnings	224,200	0	0	0	0	224,200
Special Assessments	0	0	286,070	0	0	286,070
Donations	0	130,700	0	0	0	130,700
All Other Revenues	184,049	2,149	580	76,558	0	263,336
Total Revenues	<u>5,298,541</u>	<u>604,504</u>	<u>286,650</u>	<u>1,882,986</u>	<u>0</u>	<u>8,072,681</u>
Expenditures:						
Current:						
Security of Persons and Property	1,584,659	179,647	0	0	0	1,764,306
Public Health and Welfare Services	13,569	0	0	0	0	13,569
Leisure Time Activities	214,419	0	0	0	0	214,419
Community Environment	716,566	0	0	0	0	716,566
Basic Utility Services	0	0	11,477	0	0	11,477
Transportation	0	455,676	0	0	0	455,676
General Government	2,118,779	87,947	0	91,940	0	2,298,666
Capital Outlay	0	0	0	1,955,149	0	1,955,149
Debt Service:						
Principal Retirements	35,200	0	132,000	32,750	0	199,950
Interest and Fiscal Charges	42,828	0	135,851	151,423	0	330,102
Advance Refunding Escrow	0	0	0	323,123	0	323,123
Total Expenditures	<u>4,726,020</u>	<u>723,270</u>	<u>279,328</u>	<u>2,554,385</u>	<u>0</u>	<u>8,283,003</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	572,521	(118,766)	7,322	(671,399)	0	(210,322)
Other Financing Sources (Uses):						
Proceeds from General Obligation Bonds	0	0	0	1,045,000	0	1,045,000
Operating Transfers In	76,850	351,424	0	592,585	0	1,020,859
Operating Transfers Out	(489,009)	(141,850)	0	(3,883,795)	0	(4,514,654)
Other Financing Sources - Capital Lease	24,752	0	0	0	0	24,752
Total Other Financing Sources (Uses)	<u>(387,407)</u>	<u>209,574</u>	<u>0</u>	<u>(2,246,210)</u>	<u>0</u>	<u>(2,424,043)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	185,114	90,808	7,322	(2,917,609)	0	(2,634,365)
Fund Balance Beginning of Year	1,666,529	582,016	4,601	1,054,682	138,136	3,445,964
Increase in Inventory Reserve	1,716	1,683	0	0	0	3,399
Fund Balance (Deficit) End of Year	<u>\$1,853,359</u>	<u>\$674,507</u>	<u>\$11,923</u>	<u>(\$1,862,927)</u>	<u>\$138,136</u>	<u>\$814,998</u>

The notes to the general purpose financial statements are an integral part of this statement.

THE CITY OF SPRINGBORO, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999

	<i>General Fund</i>			<i>Special Revenue Funds</i>		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:						
Municipal Income Tax	\$2,995,426	\$3,018,282	\$22,856	\$0	\$0	\$0
Property and Other Taxes	357,500	341,198	(16,302)	0	0	0
Intergovernmental Revenues	482,750	477,144	(5,606)	513,355	537,737	24,382
Charges for Services	355,500	352,465	(3,035)	0	0	0
Fines, Licenses and Permits	497,453	528,067	30,614	1,600	1,657	57
Special Assessments	0	0	0	0	0	0
Investment Earnings	254,420	233,110	(21,310)	0	0	0
Donations	0	0	0	129,276	130,229	953
All Other Revenues	133,141	146,558	13,417	1,800	2,089	289
Total Revenues	5,076,190	5,096,824	20,634	646,031	671,712	25,681
Expenditures:						
Current:						
Security of Persons and Property	1,653,522	1,553,071	100,451	192,955	178,628	14,327
Public Health and Welfare	17,480	17,390	90	0	0	0
Leisure Time Activities	268,257	225,522	42,735	0	0	0
Community Environment	809,404	749,791	59,613	0	0	0
Basic Utility Services	0	0	0	0	0	0
Transportation	0	0	0	566,474	475,879	90,595
General Government	2,310,637	2,109,551	201,086	93,820	87,947	5,873
Capital Outlay	0	0	0	0	0	0
Debt Service:						
Principal Retirement	35,200	35,200	0	0	0	0
Interest and Fiscal Charges	43,360	42,828	532	0	0	0
Advance Refunding Escrow	0	0	0	0	0	0
Total Expenditures	5,137,860	4,733,353	404,507	853,249	742,454	110,795
Excess (Deficiency) of Revenues Over (Under) Expenditures	(61,670)	363,471	425,141	(207,218)	(70,742)	136,476
Other Financing Sources (Uses):						
Proceeds from General Obligation Notes	0	0	0	0	0	0
Proceeds from General Obligation Bonds	0	0	0	0	0	0
Operating Transfers In	0	76,850	76,850	369,424	351,424	(18,000)
Operating Transfers Out	(489,072)	(489,009)	63	(141,850)	(141,850)	0
Advances In	0	0	0	0	0	0
Advances Out	(32,800)	(32,800)	0	0	0	0
Total Other Financing Sources (Uses)	(521,872)	(444,959)	76,913	227,574	209,574	(18,000)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(583,542)	(81,488)	502,054	20,356	138,832	118,476
Fund Balance at Beginning of Year	1,362,859	1,362,859	0	390,162	390,162	0
Prior Year Encumbrances	99,533	99,533	0	91,169	91,169	0
Fund Balance at End of Year	\$878,850	\$1,380,904	\$502,054	\$501,687	\$620,163	\$118,476

The notes to the general purpose financial statements are an integral part of this statement.

THE CITY OF SPRINGBORO, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999

<i>Debt Service Fund</i>			<i>Capital Projects Funds</i>			<i>Totals (Memorandum Only)</i>		
Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
\$0	\$0	\$0	\$1,497,300	\$1,506,150	\$8,850	\$4,492,726	\$4,524,432	\$31,706
0	0	0	0	0	0	357,500	341,198	(16,302)
0	0	0	250,000	0	(250,000)	1,246,105	1,014,881	(231,224)
0	0	0	0	0	0	355,500	352,465	(3,035)
0	0	0	164,863	194,936	30,073	663,916	724,660	60,744
286,650	286,070	(580)	0	0	0	286,650	286,070	(580)
0	0	0	0	0	0	254,420	233,110	(21,310)
0	0	0	0	0	0	129,276	130,229	953
0	580	580	22,906	76,446	53,540	157,847	225,673	67,826
286,650	286,650	0	1,935,069	1,777,532	(157,537)	7,943,940	7,832,718	(111,222)
0	0	0	0	0	0	1,846,477	1,731,699	114,778
0	0	0	0	0	0	17,480	17,390	90
0	0	0	0	0	0	268,257	225,522	42,735
0	0	0	0	0	0	809,404	749,791	59,613
11,477	11,477	0	0	0	0	11,477	11,477	0
0	0	0	0	0	0	566,474	475,879	90,595
0	0	0	218,309	205,451	12,858	2,622,766	2,402,949	219,817
0	0	0	2,296,879	2,243,347	53,532	2,296,879	2,243,347	53,532
132,002	132,000	2	2,552,750	2,552,750	0	2,719,952	2,719,950	2
136,269	135,851	418	172,645	172,553	92	352,274	351,232	1,042
0	0	0	323,500	323,123	377	323,500	323,123	377
279,748	279,328	420	5,564,083	5,497,224	66,859	11,834,940	11,252,359	582,581
6,902	7,322	- 420	(3,629,014)	(3,719,692)	(90,678)	(3,891,000)	(3,419,641)	471,359
0	0	0	3,420,000	3,420,000	0	3,420,000	3,420,000	0
0	0	0	1,078,779	1,047,631	(31,148)	1,078,779	1,047,631	(31,148)
0	0	0	1,118,147	1,307,167	189,020	1,487,571	1,735,441	247,870
0	0	0	(4,512,416)	(4,512,371)	45	(5,143,338)	(5,143,230)	108
0	0	0	0	32,800	32,800	0	32,800	32,800
0	0	0	(590,000)	(590,000)	0	(622,800)	(622,800)	0
0	0	0	514,510	705,227	190,717	220,212	469,842	249,630
6,902	7,322	- 420	(3,114,504)	(3,014,465)	100,039	(3,670,788)	(2,949,799)	720,989
4,601	4,601	0	3,060,808	3,060,808	0	4,818,430	4,818,430	0
0	0	0	496,111	496,111	0	686,813	686,813	0
\$11,503	\$11,923	\$420	\$442,415	\$542,454	\$100,039	\$1,834,455	\$2,555,444	\$720,989

THIS PAGE INTENTIONALLY LEFT BLANK

THE CITY OF SPRINGBORO, OHIO
COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Enterprise Funds</u>
<u>Operating Revenues:</u>	
Charges for Services	\$5,642,680
Sales	769,553
Other Operating Revenues	131,940
Total Operating Revenues	<u>6,544,173</u>
<u>Operating Expenses:</u>	
Personal Services	475,071
Materials and Supplies	215,115
Contractual Services	3,623,616
Cost of Goods Sold	204,954
Depreciation	696,149
Total Operating Expenses	<u>5,214,905</u>
Operating Income	1,329,268
<u>Nonoperating Revenues (Expenses):</u>	
Investment Earnings	320,531
Interest and Fiscal Charges	(1,532,210)
Gain on the Sale of Land	200,000
Loss on the Disposal of Fixed Assets	(39,445)
Total Nonoperating Revenues (Expenses)	<u>(1,051,124)</u>
Income Before Operating Transfers	278,144
<u>Operating Transfers:</u>	
Operating Transfers In	3,568,795
Operating Transfers Out	(75,000)
Total Operating Transfers	<u>3,493,795</u>
Net Income	3,771,939
Retained Earnings at Beginning of Year - Restated (Note 2)	<u>8,584,863</u>
Retained Earnings at End of Year	<u><u>\$12,356,802</u></u>

The notes to the general purpose financial statements are an integral part of this statement.

**THE CITY OF SPRINGBORO, OHIO
 COMBINED STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPE
 FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Enterprise Funds</u>
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Customers	\$6,504,688
Cash Payments for Goods and Services	(4,128,650)
Cash Payments to Employees	(457,444)
Net Cash Provided by Operating Activities	<u>1,918,594</u>
<u>Cash Flows from Noncapital Financing Activities:</u>	
Repayment of Loan from Other Funds	682,900
Payment of Loan to Other Funds	(4,077,699)
Receipt of Interfund Loan	4,000,869
Loans to Other Funds	(3,410,869)
Transfers In from Other Funds	3,568,795
Transfers Out to Other Funds	(75,000)
Net Cash Provided by Noncapital Financing Activities	<u>688,996</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>	
Cash Received from Tap-in Fees in Excess of Cost	1,097,259
Proceeds from Sale of Fixed Assts	200,000
Proceeds from General Obligation Notes	1,200,000
Principal Paid on General Obligation Notes	(1,200,000)
Proceeds from General Obligation Bonds	4,400,000
Bond Issuance Costs Paid	(82,714)
Acquisition and Construction of Assets	(6,629,616)
Principal Paid on General Obligation Bonds	(92,050)
Refunding of General Obligation Bonds	(3,430,270)
Principal Paid on Capital Lease	(4,611,139)
Principal Paid on Mortgage Revenue Bonds	(610,000)
Interest Paid on All Debt	(1,508,763)
Net Cash Used for Capital and Related Financing Activities	<u>(11,267,293)</u>
<u>Cash Flows from Investing Activities:</u>	
Receipt of Interest	617,388
Sale of Investments	2,924,181
Net Cash Provided by Investing Activities	<u>3,541,569</u>
Net Decrease in Cash and Cash Equivalents	(5,118,134)
Cash and Cash Equivalents at Beginning of Year	<u>11,720,646</u>
Cash and Cash Equivalents at End of Year	<u>\$6,602,512</u>

(Continued)

**THE CITY OF SPRINGBORO, OHIO
 COMBINED STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPE
 FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Enterprise Funds</u>
<u>Reconciliation of Cash and</u>	
<u>Cash Equivalents per the Balance Sheet:</u>	
Cash and Cash Equivalents	\$5,623,059
Restricted Cash and Cash Equivalents	47,718
Restricted Cash with Fiscal and Escrow Agents	931,735
Cash and Cash Equivalents at End of Year	<u>\$6,602,512</u>
<u>Reconciliation of Operating Income to Net Cash</u>	
<u>Provided by Operating Activities:</u>	
Operating Income	\$1,329,268
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation Expense	696,149
Changes in Assets and Liabilities:	
Increase in Accounts Receivable	(46,571)
Increase in Due From Other Funds	(980)
Decrease in Intergovernmental Receivable	6,854
Increase in Inventory	(13,891)
Decrease in Inventory Held for Resale	22,527
Increase in Prepaid Items	(9,559)
Decrease in Accounts Payable	(45,740)
Decrease in Contracts Payable	(38,972)
Increase in Accrued Wages and Benefits	11,393
Increase in Intergovernmental Payable	7,982
Decrease in Refundable Deposits	(1,262)
Increase in Compensated Absences	1,396
Total Adjustments	<u>589,326</u>
Net Cash Provided by Operating Activities	<u>\$1,918,594</u>

Schedule of Noncash Investing, Capital and Financing Activities:

During 1999, the Golf Course and Water Funds had outstanding liabilities of \$10,689 and \$160,555 respectively for the purchase of certain capital assets. During 1999, the Sewer and Water Funds received \$3,070,367 and \$2,126,306, respectively, of fixed assets donated by developers. During 1999, the fair value of investments decreased by \$45,330 and \$170,079 in the Sewer and Water Funds, respectively.

The notes to the general purpose financial statements are an integral part of this statement.

THE CITY OF SPRINGBORO, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The accompanying general purpose financial statements of the City present the financial position of the various fund types and account groups and the results of operations and the cash flows of the proprietary fund type. The financial statements are presented as of December 31, 1999 and for the year then ended and have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

A. Reporting Entity

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting

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

Governmental Funds

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

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.

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

Debt Service Fund - 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.

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

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. Fund equity (i.e., net assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

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 maintains four enterprise funds for its golf course, water operations, sewer operations and refuse collection and disposal.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Fiduciary Funds

Trust and Agency Funds - These funds are used to account for assets held by a government unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The City maintains both an expendable trust fund and an agency fund. The expendable trust fund is accounted for and reported similarly to governmental funds. The agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

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

General Fixed Assets Account Group - This account group is established to account for fixed assets of the City, other than those accounted for in the proprietary and similar trust funds.

General Long-Term Obligations Account Group - This account group is established to account for all long-term debt and other long-term obligations of the City except those accounted for in the proprietary fund.

C. 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 and expendable trust and agency 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 31 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.

Revenue considered susceptible to accrual at year end includes income taxes withheld by employers, 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*, is recorded as revenue when received in cash because it is generally not measurable until received.

Special assessment installments including related accrued interest, which are measurable but not available at December 31, are recorded as deferred revenue. Property taxes measurable as of December 31, 1999 but which are not intended to finance 1999 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred revenue as further described in Note 5.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

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

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

D. Budgetary Process

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

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

1. Tax Budget

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

2. Estimated Resources

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or if actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 1999.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process (Continued)

3. Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 through March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 through December 31. The appropriation ordinance establishes spending controls at the fund, department and object level, and may be modified during the year by ordinance of the City Council. Total fund appropriations may not exceed the current estimated resources as certified by the County Budget Commission. Expenditures may not legally exceed budgeted appropriations at the object level. The allocation of appropriations within a fund may be modified with the approval of the City Council. During 1999, 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 "Combined Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual--All Governmental Fund Types" are provided on the budgetary basis to provide a comparison of actual results to the final budget, including all amendments and modifications.

4. Encumbrances

As part of formal budgetary control, purchase orders, contracts and other commitments for expenditures are encumbered and recorded as the equivalent of expenditures (budget basis) in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. However, on the GAAP basis of accounting, encumbrances do not constitute expenditures or liabilities and are reported as reservations of fund balances for governmental funds in the accompanying general purpose financial statements.

5. Lapsing of Appropriations

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

6. Budgetary Basis of Accounting

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process (Continued)

6. Budgetary Basis of Accounting (Continued)

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the governmental funds:

	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses			
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds
GAAP Basis (as reported)	\$185,114	\$90,808	\$7,322	(\$2,917,609)
Increase (Decrease):				
Accrued Revenues at December 31, 1999 received during 2000	(585,260)	(15,000)	0	(830,398)
Accrued Revenues at December 31, 1998 received during 1999	350,743	82,208	0	134,944
Accrued Expenditures at December 31, 1999 paid during 2000	371,137	38,233	0	122,010
Accrued Expenditures at December 31, 1998 paid during 1999	(200,277)	(35,227)	0	(117,181)
1998 Prepays for 1999	37,017	2,025	0	0
1999 Prepays for 2000	(38,597)	(2,449)	0	0
Fund Debt:				
Note Proceeds	0	0	0	3,420,000
Note Retirements	0	0	0	(2,520,000)
Outstanding Encumbrances	(201,365)	(21,766)	0	(306,231)
Budget Basis	<u>(\$81,488)</u>	<u>\$138,832</u>	<u>\$7,322</u>	<u>(\$3,014,465)</u>

E. Cash and Cash Equivalents

During fiscal year 1999, cash and cash equivalents included amounts in demand deposits, Fifth Third U.S. Treasury Obligations Mutual Fund, the State Treasury Asset Reserve (STAR Ohio) and investments with original maturities of less than three months. STAR Ohio is a very liquid investment and is reported as a cash equivalent in the general purpose financial statements.

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. For purposes of the statement of cash flows, the proprietary funds consider their share of equity in the pooled Fifth Third Mutual Fund and STAR Ohio to be cash equivalents. See Note 4 "Cash, Cash Equivalents and Investments."

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Investments

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", the City records all its investments at fair value. All investment income, including changes in the fair value of investments, are recognized as revenue in the operating statements. Fair value is determined by quoted market prices. See Note 4, "Cash, Cash Equivalents and Investments."

The City has invested funds in the STAR Ohio during 1999. 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, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 1999.

G. 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 fixed assets originally acquired with bond proceeds. In addition, water and sewer customer deposits are presented as a restricted assets.

H. 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.

I. Fixed Assets and Depreciation

The accounting and reporting treatment applied to fixed assets is determined by the ultimate use:

1. Property, Plant and Equipment - General Governmental Purposes

Fixed assets acquired or constructed for general governmental purposes are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years) in the General Fixed Assets Account Group. Contributed fixed assets are recorded at fair market value at the date received.

Fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, have not been capitalized. Such assets normally are immovable and of value only to the City; therefore, the purpose of stewardship for capital expenditures can be satisfied without recording these assets.

The City has elected not to record depreciation in the General Fixed Assets Account Group.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Fixed Assets and Depreciation (Continued)

2. Property, Plant and Equipment - Proprietary Funds

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 when applicable. Contributed fixed assets are recorded at fair market value at the date received.

Depreciation has been provided using the straight-line method over the following estimated useful lives:

Description	Estimated Lives (Years)
Land and Land Improvements	15 - 60
Buildings	10 - 40
Equipment	3 - 15
Utility Plant in Service	50 - 65

J. Contributed Capital

Proprietary fund type contributed capital is recorded at the fair market value of the related assets at the date received. Depreciation on contributed fixed assets resulting from contributions from other funds, dedications by private developers and capital grants is recorded as an operating expense and closed along with other operating expenses directly into retained earnings.

K. Long-Term Obligations

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

Obligation	Fund
Special Assessment Bonds	Bond Retirement Fund
General Obligation Bonds	General Fund, Construction Capital Projects Fund, Permanent Improvement Capital Projects Fund and the Golf Course Fund.
Compensated Absences	General Fund, Street Maintenance and Repair Fund, Sewer Fund, Trash Fund, Water Fund
Intergovernmental Payable	General Fund and the Street Maintenance and Repair Fund
Capital Lease Agreements	General Fund, Library Donation Fund, Street Maintenance and Repair Fund, Golf Course Fund, Sewer Fund, Water Fund

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Bond Issuance Costs

In governmental fund types, bond issuance costs are recognized in the current period. Bond issuance costs for proprietary fund types are deferred and amortized over the term of the bonds using the straight line method, which approximates the effective interest method.

M. 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, the portion of unpaid compensated absences that is expected to be paid using expendable, available resources is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account "Compensated Absences Payable." The long-term portion of the liability is reported in the General Long-Term Obligations Account Group.

Compensated absences are expensed in the Sewer, Trash and Water enterprise funds when earned, and the related liability is reported within the fund.

N. Pensions

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

O. Interfund Transactions

During the course of normal operations, the City has numerous transactions between funds. Interfund transactions are generally classified as follows:

- Operating transfers are reported as "Other Financing Sources and Uses" in the governmental funds, as "Operating Transfers In" by the recipient fund, and "Operating Transfers Out" by the disbursing fund.
- Residual equity transfers are nonroutine or nonrecurring transfers between funds and are reported as additions to or deductions from the fund equity balance. There were no residual equity transfers made during 1999.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Interfund Transactions (Continued)

Transactions that would be treated as revenues and expenditures/expenses if the transactions involved organizations external to the City are similarly treated when involving other funds of the City. The City also advances cash from one fund to another as necessary to meet current obligations.

P. Reservations of Fund Balance

Reserves indicate that a portion of fund balance is not available for expenditure or is legally segregated for a specific future use. Fund balances are reserved for interfund loans receivable, inventories of supplies, prepaid items, debt service and encumbered amounts not accrued at year end. Retained earnings have been reserved as a result of bond covenants for replacement and improvement (accumulation of resources for unforeseen repairs and replacements of assets originally acquired with bond proceeds.)

Q. Estimates

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

R. Total Columns on Combined Financial Statements - Overview

Total columns on the "Combined Financial Statements - Overview" are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles, nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

This space intentionally left blank.

**NOTE 2 - CHANGE IN THE APPLICATION OF ACCOUNTING PRINCIPLE/
 RESTATEMENT OF FUND BALANCE/RETAINED EARNINGS**

A. Restatement

Adjustments were made to the retained earnings balances of the Golf, Sewer and Water Funds (enterprise funds) to correct accounting errors in the recording of fixed assets at December 31, 1998. The balance in the General Fixed Asset Account Group was also restated by \$310,907 from a balance of \$5,979,814 to \$6,290,721 to correct errors in the recording of fixed assets. The retained earnings balance of the Water Fund at December 31, 1998 was further restated to correct an accounting error in the recording of mortgage revenue bonds payable. The balance of the Special Assessment Bonds Payable located in the General Long-Term Obligations Account Group at December 31, 1998 was reduced by \$1,000 to correct an error in the recording of the outstanding balance of the Sharts Road street issue. The restatements resulted in the changes to retained earnings in the table listed below.

B. Change in the Application of Accounting Principle

During 1999 the City elected to change from the termination method of accounting for sick leave benefits to the vesting method. Both methods are permitted under GASB Statement No. 16, "Accounting for Compensated Absences." The change in methods of calculation of sick leave benefits has resulted in changes to retained earnings balances reported at December 31, 1998 in the Sewer, Trash and Water Funds (see table below). The balance of compensated absences in the General Long-Term Obligations Account Group was also reduced by \$11,410 from the balance reported at December 31, 1998 of \$91,439 to the restated balance of \$80,029.

Description	Golf Course Fund	Sewer Fund	Trash Fund	Water Fund	Total Enterprise Funds
Retained Earnings/Accumulated Deficit December 31, 1998 (As Reported)	(\$1,250,357)	\$2,697,959	\$132,142	\$7,606,704	\$9,186,448
Restatement of Fixed Assets	446,100	(708,064)	0	(325,791)	(587,755)
Restatement of Mortgage Revenue Bonds	0	0	0	(25,000)	(25,000)
Change in the Application of Accounting Principle	0	3,821	1,191	6,158	11,170
Retained Earnings/Accumulated Deficit December 31, 1998 (As Restated)	(\$804,257)	\$1,993,716	\$133,333	\$7,262,071	\$8,584,863

The effect of these changes on the 1998 Statement of Revenues, Expenses and Changes in Retained Earnings was deemed to be immaterial.

NOTE 3 – COMPLIANCE AND ACCOUNTABILITY

A. Fund Deficit

The fund deficit at December 31, 1999 of \$3,074,465 in the Construction Fund (capital projects fund) arises from the recording of general obligation notes payable within the fund. The deficit does not exist under the budgetary basis of accounting. Operating transfers are provided when cash is required, not when accruals occur.

B. Possible Noncompliance with Bond Covenants

A provision within the 1993 Waterworks Improvement Mortgage Revenue Bonds and the 1998 Water System Mortgage Revenue Bonds states that monies within the Surplus Fund may be invested in eligible investments maturing, or redeemable by the holder, in not more than five (5) years from the date of investment. The 1997 Sewer System Mortgage Revenue Refunding Bonds states that excess monies shall be deposited in the Income Tax Capital Improvement Fund to be held by the City to be used as provided by law, including the payment of debt service obligations issued to fund capital improvements of the City. There are various stages within the debt issuance documents on how water and sewer revenues need to be used before they are considered to be excess or surplus funds.

In 1999, the City loaned \$2,200,000 from the Water Fund and \$1,210,869 from the Sewer Fund to the Golf Course Fund to cover negative cash balance. These loans may not meet the provisions of the debt issuances noted above.

The effects of the City's noncompliance with the bond covenants include acceleration of the payment of bond principal by 25% upon written request of the holders. As of the date of the audit opinion, no bondholders have requested acceleration of the payment of principal.

Legal counsel has advised the City that in order to eliminate any uncertainty as to compliance, the loans should be repaid to the Water and Sewer funds, with market interest, and another method of eliminating the negative balance in the Golf Course Fund be identified and implemented as soon as possible.

NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

Category 2 consists of "inactive" funds - those funds not required for use within the current two 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.

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

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

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

Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 110% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state or any instrumentality of such county, municipal corporation or other authority. Based upon criteria described in GASB Statement No. 3 "*Deposits With Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements*," collateral held in single financial collateral pools with securities being held by the pledging financial institutions' agent in the pool's name are classified as Category 3.

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

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

Deposits:

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

Investments:

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

A. Deposits

At year end the carrying amount of the City's deposits was \$5,997,855, and the bank balance was \$6,034,968. Federal depository insurance covered \$113,679, of the bank balance. All remaining deposits were classified as Category 3.

B. Investments

The City's investments at December 31, 1999 are summarized below:

<u>Categorized Investments</u>	<u>Category 2</u>	<u>Fair Value</u>
Federal National Mortgage Association Note	\$1,396,080	\$1,396,080
U.S. Treasury Note	1,275,916	1,275,916
Total Categorized Investments	<u>2,671,996</u>	<u>2,671,996</u>
<u>Noncategorized Investments</u>		
Fifth Third U.S. Treasury Obligations Mutual Fund	N/A	931,729
STAR Ohio	N/A	2,909,549
Total Noncategorized Investments	<u>N/A</u>	<u>3,841,278</u>
Total Investments	<u>\$2,671,996</u>	<u>\$6,513,274</u>

The mutual fund and STAR Ohio investments are unclassified because they are not evidenced by securities that exist in physical or book entry form.

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

C. Reconciliation of Cash, Cash Equivalents and Investments

The classification of cash, cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. Investments with an original maturity of three months or less are treated as cash and cash equivalents. The classification of cash and cash equivalents (deposits) for purposes of this note is based on criteria set forth in GASB Statement No. 3.

A reconciliation between classifications of cash and investments on the combined financial statements and the classifications per items A and B of this note are as follows:

	Cash and Cash Equivalents *	Investments
Per Combined Balance Sheet	\$9,839,133	\$2,671,996
Investments:		
Fifth Third U.S. Treasury		
Obligations Mutual Fund	(931,729)	931,729
STAR Ohio	(2,909,549)	2,909,549
Per GASB Statement No. 3	\$5,997,855	\$6,513,274

* Includes Cash with Fiscal and Escrow Agents

NOTE 5 - TAXES

A. Property Taxes

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the City. Real property taxes (other than public utility) collected during 1999 were levied after October 1, 1998 on assessed values as of January 1, 1998, the lien date. Assessed values were established by the County Auditor at 35 percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments made in the third year following reappraisal. The last revaluation was completed in 1997. Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by June 20.

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

NOTE 5 – TAXES (Continued)

A. Property Taxes (Continued)

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

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

The full tax rate for all City operations for the year ended December 31, 1999 was \$1.11 per \$1,000 of assessed value. The assessed value upon which the 1999 levy was based was \$274,679,923. This amount constitutes \$234,929,640 in real property assessed value, \$10,917,940 in public utility assessed value and \$28,832,343 in tangible personal property assessed value.

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

B. Income Tax

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

Employers within the City are required to withhold income tax on employees compensation and remit the tax to the City either monthly or quarterly, as required. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. Income tax proceeds are to be used for general fund operations, maintenance of equipment, new equipment/capital improvements, debt service and other governmental functions when needed, as determined by City Council. Income tax revenue for 1999 was \$4,847,739.

NOTE 6 - RECEIVABLES

Receivables at December 31, 1999 consisted of income taxes, property taxes, other local taxes, accounts, special assessments, interfund receivables and intergovernmental receivables arising from shared revenues. All receivables are considered collectible in full.

NOTE 7 - OPERATING TRANSFERS

Following is a summary of operating transfers in and out for all funds for 1999:

Fund	Transfer In	Transfer Out
General Fund	\$76,850	\$489,009
Special Revenue Fund:		
COPS Grant Fund	85,045	0
DARE Trust Fund	9,379	0
Motor Vehicle License Tax Fund	0	90,000
Permissive Use Tax Fund	0	50,000
Shady Tree Grant Fund	0	1,850
Street Maintenance and Repair Fund	257,000	0
Total Special Revenue Funds	<u>351,424</u>	<u>141,850</u>
Capital Projects Funds:		
Construction Fund	262,097	0
Income Tax Capital Improvement Fund	0	3,883,795
Land Acquisition Fund	14,016	0
Permanent Improvement Fund	316,472	0
Total Capital Projects Funds	<u>592,585</u>	<u>3,883,795</u>
Enterprise Funds:		
Golf Course Fund	2,465,000	0
Sewer Fund	381,690	35,000
Trash Fund	0	5,000
Water Fund	722,105	35,000
Total Enterprise Funds	<u>3,568,795</u>	<u>75,000</u>
Totals	<u>\$4,589,654</u>	<u>\$4,589,654</u>

NOTE 8 - INTERFUND RECEIVABLES AND PAYABLES

The following is a summary of interfund receivables and payables for all funds for 1999:

A. Due to/from Other Funds

Due to/from Other Funds	Due from Other Funds	Due to Other Funds
General Fund	\$10,743	\$980
Special Revenue Fund:		
DARE Trust Fund	250	0
Enterprise Fund:		
Golf Course Fund	980	0
Agency Fund:		
Mayor's Court Fund	0	10,993
Totals	<u>\$11,973</u>	<u>\$11,973</u>

NOTE 8 - INTERFUND RECEIVABLES AND PAYABLES (Continued)

B. Interfund Loans Receivable/Payable

Interfund Loans Receivable/Payable	Receivable	Payable
General Fund	\$32,800	\$0
Capital Projects Fund:		
Construction Fund	0	32,800
Income Tax Capital Improvements Fund	590,000	0
Total Capital Projects Funds	590,000	32,800
Enterprise Funds:		
Golf Course Fund	0	4,000,869
Sewer Fund	1,210,869	0
Water Fund	2,200,000	0
Total Enterprise Funds	3,410,869	4,000,869
Totals	\$4,033,669	\$4,033,669

NOTE 9 - FIXED ASSETS

A. General Fixed Assets

A summary of changes in the General Fixed Assets Account Group follows:

Category	Restated	Additions	Deletions	December 31,
	January 1, 1999			1999
Land & Land Improvements	\$2,220,771	\$52,146	\$0	\$2,272,917
Buildings	1,884,107	0	0	1,884,107
Equipment	2,185,843	323,969	(47,380)	2,462,432
Totals	\$6,290,721	\$376,115	(\$47,380)	\$6,619,456

B. Proprietary Fund Type Fixed Assets

A summary of proprietary fund type property, plant, and equipment at December 31, 1999 follows:

	Proprietary Funds
Land and Land Improvements	\$8,643,442
Buildings	3,349,610
Equipment	1,337,539
Utility Plant in Service	48,611,525
Subtotal	61,942,116
Accumulated Depreciation	(5,325,798)
Net Proprietary Fund Fixed Assets	\$56,616,318

NOTE 10 – DEFINED BENEFIT PENSION PLANS

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

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

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

All employees of the City, except full-time uniformed police officers, participate in the PERS of Ohio, a cost-sharing multiple employer defined benefit pension plan. The PERS of Ohio provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Public Employees Retirement System of Ohio issues a stand-alone financial report that includes financial statements and required supplementary information for the PERS of Ohio. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate is 8.5%. The 1999 employer contribution rate for local government employer units was 13.55%, of covered payroll, 9.35% to fund the pension and 4.2% to fund health care. The contribution requirements of plan members and the City are established and may be amended by the Public Employees Retirement Board. The City's contributions to the PERS of Ohio for the years ending December 31, 1999, 1998 and 1997 were \$195,706, \$184,583 and \$263,112, respectively, which were equal to the required contributions for each year. The full amounts have been contributed for 1998 and 1997. 77.96 percent has been contributed for 1999 with the remainder being reported as a liability within the general long-term obligations account group and the individual enterprise funds.

The PERS of Ohio provides postemployment health care benefits to age and service retirants with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirants. Health care coverage for disability recipients is also available. A portion of each employer's contribution to the PERS of Ohio is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority requiring public employers to fund postemployment health care through their contributions to the PERS of Ohio. The portion of the 1999 employer contribution rate (identified above) that was used to fund health care for the year 1999 was 4.2% of covered payroll which amounted to \$60,662.

Other Postemployment Benefits (OPEB) are financed through employer contributions and investment earnings thereon. Funding and accounting were on a pay-as-you-go basis. The contributions allocated to retiree health care, along with investment income on allocated assets and periodic adjustments in health care provisions are expected to be sufficient to sustain the program indefinitely. Expenditures for other postemployment benefits during 1999 were \$523,599,349. As of December 31, 1999, the unaudited estimated net assets available for future OPEB payments were \$9,870,285,641. The number of benefit recipients eligible for OPEB at December 31, 1999 was 118,062.

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

During 1997, the Retirement Board adopted a new calculation method for determining employer contributions applied to OPEB. Under the new method, effective January 1, 1998, employer contributions, equal to 4.2% of member covered payroll, are used to fund health care expenses. Under the prior method, accrued liabilities and normal cost rates were determined for retiree health care coverage.

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

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

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% for police officers. The City's contributions to the OP&F Fund for the years ending December 31, 1999, 1998 and 1997 were \$143,601, \$119,721 and \$108,738 which was equal to the required contributions for each year. The full amount has been contributed for 1998 and 1997. 75.59 percent has been contributed for 1999 with the remainder being reported as a liability within the general long-term obligations account group.

The OP&F Fund provides postemployment health care coverage to any person who received or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school on a full-time or two-thirds basis. The Ohio Revised Code provides that health care costs paid from the funds of the OP&F Fund shall be included in the employer's contribution rate. The Ohio Revised Code also provides statutory authority allowing the Fund's Board of Trustees to provide postemployment health care coverage to all eligible individuals from the employer's contributions to the OP&F Fund.

The portion of the 1999 covered payroll that was used to fund postemployment health care benefits was \$51,549 representing 7.00% of covered payroll for police. Health care funding and accounting was on a pay-as-you-go basis. In addition, since July 1, 1992 most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. As of December 31, 1998, the date of the last actuarial evaluation available, the number of participants eligible to receive health care benefits was 11,424 for police. The OP&F Fund does not provide separate data on the funded status and funding progress of postemployment health care benefits. The Fund's total health care expenses for the year ended December 31, 1998 were \$78,596,790, which was net of member contributions of \$5,331,515.

NOTE 11- 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, 1999, the City's accumulated, unpaid compensated absences amounted to \$105,704, of which \$100,797 is recorded in the General Long-Term Obligations Account Group, and \$4,907 is recorded in the enterprise funds.

NOTE 12 - CAPITAL LEASE COMMITMENTS

The City is obligated under several leases accounted for as capital leases. The cost of the leased assets (building, data processing equipment, office furniture and other items) are accounted for in the General Fixed Assets Account Group, for items leased by governmental funds, and in the appropriate enterprise funds for items leased by the golf course, sewer and water funds. The related liabilities are recorded in the General Long-Term Obligations Account Group and in the appropriate enterprise funds. The original cost of the assets under capital lease was \$699,681.

The following is a schedule of the future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of December 31, 1999.

Year Ending December 31,	GLTOAG	Enterprise
2000	\$97,221	\$36,244
2001	92,221	15,565
2002	92,221	11,681
2003	92,221	3,712
2004	89,415	0
2005	86,610	0
Minimum Lease Payments	549,909	67,202
Less: Amount representing interest at the City's incremental borrowing rate of interest	(89,397)	(5,080)
Present value of minimum lease payments	\$460,512	\$62,122

NOTE 13 - CONTRIBUTED CAPITAL

A schedule of changes in contributed capital is presented below:

	Golf Course	Sewer	Water	Total
Balance at 12/31/98	\$1,594,139	\$11,984,000	\$5,943,298	\$19,521,437
Contributions from:				
Tap in Fees	0	589,073	508,186	1,097,259
Developers	0	3,070,367	2,126,306	5,196,673
Balance at 12/31/99	\$1,594,139	\$15,643,440	\$8,577,790	\$25,815,369

NOTE 14 - CONTINGENCIES

The City is a party to various legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects. The City's management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect on the financial condition of the City.

NOTE 15 - NOTES PAYABLE

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

	Balance December 31, 1998	Issued	(Retired)	Balance December 31, 1999
<u>General Obligation Notes:</u>				
<u>Capital Projects Funds:</u>				
3.66% South Main St. Improvements	\$450,000	\$450,000	(\$450,000)	\$450,000
4.15% Clearcreek Park Improvement	375,000	0	(375,000)	0
4.05% Real Estate Acquisition	180,000	0	(180,000)	0
4.05% Real Estate Acquisition	615,000	0	(615,000)	0
3.96% South Tech Street Improvement	900,000	900,000	(900,000)	900,000
4.26% Various Street Improvements	0	850,000	0	850,000
4.26% Various Street Improvements	0	270,000	0	270,000
4.26% Various Street Improvements	0	950,000	0	950,000
Total Capital Projects	<u>2,520,000</u>	<u>3,420,000</u>	<u>(2,520,000)</u>	<u>3,420,000</u>
<u>Enterprise Funds:</u>				
4.05% Sewer Improvement Note	1,200,000	1,200,000	(1,200,000)	1,200,000
Grand Total All Funds	<u>\$3,720,000</u>	<u>\$4,620,000</u>	<u>(\$3,720,000)</u>	<u>\$4,620,000</u>

NOTE 16 - LONG-TERM OBLIGATIONS

Long-term debt and other long-term obligations of the City at December 31, 1999 were as follows:

		Balance December 31, 1998	Issued (Retired)	Balance December 31, 1999
Enterprise Funds:				
General Obligation Bonds:				
6.4 - 7.5% Sewer Real Estate Acquisition	1989	\$130,000	(\$15,000)	\$115,000
3.0 - 6.1% Sewer Various Purpose	1993	43,200	(3,300)	39,900
3.0 - 6.1% Water Various Purpose	1993	180,000	(13,750)	166,250
5.350% Golf Course Clubhouse Facility	1993	3,110,000	(3,110,000)	0
3.9 - 5.4% Golf Course Refunding	1999	0	4,400,000	4,400,000
Total General Obligation Bonds		3,463,200	1,257,950	4,721,150
Mortgage Revenue Bonds:				
2.75 - 5.45% Waterworks Improvement	1993	3,920,000	(120,000)	3,800,000
4.00 - 5.70% Water	1997	14,675,000	(350,000)	14,325,000
4.00 - 5.70% Sewer Refunding	1997	4,595,000	(140,000)	4,455,000
Total Mortgage Revenue Bonds		23,190,000	(610,000)	22,580,000
Capital Lease Obligations		4,673,261	(4,611,139)	62,122
Total Enterprise Long-Term Debt		\$31,326,461	(\$3,963,189)	\$27,363,272
General Long Term Debt:				
Special Assessment Bonds:				
5.625% High School Water	1979	\$15,000	(\$15,000)	\$0
9.750% Pennyroyal Water	1980	2,000	(1,000)	1,000
12.875% Sharts Road Sewer	1983	6,000	(1,000)	5,000
12.875% Sharts Road Street	1983	14,000	(3,000)	11,000
7.500% Hiawatha Trail	1987	45,000	(5,000)	40,000
7.500% Hiawatha Trail II	1989	63,000	(4,000)	59,000
7.500% Sharts Road Improvement	1989	80,000	(5,000)	75,000
7.500% McCray Farms Street Lighting	1989	7,000	(7,000)	0
7.500% Park Lane Street Lighting	1989	6,000	(6,000)	0
5.500% Various Purpose	1993	835,000	(35,000)	800,000
5.500% Various Purpose	1994	320,000	(15,000)	305,000
4.200 - 6.350% Pioneer Blvd. North	1994	425,000	(15,000)	410,000
4.200 - 5.600% Commercial Way	1997	560,000	(20,000)	540,000
6.750% N. Pioneer Blvd.	1998	325,000	(10,000)	315,000
Total Special Assessment Bonds				
(with Governmental Commitment)		2,703,000	(142,000)	2,561,000
Unvoted General Obligation Bonds:				
6.200 - 7.900% Real Estate Acquisition	1988	315,000	(315,000)	0
3.000 - 6.100% Various Purpose	1993	496,800	(37,950)	458,850
3.500 - 5.900% St. Route 741 Improvement	1996	420,000	(15,000)	405,000
4.500 - 6.000% South Main St. Improvement	1997	220,000	(5,000)	215,000
3.900 - 5.375% Various Purpose	1999	0	1,045,000	1,045,000
Total General Obligation Bonds		1,451,800	672,050	2,123,850
Other Long Term Obligations:				
Due to Other Governments		82,927	(2,133)	80,794
Compensated Absences		80,029	20,768	100,797
Capital Lease Obligations		501,217	(40,705)	460,512
Total General Long-Term Debt and				
Other Long-Term Obligations		\$4,818,973	\$507,980	\$5,326,953

NOTE 16 - LONG-TERM OBLIGATIONS (Continued)

The principal amount of the City's special assessment bonds outstanding at December 31, 1999, \$2,561,000, is general obligation debt (backed by the full faith and credit of the City) that is being retired with the proceeds from special assessments levied against benefited property owners. The City is obligated to repay the debt irrespective of the amount of special assessments collected from property owners.

The 1999 Golf Course Refunding bonds are reported at carrying value of \$4,380,482. The face value of the bonds at December 31, 1999 was \$4,400,000. The difference of \$19,518 represents a discount on the issue amount. This discount is being amortized over the life of the bond.

A. Future Long-Term Financing Requirements

The City's future long-term obligation funding requirements, including principal and interest payments as of December 31, 1999, follow:

Years	General Obligation Bonds		Special Assessment Bonds	
	Principal	Interest	Principal	Interest
2000	\$240,000	\$355,544	\$116,000	\$143,787
2001	250,000	344,500	124,000	137,243
2002	260,000	332,440	127,000	130,494
2003	275,000	319,527	127,000	123,188
2004	290,000	305,805	138,000	116,351
2005-2009	1,495,000	1,299,005	789,000	457,707
2010-2014	1,430,000	935,887	925,000	214,893
2015-2019	1,705,000	516,445	215,000	26,607
2020-2023	900,000	98,820	0	0
Totals	\$6,845,000	\$4,507,973	\$2,561,000	\$1,350,270

Years	Mortgage Revenue Bonds		Totals	
	Principal	Interest	Principal	Interest
2000	\$630,000	\$1,076,761	\$986,000	\$1,576,092
2001	650,000	1,052,919	1,024,000	1,534,662
2002	680,000	1,027,169	1,067,000	1,490,103
2003	710,000	999,649	1,112,000	1,442,364
2004	740,000	970,003	1,168,000	1,392,159
2005-2009	4,200,000	4,332,228	6,484,000	6,088,940
2010-2014	5,285,000	3,234,031	7,640,000	4,384,811
2015-2019	6,100,000	1,719,402	8,020,000	2,262,454
2020-2023	3,585,000	435,575	4,485,000	534,395
Totals	\$22,580,000	\$14,847,737	\$31,986,000	\$20,705,980

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, 1999, \$4,205,000 of bonds outstanding are considered defeased.

NOTE 16 - LONG-TERM OBLIGATIONS (Continued)

B. Defeased Debt (Continued)

In August 1999, the City defeased \$315,000 of General Obligation Bonds for Real Estate Acquisition dated September 30, 1988, \$3,050,000 of General Obligation Bonds for Clubhouse Construction dated June 1, 1993 and \$4,480,000 in certificates of participation (capital lease) dated November 23, 1993 through the issuance of \$4,400,000 of General Obligation Bonds for Golf Course Refunding and through the payment of \$4,005,000 in City funds. The net proceeds of the 1999 Bonds and contributed City funds have been invested in obligations guaranteed as to both principal and interest by the United States and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds and certificates of participation (capital lease).

The refunded bonds, which have an outstanding balance of \$3,345,000 at December 31, 1999 and the certificates of participation (capital lease) with an outstanding balance at December 31, 1999 of \$4,375,000 are not included in the City's outstanding debt since the City has in substance satisfied its obligations through the advance refunding. City funds were used to defease the \$315,000 of General Obligation Bonds for Real Estate Acquisition and were also used to defease a portion of the certificates of participation (capital lease). The refunding bonds were used to defease the \$3,050,000 of General Obligation Bonds for Club House Construction and to defease the remainder of the certificates of participation (capital lease).

The City reduced its aggregate debt service payments over the life of the refunded bond and certificates of participation (capital lease) by \$3,289,398 and obtained an economic gain of \$205,583. The economic gain is much smaller than the aggregate reduction in debt service when the amount of City funds contributed in cash is figured into the equation. The aforementioned figures do not include the reduction of the debt service payments or economic gain on the Real Estate Acquisition Bond or the portion of the certificates of participation (capital lease) that were refunded with City funds.

NOTE 17 - 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 1999 the City contracted with several different insurance providers for various insurance coverages, as follows:

Type of Coverage	Liability Limits	Deductible
Property	\$3,000,000	\$1,000
Inland Marine	3,000,000	250
General Liability	3,000,000	0
Automobile	2,000,000	250
Excess Liability	5,000,000	3,000
Radio Equipment	24,882	100
Public Officials Liability	2,000,000	2,500
Police Liability	2,000,000	2,500

NOTE 17 - RISK MANAGEMENT (Continued)

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

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

The claims liability of \$56,405 reported in the General Fund at December 31, 1999 is based on the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues," as amended by GASB Statement No. 30 "Risk Management Omnibus," which requires that a liability for claims be reported if information prior to issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's claims liability amount for fiscal years 1998 and 1999 were:

Fiscal Year	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
1998	\$17,951	\$289,948	(\$289,634)	\$18,265
1999	18,265	390,850	(352,710)	56,405

For fiscal year 1999, the City participated in the Ohio Municipal League of Ohio Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (see Note 20). The intent of the GRP is to achieve the benefit of a reduced premium for the City by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating cities is calculated as one experience and a common premium rate is applied to all cities in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to cities that can meet the GRP's selection criteria. The firm of Gates McDonald provides administrative, cost control and actuarial services to the GRP.

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

NOTE 18 - SEGMENT INFORMATION

The key financial information for the year ended December 31, 1999 for the enterprise activities is as follows:

	Golf Course	Sewer	Trash	Water	Total
Operating Revenues	\$2,287,499	\$1,488,972	\$459,292	\$2,308,410	\$6,544,173
Depreciation	140,520	284,831	0	270,798	696,149
Operating Income	367,327	263,027	42,615	656,299	1,329,268
Operating Transfers In	2,465,000	381,690	0	722,105	3,568,795
Operating Transfers Out	0	35,000	5,000	35,000	75,000
Net Income	2,665,421	232,695	37,615	836,208	3,771,939
Capital Contributions Received	0	3,659,440	0	2,634,492	6,293,932
Property, Plant and Equipment:					
Additions	21,955	3,284,080	0	8,032,099	11,338,134
Disposals	300	0	0	40,959	41,259
Total Assets	11,970,092	23,841,331	207,183	35,319,106	71,337,712
Net Working Capital	465,038	1,681,569	172,233	5,717,219	8,036,059
Bonds, Notes and Leases Payable	4,423,034	5,820,007	0	18,300,713	28,543,754
Total Equity	3,455,303	17,869,851	170,948	16,676,069	38,172,171

NOTE 19 - CONTRACTUAL COMMITMENTS

As of December 31, 1999, the City had contractual commitments as follows:

Company	Remaining Contractual Commitment
Woolpert LLP	\$15,800
SK Construction Co., Inc.	127,124
Layne Christensen Co.	22,608
R.B. Jergens Contractors, Inc.	77,988
Cincinnati Gas and Electric	18,164
R.E. Holland Excavating, Inc.	11,783
Reynolds, Inc.	44,044
Federal Signal	64,349
Dyno Construction, Inc.	235,519
City of Franklin	26,777
Camp Dresser & McKee	94,596
Danis Environmental Industries	20,816
Total	\$759,568

NOTE 20 -- GROUP PURCHASING POOL

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

NOTE 21 -- JOINTLY GOVERNED ORGANIZATION

The City participates in the Warren County General Health District (District), a jointly governed organization, provides health services to the citizens within the County. The Board of Health, which consists of a representative from each of the participating governments, including the City, oversees the operation of the District. The amount the City contributed during 1999 for the operation of the District was immaterial. The City does not have any financial interest in or responsibility for the District. The County Commissioners serve as the taxing authority, and the County Auditor and Treasurer serve as the fiscal officers. Financial information may be obtained from Kathy Stephenson at the Warren County General Health District, 416 S. East Street, Lebanon, Ohio 45036.

THIS PAGE INTENTIONALLY LEFT BLANK

*COMBINING AND INDIVIDUAL FUND AND ACCOUNT GROUP
STATEMENTS AND SCHEDULES*

*THE FOLLOWING COMBINING STATEMENTS AND SCHEDULES INCLUDE
THE GENERAL FUND, SPECIAL REVENUE FUNDS, CAPITAL PROJECTS
FUNDS, ENTERPRISE FUNDS, FIDUCIARY FUNDS AND THE GENERAL
FIXED ASSETS ACCOUNT GROUP.*

GENERAL FUND

The General Fund is used to account for government resources not accounted for in any other fund. The General Fund balance is available to the City for any purpose provided it is expended or transferred according to the Charter and/or the general laws of Ohio.

THE CITY OF SPRINGBORO, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 1999

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Municipal Income Tax	\$2,995,426	\$3,018,282	\$22,856
Property and Other Taxes	357,500	341,198	(16,302)
Intergovernmental Revenues	482,750	477,144	(5,606)
Charges for Services	355,500	352,465	(3,035)
Fines, Licenses and Permits	497,453	528,067	30,614
Investment Earnings	254,420	233,110	(21,310)
All Other Revenues	133,141	146,558	13,417
Total Revenues	5,076,190	5,096,824	20,634
Expenditures:			
Security of Persons and Property:			
Police Department:			
Personal Services	987,425	957,798	29,627
Contractual Services	86,816	67,570	19,246
Materials and Supplies	63,329	58,467	4,862
Capital Outlay	66,128	65,998	130
Total Police Department	1,203,698	1,149,833	53,865
Police Dispatchers:			
Personal Services	289,840	269,494	20,346
Contractual Services	16,665	3,344	13,321
Materials and Supplies	500	145	355
Capital Outlay	43,598	42,352	1,246
Total Police Dispatchers	350,603	315,335	35,268
Police Mechanic:			
Personal Services	13,740	13,479	261
Total Police Mechanic	13,740	13,479	261
Street Lighting:			
Contractual Services	70,627	65,224	5,403
Total Street Lighting	70,627	65,224	5,403
Civil Defense:			
Contractual Services	234	0	234
Total Civil Defense	234	0	234

(Continued)

THE CITY OF SPRINGBORO, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 1999

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Prisoner Care:			
Contractual Services	5,000	2,118	2,882
Materials and Supplies	600	0	600
Total Prisoner Care	5,600	2,118	3,482
Traffic Control:			
Contractual Services	6,520	6,272	248
Capital Outlay	2,500	810	1,690
Total Traffic Control	9,020	7,082	1,938
Total Security of Persons and Property	1,653,522	1,553,071	100,451
Public Health and Welfare:			
Health Board:			
Contractual Services	17,480	17,390	90
Total Public Health and Welfare	17,480	17,390	90
Leisure Time Activities:			
Senior Citizens:			
Contractual Services	500	498	2
Total Senior Citizens	500	498	2
Parks:			
Personal Services	15,855	15,546	309
Contractual Services	14,550	12,679	1,871
Materials and Supplies	5,000	4,168	832
Capital Outlay	5,472	355	5,117
Total Parks	40,877	32,748	8,129
Park Maintenance:			
Personal Services	125,160	110,189	14,971
Contractual Services	16,670	10,512	6,158
Materials and Supplies	14,500	13,267	1,233
Capital Outlay	48,850	39,673	9,177
Total Park Maintenance	205,180	173,641	31,539
Library Services:			
Contractual Services	20,500	18,031	2,469
Materials and Supplies	1,200	604	596
Total Library Services	21,700	18,635	3,065
Total Leisure Time Activities	268,257	225,522	42,735

(Continued)

THE CITY OF SPRINGBORO, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 1999

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Community Environment:			
Planning and Zoning:			
Personal Services	66,817	64,377	2,440
Contractual Services	8,881	6,108	2,773
Materials and Supplies	4,150	2,492	1,658
Capital Outlay	20,000	19,774	226
Total Planning and Zoning	99,848	92,751	7,097
Engineering:			
Personal Services	84,190	80,737	3,453
Contractual Services	178,094	164,715	13,379
Materials and Supplies	2,750	1,844	906
Capital Outlay	2,600	2,521	79
Total Engineering	267,634	249,817	17,817
Community Development:			
Personal Services	95,525	91,190	4,335
Contractual Services	146,525	128,890	17,635
Materials and Supplies	3,670	2,114	1,556
Capital Outlay	1,720	1,670	50
Total Community Development	247,440	223,864	23,576
Building Inspection:			
Personal Services	117,082	111,311	5,771
Contractual Services	70,080	66,128	3,952
Materials and Supplies	3,700	2,459	1,241
Capital Outlay	3,620	3,461	159
Total Building Inspection	194,482	183,359	11,123
Total Community Environment	809,404	749,791	59,613
General Government:			
City Council:			
Personal Services	110,036	92,320	17,716
Contractual Services	30,220	21,104	9,116
Materials and Supplies	2,500	2,343	157
Capital Outlay	80	80	0
Total City Council	142,836	115,847	26,989

(Continued)

THE CITY OF SPRINGBORO, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 1999

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
City Manager:			
Personal Services	107,415	101,596	5,819
Contractual Services	77,560	75,449	2,111
Materials and Supplies	4,700	3,201	1,499
Capital Outlay	7,000	6,650	350
Total City Manager	<u>196,675</u>	<u>186,896</u>	<u>9,779</u>
Records Management:			
Personal Services	57,865	51,493	6,372
Contractual Services	9,450	4,750	4,700
Materials and Supplies	3,000	2,546	454
Capital Outlay	38,320	38,307	13
Total Records Management	<u>108,635</u>	<u>97,096</u>	<u>11,539</u>
Finance Department:			
Personal Services	151,580	143,708	7,872
Contractual Services	75,495	71,328	4,167
Materials and Supplies	4,079	3,043	1,036
Capital Outlay	4,350	3,660	690
Total Finance Department	<u>235,504</u>	<u>221,739</u>	<u>13,765</u>
Mayor's Court			
Personal Services	52,424	46,689	5,735
Contractual Services	72,975	54,480	18,495
Materials and Supplies	1,500	812	688
Capital Outlay	7,300	6,690	610
Total Mayor's Court	<u>134,199</u>	<u>108,671</u>	<u>25,528</u>
Income Tax:			
Personal Services	81,435	76,244	5,191
Contractual Services	130,825	126,076	4,749
Materials and Supplies	2,000	1,269	731
Capital Outlay	3,350	1,706	1,644
Total Income Tax	<u>217,610</u>	<u>205,295</u>	<u>12,315</u>
Legal Administration:			
Contractual Services	150,000	115,396	34,604
Materials and Supplies	4,000	1,864	2,136
Total Legal Administration	<u>154,000</u>	<u>117,260</u>	<u>36,740</u>

(Continued)

THE CITY OF SPRINGBORO, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 1999

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Volunteer Services:			
Contractual Services	2,500	0	2,500
Total Total Volunteer Services	2,500	0	2,500
Building and Land:			
Personal Services	92,911	85,265	7,646
Contractual Services	401,563	387,283	14,280
Materials and Supplies	43,363	33,892	9,471
Capital Outlay	181,001	178,005	2,996
Total Building and Land	718,838	684,445	34,393
Miscellaneous:			
Contractual Services	38,505	19,142	19,363
Materials and Supplies	835	398	437
Other Expenditures	500	52	448
Total Miscellaneous	39,840	19,592	20,248
Health Insurance:			
Contractual Services	360,000	352,710	7,290
Total Total Health Insurance	360,000	352,710	7,290
Total General Government	2,310,637	2,109,551	201,086
Debt Service:			
Principal Retirement	35,200	35,200	0
Interest and Fiscal Charges	43,360	42,828	532
Total Expenditures	5,137,860	4,733,353	404,507
Excess (Deficiency) of Revenues Over (Under) Expenditures	(61,670)	363,471	425,141
Other Financing Sources (Uses):			
Operating Transfers In	0	76,850	76,850
Operating Transfers Out	(489,072)	(489,009)	63
Advances Out	(32,800)	(32,800)	0
Total Other Financing Sources (Uses)	(521,872)	(444,959)	76,913
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(583,542)	(81,488)	502,054
Fund Balance at Beginning of Year	1,362,859	1,362,859	0
Prior Year Encumbrances	99,533	99,533	0
Fund Balance at End of Year	\$878,850	\$1,380,904	\$502,054

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

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.

DARE 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.

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.

Housing Committee Fund

To account for donations received for future projects developed by the Housing Committee.

Law Enforcement 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.

Library Donation Fund

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

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.

(Continued)

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.

Shady Tree Grant Fund

To account for donations for tree purchases and planting expenditures throughout the City. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

State Highway Fund

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

Street Maintenance and Repair Fund

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

THE CITY OF SPRINGBORO, OHIO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
DECEMBER 31, 1999

	COPS Grant	DARE Trust	Drug Law Enforcement	Housing Committee	Law Enforcement
Assets:					
Cash and Cash Equivalents	\$96,923	\$24,737	\$2,292	\$197	\$7,610
Receivables (net of allowances for doubtful accounts)					
Accounts	0	0	0	0	0
Due from Other Funds	0	250	0	0	0
Intergovernmental Receivables	0	0	1,434	0	60
Materials and Supplies Inventory	0	0	0	0	0
Prepaid Items	0	0	0	0	0
Total Assets	<u>\$96,923</u>	<u>\$24,987</u>	<u>\$3,726</u>	<u>\$197</u>	<u>\$7,670</u>
Liabilities and Fund Equity:					
Liabilities:					
Accounts Payable	\$0	\$0	\$0	\$0	\$0
Accrued Wages and Benefits	4,425	207	0	0	0
Intergovernmental Payables	1,952	40	0	0	0
Total Liabilities	<u>6,377</u>	<u>247</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Equity:					
Reserved for Encumbrances	0	0	0	0	0
Reserved for Supplies Inventory	0	0	0	0	0
Reserved for Prepaid Items	0	0	0	0	0
Unreserved	90,546	24,740	3,726	197	7,670
Total Fund Equity	<u>90,546</u>	<u>24,740</u>	<u>3,726</u>	<u>197</u>	<u>7,670</u>
Total Liabilities and Fund Equity	<u>\$96,923</u>	<u>\$24,987</u>	<u>\$3,726</u>	<u>\$197</u>	<u>\$7,670</u>

THE CITY OF SPRINGBORO, OHIO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
DECEMBER 31, 1999

Library Donation	Motor Vehicle License Tax	Permissive Use Tax	State Highway	Street Maintenance and Repair	Totals
\$20,447	\$10,586	\$1,057	\$46,067	\$432,013	\$641,929
521	0	0	0	0	521
0	0	0	0	0	250
0	6,773	0	447	5,515	14,229
0	0	0	0	53,362	53,362
0	0	0	0	2,449	2,449
<u>\$20,968</u>	<u>\$17,359</u>	<u>\$1,057</u>	<u>\$46,514</u>	<u>\$493,339</u>	<u>\$712,740</u>
\$0	\$0	\$0	\$877	\$17,129	\$18,006
0	0	0	0	11,228	15,860
0	0	0	0	2,375	4,367
<u>0</u>	<u>0</u>	<u>0</u>	<u>877</u>	<u>30,732</u>	<u>38,233</u>
0	0	0	0	7,226	7,226
0	0	0	0	53,362	53,362
0	0	0	0	2,449	2,449
<u>20,968</u>	<u>17,359</u>	<u>1,057</u>	<u>45,637</u>	<u>399,570</u>	<u>611,470</u>
<u>20,968</u>	<u>17,359</u>	<u>1,057</u>	<u>45,637</u>	<u>462,607</u>	<u>674,507</u>
<u>\$20,968</u>	<u>\$17,359</u>	<u>\$1,057</u>	<u>\$46,514</u>	<u>\$493,339</u>	<u>\$712,740</u>

THE CITY OF SPRINGBORO, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

	COPS Grant	DARE Trust	Drug Law Enforcement	Housing Committee	Law Enforcement
Revenues:					
Intergovernmental Revenues	\$469	\$9,557	\$0	\$0	\$0
Fines, Licenses and Permits	0	0	2,891	0	0
Donations	0	12,447	0	0	0
All Other Revenues	0	0	0	0	1,626
Total Revenues	469	22,004	2,891	0	1,626
Expenditures:					
Current:					
Security of Persons and Property	152,616	9,144	17,074	0	813
Transportation	0	0	0	0	0
General Government	0	0	0	0	0
Total Expenditures	152,616	9,144	17,074	0	813
Excess (Deficiency) of Revenues Over (Under) Expenditures	(152,147)	12,860	(14,183)	0	813
Other Financing Sources (Uses):					
Operating Transfers In	85,045	9,379	0	0	0
Operating Transfers Out	0	0	0	0	0
Total Other Financing Sources (Uses)	85,045	9,379	0	0	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(67,102)	22,239	(14,183)	0	813
Fund Balance (Deficit) at Beginning of Year	157,648	2,501	17,909	197	6,857
Increase in Inventory Reserve	0	0	0	0	0
Fund Balance at End of Year	<u>\$90,546</u>	<u>\$24,740</u>	<u>\$3,726</u>	<u>\$197</u>	<u>\$7,670</u>

THE CITY OF SPRINGBORO, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

Library Donation	Motor Vehicle License Tax	Permissive Use Tax	Shady Tree Grant	State Highway	Street Maintenance and Repair	Totals
\$0	\$90,850	\$50,000	\$0	\$23,841	\$294,047	\$468,764
0	0	0	0	0	0	2,891
118,253	0	0	0	0	0	130,700
0	0	0	0	0	523	2,149
<u>118,253</u>	<u>90,850</u>	<u>50,000</u>	<u>0</u>	<u>23,841</u>	<u>294,570</u>	<u>604,504</u>
0	0	0	0	0	0	179,647
0	0	0	0	12,503	443,173	455,676
<u>87,947</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>87,947</u>
<u>87,947</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>12,503</u>	<u>443,173</u>	<u>723,270</u>
30,306	90,850	50,000	0	11,338	(148,603)	(118,766)
0	0	0	0	0	257,000	351,424
<u>0</u>	<u>(90,000)</u>	<u>(50,000)</u>	<u>(1,850)</u>	<u>0</u>	<u>0</u>	<u>(141,850)</u>
<u>0</u>	<u>(90,000)</u>	<u>(50,000)</u>	<u>(1,850)</u>	<u>0</u>	<u>257,000</u>	<u>209,574</u>
30,306	850	0	(1,850)	11,338	108,397	90,808
(9,338)	16,509	1,057	1,850	34,299	352,527	582,016
0	0	0	0	0	1,683	1,683
<u>\$20,968</u>	<u>\$17,359</u>	<u>\$1,057</u>	<u>\$0</u>	<u>\$45,637</u>	<u>\$462,607</u>	<u>\$674,507</u>

THE CITY OF SPRINGBORO, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

COPS GRANT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$59,955	\$50,469	(\$9,486)
Total Revenues	59,955	50,469	(9,486)
<u>Expenditures:</u>			
Security of Persons and Property:			
Personal Services	162,045	151,638	10,407
Total Expenditures	162,045	151,638	10,407
Excess (Deficiency) of Revenues Over (Under) Expenditures	(102,090)	(101,169)	921
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	85,045	85,045	0
Total Other Financing Sources (Uses)	85,045	85,045	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(17,045)	(16,124)	921
Fund Balance at Beginning of Year	113,047	113,047	0
Fund Balance at End of Year	\$96,002	\$96,923	\$921

THE CITY OF SPRINGBORO, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

DARE TRUST FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$0	\$9,557	\$9,557
Donations	12,276	12,497	221
Total Revenues	12,276	22,054	9,778
<u>Expenditures:</u>			
Security of Persons and Property:			
Personal Services	9,557	6,484	3,073
Contractual Services	210	207	3
Materials and Supplies	2,590	2,412	178
Total Expenditures	12,357	9,103	3,254
Excess (Deficiency) of Revenues Over (Under) Expenditures	(81)	12,951	13,032
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	9,379	9,379	0
Total Other Financing Sources (Uses)	9,379	9,379	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	9,298	22,330	13,032
Fund Balance at Beginning of Year	2,407	2,407	0
Fund Balance at End of Year	\$11,705	\$24,737	\$13,032

THE CITY OF SPRINGBORO, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

DRUG LAW ENFORCEMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Fines, Licenses and Permits	\$1,600	\$1,657	\$57
Total Revenues	1,600	1,657	57
<u>Expenditures:</u>			
Security of Persons and Property:			
Contractual Services	5,474	5,038	436
Capital Outlay	12,079	12,036	43
Total Expenditures	17,553	17,074	479
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,953)	(15,417)	536
Fund Balance at Beginning of Year	17,709	17,709	0
Fund Balance at End of Year	\$1,756	\$2,292	\$536

THE CITY OF SPRINGBORO, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

HOUSING COMMITTEE FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
Fund Balance at Beginning of Year	197	197	0
Fund Balance at End of Year	<u>\$197</u>	<u>\$197</u>	<u>\$0</u>

THE CITY OF SPRINGBORO, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

LAW ENFORCEMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
All Other Revenue	\$1,300	\$1,566	\$266
Total Revenues	1,300	1,566	266
<u>Expenditures:</u>			
Security of Persons and Property:			
Contractual Services	1,000	813	187
Total Expenditures	1,000	813	187
Excess (Deficiency) of Revenues Over (Under) Expenditures	300	753	453
Fund Balance at Beginning of Year	6,857	6,857	0
Fund Balance at End of Year	<u>\$7,157</u>	<u>\$7,610</u>	<u>\$453</u>

THE CITY OF SPRINGBORO, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

LIBRARY DONATION FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Donations	\$117,000	\$117,732	\$732
Total Revenues	117,000	117,732	732
<u>Expenditures:</u>			
General Government:			
Contractual Services	93,820	87,947	5,873
Total Expenditures	93,820	87,947	5,873
Excess (Deficiency) of Revenues Over (Under) Expenditures	23,180	29,785	6,605
Fund Deficit at Beginning of Year	(9,338)	(9,338)	0
Fund Balance at End of Year	\$13,842	\$20,447	\$6,605

THE CITY OF SPRINGBORO, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

MOTOR VEHICLE LICENSE TAX FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$90,000	\$90,892	\$892
Total Revenues	90,000	90,892	892
<u>Expenditures:</u>			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	90,000	90,892	892
<u>Other Financing Sources (Uses):</u>			
Operating Transfers Out	(90,000)	(90,000)	0
Total Other Financing Sources (Uses)	(90,000)	(90,000)	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	0	892	892
Fund Balance at Beginning of Year	9,694	9,694	0
Fund Balance at End of Year	\$9,694	\$10,586	\$892

THE CITY OF SPRINGBORO, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

PERMISSIVE USE TAX FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$50,000	\$50,000	\$0
Total Revenues	50,000	50,000	0
<u>Expenditures:</u>			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	50,000	50,000	0
<u>Other Financing Sources (Uses):</u>			
Operating Transfers Out	(50,000)	(50,000)	0
Total Other Financing Sources (Uses)	(50,000)	(50,000)	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	0	0	0
Fund Balance at Beginning of Year	1,057	1,057	0
Fund Balance at End of Year	\$1,057	\$1,057	\$0

THE CITY OF SPRINGBORO, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

SHADY TREE GRANT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
<u>Other Financing Sources (Uses):</u>			
Operating Transfers Out	(1,850)	(1,850)	0
Total Other Financing Sources (Uses)	(1,850)	(1,850)	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,850)	(1,850)	0
Fund Balance at Beginning of Year	1,850	1,850	0
Fund Balance at End of Year	\$0	\$0	\$0

THE CITY OF SPRINGBORO, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

STATE HIGHWAY FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$24,150	\$25,261	\$1,111
Total Revenues	24,150	25,261	1,111
<u>Expenditures:</u>			
Transportation:			
Contractual Services	20,000	11,626	8,374
Materials and Supplies	250	0	250
Total Expenditures	20,250	11,626	8,624
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,900	13,635	9,735
Fund Balance at Beginning of Year	32,432	32,432	0
Fund Balance at End of Year	<u>\$36,332</u>	<u>\$46,067</u>	<u>\$9,735</u>

THE CITY OF SPRINGBORO, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

STREET MAINTENANCE AND REPAIR FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental Revenues	\$289,250	\$311,558	\$22,308
All Other Revenues	500	523	23
Total Revenues	<u>289,750</u>	<u>312,081</u>	<u>22,331</u>
Expenditures:			
Transportation:			
Personal Services	282,405	245,372	37,033
Contractual Services	72,657	52,267	20,390
Materials and Supplies	116,012	99,814	16,198
Capital Outlay	75,150	66,800	8,350
Total Expenditures	<u>546,224</u>	<u>464,253</u>	<u>81,971</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(256,474)	(152,172)	104,302
Other Financing Sources (Uses):			
Operating Transfers In	275,000	257,000	(18,000)
Total Other Financing Sources (Uses)	<u>275,000</u>	<u>257,000</u>	<u>(18,000)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	18,526	104,828	86,302
Fund Balance at Beginning of Year	214,250	214,250	0
Prior Year Encumbrances	91,169	91,169	0
Fund Balance at End of Year	<u>\$323,945</u>	<u>\$410,247</u>	<u>\$86,302</u>

CAPITAL PROJECTS FUNDS

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

Construction Fund

To account for transfers of income tax revenues and grants used for all construction projects not accounted for in the permanent improvement fund.

Income Tax Capital Improvement Fund

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.

Land Acquisition Fund

To account for note proceeds used for the purchase of land.
(The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Permanent Improvement Fund

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

THE CITY OF SPRINGBORO, OHIO
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
DECEMBER 31, 1999

	Construction	Income Tax Capital Improvement	Permanent Improvement	Totals
Assets:				
Cash and Cash Equivalents	\$453,644	\$200,399	\$194,642	\$848,685
Receivables:				
Municipal Income Tax	0	263,271	0	263,271
Accounts	112	0	0	112
Interfund Loans Receivable	0	590,000	0	590,000
Total Assets	<u>\$453,756</u>	<u>\$1,053,670</u>	<u>\$194,642</u>	<u>\$1,702,068</u>
Liabilities and Fund Equity:				
Liabilities:				
Accounts Payable	\$50,180	\$0	\$13,789	\$63,969
Interfund Loans Payable	32,800	0	0	32,800
Accrued Interest Payable	25,241	0	0	25,241
Deferred Revenue	0	22,985	0	22,985
General Obligation Notes Payable	3,420,000	0	0	3,420,000
Total Liabilities	<u>3,528,221</u>	<u>22,985</u>	<u>13,789</u>	<u>3,564,995</u>
Fund Equity:				
Reserved for Encumbrances	243,213	0	2,029	245,242
Reserved for Interfund Loans Receivable	0	590,000	0	590,000
Unreserved	(3,317,678)	440,685	178,824	(2,698,169)
Total Fund Equity	<u>(3,074,465)</u>	<u>1,030,685</u>	<u>180,853</u>	<u>(1,862,927)</u>
Total Liabilities and Fund Equity	<u>\$453,756</u>	<u>\$1,053,670</u>	<u>\$194,642</u>	<u>\$1,702,068</u>

STATISTICAL SECTION

THE CITY OF SPRINGBORO, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

	Income Tax			Permanent Improvement	Totals
	Construction	Capital Improvement	Land Acquisition		
Revenues:					
Municipal Income Tax	\$0	\$1,611,492	\$0	\$0	\$1,611,492
Fines, Licenses and Permits	0	0	0	194,936	194,936
All Other Revenues	76,558	0	0	0	76,558
Total Revenues	76,558	1,611,492	0	194,936	1,882,986
Expenditures:					
General Government	28,912	0	15,016	48,012	91,940
Capital Outlay	1,909,794	0	0	45,355	1,955,149
Debt Service:					
Principal Retirement	30,000	0	0	2,750	32,750
Interest and Fiscal Charges	110,590	0	16,761	24,072	151,423
Advance Refunding Escrow	0	0	0	323,123	323,123
Total Expenditures	2,079,296	0	31,777	443,312	2,554,385
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,002,738)	1,611,492	(31,777)	(248,376)	(671,399)
Other Financing Sources (Uses):					
Proceeds from General Obligation Bonds	0	0	688,000	357,000	1,045,000
Operating Transfers In	262,097	0	14,016	316,472	592,585
Operating Transfers Out	0	(3,883,795)	0	0	(3,883,795)
Total Other Financing Sources (Uses)	262,097	(3,883,795)	702,016	673,472	(2,246,210)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,740,641)	(2,272,303)	670,239	425,096	(2,917,609)
Fund Balance (Deficit) at Beginning of Year	(1,333,824)	3,302,988	(670,239)	(244,243)	1,054,682
Fund Balance (Deficit) at End of Year	(\$3,074,465)	\$1,030,685	\$0	\$180,853	(\$1,862,927)

THE CITY OF SPRINGBORO, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

CONSTRUCTION FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental Revenues	\$250,000	\$0	(\$250,000)
All Other Revenues	22,906	76,446	53,540
Total Revenues	272,906	76,446	(196,460)
Expenditures:			
General Government:			
Contractual Services	46,825	46,825	0
Capital Outlay	2,259,899	2,206,481	53,418
Debt Service:			
Principal Retirement	1,380,000	1,380,000	0
Interest and Fiscal Charges	110,429	110,340	89
Total Expenditures	3,797,153	3,743,646	53,507
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,524,247)	(3,667,200)	(142,953)
Other Financing Sources (Uses):			
Proceeds from the Sale of Notes	3,420,000	3,420,000	0
Operating Transfers In	225,448	400,452	175,004
Operating Transfers Out	(138,400)	(138,355)	45
Advances In	0	32,800	32,800
Total Other Financing Sources (Uses)	3,507,048	3,714,897	207,849
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(17,199)	47,697	64,896
Fund Deficit at Beginning of Year	(381,503)	(381,503)	0
Prior Year Encumbrances	496,111	496,111	0
Fund Balance at End of Year	\$97,409	\$162,305	\$64,896

THE CITY OF SPRINGBORO, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

INCOME TAX CAPITAL IMPROVEMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Municipal Income Tax	\$1,497,300	\$1,506,150	\$8,850
Total Revenues	<u>\$1,497,300</u>	<u>\$1,506,150</u>	<u>\$8,850</u>
<u>Expenditures:</u>			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,497,300	1,506,150	8,850
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	393,505	393,505	0
Operating Transfers Out	(4,277,300)	(4,277,300)	0
Advances Out	(590,000)	(590,000)	0
Total Other Financing Sources (Uses)	<u>(4,473,795)</u>	<u>(4,473,795)</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,976,495)	(2,967,645)	8,850
Fund Balance at Beginning of Year	3,168,044	3,168,044	0
Fund Balance at End of Year	<u>\$191,549</u>	<u>\$200,399</u>	<u>\$8,850</u>

THE CITY OF SPRINGBORO, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

LAND ACQUISITION FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
General Government:			
Contractual Services	15,016	15,016	0
Debt Service:			
Principal Retirement	795,000	795,000	0
Interest and Fiscal Charges	32,197	32,197	0
Total Expenditures	842,213		
Excess (Deficiency) of Revenues Over (Under) Expenditures	(842,213)	(842,213)	0
<u>Other Financing Sources (Uses):</u>			
Proceeds from the Sale of Bonds	703,779	689,763	(14,016)
Operating Transfers In	0	14,016	14,016
Total Other Financing Sources (Uses)			0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(138,434)	(138,434)	0
Fund Balance at Beginning of Year	138,434	138,434	0
Fund Balance at End of Year	\$0	\$0	

THE CITY OF SPRINGBORO, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

PERMANENT IMPROVEMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Fines, Licenses and Permits	\$164,863	\$194,936	\$30,073
Total Revenues	\$164,863	\$194,936	\$30,073
<u>Expenditures:</u>			
General Government:			
Contractual Services	135,468	127,806	7,662
Materials and Supplies	21,000	15,804	5,196
Total General Government	156,468	143,610	12,858
Capital Outlay	36,980	36,866	114
Debt Service:			
Principal Retirement	377,750	377,750	0
Interest and Fiscal Charges	30,019	30,016	3
Advance Refunding Escrow	323,500	323,123	377
Total Expenditures	924,717	911,365	13,352
Excess (Deficiency) of Revenues Over (Under) Expenditures	(759,854)	(716,429)	43,425
<u>Other Financing Sources (Uses):</u>			
Proceeds from the Sale of Bonds	375,000	357,868	(17,132)
Operating Transfers In	499,194	499,194	0
Operating Transfers Out	(96,716)	(96,716)	0
Total Other Financing Sources (Uses)	777,478	760,346	(17,132)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	17,624	43,917	26,293
Fund Balance at Beginning of Year	135,833	135,833	0
Fund Balance at End of Year	\$153,457	\$179,750	\$26,293

THIS PAGE INTENTIONALLY LEFT BLANK

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

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.

Sewer Fund

To account for revenue received from user charges for sewer services provided to residents of the City of Springboro.

Trash Fund

To account for revenue received from user charges for trash collection services provided to the residents of the City of Springboro.

Water Fund

To account for revenue received from user charges for the water treatment and distribution services provided to the residents of the City of Springboro.

THE CITY OF SPRINGBORO, OHIO
COMBINING BALANCE SHEET
ENTERPRISE FUNDS
DECEMBER 31, 1999

	Golf Course	Sewer	Trash	Water	Totals
Assets:					
Cash and Cash Equivalents	\$432,900	\$2,202,667	\$156,912	\$2,830,580	\$5,623,059
Receivables (net of allowances for doubtful accounts):					
Accounts	0	155,563	50,103	161,042	366,708
Due from Other Funds	980	0	0	0	980
Materials and Supplies Inventory	23,039	0	0	0	23,039
Inventory Held for Resale	29,789	0	0	0	29,789
Prepaid Items	6,272	57,018	168	30,644	94,102
Interfund Loans Receivable	0	1,210,869	0	2,200,000	3,410,869
Restricted Assets:					
Cash and Cash Equivalents	0	0	0	47,718	47,718
Cash with Fiscal and Escrow Agent	0	222,044	0	709,691	931,735
Investments with Fiscal Agent	0	394,608	0	2,277,388	2,671,996
Property, Plant and Equipment	12,543,253	21,492,191	0	27,906,672	61,942,116
Less Accumulated Depreciation	(1,529,125)	(2,393,018)	0	(1,403,655)	(5,325,798)
Net Fixed Assets	<u>11,014,128</u>	<u>19,099,173</u>	<u>0</u>	<u>26,503,017</u>	<u>56,616,318</u>
Deferred Loss on Defeasance	380,270	275,320	0	0	655,590
Unamortized Bond Issuance Costs	<u>82,714</u>	<u>224,069</u>	<u>0</u>	<u>559,026</u>	<u>865,809</u>
Total Assets	<u>\$11,970,092</u>	<u>\$23,841,331</u>	<u>\$207,183</u>	<u>\$35,319,106</u>	<u>\$71,337,712</u>

THE CITY OF SPRINGBORO, OHIO
COMBINING BALANCE SHEET
ENTERPRISE FUNDS
DECEMBER 31, 1999

	<u>Golf Course</u>	<u>Sewer</u>	<u>Trash</u>	<u>Water</u>	<u>Totals</u>
Liabilities and Fund Equity:					
Liabilities:					
Accounts Payable	\$18,630	\$88,360	\$31,369	\$215,041	\$353,400
Accrued Wages and Benefits	0	6,854	1,925	11,437	20,216
Intergovernmental Payables	0	6,233	1,656	26,622	34,511
Interfund Loans Payable	4,000,869	0	0	0	4,000,869
Accrued Interest Payable	9,312	48,884	0	39,026	97,222
Deferred Revenue	62,944	0	0	0	62,944
Compensated Absences Payable	0	1,142	1,285	2,480	4,907
Capital Leases Payable	42,552	10,107	0	9,463	62,122
General Obligation Notes Payable	0	1,200,000	0	0	1,200,000
Refundable Deposits	0	0	0	47,718	47,718
General Obligation Bonds Payable	4,380,482	154,900	0	166,250	4,701,632
Mortgage Revenue Bonds Payable	0	4,455,000	0	18,125,000	22,580,000
Total Liabilities	8,514,789	5,971,480	36,235	18,643,037	33,165,541
Fund Equity:					
Contributed Capital	1,594,139	15,643,440	0	8,577,790	25,815,369
Retained Earnings:					
Reserved for Replacement and Improvement	750,000	200,000	0	97,633	1,047,633
Unreserved	1,111,164	2,026,411	170,948	8,000,646	11,309,169
Total Retained Earnings	1,861,164	2,226,411	170,948	8,098,279	12,356,802
Total Fund Equity	3,455,303	17,869,851	170,948	16,676,069	38,172,171
Total Liabilities and Fund Equity	\$11,970,092	\$23,841,331	\$207,183	\$35,319,106	\$71,337,712

THIS PAGE INTENTIONALLY LEFT BLANK

THE CITY OF SPRINGBORO, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

	Golf Course	Sewer	Trash	Water	Totals
<u>Operating Revenues:</u>					
Charges for Services	\$1,392,169	\$1,487,570	\$459,292	\$2,303,649	\$5,642,680
Sales	769,553	0	0	0	769,553
Other Operating Revenues	125,777	1,402	0	4,761	131,940
Total Operating Revenues	2,287,499	1,488,972	459,292	2,308,410	6,544,173
<u>Operating Expenses:</u>					
Personal Services	0	149,369	45,509	280,193	475,071
Materials and Supplies	163,652	2,031	4,208	45,224	215,115
Contractual Services	1,411,046	789,714	366,960	1,055,896	3,623,616
Cost of Goods Sold	204,954	0	0	0	204,954
Depreciation	140,520	284,831	0	270,798	696,149
Total Operating Expenses	1,920,172	1,225,945	416,677	1,652,111	5,214,905
Operating Income	367,327	263,027	42,615	656,299	1,329,268
<u>Nonoperating Revenues (Expenses):</u>					
Investment Earnings	33,706	(20,526)	0	307,351	320,531
Interest and Fiscal Charges	(400,497)	(356,496)	0	(775,217)	(1,532,210)
Gain on the Sale of Land	200,000	0	0	0	200,000
Loss on the Disposal of Fixed Assets	(115)	0	0	(39,330)	(39,445)
Total Nonoperating Revenues (Expenses)	(166,906)	(377,022)	0	(507,196)	(1,051,124)
Income (Loss) Before Operating Transfers	200,421	(113,995)	42,615	149,103	278,144
<u>Operating Transfers:</u>					
Operating Transfers In	2,465,000	381,690	0	722,105	3,568,795
Operating Transfers Out	0	(35,000)	(5,000)	(35,000)	(75,000)
Total Operating Transfers	2,465,000	346,690	(5,000)	687,105	3,493,795
Net Income	2,665,421	232,695	37,615	836,208	3,771,939
Retained Earnings/(Accumulated Deficit) at Beginning of Year - Restated (Note 2)	(804,257)	1,993,716	133,333	7,262,071	8,584,863
Retained Earnings at End of Year	<u>\$1,861,164</u>	<u>\$2,226,411</u>	<u>\$170,948</u>	<u>\$8,098,279</u>	<u>\$12,356,802</u>

THE CITY OF SPRINGBORO, OHIO
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

	Golf Course	Sewer	Trash	Water	Totals
Cash Flows from Operating Activities:					
Cash Received from Customers	\$2,316,519	\$1,453,531	\$450,160	\$2,284,478	\$6,504,688
Cash Payments for Goods and Services	(1,770,738)	(751,118)	(369,514)	(1,237,280)	(4,128,650)
Cash Payments to Employees	0	(143,621)	(42,969)	(270,854)	(457,444)
Net Cash Provided by Operating Activities	545,781	558,792	37,677	776,344	1,918,594
Cash Flows from Noncapital Financing Activities:					
Repayment of Loan from Other Funds	0	682,900	0	0	682,900
Payment of Loan to Other Funds	(3,850,944)	0	0	(226,755)	(4,077,699)
Receipt of Interfund Loan	4,000,869	0	0	0	4,000,869
Loans to Other Funds	0	(1,210,869)	0	(2,200,000)	(3,410,869)
Transfers In from Other Funds	2,465,000	381,690	0	722,105	3,568,795
Transfers Out to Other Funds	0	(35,000)	(5,000)	(35,000)	(75,000)
Net Cash Provided (Used) by Noncapital Financing Activities	2,614,925	(181,279)	(5,000)	(1,739,650)	688,996
Cash Flows from Capital and Related Financing Activities:					
Cash Received from Tap-in Fees in Excess of Cost	0	589,073	0	508,186	1,097,259
Proceeds from Sale of Fixed Assets	200,000	0	0	0	200,000
Proceeds from General Obligation Notes	0	1,200,000	0	0	1,200,000
Principal Paid on General Obligation Notes	0	(1,200,000)	0	0	(1,200,000)
Proceeds from General Obligation Bonds	4,400,000	0	0	0	4,400,000
Bond Issuance Costs Paid	(82,714)	0	0	0	(82,714)
Acquisition and Construction of Assets	(18,249)	(213,861)	0	(6,397,506)	(6,629,616)
Principal Paid on General Obligation Bonds	(60,000)	(18,300)	0	(13,750)	(92,050)
Refunding of General Obligation Bonds	(3,430,270)	0	0	0	(3,430,270)
Principal Paid on Capital Lease	(4,592,679)	(9,534)	0	(8,926)	(4,611,139)
Principal Paid on Mortgage Revenue Bonds	0	(140,000)	0	(470,000)	(610,000)
Interest Paid on All Debt	(337,142)	(303,556)	0	(868,065)	(1,508,763)
Net Cash Used by Capital and Related Financing Activities	(3,921,054)	(96,178)	0	(7,250,061)	(11,267,293)
Cash Flows from Investing Activities:					
Receipt of Interest	129,965	34,878	0	452,545	617,388
Sale of Investments	0	0	0	2,924,181	2,924,181
Net Cash Provided by Investing Activities	129,965	34,878	0	3,376,726	3,541,569
Net Increase (Decrease) in Cash and Cash Equivalents	(630,383)	316,213	32,677	(4,836,641)	(5,118,134)
Cash and Cash Equivalents at Beginning of Year	1,063,283	2,108,498	124,235	8,424,630	11,720,646
Cash and Cash Equivalents at End of Year	\$432,900	\$2,424,711	\$156,912	\$3,587,989	\$6,602,512

(continued)

THE CITY OF SPRINGBORO, OHIO
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

	Golf Course	Sewer	Trash	Water	Totals
<u>Reconciliation of Cash and Cash</u>					
<u>Equivalents per the Balance Sheet:</u>					
Cash and Cash Equivalents	\$432,900	\$2,202,667	\$156,912	\$2,830,580	\$5,623,059
Restricted Cash and Cash Equivalents	0	0	0	47,718	47,718
Restricted Cash with Fiscal and Escrow Agents	0	222,044	0	709,691	931,735
Cash and Cash Equivalents at End of Year	<u>\$432,900</u>	<u>\$2,424,711</u>	<u>\$156,912</u>	<u>\$3,587,989</u>	<u>\$6,602,512</u>
<u>Reconciliation of Operating Income to Net Cash</u>					
<u>Provided by Operating Activities:</u>					
Operating Income	\$367,327	\$263,027	\$42,615	\$656,299	\$1,329,268
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation Expense	140,520	284,831	0	270,798	696,149
Changes in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	30,000	(35,441)	(9,132)	(31,998)	(46,571)
Increase in Due From Other Funds	(980)	0	0	0	(980)
Decrease in Intergovernmental Receivable	0	0	0	6,854	6,854
Increase in Inventory	(13,891)	0	0	0	(13,891)
Decrease in Inventory Held for Resale	22,527	0	0	0	22,527
(Increase) Decrease in Prepaid Items	(328)	10,924	3	(20,158)	(9,559)
Increase (Decrease) in Accounts Payable	606	36,455	1,651	(84,452)	(45,740)
Decrease in Contracts Payable	0	(6,752)	0	(32,220)	(38,972)
Increase in Accrued Wages and Benefits	0	3,982	1,030	6,381	11,393
Increase in Intergovernmental Payable	0	1,920	370	5,692	7,982
Decrease in Refundable Deposits	0	0	0	(1,262)	(1,262)
Increase (Decrease) in Compensated Absences	0	(154)	1,140	410	1,396
Total Adjustments	<u>178,454</u>	<u>295,765</u>	<u>(4,938)</u>	<u>120,045</u>	<u>589,326</u>
Net Cash Provided by Operating Activities	<u>\$545,781</u>	<u>\$558,792</u>	<u>\$37,677</u>	<u>\$776,344</u>	<u>\$1,918,594</u>

Schedule of Noncash Investing, Capital and Financing Activities:

During 1999, the Golf Course and Water Funds had outstanding liabilities of \$10,689 and \$160,555, respectively for the purchase of certain capital assets. During 1999, the Sewer and Water Funds received \$3,070,367 and \$2,126,306, respectively, of fixed assets donated by developers. During 1999 the fair value of investments decreased by \$45,330 and \$170,079 in the Sewer and Water Funds, respectively.

FIDUCIARY FUND TYPES

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.

EXPENDABLE TRUST FUND

Civic Center Trust Fund

To account for a donation received to be used for the purpose of providing a public gathering place.

AGENCY FUNDS

Mayor's Court Fund

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

THE CITY OF SPRINGBORO, OHIO
COMBINING BALANCE SHEET
FIDUCIARY FUNDS
DECEMBER 31, 1999

	<u>Expendable Trust Fund</u>	<u>Agency Fund</u>	
	Civic Center Trust	Mayor's Court	<u>Totals</u>
<u>Assets:</u>			
Cash and Cash Equivalents	\$138,136	\$0	\$138,136
Restricted Assets:			
Cash with Fiscal Agent	0	13,679	13,679
Total Assets	<u>\$138,136</u>	<u>\$13,679</u>	<u>\$151,815</u>
<u>Liabilities and Fund Equity:</u>			
Liabilities:			
Due to Other Funds	\$0	\$10,993	\$10,993
Intergovernmental Payables	0	2,060	2,060
Undistributed Monies	0	626	626
Total Liabilities	<u>0</u>	<u>13,679</u>	<u>13,679</u>
Fund Equity:			
Unreserved	138,136	0	138,136
Total Fund Equity	<u>138,136</u>	<u>0</u>	<u>138,136</u>
Total Liabilities and Fund Equity	<u>\$138,136</u>	<u>\$13,679</u>	<u>\$151,815</u>

THE CITY OF SPRINGBORO, OHIO
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 1999

	Balance December 31, 1998	Additions	Deductions	Balance December 31, 1999
<u>Mayor's Court Fund</u>				
Assets:				
Accounts Receivable	\$10,145	\$0	(\$10,145)	\$0
Cash with Fiscal Agent	17,809	162,241	(166,371)	13,679
Total Assets	<u>\$27,954</u>	<u>\$162,241</u>	<u>(\$176,516)</u>	<u>\$13,679</u>
Liabilities:				
Due to Other Funds	\$14,184	\$10,993	(\$14,184)	\$10,993
Intergovernmental Payable	3,332	2,060	(3,332)	2,060
Undistributed Monies	10,438	149,188	(159,000)	626
Total Liabilities	<u>\$27,954</u>	<u>\$162,241</u>	<u>(\$176,516)</u>	<u>\$13,679</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

General Fixed Assets Account Group is used to account for general fixed assets of the City.

*THE CITY OF SPRINGBORO, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY SOURCE
DECEMBER 31, 1999*

General Fixed Assets:

Land and Land Improvements	\$2,272,917
Buildings	1,884,107
Machinery and Equipment	<u>2,462,432</u>
Total General Fixed Assets	<u>\$6,619,456</u>

Investment in General Fixed Assets from:

General Fund	\$4,713,002
Special Revenue Funds	<u>1,906,454</u>
Total Investment in General Fixed Assets	<u>\$6,619,456</u>

THE CITY OF SPRINGBORO, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY CATEGORY
DECEMBER 31, 1999

Function and Activity	Land and Land Improvements	Buildings	Equipment	Total
<u>General Government:</u>				
Council	\$0	\$3,000	\$24,248	\$27,248
City Manager	0	0	45,281	45,281
Records Management	0	0	45,827	45,827
Finance	0	0	80,088	80,088
Mayor's Court	0	0	27,161	27,161
Taxation	0	0	13,273	13,273
Public Land & Bldg	1,143,648	411,455	134,604	1,689,707
Total	1,143,648	414,455	370,482	1,928,585
<u>Security of Persons and Property:</u>				
Police	0	7,229	567,041	574,270
Street Lighting	0	0	78,675	78,675
Traffic Control	0	0	341,523	341,523
Total	0	7,229	987,239	994,468
<u>Transportation:</u>				
Street	22,163	614,995	704,899	1,342,057
Grounds	153,795	960	4,923	159,678
Total	175,958	615,955	709,822	1,501,735
<u>Leisure Time Activities:</u>				
Parks and Recreation	953,311	841,678	202,864	1,997,853
Library	0	4,790	75,743	80,533
Total	953,311	846,468	278,607	2,078,386
<u>Community Environment:</u>				
Engineering	0	0	15,867	15,867
Planning & Zoning	0	0	18,917	18,917
Comm Development	0	0	53,672	53,672
Bldg Inspection	0	0	27,826	27,826
Total	0	0	116,282	116,282
Total General Fixed Assets	\$2,272,917	\$1,884,107	\$2,462,432	\$6,619,456

THE CITY OF SPRINGBORO, OHIO
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 1999

Function and Activity	Restated December 31, 1998	Additions	Deletions	December 31, 1999
<u>General Government:</u>				
Council	\$27,248	\$0	\$0	\$27,248
City Manager	39,552	7,529	(1,800)	45,281
Records Management	23,321	22,506	0	45,827
Finance	83,052	5,584	(8,548)	80,088
Mayor's Court	24,478	2,683	0	27,161
Taxation	12,143	1,130	0	13,273
Public Land & Bldg	1,639,660	54,987	(4,940)	1,689,707
Total	<u>1,849,454</u>	<u>94,419</u>	<u>(15,288)</u>	<u>1,928,585</u>
<u>Security of Persons and Property:</u>				
Police	454,439	123,157	(3,326)	574,270
Street Lighting	78,675	0	0	78,675
Traffic Control	340,458	1,065	0	341,523
Total	<u>873,572</u>	<u>124,222</u>	<u>(3,326)</u>	<u>994,468</u>
<u>Transportation:</u>				
Street	1,274,113	94,210	(26,266)	1,342,057
Grounds	159,678	0	0	159,678
Total	<u>1,433,791</u>	<u>94,210</u>	<u>(26,266)</u>	<u>1,501,735</u>
<u>Leisure Time Activities:</u>				
Parks and Recreation	1,957,956	39,897	0	1,997,853
Library	80,533	0	0	80,533
Total	<u>2,038,489</u>	<u>39,897</u>	<u>0</u>	<u>2,078,386</u>
<u>Community Environment:</u>				
Engineering	13,936	1,931	0	15,867
Planning & Zoning	0	18,917	0	18,917
Comm Development	52,942	730	0	53,672
Bldg Inspection	28,537	1,789	(2,500)	27,826
Total	<u>95,415</u>	<u>23,367</u>	<u>(2,500)</u>	<u>116,282</u>
Total General Fixed Assets	<u>\$6,290,721</u>	<u>\$376,115</u>	<u>(\$47,380)</u>	<u>\$6,619,456</u>

STATISTICAL TABLES

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

THE CITY OF SPRINGBORO, OHIO
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)
LAST TEN YEARS

Year	Security of Persons and Property	Public Health and Welfare	Leisure Time Activities	Community Environment	Transportation	General Government	Debt Service	Total
1990	\$768,299	\$25,102	\$828,588	\$157,855	\$390,873	\$866,311	\$188,626	\$3,225,654
1991	777,776	23,333	162,279	224,792	410,669	875,579	201,134	2,675,562
1992	864,699	16,311	99,610	197,320	462,736	889,988	145,511	2,676,175
1993	992,246	17,155	159,856	212,624	373,569	994,621	216,566	2,966,637
1994	1,089,650	18,046	150,250	191,189	368,654	1,133,870	298,600	3,250,259
1995	1,098,498	17,560	178,255	197,276	447,179	1,095,945	449,612	3,484,325
1996	1,162,688	15,998	152,377	408,692	408,765	1,373,393	447,762	3,969,675
1997	1,228,970	17,826	213,748	505,251	466,174	1,678,623	353,057	4,463,649
1998	1,568,042	21,533	235,084	617,174	355,769	1,638,663	463,163	4,899,428
1999	1,764,306	13,569	214,419	716,566	455,676	2,206,726	357,356 (2)	5,728,618

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

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

THE CITY OF SPRINGBORO, OHIO
GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
LAST TEN YEARS

Year	Taxes (2)	Inter-Governmental Revenue	Charges for Service	Fines, Licenses and Permits (3)	Investment Earnings	All Other (4)	Total
1990	\$1,486,221	\$451,440	\$23,597	\$287,385	\$94,300	\$146,121	\$2,489,064
1991	1,520,108	526,808	4,954	319,388	49,288	188,051	2,608,597
1992	1,665,071	508,734	17,551	280,125	16,622	141,912	2,630,015
1993	1,974,881	752,766	5,172	344,030	26,744	222,266	3,325,859
1994	2,119,522	653,240	3,089	360,512	24,813	204,234	3,365,410
1995	2,323,229	671,744	3,730	290,721	174,325	330,612	3,794,361
1996	3,424,685	744,315	155,893	340,357	194,677	492,228	5,352,155
1997	3,988,271	909,487	189,598	402,554	275,658	497,771	6,263,339
1998	3,182,087	1,072,824	404,577	494,778	375,255	527,292	6,056,813
1999	3,581,369	904,526	352,465	523,587	224,200	603,548	6,189,695

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

THE CITY OF SPRINGBORO, OHIO
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

Collection Year	Current Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Current Taxes Levied
1990	\$120,958	\$116,762	96.53%	\$2,405	\$119,167	98.52%
1991	97,303	94,647	97.27%	2,408	97,055	99.75%
1992	175,272	172,068	98.17%	4,714	176,782	100.86%
1993	188,865	184,770	97.83%	10,860	195,630	103.58%
1994	201,663	195,613	97.00%	3,961	199,574	98.96%
1995	212,885	206,958	97.22%	2,785	209,743	98.52%
1996	260,138	252,360	97.01%	3,326	255,686	98.29%
1997	298,301	292,336	98.00%	6,170	298,506	100.07%
1998	309,611	302,898	97.83%	8,964	311,862	100.73%
1999	328,855	318,704	96.91%	6,597	325,301	98.92%

Source: Warren County Auditor

THE CITY OF SPRINGBORO, OHIO
ASSESSED VALUATIONS AND ESTIMATED TRUE VALUES
OF TAXABLE PROPERTY
LAST TEN YEARS

Tax Levy Year	Real Property		Public Utility		Tangible Personal Property		Total		Assessed Value as a Percent of Actual Value
	Assessed	Actual	Assessed	Actual	Assessed	Actual	Assessed	Actual	
1990	\$74,895,490	\$213,987,114	\$5,849,060	\$16,711,600	\$20,991,021	\$77,744,522	\$101,735,571	\$308,443,236	32.98%
1991	93,652,590	267,578,829	6,767,840	19,336,686	28,919,506	111,228,869	129,339,936	398,144,384	32.49%
1992	102,900,490	294,001,400	8,192,490	9,309,648	29,959,679	119,838,716	141,052,659	423,149,764	33.33%
1993	115,225,660	329,216,171	9,044,270	10,277,580	30,282,696	121,130,784	154,552,626	460,624,535	33.55%
1994	150,135,280	428,957,943	9,634,370	10,948,148	25,353,793	101,415,172	185,123,443	541,321,263	34.20%
1995	164,838,600	470,967,429	9,717,570	11,042,693	28,055,098	112,220,392	202,611,268	594,230,514	34.10%
1996	178,524,970	510,071,343	9,848,350	11,191,307	27,275,164	109,100,656	215,648,484	630,363,306	34.21%
1997	206,314,170	589,469,057	10,112,190	11,491,125	28,591,249	114,364,996	245,017,609	715,325,178	34.25%
1998	222,044,280	634,412,229	10,532,680	11,968,955	28,621,985	114,487,940	261,198,945	760,869,123	34.33%
1999	234,929,640	671,227,543	10,917,940	12,406,750	28,832,343	115,329,372	274,679,923	798,963,665	34.38%

NOTE: Estimated Actual Value is calculated by dividing the assessed value by the assessment percentage.

Current percentages are 35% for Real Property, 88% for Public Utility Tangible and 25% for Tangible Personal Property.

Source: Warren County Auditor

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

Collection Year	City of Springboro	Clearcreek School District	Warren County	Clearcreek Township	Joint		Special District	Total
					Vocational School	School		
1990	1.10	46.60	7.10	4.50	4.50	1.00	64.80	
1991	1.10	46.20	7.10	4.50	4.50	1.00	64.40	
1992	1.10	45.70	7.10	4.50	4.50	1.00	63.90	
1993	1.10	45.20	7.10	4.50	4.50	1.00	63.40	
1994	1.10	44.71	7.07	4.51	4.50	1.00	62.89	
1995	1.11	53.10	7.07	4.51	4.50	1.00	71.29	
1996	1.11	53.00	5.00	4.51	4.50	1.50	69.62	
1997	1.11	51.71	5.00	4.51	4.50	1.50	68.33	
1998	1.11	51.70	4.75	4.51	4.50	1.50	68.07	
1999	1.11	54.88	4.00	4.51	4.50	1.50	70.50	

Source: Warren County Auditor

THE CITY OF SPRINGBORO, OHIO
SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
LAST TEN YEARS

Collection Year	Amount Billed	Amount Collected	Percent Collected
1990	\$72,018	\$69,475	96.47%
1991	77,368	71,485	92.40%
1992	96,124	76,402	79.48%
1993	96,042	86,871	90.45%
1994	117,757	76,511	64.97%
1995	271,840	228,182	83.94%
1996	233,407	212,627	91.10%
1997	242,088	230,566	95.24%
1998	286,201	281,553	98.38%
1999	276,167	256,310	92.81%

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

Source: Warren County Auditor

THE CITY OF SPRINGBORO, OHIO
COMPUTATION OF LEGAL DEBT MARGIN
DECEMBER 31, 1999

	Total Debt	Unvoted Debt
Net Assessed Valuation	\$274,679,923	\$274,679,923
Legal Debt Limitation (%) (1)	10.50%	5.50%
Legal Debt Limitation (\$) (1)	28,841,392	15,107,396
Applicable City Debt Outstanding (2)	5,543,850	5,543,850
Less: Applicable Debt Service Fund Amounts	(11,923)	(11,923)
Net Indebtedness Subject to Limitation	5,531,927	5,531,927
Legal Debt Margin	\$23,309,465	\$9,575,469

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

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

THE CITY OF SPRINGBORO OHIO
RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED
VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
LAST TEN YEARS

Year	Population	Assessed Value	Net Bonded Debt (1)	Ratio of Net Bonded Debt to Assessed Valuation	Net Bonded Debt Per Capita
1990	6,590	\$101,735,571	\$450,000	0.44%	\$68
1991	6,944	129,339,936	435,000	0.34%	63
1992	7,850	141,052,659	420,000	0.30%	54
1993	8,417	154,552,626	1,076,300	0.70%	128
1994	9,230	185,123,443	1,028,250	0.56%	111
1995	9,590	202,611,268	978,750	0.48%	102
1996	10,331	215,648,484	1,374,250	0.64%	133
1997	10,945	245,017,609	1,529,750	0.62%	140
1998	11,200	261,198,945	1,451,800	0.56%	130
1999	12,045	274,679,923	2,111,927	0.77%	175

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

THE CITY OF SPRINGBORO, OHIO
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL OBLIGATION BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES (1)
LAST TEN YEARS

Year	Debt Principal	Debt Interest (3)	Total Debt Service	Total General Governmental Expenditures	Ratio of Tax Debt Service to General Governmental Expenditures
1990	\$10,000	\$35,205	\$45,205	\$3,225,654	1.40%
1991	15,000	34,565	49,565	2,675,562	1.85%
1992	15,000	33,575	48,575	2,676,175	1.82%
1993	15,000	32,562	47,562	2,966,637	1.60%
1994	46,050	66,517	112,567	3,250,259	3.46%
1995	49,500	79,576	129,076	3,484,325	3.70%
1996	54,500	74,073	128,573	3,969,675	3.24%
1997	69,500	89,295	158,795	4,463,749	3.56%
1998	77,950	97,716	175,666	4,899,428	3.59%
1999	57,950	74,967	132,917	5,728,618	2.32%

(1) General obligation bonds reported in the enterprise funds and special assessment debt with governmental commitment have been excluded.

(2) Does not include defeased issue of \$315,000.

(3) Excludes bond issuance and other costs.

THE CITY OF SPRINGBORO, OHIO
COMPUTATION OF ALL DIRECT AND OVERLAPPING GOVERNMENTAL DEBT
DECEMBER 31, 1999

Jurisdiction	Net Debt Outstanding	Percentage Applicable to City of Springboro (2)	Amount Applicable to City of Springboro
City of Springboro (1)	\$5,531,927	100.00%	\$5,531,927
Warren County	13,346,738	9.09%	<u>1,213,218</u>
Total			<u><u>\$6,745,145</u></u>

Source: Warren County Auditor

(1) Net debt outstanding equals the amount of non self-supporting general obligation notes and bonds outstanding less the amount available in the debt service fund.

(2) Percentages determined by dividing each overlapping subdivision's assessed valuation within the City by the subdivision's total assessed valuation.

THE CITY OF SPRINGBORO, OHIO
REVENUE BOND COVERAGE - WATER MORTGAGE BONDS
LAST TEN YEARS

Year	Gross Revenues (1)	Direct Operating Expenses (2)	Net Revenue Available For Debt Service	Debt Service Requirement	Coverage
1990	\$772,238	\$480,948	\$291,290	\$141,863	2.05
1991	821,571	483,737	337,834	143,781	2.35
1992	843,740	561,428	282,312	140,519	2.01
1993	1,314,063	1,291,575	22,488	142,075	0.16
1994	2,333,346	534,073	1,799,273	315,720	5.70
1995	1,647,780	867,867	779,913	323,108	2.41
1996	1,689,614	700,958	988,656	324,696	3.04
1997	1,999,765	935,765	1,064,000	325,845	3.27
1998	2,360,083	1,378,223	981,860	125,566	7.82
1999	2,615,761	1,381,313	1,234,448	1,341,929	0.92

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

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

Source: City of Springboro, Department of Finance

THE CITY OF SPRINGBORO, OHIO
REVENUE BOND COVERAGE - SEWER MORTGAGE BONDS
LAST TEN YEARS

Year	Gross Revenues	Direct Operating Expenses (1)	Net Revenue Available For Debt Service	Debt Service Requirement	Coverage
1990	\$1,429,226	\$463,393	\$965,833	\$440,814	2.19
1991	1,528,554	846,049	682,505	442,393	1.54
1992	894,036	790,412	103,624	438,502	0.24
1993	1,152,750	858,135	294,615	439,491	0.67
1994	1,147,338	987,883	159,455	440,035	0.36
1995	1,070,999	1,024,548	46,451	440,114	0.11
1996	1,199,334	888,008	311,326	432,480	0.72
1997 (2)	1,502,164	960,679	541,485	166,733	3.25
1998	1,820,233	994,844	825,389	382,630	2.16
1999	1,488,972	941,114	547,858	381,643	1.44

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

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

Source: City of Springboro, Department of Finance

THE CITY OF SPRINGBORO, OHIO
DEMOGRAPHIC STATISTICS
LAST TEN YEARS

Year	Population	Per Capita Income	Unemployment Rate		School Enrollment
			Warren County Area		
1990	6,590	\$15,600	6.0%		2,284
1991	6,944	16,803	5.0%		2,382
1992	7,850	20,676	6.5%		2,493
1993	8,417	21,710	5.7%		2,605
1994	9,230	22,361	5.3%		2,716
1995	9,590	22,876	4.2%		2,729
1996	10,331	28,723	3.8%		2,837
1997	10,945	29,584	3.0%		2,944
1998	11,200	30,176	3.0%		3,158
1999	12,045	31,081	3.0%		3,338

Source: City of Springboro Community Development Department

THE CITY OF SPRINGBORO OHIO
PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS
LAST TEN YEARS

Year	Building Permits (1)		Assessed Value	Bank Deposits (2)
	Number of Permits Issued	Estimated Value		
1990	162	\$22,975,951	\$74,895,490	\$309,303,000
1991	141	24,894,693	93,652,590	342,162,000
1992	216	28,697,780	102,900,490	367,097,000
1993	261	39,299,858	115,225,660	411,164,000
1994	231	36,449,326	150,135,280	422,581,000
1995	161	20,665,648	164,838,600	460,950,000
1996	198	20,802,945	178,524,970	482,684,523
1997	212	24,382,801	206,314,170	523,595,000
1998	262	20,085,429	222,044,280	521,795,000
1999	319	33,499,038	274,679,923	533,873,000

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

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

THE CITY OF SPRINGBORO, OHIO
PRINCIPAL TAXPAYERS
DECEMBER 31, 1999

Taxpayer	1999 Assessed Valuation (Tax Duplicate)	Percentage of Total Assessed Valuation
1. Cincinnati Gas & Electric	\$7,904,990	2.88%
2. Pioneer Industrial Components	3,537,410	1.29%
3. Inland Real Estate Group	3,203,570	1.17%
4. Brothers Trading Company	2,811,900	1.02%
5. Coffman Development	2,778,110	1.01%
6. Gayston Corporation	2,740,550	1.00%
7. Ohio Bell	2,345,980	0.85%
8. ARV Springboro Villas	1,668,280	0.61%
9. Martin - Coffman Development	1,492,100	0.54%
10. Rio Algom Incorporated	1,380,240	0.50%
Sub - Total	29,863,130	10.87%
All Others	244,816,793	89.13%
Total	<u>\$274,679,923</u>	<u>100.00%</u>

Based on valuation of property taxes levied in 1999.
Source: Warren County Auditor

THE CITY OF SPRINGBORO, OHIO
MISCELLANEOUS STATISTICS
DECEMBER 31, 1999

Date of Incorporation	January 1, 1979	Form of Government	Council/Manager
Number of Employees	95	Area (square miles)	9.85
Number of Streets	280		
Cultural and Recreation:			
	Parks	3	
	Park Acreage	287.7	
	Heatherwoode Golf Course	18 Hole Course	
Police Protection:			
	Number of Stations	1	
	Number of Full-time Personnel	19	
	Number of Patrol Units	7	
Education:			
	Number of Elementary Schools	3	
	Number of Elementary School Instructors	79	
	Number of Secondary Schools	2	
	Number of Secondary School Instructors	92	

Source: City of Springboro Economic Development Department

THIS PAGE INTENTIONALLY LEFT BLANK



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

CITY OF SPRINGBORO

WARREN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 18, 2000**