



Dave Yost • Auditor of State



**CITY OF SPRINGBORO  
WARREN COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor's Report .....	Under separate cover
Comprehensive Annual Financial Report .....	Under separate cover
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by Government Auditing Standards .....	1
Schedule of Prior Audit Findings.....	3

**This page intentionally left blank.**



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

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

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Springboro, Warren County, Ohio (the City), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 24, 2013. We noted that the City of Springboro adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 62, "*Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*," GASB Statement No. 63, "*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*" and GASB Statement No. 65, "*Items Previously Reported as Assets and Liabilities*".

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the City's internal control. Accordingly, we have not opined on it.

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

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

***Compliance and Other Matters***

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

**Dave Yost**  
Auditor of State  
Columbus, Ohio

June 24, 2013

CITY OF SPRINGBORO  
WARREN COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2012

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2011-01	Failure to accurately report health insurance activity and capital asset corrections.	Yes	

**This page intentionally left blank.**



# **CITY OF SPRINGBORO, OHIO**

## **Comprehensive Annual Financial Report**

**For the Year Ended December 31, 2012**





CITY OF SPRINGBORO  
320 West Central Avenue  
Springboro, Ohio 45066  
phone (937) 748-4343  
fax (937) 748-6859

## TABLE OF CONTENTS

CITY OF SPRINGBORO  
WARREN COUNTY, OHIO

---

### **I** INTRODUCTORY SECTION

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

### **II** FINANCIAL SECTION

<b>A</b>	Independent Auditors' Report .....	1
<b>B</b>	Management's Discussion and Analysis.....	5
<b>C</b>	Basic Financial Statements:	
	Government-wide Financial Statements:	
	Statement of Net Position .....	14
	Statement of Activities .....	16
	Fund Financial Statements:	
	<i>Governmental Funds:</i>	
	Balance Sheet .....	18
	Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities.....	20
	Statement of Revenues, Expenditures and Changes in Fund Balances .....	22
	Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	24
	Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):	
	General Fund .....	25
	<i>Proprietary Funds:</i>	
	Statement of Net Position .....	26
	Statement of Revenues, Expenses and Changes in Fund Net Position.....	30
	Statement of Cash Flows .....	32
	<i>Fiduciary Funds:</i>	
	Statement of Assets and Liabilities.....	36
	Notes to the Basic Financial Statements.....	37

**D Combining and Individual Fund Statements and Schedules:**

Nonmajor Governmental Financial Statements:

Combining Balance Sheet.....	78
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	79
Combining Balance Sheet – Nonmajor Special Revenue Funds.....	80
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds.....	82
Combining Balance Sheet – Nonmajor Capital Projects Funds.....	84
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds.....	85

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

Major Governmental Funds:

<i>General Fund</i> .....	86
<i>Debt Service Fund:</i>	
Debt Service Fund.....	91
<i>Capital Projects Funds:</i>	
Construction Fund.....	92
Income Tax Capital Improvement Fund.....	93

Nonmajor Governmental Funds:

*Special Revenue Funds:*

Street Maintenance and Repair Fund.....	94
State Highway Fund.....	95
Permissive Use Tax Fund.....	96
Motor Vehicle License Tax Fund.....	97
Community Oriented Policing Service (COPS) Grant Fund.....	98
Drug Law Enforcement Fund.....	99
Mayor’s Court Improvement Fund.....	100
Austin Center Municipal Public Improvement TIF Fund.....	101
South Tech Public Improvement TIF Fund.....	102
Law Enforcement Trust Fund.....	103
D.A.R.E Trust Fund.....	104

*Capital Projects Funds:*

    Permanent Improvement Fund ..... 105

    Land Acquisition Fund ..... 106

Fiduciary Funds – Agency Funds:

    Statement of Changes in Assets and Liabilities ..... 108

**III** STATISTICAL SECTION

Net position by Component - Last Ten Years ..... S 2

Changes in Net position - Last Ten Years ..... S 4

Fund Balances, Governmental Funds - Last Ten Years ..... S 8

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

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

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

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

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

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

Debt Limitations - Last Ten Years ..... S 24

Pledged Revenue Coverage - Last Ten Years ..... S 26

Demographic and Economic Statistics - Last Ten Years ..... S 28

Principal Employers - Current Year and Nine Years Ago ..... S 31

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

Operating Indicators by Function - Last Ten Years ..... S 34

Capital Asset Statistics by Function - Last Ten Years ..... S 36



## *INTRODUCTORY SECTION*

---

---







**CITY OF SPRINGBORO**

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

phone (937) 748-4343

fax (937) 748-6859

---

June 27, 2012

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

We are pleased to present the City of Springboro (the City) Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2012. The responsibility for both the accuracy of the presented data, and the completeness and fairness of presentation, including all disclosures, rests with the management of the City, particularly the office of the Director of Finance. This report is prepared in conformance with accounting principles generally accepted in the United States of America as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources. We believe the data is fairly presented in all material aspects and that it is presented in a manner designed to set forth the financial position and results of operations of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain a reasonable understanding of the City's financial affairs have been included.

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

***THE CITY***

Although we became a City just thirty-three years ago, Springboro has earned the reputation as being a very progressive community. The City is located in the southwestern part of the State of Ohio, uniquely within the boundaries of two counties, Warren County and Montgomery County, Ohio. The City is a home rule municipal corporation, organized under the laws of the State of Ohio, which operates under its own Charter. The current Charter, which provides, for a Council/Manager form of government, was adopted on November 7, 1978, effective on January 1, 1979 and was amended most recently on November 4, 2009. The seven-member Council is elected to four-year terms. The Council appoints a City Manager who serves as the chief executive officer.

***Letter of Transmittal  
For the Year Ended December 31, 2012***

---

***REPORTING ENTITY AND SERVICES***

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

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

The Warren County General Health District, the Greater Warren County Drug Task Force, the Miami Valley Regional Planning Commission and the Montgomery County Transportation Improvement District were determined to be jointly governed organizations and the Ohio Municipal League of Workers' Compensation Group Rating Plan was determined to be a group purchasing pool. These entities are discussed further in Notes 18 and 19 within the notes to the financial statements.

***ECONOMIC OUTLOOK***

Growth and development within the City of Springboro is expected to exceed the national and state average due to the City's physical location along Interstate 75 between Cincinnati and Dayton. The United States Census Bureau officially counted population in the City of Springboro on April 1, 2011 as 17,409, an increase of 5,029 from the 2000 United States Census Bureau count. The main factor contributing to this growth over a sustained period was an abundance of available building sites offering appealing terrain, location, amenities, small town atmosphere and a low crime rate. In 2012, 24 single-family residential construction permits were issued. Projections that residential build-out would occur by now have been stalled by economic factors, but population at build-out is still projected at the 23,000 figure.

***Letter of Transmittal  
For the Year Ended December 31, 2012***

---

Since the City annexed the SouthTechBusinessPark in 1997 and began marketing the StolzIndustrial Park and CommercialWayIndustrial Park, industrial growth in Springboro has blossomed. The City has witnessed the addition of over 682 new jobs and an additional payroll worth an estimated \$28.1 million over the past five years. With the new Austin Road Interchange at I-75 and Austin Pike opened on July 2, 2011, the City anticipates retail, commercial and office growth to occur consistently and substantially within the South Tech Business Park over many years. The addition of companies such as Renegade Materials and Dayton Children's Medical Center have already occurred and will lead the way for other opportunities in the Business Park. Mills Morgan Development Company also has plans to create a 10-12 building office development of over 400,000 sf on City owned property at the end of West Tech Blvd. in South Tech. The City has begun construction on the extension of West Tech Blvd. to accommodate the future office development.

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

***MAJOR INITIATIVES***

**For the Year (2012):**

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

***Street Capital Improvements:***

The City has an annual resurfacing and miscellaneous street repair program that is completed each year. Sidewalks were installed in various areas of the City as per the Mobility Master Plan. Interchange improvements continued on SR73 at I-75 which includes widening of the I-75 Bridge by ODOT to accommodate future widening of SR73. The total improvements to this interchange will be done over several years. Improvements to E Central Avenue, Gilpin Drive and South Street were completed in 2012. Improvements to Pennyroyal Road East End were completed in 2012. West Tech Roadway improvements began in 2012 and will be completed in 2012. Improvements to Factory Road began in 2012 and will be completed in 2012. Installation of a traffic signal on SR741 at the Junior High School began in 2012 and will be completed in 2012. In conjunction with an ODOT bridge widening project on South Main Street, the City began installation of a sidewalk along South Main Street, to connect the downtown area with the Junior High and High School and allow for safer pedestrian traffic. This project will be completed in 2012.

***Letter of Transmittal  
For the Year Ended December 31, 2012***

---

***Park Improvements:***

Improvements to Clearcreek Park continued in 2012 due to the extensive use of the park. There were additional ball diamonds installed and the parking lot was expanded. Improvements at Gardner Park continued in 2012, which is a passive park. State grant funds were obtained for a solar project at the parks and was completed in 2012. The project allowed for solar panels to be installed on the restrooms and concession stands at the parks and is a revenue source for the City. Some improvements were also completed at North Park, installing safety surface at the playground.

***Water Capital Improvements:***

Water main replacement, to coincide with the street improvements on E Central Avenue, Gilpin Drive and South Street were completed in 2012. Water main replacement, in conjunction with the road improvements to Pennyroyal Road East End was completed in 2012.

***Sewer Capital Improvements:***

There were no sewer improvements required in 2012.

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

A Stream Bank Restoration project began in 2012. This project will stabilize the bank on Clearcreek at Heatherwoode Golf Course. The erosion of this bank had become a safety issue and will be completed in 2012.

***Golf Course Improvements:***

Improvements at the clubhouse continued in 2012 to maintain quality standards. These improvements included replacement of kitchen equipment and purchase of new patio and deck furniture. The irrigation expansion project was completed in 2012. Bunker and tee renovations were completed in 2012.

**For the Future (2013):**

***Street Capital Improvements:***

The Mobility Master Plan was completed in 2001, which analyzed both motorized and non-motorized transportation needs and developed a capital improvement plan. The 2013 budget includes funding for \$2,778,345 of street capital improvements in various areas: \$712,875 for improvements to the west end of Pennyroyal Road, which is an Issue II project; \$814,220 is appropriated for the resurfacing of State Route 741 from State Route 73 north to the Montgomery County line, in conjunction with the Ohio Department of Transportation; \$726,250 is designated for Red Lion Five Points Road Improvements; \$500,000 for the State Route 73 / I-75 Interchange improvements; and \$25,000 for the installation of various sidewalks.

***Park Improvements:***

The 2013 budget includes \$30,000 designated for installation of brick pavers at the North Park Amphitheater and \$350,000 for improvements to Clearcreek Park. The improvements to Clearcreek Park include two new football/lacrosse/soccer fields, irrigation of new and existing fields and an additional playground.

***Letter of Transmittal  
For the Year Ended December 31, 2012***

---

***Water Capital Improvements:***

In 1995, the City commissioned the development of a Water Master Plan study in conjunction with the strategic planning process. This plan was updated in 1998, 2001 and 2008 to evaluate how the City's growth and development had compared to that projected in the earlier study and was updated again in 2009. The 2012 budget includes funding for \$350,000 water capital improvements as follows: \$50,000 to paint the Lytle Five Points Water Tower; and \$300,000 for the replacement of a 6" water main with an 8" water main in the Tamarack Hills Subdivision.

***Sewer Capital Improvements:***

The City has developed a Sanitary Sewer Master Plan to address the sewer collection system and treatment plant needs for the next 20-years. This plan includes an analysis of the system and a Capital Improvement Program (CIP) to address these needs. No capital improvements were required in the 2013 budget.

***Golf Course Improvements:***

Heatherwoode Golf Course improvements for 2013 include: \$30,000 for emergency repairs; \$40,000 for the installation of greens fans; and \$40,000 for clubhouse improvements.

***FINANCIAL INFORMATION***

**Internal Control, Budgetary Control and the Accounting System**

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

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

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

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

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

***Letter of Transmittal  
For the Year Ended December 31, 2012***

---

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

***OTHER INFORMATION***

***Independent Audit:***

An audit team from the Auditor of State has performed this year's audit. The independent auditor's unqualified opinion has been included in the Independent Auditors' Report.

***Certificate of Achievement:***

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Springboro, Ohio, for its Comprehensive Annual Financial Report for the year ended December 31, 2011. This was the twenty-second year that the government has achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

***Acknowledgment:***

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

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



Christine A. Thompson  
City Manager



Robyn L. Brown  
Director of Finance

**CITY OF SPRINGBORO, OHIO**

---

***List of Principal Officials  
For the Year Ended December 31, 2012***

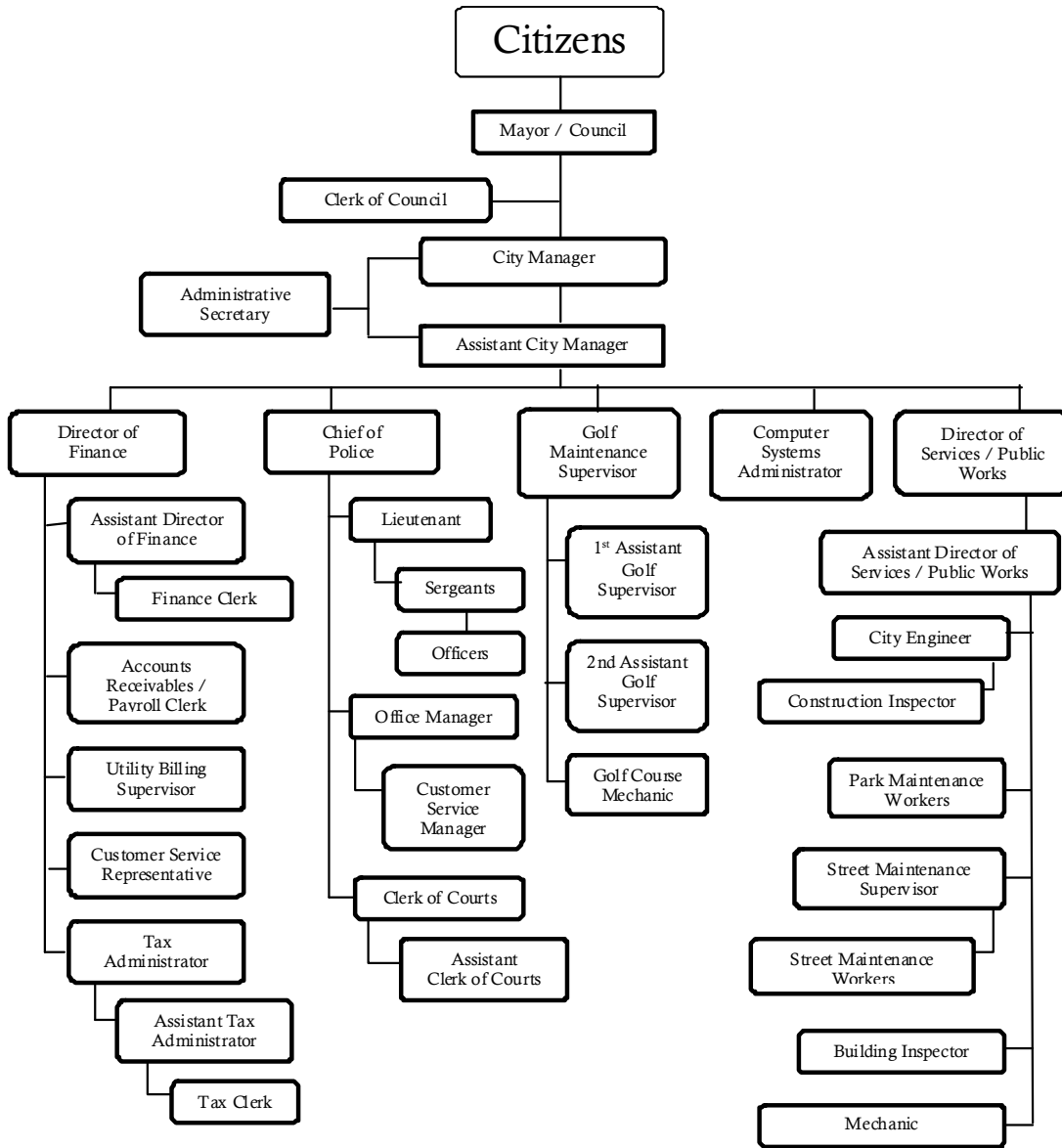
---

<i>Council</i>	<i>Title</i>	<i>Years of Service *</i>	<i>Term expires</i>
John Agenbroad	Mayor	17	December 2015
David Vomacka	Councilman Ward I	5	December 2013
Bruce Moore	Councilman Ward II	3	December 2013
Jim Chmiel	Councilman Ward III	11	December 2013
Sheila Lairson	Councilman Ward IV	7	December 2013
Becky Iverson	Councilman at Large	1	December 2015
Gary Hruska	Councilman at Large	11	December 2015

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

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

City Organizational Chart  
For the Year Ended December 31, 2012





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, 2011

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.



*Christopher P. Morrell*

President

*Jeffrey R. Enos*

Executive Director



## *FINANCIAL SECTION*

---

---





# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

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

To the City Council:

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Springboro, Warren County, Ohio (the City), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Springboro, Warren County, Ohio, as of December 31, 2012, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparison for the General fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As discussed in Note 2 to the financial statements, during 2012 the City of Springboro adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 62, "*Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*," GASB Statement No. 63, "*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*" and GASB Statement No. 65, "*Items Previously Reported as Assets and Liabilities*". Our opinion is not modified with respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

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

#### *Supplementary and Other Information*

Our audit was conducted to opine on the City's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information present additional analysis and are not a required part of the basic financial statements.

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2013, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State  
Columbus, Ohio

June 24, 2013





Management's discussion and analysis of the City of Springboro's (the City) financial performance provides an overall review of the City's financial activities for the year ended December 31, 2012. The intent of management's discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

### **FINANCIAL HIGHLIGHTS**

Key financial highlights for 2012 are as follows:

- ❑ In total, net position increased \$3.6 million. Net position of governmental activities increased \$810,357 which represents a 1.5% increase from 2011. Net position of business-type activities increased \$2,771,194 or 4.6 % from 2011.
- ❑ General revenues accounted for \$12.8 million in revenue or 47.2% of all revenues. Program specific revenues in the form of charges for services and sales and grants and contributions accounted for 52.8% of total revenues of \$27.2 million.
- ❑ Total net position of governmental activities increased by \$810,357 in total. This increase is primarily due to increased income tax revenue.
- ❑ The City had \$12.9 million in expenses related to governmental activities; \$1.8 million of these expenses were offset by program specific charges for services and sales, grants or contributions. General revenues (primarily taxes) of \$12.8 million were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$9.2 million in revenues and other sources and \$10.5 million in expenditures and other financing uses. The general fund's fund balance decreased \$1,290,164 to \$8 million.
- ❑ Net position for enterprise funds increased by \$2,771,194. This increase was the result of higher revenue collections. In 2011 City Council passed legislation to increase water and sewer rates, above the annual increase, over a three year period.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

These statements are as follows:

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

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

**Government-wide Statements**

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

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

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

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

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

**Fund Financial Statements**

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

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

***Management's Discussion and Analysis  
For the Year Ended December 31, 2012***

***Unaudited***

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

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

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

The following table provides a summary of the City's net position for 2012 compared to 2011:

	Governmental Activities		Business-type Activities		Total	
	2012	Restated 2011	2012	Restated 2011	2012	Restated 2011
Current and other assets	\$22,390,788	\$24,817,856	\$12,785,324	\$11,053,597	\$35,176,112	\$35,871,453
Capital assets, Net	50,253,097	48,493,833	79,098,706	79,893,211	129,351,803	128,387,044
Total assets	<u>72,643,885</u>	<u>73,311,689</u>	<u>91,884,030</u>	<u>90,946,808</u>	<u>164,527,915</u>	<u>164,258,497</u>
Deferred Outflows of Resources	0	0	1,660,055	786,715	1,660,055	786,715
Long-term debt outstanding	13,282,725	14,504,774	30,308,202	31,327,206	43,590,927	45,831,980
Other liabilities	3,861,805	4,009,687	608,410	550,038	4,470,215	4,559,725
Total liabilities	<u>17,144,530</u>	<u>18,514,461</u>	<u>30,916,612</u>	<u>31,877,244</u>	<u>48,061,142</u>	<u>50,391,705</u>
Deferred Inflows of Resources	724,491	832,721	0	0	724,491	832,721
Net position						
Net Investment in capital assets	39,980,429	36,273,806	50,576,992	49,465,762	90,557,421	85,739,568
Restricted	10,047,132	10,242,352	2,416,605	2,356,441	12,463,737	12,598,793
Unrestricted	4,747,303	7,448,349	9,633,876	8,034,076	14,381,179	15,482,425
Total net position	<u>\$54,774,864</u>	<u>\$53,964,507</u>	<u>\$62,627,473</u>	<u>\$59,856,279</u>	<u>\$117,402,337</u>	<u>\$113,820,786</u>

This space intentionally left blank.

**CITY OF SPRINGBORO, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2012**

**Unaudited**

Changes in Net Position – The following table shows the changes in net position for 2012 compared to 2011:

	Governmental Activities		Business-type Activities		Total	
	2012	Restated 2011	2012	Restated 2011	2012	Restated 2011
Revenues						
Program Revenues:						
Charges for Services and Sales	\$1,073,837	\$739,547	\$11,837,466	\$9,716,844	\$12,911,303	\$10,456,391
Operating Grants and Contributions	726,537	938,552	0	0	726,537	938,552
Capital Grants and Contributions	35,347	1,146,666	694,590	360,540	729,937	1,507,206
Total Program Revenues	1,835,721	2,824,765	12,532,056	10,077,384	14,367,777	12,902,149
General revenues:						
Income Taxes	11,234,399	9,595,447	0	0	11,234,399	9,595,447
Property Taxes	624,866	636,375	0	0	624,866	636,375
Other Local Taxes	57,355	67,699	0	0	57,355	67,699
Payment in Lieu of Taxes	111,074	217,620	0	0	111,074	217,620
Intergovernmental, unrestricted	426,267	506,161	0	0	426,267	506,161
Investment Earnings	58,757	108,369	27,245	30,415	86,002	138,784
Miscellaneous	233,235	296,839	0	0	233,235	296,839
Gain (Loss) on Sale of Assets						
Held for Resale	65,954	(59,560)	0	0	65,954	(59,560)
Total General Revenues	12,811,907	11,368,950	27,245	30,415	12,839,152	11,399,365
Total Revenues	14,647,628	14,193,715	12,559,301	10,107,799	27,206,929	24,301,514
Program Expenses						
Security of Persons and Property	3,632,041	3,084,811	0	0	3,632,041	3,084,811
Public Health and Welfare Services	14,723	14,697	0	0	14,723	14,697
Leisure Time Activities	742,999	610,141	0	0	742,999	610,141
Community Environment	686,964	550,746	0	0	686,964	550,746
Transportation	2,439,903	2,269,438	0	0	2,439,903	2,269,438
General Government	4,760,638	4,309,581	0	0	4,760,638	4,309,581
Interest and Fiscal Charges	617,827	671,891	0	0	617,827	671,891
Golf Course	0	0	2,671,202	2,450,840	2,671,202	2,450,840
Water	0	0	3,670,617	3,296,748	3,670,617	3,296,748
Sewer	0	0	2,921,396	3,056,852	2,921,396	3,056,852
Trash	0	0	964,704	959,687	964,704	959,687
Storm Water	0	0	502,364	308,484	502,364	308,484
Total Expenses	12,895,095	11,511,305	10,730,283	10,072,611	23,625,378	21,583,916
Change in Net Position before transfers	1,752,533	2,682,410	1,829,018	35,188	3,581,551	2,717,598
Transfers	(942,176)	(1,585,560)	942,176	1,585,560	0	0
Total Change in Net Position	810,357	1,096,850	2,771,194	1,620,748	3,581,551	2,717,598
Beginning Net Position, Restated	53,964,507	52,867,657	59,856,279	58,235,531	113,820,786	111,103,188
Ending Net Position	\$54,774,864	\$53,964,507	\$62,627,473	\$59,856,279	\$117,402,337	\$113,820,786

***Management's Discussion and Analysis  
For the Year Ended December 31, 2012***

***Unaudited***

---

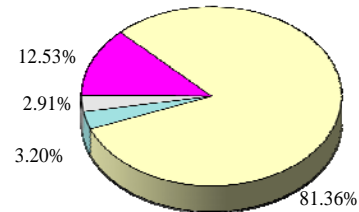
**Governmental Activities**

Net position of the City's governmental activities increased by \$810,357. Revenues increased by \$453,913 in 2012 compared to 2011 and expenses and transfers increased by \$740,406. Income taxes increased \$1.6 million which helped to offset the decrease in program revenues. The increase in income tax revenue was mostly from withholding payments due to an increase in reported wages from businesses and from new businesses that started in the City. The increase in transfers was for additional capital projects within the City to enhance the aesthetics of our older neighborhoods and to enhance our parks.

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

Property taxes and income taxes made up 4.3% and 76.7% respectively of revenues for governmental activities for the City in 2012. The City's reliance upon tax revenues is demonstrated by the following graph indicating 81.36% of total revenues from general tax revenues:

Revenue Sources	2012	Percent of Total
Intergovernmental, unrestricted	\$426,267	2.91%
Program Revenues	1,835,721	12.53%
General Tax Revenues	11,916,620	81.36%
General Other	469,020	3.20%
Total Revenue	<u>\$14,647,628</u>	<u>100.00%</u>



***Business-Type Activities***

Net position of the business-type activities increased by \$2,771,194. This increase was the result of higher revenue collections. In 2011 City Council passed legislation to increase water and sewer rates, above the annual increase, over a three year period.

***Management's Discussion and Analysis  
For the Year Ended December 31, 2012***

***Unaudited***

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

The City's governmental funds reported a combined fund balance of \$14,044,135, which is a decrease from last year's restated balance of \$15,149,962. The schedule below indicates the fund balance and the total change in fund balance by fund type as of December 31, 2012 and 2011:

	Fund Balance December 31, 2012	Fund Balance December 31, 2011	Increase (Decrease)
General	\$7,994,364	\$9,284,528	(\$1,290,164)
Debt Service	165,952	160,734	5,218
Construction (Capital Project)	2,235,816	1,643,710	592,106
Income Tax Capital Improvement (Capital Project)	957,821	1,230,520	(272,699)
Other Governmental	2,690,182	2,830,470	(140,288)
<b>Total</b>	<b>\$14,044,135</b>	<b>\$15,149,962</b>	<b>(\$1,105,827)</b>

*General Fund* – The City's General Fund balance decrease is due mainly to an increase in the amount of transfers out of the General Fund. City Council made a conscious decision to spend down some of the General Fund balance by doing additional projects to enhance aesthetics in older neighborhoods within the City and enhance the City's parks, which are used extensively by our residents. The City saw an increase in revenue, primarily from income tax collections. The tables that follow assist in illustrating the financial activities and balance of the General Fund:

	2012 Revenues	2011 Revenues	Increase (Decrease)
Municipal Income Taxes	\$7,353,465	\$6,908,427	\$445,038
Property and Other Taxes	611,985	627,381	(15,396)
Intergovernmental Revenue	482,388	498,544	(16,156)
Fines, Licenses and Permits	454,212	362,906	91,306
Investment Earnings	120,344	142,297	(21,953)
Special Assessments	21,686	28,985	(7,299)
All Other Revenue	159,905	129,778	30,127
<b>Total</b>	<b>\$9,203,985</b>	<b>\$8,698,318</b>	<b>\$505,667</b>

General Fund revenues increased compared with revenues in 2011. The majority of the increase is attributed to increased income tax collections which helped to offset decreases in most of the other revenue categories.

***Management's Discussion and Analysis  
For the Year Ended December 31, 2012***

***Unaudited***

	2012 <u>Expenditures</u>	2011 <u>Expenditures</u>	Increase (Decrease)
Security of Persons and Property	\$2,838,724	\$2,735,606	\$103,118
Public Health and Welfare Services	14,723	14,697	26
Leisure Time Activities	565,858	500,822	65,036
Community Environment	587,997	531,565	56,432
General Government	<u>2,920,248</u>	<u>3,116,865</u>	<u>(196,617)</u>
Total	<u><u>\$6,927,550</u></u>	<u><u>\$6,899,555</u></u>	<u><u>\$27,995</u></u>

General Fund expenditures increased by \$27,995 or .4% over the prior year mostly due to increased costs in the Security of Persons and Property function. There was only a very slight increase because City Council and staff worked together to maintain expenditures, without cutting services.

*Debt Service Fund* – The Debt Service Fund balance increased this year by \$5,218 due primarily to lower debt service costs in 2012.

*Construction Fund* - The fund balance of this fund will vary from year to year based upon the City's capital project schedules. The City maintains a five-year Capital Improvement Program, which is approved each year by City Council.

*Income Tax Capital Improvement Fund* - The fund balance decreased \$272,699 to a balance of \$957,821. Higher transfer amounts were made to fund capital projects.

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

During the course of 2012 the City amended its General Fund budget several times, none significant.

For the General Fund, final budget basis revenue of \$8.7 million changed very little when compared to the original budget estimates. The General Fund had an adequate fund balance to cover expenditures.

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

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of 2012 the City had \$129,351,803 net of accumulated depreciation invested in land, improvements, infrastructure, buildings, machinery and equipment and construction in progress. Of this total, \$50,253,097 was related to governmental activities and \$79,098,706 to the business-type activities. The following table shows 2012 and 2011 balances:

	Governmental Activities		Increase (Decrease)
	2012	2011	
Land	\$16,791,055	\$15,824,213	\$966,842
Construction in Progress	1,845,898	1,183,891	662,007
Total Non-Depreciable Capital Assets	18,636,953	17,008,104	1,628,849
Improvements	1,268,432	1,268,432	0
Infrastructure	40,964,643	39,509,861	1,454,782
Buildings	11,299,219	11,311,595	(12,376)
Machinery and Equipment	3,391,759	3,077,574	314,185
Less: Accumulated Depreciation	(25,307,909)	(23,681,733)	(1,626,176)
Total Depreciable Capital Assets, Net	31,616,144	31,485,729	130,415
Totals	\$50,253,097	\$48,493,833	\$1,759,264

	Business-Type Activities		Increase (Decrease)
	2012	2011	
Land	\$8,685,240	\$8,685,240	\$0
Construction in Progress	79,687	18,461	61,226
Total Non-Depreciable Capital Assets	8,764,927	8,703,701	61,226
Buildings	3,693,138	3,693,138	0
Land Improvements	1,515,202	1,496,741	18,461
Infrastructure	84,194,414	83,578,311	616,103
Machinery and Equipment	2,316,803	2,235,742	81,061
Less: Accumulated Depreciation	(21,385,778)	(19,814,422)	(1,571,356)
Total Depreciable Capital Assets, Net	70,333,779	71,189,510	(855,731)
Totals	\$79,098,706	\$79,893,211	(\$794,505)

The primary increases occurred in land, construction in progress and infrastructure for governmental activities. The increase in infrastructure improvements is relative to the growth within the City over the past ten years. The largest changes in the business-type activities capital assets (other than accumulated depreciation) occurred primarily in infrastructure (i.e. replacement of small water and sewer mains to larger sizes). This is a result of the growth which has taken place within the City.



***Management's Discussion and Analysis  
For the Year Ended December 31, 2012***

***Unaudited***

---

As of December 31, 2012, the City has contractual commitments of \$3,438,202 for various projects. Included in these projects are the E. Milo Beck Park, Pennyroyal Rd. widening and the Red Lion 5 Points Roadway Improvements. Additional information on the City's capital assets can be found in Note 9.

***Debt***

At December 31, 2012, the City had \$42.9 million in bonds outstanding, \$3,246,266 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Governmental Activities:		
Special Assessment Bonds	\$1,705,000	\$2,100,000
General Obligation Bonds	11,153,477	12,128,902
Compensated Absences	<u>424,248</u>	<u>275,872</u>
Total Governmental Activities	<u>13,282,725</u>	<u>14,504,774</u>
Business-Type Activities:		
General Obligation Bonds	\$11,043,330	\$11,886,815
Mortgage Revenue Bonds	19,042,376	19,165,557
Capital Leases Payable	96,063	161,792
Compensated Absences	<u>126,433</u>	<u>113,042</u>
Total Business-Type Activities	<u>30,308,202</u>	<u>31,327,206</u>
Totals	<u>\$43,590,927</u>	<u>\$45,831,980</u>

State statutes limit the amount of unvoted general obligation debt the City may issue. The aggregate amount of the City's unvoted debt is also subject to overlapping debt restrictions with other political subdivisions. The actual aggregate amount of the City's unvoted debt, when added to that of other political subdivisions within the respective counties in which Springboro lies, is limited to ten mills. At December 31, 2012, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 14.

**ECONOMIC FACTORS**

The City's budget for 2013 is very conservative. The economic conditions over the past couple years has not had a dramatic impact on the City of Springboro. We have been fortunate to have a good residential and business base and our income tax revenue has increased. The 2013 expenditures will be maintained close to the 2012 levels. City Council wants to continue to maintain current service levels to the residents of the City, which required pursuing a way to increase revenues and/or reduce expenditures. City Council will continue to monitor the revenue stream for 2013 and if necessary, adjust expenditures accordingly.

**REQUESTS FOR INFORMATION**

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

**CITY OF SPRINGBORO, OHIO**

**Statement of Net Position  
December 31, 2012**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 5,324,379	\$ 3,027,894	\$ 8,352,273
Investments	8,168,289	5,870,998	14,039,287
Receivables:			
Taxes	750,465	0	750,465
Accounts	1,273	1,228,515	1,229,788
Intergovernmental	641,562	0	641,562
Income Taxes	2,162,083	0	2,162,083
Special Assessments	2,472,216	0	2,472,216
Inventory of Supplies at Cost	128,361	25,241	153,602
Inventory Held for Resale	0	38,928	38,928
Prepaid Items	128,373	36,424	164,797
Restricted Assets:			
Cash and Cash Equivalents	0	140,719	140,719
Cash and Cash Equivalents with Fiscal Agent	0	2,416,605	2,416,605
Assets Held for Resale	2,613,787	0	2,613,787
Non-Depreciable Capital Assets	18,636,953	8,764,927	27,401,880
Depreciable Capital Assets, Net	31,616,144	70,333,779	101,949,923
<b>Total Assets</b>	<b>72,643,885</b>	<b>91,884,030</b>	<b>164,527,915</b>
<b>Deferred Outflows of Resources:</b>			
Deferred Charge on Debt Refunding	0	1,660,055	1,660,055
<b>Liabilities:</b>			
Accounts Payable	395,080	206,982	602,062
Accrued Wages and Benefits	228,607	73,855	302,462
Intergovernmental Payable	222,661	94,120	316,781
Refundable Deposits	0	140,719	140,719
Accrued Interest Payable	65,457	92,734	158,191
General Obligation Notes Payable	2,950,000	0	2,950,000
Long Term Liabilities:			
Amounts Due within one year	1,205,270	2,189,177	3,394,447
Amounts Due in More Than One Year	12,077,455	28,119,025	40,196,480
<b>Total Liabilities</b>	<b>17,144,530</b>	<b>30,916,612</b>	<b>48,061,142</b>
<b>Deferred Inflows of Resources:</b>			
Property Tax Levy for Next Fiscal Year	724,491	0	724,491

**CITY OF SPRINGBORO, OHIO**

---

---

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Net Position:</b>			
Net Investment in Capital Assets	39,980,429	50,576,992	90,557,421
Restricted For:			
Capital Projects	5,588,621	0	5,588,621
Debt Service	2,589,850	2,416,605	5,006,455
Security of Persons	199,472	0	199,472
Transportation	1,298,711	0	1,298,711
General Government	370,478	0	370,478
Unrestricted	4,747,303	9,633,876	14,381,179
<b>Total Net Position</b>	<b>\$ 54,774,864</b>	<b>\$ 62,627,473</b>	<b>\$ 117,402,337</b>

See accompanying notes to the basic financial statements

**CITY OF SPRINGBORO, OHIO**

**Statement of Activities  
For the Year Ended December 31, 2012**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
Security of Persons and Property	\$ 3,632,041	\$ 16,979	\$ 27,506	\$ 0
Public Health and Welfare Services	14,723	0	0	0
Leisure Time Activities	742,999	293,221	0	0
Community Environment	686,964	200,293	0	0
Transportation	2,439,903	291,661	699,031	35,347
General Government	4,760,638	271,683	0	0
Interest and Fiscal Charges	617,827	0	0	0
<b>Total Governmental Activities</b>	<b>12,895,095</b>	<b>1,073,837</b>	<b>726,537</b>	<b>35,347</b>
<b>Business-Type Activities:</b>				
Golf Course	2,671,202	1,974,536	0	0
Water	3,670,617	4,892,729	0	293,185
Sewer	2,921,396	3,847,960	0	401,405
Trash	964,704	931,295	0	0
Storm Water	502,364	190,946	0	0
<b>Total Business-Type Activities</b>	<b>10,730,283</b>	<b>11,837,466</b>	<b>0</b>	<b>694,590</b>
<b>Totals</b>	<b>\$ 23,625,378</b>	<b>\$ 12,911,303</b>	<b>\$ 726,537</b>	<b>\$ 729,937</b>

**General Revenues:**

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

**Transfers**

- Total General Revenues and Transfers
- Change in Net Position
- Net Position Beginning of Year, Restated
- Net Position End of Year

See accompanying notes to the basic financial statements

**CITY OF SPRINGBORO, OHIO**

---

Net (Expense) Revenue  
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (3,587,556)	\$ 0	\$ (3,587,556)
(14,723)	0	(14,723)
(449,778)	0	(449,778)
(486,671)	0	(486,671)
(1,413,864)	0	(1,413,864)
(4,488,955)	0	(4,488,955)
(617,827)	0	(617,827)
<u>(11,059,374)</u>	<u>0</u>	<u>(11,059,374)</u>
0	(696,666)	(696,666)
0	1,515,297	1,515,297
0	1,327,969	1,327,969
0	(33,409)	(33,409)
0	(311,418)	(311,418)
<u>0</u>	<u>1,801,773</u>	<u>1,801,773</u>
<u>(11,059,374)</u>	<u>1,801,773</u>	<u>(9,257,601)</u>
11,234,399	0	11,234,399
624,866	0	624,866
57,355	0	57,355
111,074	0	111,074
426,267	0	426,267
58,757	27,245	86,002
233,235	0	233,235
65,954	0	65,954
<u>(942,176)</u>	<u>942,176</u>	<u>0</u>
<u>11,869,731</u>	<u>969,421</u>	<u>12,839,152</u>
810,357	2,771,194	3,581,551
<u>53,964,507</u>	<u>59,856,279</u>	<u>113,820,786</u>
<u>\$ 54,774,864</u>	<u>\$ 62,627,473</u>	<u>\$ 117,402,337</u>

**CITY OF SPRINGBORO, OHIO**

**Balance Sheet  
Governmental Funds  
December 31, 2012**

	General	Debt Service	Construction	Income Tax Capital Improvement
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 1,880,353	\$ 165,952	\$ 603,631	\$ 548,266
Investments	5,517,945	0	1,785,066	0
Receivables:				
Taxes	656,858	0	0	0
Accounts	0	0	0	0
Intergovernmental	193,818	0	0	0
Income Taxes	1,441,389	0	0	720,694
Special Assessments	0	2,472,216	0	0
Inventory of Supplies, at Cost	17,453	0	0	0
Prepaid Items	124,255	0	0	0
Restricted Assets:				
Assets Held for Resale	0	0	123,229	0
<b>Total Assets</b>	<b>\$ 9,832,071</b>	<b>\$ 2,638,168</b>	<b>\$ 2,511,926</b>	<b>\$ 1,268,960</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 81,898	\$ 0	\$ 276,110	\$ 0
Accrued Wages and Benefits Payable	203,504	0	0	0
Intergovernmental Payable	194,580	0	0	0
Accrued Interest Payable	0	0	0	0
General Obligation Notes Payable	0	0	0	0
<b>Total Liabilities</b>	<b>479,982</b>	<b>0</b>	<b>276,110</b>	<b>0</b>
<b>Deferred Inflows of Resources:</b>				
Property Tax Levy for Next Fiscal Year	630,884	0	0	0
Unavailable Amounts	726,841	2,472,216	0	311,139
<b>Total Deferred Inflows of Resources</b>	<b>1,357,725</b>	<b>2,472,216</b>	<b>0</b>	<b>311,139</b>
<b>Fund Balances:</b>				
Nonspendable	141,708	0	0	0
Restricted	0	165,952	2,235,816	957,821
Assigned	328,242	0	0	0
Unassigned	7,524,414	0	0	0
<b>Total Fund Balances</b>	<b>7,994,364</b>	<b>165,952</b>	<b>2,235,816</b>	<b>957,821</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 9,832,071</b>	<b>\$ 2,638,168</b>	<b>\$ 2,511,926</b>	<b>\$ 1,268,960</b>

See accompanying notes to the basic financial statements

**CITY OF SPRINGBORO, OHIO**

---

Other Governmental Funds	Total Governmental Funds
\$ 2,126,177	\$ 5,324,379
865,278	8,168,289
93,607	750,465
1,273	1,273
447,744	641,562
0	2,162,083
0	2,472,216
110,908	128,361
4,118	128,373
2,490,558	2,613,787
<u>\$ 6,139,663</u>	<u>\$ 22,390,788</u>
\$ 37,072	\$ 395,080
25,103	228,607
28,081	222,661
17,139	17,139
2,950,000	2,950,000
<u>3,057,395</u>	<u>3,813,487</u>
93,607	724,491
298,479	3,808,675
<u>392,086</u>	<u>4,533,166</u>
115,026	256,734
3,587,691	6,947,280
0	328,242
(1,012,535)	6,511,879
<u>2,690,182</u>	<u>14,044,135</u>
<u>\$ 6,139,663</u>	<u>\$ 22,390,788</u>

**CITY OF SPRINGBORO, OHIO**

---

***Reconciliation Of Total Governmental Fund Balances  
To Net Position Of Governmental Activities  
December 31, 2012***

---

<b>Total Governmental Fund Balances</b>		\$	14,044,135
<b><i>Amounts reported for governmental activities in the statement of net position are different because</i></b>			
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.			50,253,097
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as deferred inflows of resources in the funds.			
	Income Taxes Receivable - accrual basis	933,418	
	Property Taxes Receivable - accrual basis	25,974	
	Special Assessments Receivable - accrual basis	2,472,216	
	Grants Receivable - accrual basis	<u>377,067</u>	
	Total		3,808,675
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
	Amounts Due Within One Year	(1,205,270)	
	Amounts Due in More Than One Year	(12,077,455)	
	Accrued Interest on Long-Term Debt	<u>(48,318)</u>	
	Total		<u>(13,331,043)</u>
<b><i>Net Position of Governmental Activities</i></b>		\$	<u><u>54,774,864</u></u>





**CITY OF SPRINGBORO, OHIO**

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2012**

	General	Debt Service	Construction	Income Tax Capital Improvement
<b>Revenues:</b>				
Municipal Income Tax	\$ 7,353,465	\$ 0	\$ 0	\$ 3,676,184
Property and Other Taxes	611,985	0	0	0
Payment in Lieu of Taxes	0	11,553	0	0
Intergovernmental Revenues	482,388	0	612,211	0
Fines, Licenses and Permits	454,212	0	0	0
Investment Earnings	120,344	0	(376)	(1,054)
Special Assessments	21,686	363,200	22,626	0
Donations	0	0	0	0
All Other Revenue	159,905	0	23,418	0
<b>Total Revenue</b>	<b>9,203,985</b>	<b>374,753</b>	<b>657,879</b>	<b>3,675,130</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	2,838,724	0	0	0
Public Health and Welfare Services	14,723	0	0	0
Leisure Time Activities	565,858	0	0	0
Community Environment	587,997	0	0	0
Transportation	0	0	0	0
General Government	2,920,248	0	87,821	0
Capital Outlay	0	0	3,205,784	0
Debt Service:				
Principal Retirement	0	1,375,000	0	0
Interest and Fiscal Charges	0	587,465	0	0
<b>Total Expenditures</b>	<b>6,927,550</b>	<b>1,962,465</b>	<b>3,293,605</b>	<b>0</b>
Excess (Deficiency) of Revenues Over Expenditures	2,276,435	(1,587,712)	(2,635,726)	3,675,130
<b>Other Financing Sources (Uses):</b>				
Sale of Assets Held for Resale	0	0	0	0
Transfers In	22,923	1,615,853	4,372,866	0
Transfers Out	(3,593,918)	(22,923)	(1,145,034)	(3,947,829)
<b>Total Other Financing Sources (Uses)</b>	<b>(3,570,995)</b>	<b>1,592,930</b>	<b>3,227,832</b>	<b>(3,947,829)</b>
Net Change in Fund Balances	(1,294,560)	5,218	592,106	(272,699)
<b>Fund Balances at Beginning of Year</b>	<b>9,284,528</b>	<b>160,734</b>	<b>1,643,710</b>	<b>1,230,520</b>
Increase in Inventory Reserve	4,396	0	0	0
<b>Fund Balances End of Year</b>	<b>\$ 7,994,364</b>	<b>\$ 165,952</b>	<b>\$ 2,235,816</b>	<b>\$ 957,821</b>

See accompanying notes to the basic financial statements

**CITY OF SPRINGBORO, OHIO**

---

Other Governmental Funds	Total Governmental Funds
\$ 0	\$ 11,029,649
75,000	686,985
99,521	111,074
937,170	2,031,769
85,881	540,093
3,432	122,346
0	407,512
965	965
<u>538,379</u>	<u>721,702</u>
<u>1,740,348</u>	<u>15,652,095</u>
96,380	2,935,104
0	14,723
0	565,858
0	587,997
798,160	798,160
1,018,449	4,026,518
1,769,503	4,975,287
0	1,375,000
<u>31,079</u>	<u>618,544</u>
<u>3,713,571</u>	<u>15,897,191</u>
(1,973,223)	(245,096)
65,954	65,954
2,246,699	8,258,341
<u>(490,813)</u>	<u>(9,200,517)</u>
<u>1,821,840</u>	<u>(876,222)</u>
(151,383)	(1,121,318)
2,830,470	15,149,962
11,095	15,491
<u>\$ 2,690,182</u>	<u>\$ 14,044,135</u>

**CITY OF SPRINGBORO, OHIO**

---

***Reconciliation Of The Statement Of Revenues, Expenditures  
And Changes In Fund Balances Of Governmental Funds  
To The Statement Of Activities  
For The Year Ended December 31, 2012***

---

**Net Change in Fund Balances - Total Governmental Funds** \$ (1,121,318)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. 1,775,021

The net effect of various miscellaneous transactions involving capital assets (i.e. disposals and donations) is to change net position. (15,757)

Revenues and transfers in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (1,070,421)

The repayment of principal of long-term debt consumes current financial resources of governmental funds, however does not have any effect on net position. 1,370,425

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 5,292

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (132,885)

***Change in Net Position of Governmental Activities*** \$ 810,357

See accompanying notes to the basic financial statements

**CITY OF SPRINGBORO, OHIO**

**Statement of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
General Fund  
For the Year Ended December 31, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Municipal Income Tax	\$ 6,854,400	\$ 6,854,400	\$ 7,328,705	\$ 474,305
Property and Other Taxes	703,050	703,050	611,985	(91,065)
Intergovernmental Revenue	298,500	298,500	424,982	126,482
Fines, Licenses and Permits	378,330	378,330	458,091	79,761
Investment Earnings	228,000	228,000	126,712	(101,288)
Special Assessments	28,000	28,000	21,686	(6,314)
All Other Revenues	221,000	220,352	161,618	(58,734)
Total Revenues	<u>8,711,280</u>	<u>8,710,632</u>	<u>9,133,779</u>	<u>423,147</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	2,982,804	2,966,198	2,884,042	82,156
Public Health and Welfare Services	14,750	14,750	14,723	27
Leisure Time Activities	599,104	619,104	578,189	40,915
Community Environment	707,900	702,901	627,100	75,801
General Government	3,751,342	3,507,947	3,215,156	292,791
Total Expenditures	<u>8,055,900</u>	<u>7,810,900</u>	<u>7,319,210</u>	<u>491,690</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	655,380	899,732	1,814,569	914,837
<b>Other Financing Sources (Uses):</b>				
Transfers In	330	330	22,923	22,593
Transfers Out	(1,606,902)	(3,980,852)	(3,593,918)	386,934
Total Other Financing Sources (Uses):	<u>(1,606,572)</u>	<u>(3,980,522)</u>	<u>(3,570,995)</u>	<u>409,527</u>
Net Change in Fund Balance	(951,192)	(3,080,790)	(1,756,426)	1,324,364
Fund Balance at Beginning of Year	8,342,039	8,342,039	8,342,039	0
Prior Year Encumbrances	404,962	404,962	404,962	0
Fund Balance at End of Year	<u>\$ 7,795,809</u>	<u>\$ 5,666,211</u>	<u>\$ 6,990,575</u>	<u>\$ 1,324,364</u>

See accompanying notes to the basic financial statements

**CITY OF SPRINGBORO, OHIO**

**Statement of Net Position  
Proprietary Funds  
December 31, 2012**

	Business-Type Activities		
	Enterprise Funds		
	Golf Course	Water	Sewer
<b>Assets:</b>			
<i>Current Assets:</i>			
Cash and Cash Equivalents	\$ 291,678	\$ 809,832	\$ 1,034,764
Investments	0	2,810,982	3,060,016
Receivables:			
Accounts	0	532,940	535,405
Inventory of Supplies at Cost	25,241	0	0
Inventory Held for Resale	38,928	0	0
Prepaid Items	4,528	20,540	9,619
<i>Total Current Assets</i>	<u>360,375</u>	<u>4,174,294</u>	<u>4,639,804</u>
<i>Non Current Assets:</i>			
Restricted Assets:			
Cash and Cash Equivalents	0	140,719	0
Cash and Cash Equivalents with Fiscal Agent	0	322,862	2,093,743
Non-Depreciable Capital Assets	7,755,718	786,559	222,650
Depreciable Capital Assets, Net	2,476,976	27,407,704	32,863,993
<i>Total Noncurrent Assets</i>	<u>10,232,694</u>	<u>28,657,844</u>	<u>35,180,386</u>
<b>Total Assets</b>	<u>10,593,069</u>	<u>32,832,138</u>	<u>39,820,190</u>
<b>Deferred Outflows of Resources:</b>			
Deferred Charge on Debt Refunding	283,779	435,012	941,264
<b>Liabilities:</b>			
<i>Current Liabilities:</i>			
Accounts Payable	81,335	24,839	13,523
Accrued Wages and Benefits	14,955	35,031	18,035
Intergovernmental Payable	12,714	67,369	10,663
Refundable Deposits	0	140,719	0
Accrued Interest Payable	6,148	34,094	52,492
Compensated Absences Payable - Current	2,739	7,981	6,384
Capital Leases - Current	96,063	0	0
General Obligation Bonds - Current	225,000	638,485	0
Mortgage Revenue Bonds - Current	0	238,993	972,817
<i>Total Current Liabilities</i>	<u>438,954</u>	<u>1,187,511</u>	<u>1,073,914</u>

**CITY OF SPRINGBORO, OHIO**

---

Trash	Storm Water	Total
\$ 523,942	\$ 367,678	\$ 3,027,894
0	0	5,870,998
132,140	28,030	1,228,515
0	0	25,241
0	0	38,928
1,258	479	36,424
<u>657,340</u>	<u>396,187</u>	<u>10,228,000</u>
0	0	140,719
0	0	2,416,605
0	0	8,764,927
0	7,585,106	70,333,779
0	7,585,106	81,656,030
<u>657,340</u>	<u>7,981,293</u>	<u>91,884,030</u>
0	0	1,660,055
68,199	19,086	206,982
3,020	2,814	73,855
1,798	1,576	94,120
0	0	140,719
0	0	92,734
247	468	17,819
0	0	96,063
0	0	863,485
0	0	1,211,810
<u>73,264</u>	<u>23,944</u>	<u>2,797,587</u>

(Continued)

**CITY OF SPRINGBORO, OHIO**

---

**Statement of Net Position  
Proprietary Funds  
December 31, 2012**

---

	Business-Type Activities		
	Enterprise Funds		
	Golf Course	Water	Sewer
<i>Noncurrent Liabilities:</i>			
Compensated Absences Payable	17,485	50,331	31,298
General Obligation Bonds Payable	2,290,000	7,889,845	0
Mortgage Revenue Bonds Payable	0	1,324,960	16,505,606
<i>Total Noncurrent Liabilities</i>	<u>2,307,485</u>	<u>9,265,136</u>	<u>16,536,904</u>
<b>Total Liabilities</b>	<u>2,746,439</u>	<u>10,452,647</u>	<u>17,610,818</u>
<b>Net Position:</b>			
Net Investment in Capital Assets	7,905,410	18,536,992	16,549,484
Restricted for:			
Debt Service	0	322,862	2,093,743
Unrestricted	224,999	3,954,649	4,507,409
<b>Total Net Position</b>	<u>\$ 8,130,409</u>	<u>\$ 22,814,503</u>	<u>\$ 23,150,636</u>

See accompanying notes to the basic financial statements



**CITY OF SPRINGBORO, OHIO**

---

---

---

<u>Trash</u>	<u>Storm Water</u>	<u>Total</u>
5,511	3,989	108,614
0	0	10,179,845
0	0	17,830,566
<u>5,511</u>	<u>3,989</u>	<u>28,119,025</u>
<u>78,775</u>	<u>27,933</u>	<u>30,916,612</u>
0	7,585,106	50,576,992
0	0	2,416,605
<u>578,565</u>	<u>368,254</u>	<u>9,633,876</u>
<u>\$ 578,565</u>	<u>\$ 7,953,360</u>	<u>\$ 62,627,473</u>

**CITY OF SPRINGBORO, OHIO**

**Statement of Revenues, Expenses and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended December 31, 2012**

	Business-Type Activities		
	Enterprise Funds		
	Golf Course	Water	Sewer
<b>Operating Revenues:</b>			
Charges for Services	\$ 1,706,219	\$ 4,837,423	\$ 3,706,984
Sales	129,071	0	0
Other Operating Revenue	139,246	55,306	140,976
<b>Total Operating Revenues</b>	<b>1,974,536</b>	<b>4,892,729</b>	<b>3,847,960</b>
<b>Operating Expenses:</b>			
Personal Services	1,039,265	875,952	458,167
Contractual Services	758,222	1,599,412	1,356,165
Materials and Supplies	489,671	96,612	35,181
Depreciation	270,396	644,209	626,005
<b>Total Operating Expenses</b>	<b>2,557,554</b>	<b>3,216,185</b>	<b>2,475,518</b>
Operating Income (Loss)	(583,018)	1,676,544	1,372,442
<b>Nonoperating Revenue (Expenses):</b>			
Investment Earnings	0	10,220	17,025
Interest and Fiscal Charges	(113,648)	(454,432)	(445,878)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(113,648)</b>	<b>(444,212)</b>	<b>(428,853)</b>
Income (Loss) Before Transfers and Contributions	(696,666)	1,232,332	943,589
Transfers In	781,500	219,093	0
Transfers Out	0	(90,545)	(90,545)
Capital Contributions - Tap in Fees	0	293,185	401,405
Change in Net Position	84,834	1,654,065	1,254,449
Net Position Beginning of Year, Restated	8,045,575	21,160,438	21,896,187
Net Position End of Year	<b>\$ 8,130,409</b>	<b>\$ 22,814,503</b>	<b>\$ 23,150,636</b>

See accompanying notes to the basic financial statements

**CITY OF SPRINGBORO, OHIO**

---

<u>Trash</u>	<u>Storm Water</u>	<u>Total</u>
\$ 928,267	\$ 190,931	\$ 11,369,824
0	0	129,071
3,028	15	338,571
<u>931,295</u>	<u>190,946</u>	<u>11,837,466</u>
82,749	71,264	2,527,397
857,117	271,281	4,842,197
24,838	12,759	659,061
0	147,060	1,687,670
<u>964,704</u>	<u>502,364</u>	<u>9,716,325</u>
(33,409)	(311,418)	2,121,141
0	0	27,245
0	0	(1,013,958)
<u>0</u>	<u>0</u>	<u>(986,713)</u>
(33,409)	(311,418)	1,134,428
19,918	102,755	1,123,266
0	0	(181,090)
0	0	694,590
<u>(13,491)</u>	<u>(208,663)</u>	<u>2,771,194</u>
592,056	8,162,023	59,856,279
<u>\$ 578,565</u>	<u>\$ 7,953,360</u>	<u>\$ 62,627,473</u>

**CITY OF SPRINGBORO, OHIO**

**Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2012**

	Business-Type Activities		
	Enterprise Funds		
	Golf Course	Water	Sewer
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$1,835,290	\$4,821,105	\$3,660,936
Other Operating Receipts	142,527	111,572	140,976
Cash Payments for Goods and Services	(1,175,820)	(1,731,974)	(1,405,498)
Cash Payments to Employees	(1,034,020)	(860,566)	(451,058)
Net Cash Provided (Used) by Operating Activities	(232,023)	2,340,137	1,945,356
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers In from Other Funds	781,500	219,093	0
Transfers Out to Other Funds	0	(90,545)	(90,545)
Net Cash Provided (Used) for Noncapital Financing Activities	781,500	128,548	(90,545)
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Cash Received from Tap-in Fees in Excess of Cost	0	293,185	401,405
Receipt of Intergovernmental Grants	0	0	0
Issuance of Refunding Bonds	0	0	10,295,000
Premium on Refunding Bonds	0	0	1,158,546
Payment to Refunded Bond Escrow Agent	0	0	(11,418,550)
Acquisition and Construction of Assets	(158,424)	(542,070)	(134,828)
Principal Paid on General Obligation Bonds	(225,000)	(600,000)	0
Principal Paid on Capital Lease	(65,729)	0	0
Principal Paid on Mortgage Revenue Bonds	0	(235,000)	(845,000)
Interest Paid on All Debt	(85,598)	(434,476)	(474,585)
Net Cash Used by Capital and Related Financing Activities	(534,751)	(1,518,361)	(1,018,012)
<u>Cash Flows from Investing Activities:</u>			
Receipt of Interest	0	10,958	18,232
Purchase of Investments	0	(455,265)	(212,410)
Net Cash Used by Investing Activities	0	(444,307)	(194,178)
Net Increase (Decrease) in Cash and Cash Equivalents	14,726	506,017	642,621
Cash and Cash Equivalents at Beginning of Year	276,952	767,396	2,485,886
Cash and Cash Equivalents at End of Year	\$291,678	\$1,273,413	\$3,128,507
<u>Reconciliation of Cash and Cash Equivalents per the Balance Sheet:</u>			
Cash and Cash Equivalents	\$291,678	\$809,832	\$1,034,764
Restricted Cash and Cash Equivalents	0	140,719	0
Restricted Cash and Cash Equivalents with Fiscal Agent	0	322,862	2,093,743
Cash and Cash Equivalents at End of Year	\$291,678	\$1,273,413	\$3,128,507

**CITY OF SPRINGBORO, OHIO**

---

<u>Trash</u>	<u>Storm Water</u>	<u>Totals</u>
\$922,288	\$170,213	\$11,409,832
3,028	15	398,118
(884,248)	(276,688)	(5,474,228)
<u>(82,124)</u>	<u>(70,131)</u>	<u>(2,497,899)</u>
<u>(41,056)</u>	<u>(176,591)</u>	<u>3,835,823</u>
19,918	102,755	1,123,266
<u>0</u>	<u>0</u>	<u>(181,090)</u>
<u>19,918</u>	<u>102,755</u>	<u>942,176</u>
0	0	694,590
0	0	0
0	0	10,295,000
0	0	1,158,546
0	0	(11,418,550)
0	(75,144)	(910,466)
0	0	(825,000)
0	0	(65,729)
0	0	(1,080,000)
<u>0</u>	<u>0</u>	<u>(994,659)</u>
<u>0</u>	<u>(75,144)</u>	<u>(3,146,268)</u>
0	0	29,190
<u>0</u>	<u>0</u>	<u>(667,675)</u>
<u>0</u>	<u>0</u>	<u>(638,485)</u>
(21,138)	(148,980)	993,246
<u>545,080</u>	<u>516,658</u>	<u>4,591,972</u>
<u>\$523,942</u>	<u>\$367,678</u>	<u>\$5,585,218</u>
\$523,942	\$367,678	\$3,027,894
0	0	140,719
<u>0</u>	<u>0</u>	<u>2,416,605</u>
<u>\$523,942</u>	<u>\$367,678</u>	<u>\$5,585,218</u>

(Continued)

**CITY OF SPRINGBORO, OHIO**

**Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2012**

	Business-Type Activities		
	Enterprise Funds		
	Golf Course	Water	Sewer
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>			
<u>Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	(\$583,018)	\$1,676,544	\$1,372,442
Adjustments to Reconcile Operating Income (Loss) to			
Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	270,396	644,209	626,005
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	3,281	(16,318)	(46,048)
Decrease in Inventory	9,010	0	0
Decrease in Inventory Held for Resale	2,702	0	0
(Increase) Decrease in Prepaid Items	588	604	341
Increase (Decrease) in Accounts Payable	58,748	34,286	(14,486)
Increase in Accrued Wages and Benefits	2,108	9,319	3,735
Increase (Decrease) in Intergovernmental Payable	520	(15,751)	(25)
Increase in Refundable Deposits	0	1,322	0
Increase (Decrease) in Compensated Absences	3,642	5,922	3,392
Total Adjustments	350,995	663,593	572,914
Net Cash Provided (Used) by Operating Activities	(\$232,023)	\$2,340,137	\$1,945,356

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2012, the Water and Storm Water Funds had outstanding liabilities of \$3,230 and \$9,140 respectively, for the purchase of certain capital assets.

During 2012, the fair value of investments decreased by \$738 and \$1,207 in the Water, and Sewer Funds, respectively.

See accompanying notes to the basic financial statements

**CITY OF SPRINGBORO, OHIO**

---

---

---

<u>Trash</u>	<u>Storm Water</u>	<u>Totals</u>
(\$33,409)	(\$311,418)	\$2,121,141
0	147,060	1,687,670
(5,979)	(20,718)	(85,782)
0	0	9,010
0	0	2,702
(168)	(46)	1,319
(2,119)	7,387	83,816
654	673	16,489
(17)	18	(15,255)
0	0	1,322
(18)	453	13,391
<u>(7,647)</u>	<u>134,827</u>	<u>1,714,682</u>
<u>(\$41,056)</u>	<u>(\$176,591)</u>	<u>\$3,835,823</u>

**CITY OF SPRINGBORO, OHIO**

---

**Statement of Assets and Liabilities  
Fiduciary Funds  
December 31, 2012**

---

	<u>Agency Funds</u>
<b>Assets:</b>	
Cash and Cash Equivalents	\$ 10,750
Receivables:	
Special Assessments	<u>254,597</u>
<b>Total Assets</b>	<u>265,347</u>
<b>Liabilities:</b>	
Due to Others	260,866
Undistributed Monies	<u>4,481</u>
<b>Total Liabilities</b>	<u>\$ 265,347</u>

See accompanying notes to the basic financial statements



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012***

---

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

The City of Springboro, Ohio (the City) is a home rule municipal corporation created under the laws of the State of Ohio. The City operates under its own Charter. The current Charter, which provides for a Council - Manager form of government, was adopted November 7, 1978, became effective January 1, 1979, and was amended November 4, 2011. The six member Council and the Mayor are elected to four-year terms. The Council appoints a City Manager who serves as the chief executive officer, the head of the administrative agencies, and a law enforcement officer of the City. The City Manager appoints all of the department managers.

The financial statements are presented as of December 31, 2012 and for the year then ended and have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

**A. Reporting Entity**

The accompanying basic financial statements comply with the provisions of GASB Statement No. 14, *"The Financial Reporting Entity,"* as amended by GASB Statement No. 39, *"Determining Whether Certain Organizations are Component Units"* in that the financial statements include all organizations, activities, functions and component units for which the City (the primary government) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the City's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the City.

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

The Warren County General Health District, a jointly governed organization, provides health services within the County. The Board of Health, which consists of a representative from each of the participating governments, oversees the operation of the District. The City is not financially accountable for the District. The County Commissioners serve as the taxing authority and the County Auditor and Treasurer serve as fiscal officers. The City is associated with the Greater Warren County Drug Task Force, the Miami Valley Regional Planning Commission and the Montgomery County Transportation Improvement District also jointly governed organizations. The City is also a member of the Ohio Municipal League of Workers Compensation Group Rating Plan (GRP), an insurance purchasing pool. See Notes 18 and 19 for additional information on these organizations.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012***

---

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

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

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

***Governmental Funds***

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

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

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

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

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

***Proprietary Funds***

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012***

---

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

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

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

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

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

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

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

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

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

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

***Fiduciary Funds***

Agency Funds - These funds are used to account for assets held by a government unit as an agent for individuals, private organizations, other governmental units, and/or other funds. The City's agency funds account for donations to the Library, Mayor's court fines and special assessments collected on behalf of neighborhood associations. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012***

---

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

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

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

Interfund receivables and payables between governmental and business-type activities have been eliminated in the government-wide Statement of Net Position. These eliminations minimize the duplicating effect on assets and liabilities within the governmental and business-type activities total column. Interfund services provided and used are not eliminated in the process of consolidation.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function or program of the City's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012***

---

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

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

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

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

**D. Basis of Accounting**

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

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012***

---

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

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

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

Special assessment installments including related interest, which are measurable but not available at December 31, are recorded as deferred revenue. Property taxes measurable as of December 31, 2012 but which are not intended to finance 2012 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred inflows of resources.

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

**E. Budgetary Process**

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012***

---

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

**E. Budgetary Process (Continued)**

1. Tax Budget

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

2. Estimated Resources

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or if actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2012.

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 2012, several supplemental appropriations measures were necessary to budget the use of contingency funds and capital improvement projects. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual (Non-GAAP Budgetary Basis) for the General Fund is presented on the budgetary basis to provide a comparison of actual results to the final budget, including all amendments and modifications.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012**

---

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

**E. Budgetary Process** (Continued)

4. Lapsing of Appropriations

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

5. Budgetary Basis of Accounting

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

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

<u>Net Change in Fund Balance</u>	
	<u>General Fund</u>
GAAP Basis (as reported)	(\$1,294,560)
Increase (Decrease):	
Accrued Revenues at December 31, 2012 received during 2013	(953,877)
Accrued Revenues at December 31, 2011 received during 2012	883,671
Accrued Expenditures at December 31, 2012 paid during 2013	479,982
Accrued Expenditures at December 31, 2011 paid during 2012	(464,777)
2011 Prepays for 2012	105,576
2012 Prepays for 2013	(124,255)
Outstanding Encumbrances	(388,186)
Budget Basis	<u><u>(\$1,756,426)</u></u>



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012***

---

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

**F. Cash and Cash Equivalents**

During 2012, cash and cash equivalents included amounts in demand deposits, certificates of deposit, and in U.S. Treasury Money Market accounts in US Bank and Huntington investment accounts with original maturities of less than three months.

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

**G. Investments**

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

**H. Restricted Assets**

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

**I. Inventory**

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

**J. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2012, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012***

---

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

**K. Capital Assets and Depreciation**

Capital assets are defined by the City as assets with an initial, individual cost of more than \$7,500 and an estimated useful life threshold of three or more years.

1. Property, Plant and Equipment - Governmental Activities

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

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

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

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

3. Depreciation

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012***

---

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

**L. Long-Term Obligations**

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

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

**M. Bond Discounts/Premiums**

Bond discounts and premiums are amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Bond discounts are presented as a reduction of the face amount of bonds payable, while premiums are presented as an increase in the face amount of the bonds payable.

**N. Compensated Absences**

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012***

---

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

**N. Compensated Absences** (Continued)

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

**O. Net position**

Net position represent the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. As disclosed in Note 19, the City is participating in a jointly governed organization related to the Austin Road Interchange. Once this project is completed the City will not be responsible for maintaining any infrastructure improvements, therefore any debt associated with this project is excluded from invested in capital assets net of related debt. Any unspent capital debt proceeds at year end does not reduce the City's invested in capital assets, net of debt. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**P. Pensions**

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

**Q. Interfund Activity**

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012***

---

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

**R. Interfund Assets/Liabilities**

The City reports cash overdrafts from pooled cash and cash equivalents as an interfund loan payable in the fund with the overdraft and as an interfund loan receivable in the fund(s) designated by management. The interfund loans receivable are equally offset by a fund balance reserve account which indicates that they do not constitute available expendable resources since they are not a component of net current assets. Receivables and payables resulting from transactions between funds for services provided or goods received are classified as “due from other funds” or “due to other funds” on the balance sheet. Long-term interfund loans are classified as “advances to/from other funds.” There were no outstanding interfund loans at December 31, 2012.

**S. Fund Balance**

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

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

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

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

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012***

---

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

**S. Fund Balance** (Continued)

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

**T. Assets Held for Resale**

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

**U. Estimates**

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

**V. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Council and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2012.

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012***

---

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

**W. Deferred Outflows/Inflows of Resources (Continued)**

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

**NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET POSITION**

For 2012 the City implemented GASB Statement No. 62, “*Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*,” GASB Statement No. 63, “*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*” and GASB Statement No. 65, “*Items Previously Reported as Assets and Liabilities*”.

Statement No. 62 incorporated into the GASB’s authoritative literature certain accounting and financial reporting guidance that is included in Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the American Institute of Certified Public Accountants’ (AICPA) Committee on Accounting Procedure issued on or before November 30, 1989 which does not conflict with or contradict GASB pronouncements.

Statement No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. GASB 63 standardizes the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government’s net position.

Statement No. 65 provides guidance on how to properly classify items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources. In addition, guidance is provided on recognizing certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues).

**CITY OF SPRINGBORO, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012**

**NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET POSITION (Continued)**

For the year ended December 31, 2011, the City reclassified some long-term debt and eliminated capitalized bond issuance costs. The implementation of GASB Statement No. 65 resulted in the restatement of net position in the Governmental Activities, Water and Sewer Funds and Business-type Activities:

	Governmental Activities	Water Fund	Sewer Fund	Business-type Activities
Net Position at December 31, 2011 as reported	\$54,117,840	\$21,295,370	\$22,385,331	\$60,480,355
Implementation of GASB 65	(153,333)	(134,932)	(489,144)	(624,076)
Net Position at December 31, 2011 as restated	<u>\$53,964,507</u>	<u>\$21,160,438</u>	<u>\$21,896,187</u>	<u>\$59,856,279</u>

**NOTE 3 – FUND BALANCE CLASSIFICATION**

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

Fund Balances	General	Debt Service	Construction	Income Tax Capital Improvement	Other Governmental Funds	Total Governmental Funds
Nonspendable:						
Prepaid Items	\$124,255	\$0	\$0	\$0	\$4,118	\$128,373
Supplies Inventory	17,453	0	0	0	110,908	128,361
Total Nonspendable	<u>141,708</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>115,026</u>	<u>256,734</u>
Restricted:						
Transportation Projects	0	0	0	0	912,170	912,170
Court Projects	0	0	0	0	188,819	188,819
Law Enforcement	0	0	0	0	200,309	200,309
TIF Project	0	0	0	0	202,548	202,548
Debt Service	0	165,952	0	0	0	165,952
Capital Improvements	0	0	2,235,816	957,821	2,083,845	5,277,482
Total Restricted	<u>0</u>	<u>165,952</u>	<u>2,235,816</u>	<u>957,821</u>	<u>3,587,691</u>	<u>6,947,280</u>
Assigned:						
Other Purposes	328,242	0	0	0	0	328,242
Total Assigned	<u>328,242</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>328,242</u>
Unassigned	7,524,414	0	0	0	(1,012,535)	6,511,879
Total Fund Balances	<u>\$7,994,364</u>	<u>\$165,952</u>	<u>\$2,235,816</u>	<u>\$957,821</u>	<u>\$2,690,182</u>	<u>\$14,044,135</u>



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012***

---

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

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

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

Capital Outlay	\$3,687,449
Depreciation Expense	(1,912,428)
	<u>\$1,775,021</u>

*Net effect of capital asset transactions:*

Loss on Disposal of Capital Asset	(\$15,757)
-----------------------------------	------------

*Governmental revenues not reported in the funds:*

Decrease in Delinquent Income Tax Revenue	\$204,750
Increase in Delinquent Property Tax	(4,764)
Increase in Intergovernmental, unrestricted	(878,965)
Decrease in Investment Earnings	(63,589)
Decrease in Special Assessment Revenue	(327,853)
	<u>(\$1,070,421)</u>

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

General Obligation Bond Principal Payment	\$980,000
Special Assessment Bond Principal Payment	395,000
Amortization of Premium on Refunding Bonds	20,971
Amortization of Deferred Loss on Defeasance	(25,546)
	<u>\$1,370,425</u>

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

Increase in Compensated Absences Payable	(\$148,376)
Decrease in supplies inventory	15,491
	<u>(\$132,885)</u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012***

---

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

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

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

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

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

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

**CITY OF SPRINGBORO, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012**

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

**A. Deposits**

Custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned. Protection of City cash and deposits is provided by the federal deposit insurance corporation as well as qualified securities pledged by the institution holding the assets. The City has no policy on custodial credit risk and is governed by Ohio Revised Code. Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

At year end the carrying amount of the City's deposits was \$10,920,347 and the bank balance was \$11,282,395. Federal deposit insurance covered \$1,296,140 of the bank balance and \$9,986,255 was uninsured. Of the remaining uninsured bank balance, the City was exposed to custodial risk as follows:

	<u>Balance</u>
Uninsured and collateralized with securities held by the pledging institution's trust department not in the City's name	<u>\$9,986,255</u>
Total Balance	<u><u>\$9,986,255</u></u>

**B. Investments**

The City's investments at December 31, 2012 were as follows:

	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Investment Maturities (in Years)</u>		
			<u>less than 1</u>	<u>1-3</u>	<u>3-5</u>
FHLB	\$4,120,041	Aaa, AA+	\$2,617,054	\$1,502,987	\$0
FHLMC	2,864,086	Aaa, AA+	0	2,864,086	0
FNMA	5,590,076	Aaa, AA+	903,120	3,986,316	700,640
FFCB	400,022	Aaa, AA+	400,022	0	0
FFCB Discount Notes	414,993	Aaa, AA+	414,993	0	0
US Treasury Notes	650,069	P-1, A-1+	199,875	450,194	0
Total Investments	<u>\$14,039,287</u>		<u>\$4,535,064</u>	<u>\$8,803,583</u>	<u>\$700,640</u>

Credit Rating – Moody's, Standard and Poor's

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012***

---

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

**B. Investments** (Continued)

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

*Concentration of Credit Risk* – The City places no limit on the amount the City may invest in one issuer. Of the City's total investments 29.3% are FHLB, 20.4% are FHLMC, 39.8% are FNMA, 2.9% are FFCB, 3% are FFCB Discount Notes and 4.6% are US Treasury Notes.

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

**NOTE 6 - TAXES**

**A. Property Taxes**

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Property tax revenue received during 2012 for real and public utility property taxes represents collections of 2011 taxes. Property tax payments received during 2012 for tangible personal property (other than public utility property) is for 2012 taxes.

2012 real property taxes are levied after October 1, 2012, on assessed value as of January 1, 2012, the lien date. Assessed values are established by State law at 35 percent of the appraised value. 2012 real property taxes are collected in and intended to finance 2012.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2012 public utility property taxes became a lien December 31, 2011, are levied after October 1, 2012, and are collected in 2012 with real property taxes.

Tangible personal property tax revenue received during 2012 (other than public utility property tax) represents the collection of 2012 taxes levied against local inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, furniture and fixtures is no longer levied and collected. Tangible personal property taxes received from telephone companies in 2012 were levied after October 1, 2011, on the value as of December 31, 2011.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012***

---

**NOTE 6 – TAXES (Continued)**

**A. Property Taxes (Continued)**

The full tax rate for all City operations for the year ended December 31, 2012, was \$1.11 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2012 property tax receipts were based are as follows: \$439,967,100 in real property assessed value and \$10,248,640 in public utility assessed value.

Real property taxes are payable annually and semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established. For 2012, the due dates were February 19 and July 15.

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

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

Property taxes receivable represents real property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2012 and for which there is an enforceable legal claim. In the General Fund and the Austin Center Municipal Public Improvement TIF Fund, the entire receivable has been offset by deferred inflows of resources since the current taxes were not levied to finance 2012 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred inflows of resources.

**B. Income Tax**

The City levies a tax of 1.5% on all salaries, wages, commissions and other compensation and on net profits earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of 67% of the tax paid to another municipality to a maximum of the total amount assessed. Of the one and one-half percent income tax, one-half percent is voter approved for the sole purpose of funding capital improvements.

Employers within the City are required to withhold income tax on employees' compensation and remit the tax to the City either monthly or quarterly, as required. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. Income tax proceeds are to be used for general fund operations, maintenance of equipment, new equipment/capital improvements, debt service and other governmental functions when needed, as determined by City Council. Income tax revenue for 2012 was \$11,234,399.

**CITY OF SPRINGBORO, OHIO**

---

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012**

---

**NOTE 7 - RECEIVABLES**

Receivables at December 31, 2012 consisted of income taxes, property taxes, accounts, interest, special assessments and intergovernmental receivables arising from shared revenues. All receivables are considered collectible in full.

**NOTE 8 - TRANSFERS**

Following is a summary of transfers in and out for all funds for 2012:

Fund	Transfer In	Transfer Out
General Fund	\$22,923	\$3,593,918
Debt Service Fund	1,615,853	22,923
Construction Fund	4,372,866	1,145,034
Income Tax Capital Improvement Fund	0	3,947,829
Other Governmental Funds	2,246,699	490,813
Total Governmental Funds	8,258,341	9,200,517
Golf Course Fund	781,500	0
Water Fund	219,093	90,545
Sewer Fund	0	90,545
Trash Fund	19,918	0
Storm Water Fund	102,755	0
Total Proprietary Funds	1,123,266	181,090
Totals	\$9,381,607	\$9,381,607

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the income tax fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed. All transfers are considered allowable in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

Transfers out of the Income Tax Capital Improvement Fund to the Construction Fund, Golf Course Fund, Water Fund, Sewer Fund, Trash Fund and Storm Water Fund were for capital improvements and/or debt service on capital improvements within each of those funds. Transfers out of the General Fund: to the Other Governmental Funds was to cover street maintenance, the DARE program; to Debt Service Funds was for the General Fund's share of the debt service for outstanding debt; and to the Land Acquisition Fund for services related to debt service for that fund and for the purchase of additional park land, as well as the purchase of land in the downtown area for future development of a police sub-station. The transfer from the Debt Service Fund to the General Fund was made to return monies from an expiring TIF project.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012**

**NOTE 9 - CAPITAL ASSETS**

**A. Governmental Activities Capital Assets**

Summary by category of changes in governmental activities capital assets at December 31, 2012:

<i>Historical Cost:</i>	Balance at December 31, 2011	Additions	Deletions	Balance at December 31, 2012
Class				
<i>Non-depreciable Capital assets:</i>				
Land	\$15,824,213	\$966,842	\$0	\$16,791,055
Construction in Progress	1,183,891	820,478	(158,471)	1,845,898
Total Non-depreciable Capital assets	<u>17,008,104</u>	<u>1,787,320</u>	<u>(158,471)</u>	<u>18,636,953</u>
<i>Capital assets being depreciated:</i>				
Improvements	1,268,432	0	0	1,268,432
Infrastructure	39,509,861	1,606,035	(151,253)	40,964,643
Buildings	11,311,595	0	(12,376)	11,299,219
Machinery and Equipment	3,077,574	452,565	(138,380)	3,391,759
Total Depreciable Capital assets	<u>55,167,462</u>	<u>2,058,600</u>	<u>(302,009)</u>	<u>56,924,053</u>
Total Cost	<u>\$72,175,566</u>	<u>\$3,845,920</u>	<u>(\$460,480)</u>	<u>\$75,561,006</u>
<i>Accumulated Depreciation:</i>	Balance at December 31, 2011	Additions	Deletions	Balance at December 31, 2012
Class				
Improvements	(\$358,095)	(\$220,201)	\$0	(\$578,296)
Infrastructure	(19,749,851)	(1,416,120)	145,242	(21,020,729)
Buildings	(1,387,530)	(76,116)	2,630	(1,461,016)
Machinery and Equipment	(2,186,257)	(199,991)	138,380	(2,247,868)
Total Depreciation	<u>(\$23,681,733)</u>	<u>(\$1,912,428) *</u>	<u>\$286,252</u>	<u>(\$25,307,909)</u>
<i>Net Value:</i>	<u>\$48,493,833</u>			<u>\$50,253,097</u>

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

Security of Persons and Property	(\$119,074)
Leisure Time Activities	(92,877)
Community Environment	(13,480)
Transportation	(1,541,552)
General Government	(145,445)
Total Depreciation Expense	<u>(\$1,912,428)</u>

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012**

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

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

Summary by Category at December 31, 2012:

<i>Historical Cost:</i>	Balance at December 31, 2011	Additions	Deletions	Balance at December 31, 2012
Class				
<i>Non-depreciable Capital assets:</i>				
Land	\$8,685,240	\$0	\$0	\$8,685,240
Construction in Progress	18,461	79,687	(18,461)	79,687
Total Non-depreciable Capital Assets	<u>8,703,701</u>	<u>79,687</u>	<u>(18,461)</u>	<u>8,764,927</u>
<i>Capital assets being depreciated:</i>				
Buildings	3,693,138	0	0	3,693,138
Land Improvements	1,496,741	18,461	0	1,515,202
Infrastructure	83,578,311	634,393	(18,290)	84,194,414
Machinery and Equipment	2,235,742	185,416	(104,355)	2,316,803
Total Depreciable Capital assets	<u>91,003,932</u>	<u>838,270</u>	<u>(122,645)</u>	<u>91,719,557</u>
Total Cost	<u>\$99,707,633</u>	<u>\$917,957</u>	<u>(\$141,106)</u>	<u>\$100,484,484</u>
 <i>Accumulated Depreciation:</i>				
Class	Balance at December 31, 2011	Additions	Deletions	Balance at December 31, 2012
Buildings	(\$1,636,953)	(\$93,164)	\$0	(\$1,730,117)
Land Improvements	(1,097,478)	(84,752)	0	(1,182,230)
Infrastructure	(15,312,820)	(1,335,712)	11,959	(16,636,573)
Machinery and Equipment	(1,767,171)	(174,042)	104,355	(1,836,858)
Total Depreciation	<u>(\$19,814,422)</u>	<u>(\$1,687,670)</u>	<u>\$116,314</u>	<u>(\$21,385,778)</u>
 <i>Net Value:</i>	 <u>\$79,893,211</u>			 <u>\$79,098,706</u>



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012***

---

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

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

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

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the TP Plan and CO Plan. Members of the MD Plan do not qualify for ancillary benefits, including postemployment health care benefits. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Ohio Public Employees Retirement System issues a stand-alone financial report that includes financial statements and required supplementary information for OPERS. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, by making a written request to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

The ORC provides statutory authority for employee and employer contributions. For 2012, employee and employer contribution rates were consistent across all three plans (TP, MD and CO). The employee contribution rate is 10.0%. The 2012 employer contribution rate for local government employer units was 14.00%, of covered payroll which is the maximum contribution rate set by State statutes. Employer contribution rates are actuarially determined. A portion of the City’s contribution is used to fund pension obligations with the remainder being used to fund health care benefits. The portion of employer contributions allocated to pension obligations for members in the Traditional Plan was 10.0% for calendar year 2012. The portion of employer contributions allocated to pension obligations for members in the Combined Plan was 7.95% for calendar year 2012. The contribution requirements of plan members and the City are established and may be amended by the OPERS Board. The City’s contributions for pension obligations to OPERS for the years ending December 31, 2012, 2011, and 2010 were \$284,220, \$286,013 and \$242,739, respectively, which were equal to the required contributions for each year.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012***

---

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

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

All City full-time police officers participate in OP&F, a cost-sharing multiple-employer defined benefit pension plan. OP&F 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 ORC. The Ohio Police and Fire Pension Fund issues a stand-alone financial report that includes financial statements and required supplementary information for the plan. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164 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. A portion of the City’s contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for 2012, 12.75% of annual covered salary for police was the portion used to the fund pension obligation. The City's contributions for pension obligations to the OP&F Fund for the years ending December 31, 2012, 2011, and 2010 were \$207,102, \$205,571 and \$193,323 for police, which were equal to the required contributions for each year.

**NOTE 11 - POSTEMPLOYMENT BENEFITS**

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

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care plan, which includes a medical plan, prescription drug program and Medicare Part B Premium reimbursement, to qualifying member of both the Traditional Pension and the Combined Plans. Members of the Member Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45.

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012***

---

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

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

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

Funding Policy – The ORC provides the statutory authority requiring public employers to fund post retirement health care coverage through their contributions to OPERS. A portion of each employer’s contribution to OPERS is set aside for the funding of post retirement health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2012, local government employers contributed at a rate of 14.00% of covered payroll. The ORC currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for local government employers. Active members do not make contributions to the OPEB plan.

The OPERS Postemployment Health Care plan was established under, and is administered in accordance with Internal Revenue Code 401(h). Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of postemployment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.0% for calendar year 2012. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05% for calendar year 2012. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions for health care to the OPERS for the years ending December 31, 2012, 2011, and 2010 were \$113,688, \$114,405 and \$138,384, respectively, which were equal to the required contributions for each year.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012***

---

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

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

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

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

OP&F issues a stand-alone financial report that includes financial information and required supplementary information for the plan. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2012, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees’ primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h). The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions for health care to the OP&F for the years ending December 31, 2012, 2011, and 2010 were \$109,642, \$108,831 and \$102,347 for police, which were equal to the required contributions for each year.

**CITY OF SPRINGBORO, OHIO**

---

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012**

---

**NOTE 12 - COMPENSATED ABSENCES**

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

At December 31, 2012, the City's accumulated, unpaid compensated absences amounted to \$550,681, of which \$424,248 is recorded as a liability of the Governmental Activities and \$126,433 is recorded as a liability of the Business-Type Activities. The amounts are recorded as Amounts Due Within One Year and Amounts Due in More Than One Year on the Government Wide Statement of Net position.

**NOTE 13 - NOTES PAYABLE**

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

General Obligation Notes:	Balance December 31, 2011	Issued	(Retired)	Balance December 31, 2012
Land Acquisition Fund:				
2.00% Real Estate Acquisition	\$2,000,000	\$0	(\$2,000,000)	\$0
1.25% Real Estate Acquisition	0	1,750,000	0	1,750,000
South Tech Public				
Improvement TIF Fund:				
2.00% Street Improvement B.A.N.	1,200,000	0	(1,200,000)	0
1.50% Street Improvement B.A.N.	0	1,200,000	0	1,200,000
Total General Obligation Notes	\$3,200,000	\$2,950,000	(\$3,200,000)	\$2,950,000

This space intentionally left blank.

**CITY OF SPRINGBORO, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012**

**NOTE 14 - LONG-TERM OBLIGATIONS**

Long-term debt and other long-term obligations of the City at December 31, 2012 were as follows:

		Balance December 31, 2011	Issued	(Retired)	Balance December 31, 2012	Amount Due Within One Year
<b>Business Type-Activities:</b>						
General Obligation Bonds:						
1.0 - 3.65% Golf Course Refunding	2010	\$2,740,000	\$0	(\$225,000)	\$2,515,000	\$225,000
3.0 - 5.0% Water Capital Refunding Bond	2008	8,925,000	0	(600,000)	8,325,000	620,000
Premium on Refunding Bond	2008	221,815	0	(18,485)	203,330	18,485
Total General Obligation Bonds		<u>11,886,815</u>	<u>0</u>	<u>(843,485)</u>	<u>11,043,330</u>	<u>863,485</u>
Mortgage Revenue Bonds:						
2.00 - 4.00% Waterworks Improvement Refunding	2004	1,805,000	0	(235,000)	1,570,000	240,000
2.00 - 4.00% Discount on Waterworks Refunding	2004	(7,054)	0	1,007	(6,047)	(1,007)
2.00 -5.00% Sewer	2004	14,980,000	0	(10,810,000)	4,170,000	585,000
2.00 -5.00% Premium on Sewer Bond	2004	347,611	0	(252,734)	94,877	5,581
1.50 - 2.50% Sewer Refunding - 1997 Issue	2011	2,040,000	0	(280,000)	1,760,000	280,000
2.00 -5.00% Sewer Refunding - 2004 Issue	2012	0	10,295,000	0	10,295,000	25,000
2.00 -5.00% Premium on Sewer Funding - 2004	2012	0	1,158,546	0	1,158,546	77,236
Total Mortgage Revenue Bonds		<u>19,165,557</u>	<u>11,453,546</u>	<u>(11,576,727)</u>	<u>19,042,376</u>	<u>1,211,810</u>
Compensated Absences Payable		113,042	126,433	(113,042)	126,433	17,819
Capital Leases Payable		161,792	0	(65,729)	96,063	96,063
Total Business-Type Activity Long-Term Liabilities		<u>\$31,327,206</u>	<u>\$11,579,979</u>	<u>(\$12,598,983)</u>	<u>\$30,308,202</u>	<u>\$2,189,177</u>

This space intentionally left blank.

**CITY OF SPRINGBORO, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012**

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

		Balance December 31, 2011	Issued	(Retired)	Balance December 31, 2012	Amount Due Within One Year
<b>Governmental Activities:</b>						
Special Assessment Bonds:						
5.500% Various Purpose	1993	\$215,000	\$0	(\$70,000)	\$145,000	\$70,000
5.500% Various Purpose	1994	85,000	0	(25,000)	60,000	30,000
4.200 - 6.350% Pioneer Blvd. North	1994	115,000	0	(35,000)	80,000	40,000
4.200 - 5.600% Commercial Way	1997	235,000	0	(35,000)	200,000	35,000
6.750% N. Pioneer Blvd.	1998	150,000	0	(150,000)	0	0
1.500 - 5.350% Various Purpose	2003	1,300,000	0	(80,000)	1,220,000	85,000
Total Special Assessment Bonds (with Governmental Commitment)		2,100,000	0	(395,000)	1,705,000	260,000
Unvoted General Obligation Bonds:						
4.500 - 6.000% South Main St. Improvement	1997	95,000	0	(15,000)	80,000	15,000
3.900 - 5.375% Various Purpose	1999	110,000	0	(110,000)	0	0
3.000 - 5.000% Street Paving Projects	2008	725,000	0	(95,000)	630,000	95,000
3.000 - 5.000% Street Reconstruction	2008	2,175,000	0	(280,000)	1,895,000	290,000
3.000 - 5.000% Municipal Building	2008	4,150,000	0	(280,000)	3,870,000	290,000
3.000 - 5.000% Refunding Bonds	2008	595,000	0	(80,000)	515,000	75,000
2.000 - 5.000% Austin Road Interchange Bonds	2010	4,115,000	0	(120,000)	3,995,000	125,000
Premium on Bonds		189,448	0	(20,971)	168,477	20,971
Deferred Loss on Defeasance		(25,546)	0	25,546	0	0
Total General Obligation Bonds		12,128,902	0	(975,425)	11,153,477	910,971
Compensated Absences Payable		275,872	424,248	(275,872)	424,248	34,299
Total Governmental Activity Long-Term Liabilities		\$14,504,774	\$424,248	(\$1,646,297)	\$13,282,725	\$1,205,270

The principal amount of the City's special assessment bonds outstanding at December 31, 2012, \$1,705,000, is general obligation debt (backed by the full faith and credit of the City) that is being retired with the proceeds from special assessments levied against benefited property owners. The City is obligated to repay the debt irrespective of the amount of special assessments collected from property owners. Delinquent special assessments related to outstanding special assessment bonded debt at year end was \$10,414.

This space intentionally left blank.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012**

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

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

The City's future long-term obligation funding requirements, including principal and interest payments as of December 31, 2012, follow:

Years	General Obligation Bonds			
	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2013	\$890,000	\$454,143	\$845,000	\$427,198
2014	915,000	425,754	865,000	403,110
2015	955,000	393,424	895,000	378,372
2016	990,000	357,602	925,000	349,938
2017	995,000	318,240	960,000	316,510
2018-2022	3,300,000	1,048,400	5,415,000	947,200
2023-2027	1,430,000	488,515	935,000	39,738
2028-2032	1,230,000	234,000	0	0
2033	280,000	12,600	0	0
Totals	<u>\$10,985,000</u>	<u>\$3,732,678</u>	<u>\$10,840,000</u>	<u>\$2,862,066</u>

Years	Special Assessment Bonds		Mortgage Revenue Bonds	
	Principal	Interest	Principal	Interest
2013	\$260,000	\$88,267	\$1,130,000	\$673,052
2014	275,000	73,868	1,170,000	638,007
2015	135,000	60,650	1,205,000	600,508
2016	140,000	53,660	1,240,000	562,908
2017	150,000	46,420	1,280,000	529,017
2018-2022	605,000	135,313	4,545,000	2,027,518
2023-2027	140,000	7,490	4,875,000	1,074,913
2028-2029	0	0	2,350,000	103,906
Totals	<u>\$1,705,000</u>	<u>\$465,668</u>	<u>\$17,795,000</u>	<u>\$6,209,829</u>

**B. Defeased Debt**

In prior years, the City has defeased certain general obligation and other bonds by placing the proceeds of the refunding bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included on the City's financial statements. At December 31, 2012, \$3,655,000 of bonds outstanding are considered defeased.



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012***

---

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

**B. Defeased Debt (Continued)**

In September 2008, the City partially refunded \$515,000 of General Obligation Bonds for Various Purpose 1999, through the issuance of \$535,000 of General Obligation Bonds. The refunded bonds, which have an outstanding balance of \$385,000 at December 31, 2012, are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

In September 2008, the City refunded \$235,000 of General Obligation Bonds for St. Rte. 741 Improvements 1996, through the issuance of \$240,000 of General Obligation Bonds. The refunded bonds, which have an outstanding balance of \$130,000 at December 31, 2012, are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

In September 2008, the City refunded \$10,570,000 of Mortgage Revenue Bonds for Water 1997, through the issuance of \$10,630,000 of General Obligation Bonds. The refunded bonds, which have an outstanding balance of \$8,430,000 at December 31, 2012, are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

In March 2010, the City refunded \$3,060,000 of General Obligation Bonds for Golf Course Refunding 1999, through the issuance of \$3,200,000 of General Obligation Bonds. The net proceeds of the 2011 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States Government and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$2,520,000 at December 31, 2012, are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

In September 2011, the City refunded \$2,165,000 of Sewer System Mortgage Revenue Bonds, Series 1997, through the issuance of \$2,040,000 of Mortgage Revenue Bonds. The net proceeds of the 2012 Bonds were used to retire the refunded bonds in full (current refunding). The refunded bonds are not included in the City's outstanding debt since the City has satisfied its obligations through the current refunding. The City reduced its aggregate debt service payments over the life of the refunded bonds by \$486,043 and obtained an economic gain (difference between the present values of the old and new debt service payments) of \$448,291.

In April 2012, the City partially refunded \$10,245,000 of Mortgage Revenue Bonds for Sewer Improvements 2004, through the issuance of \$10,295,000 of Mortgage Revenue Bonds. The refunded bonds, which have an outstanding balance of \$10,245,000 at December 31, 2012, are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding. The City reduced its aggregate debt service payments over the life of the refunded bonds by \$690,303 and obtained an economic gain (difference between the present values of the old and new debt service payments) of \$572,666.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012**

---

**NOTE 15 - CAPITAL LEASE COMMITMENTS**

The City is obligated under two leases accounted for as capital leases. The cost of the leased assets (golf carts) are accounted for as capital assets by the golf course fund. The related liabilities are recorded as amounts due within one year and amounts due in more than one year within the golf course fund. The original cost of the assets under capital lease was \$373,472 and are categorized as machinery and equipment.

The following is a schedule of the future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of December 31, 2012.

Year Ending December 31,	Business Type
2013	\$97,423
Minimum Lease Payments	97,423
Less: Amount representing interest at the City's incremental borrowing rate of interest	(1,360)
Present value of minimum lease payments	<u>\$96,063</u>

**NOTE 16 - RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. During 2012 the City contracted with several different insurance providers for various insurance coverages, as follows:

Type of Coverage	Liability Limits	Deductible
Property	\$76,245,268	\$1,000
Crime	250,000	1,000
Inland Marine	3,179,847	1,000
General Liability	1,000,000	0
Employee Benefits Liability	1,000,000	0
Employers Liability	1,000,000	0
Automobile Liability	1,000,000	0
Public Officials Liability	1,000,000	2,500
Police Liability	1,000,000	2,500
Employment Practices Liability	1,000,000	2,500

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012***

---

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

For the year 2012, the City participated in the Ohio Municipal League of Ohio Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (see Note 18). The intent of the GRP is to achieve the benefit of a reduced premium for the City by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating cities is calculated as one experience and a common premium rate is applied to all cities in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to cities that can meet the GRP's selection criteria. The firm of Comp. Management, Inc. provides administrative, cost control and actuarial services to the GRP.

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

**NOTE 17 - CONTRACTUAL COMMITMENTS**

As of December 31, 2012, the City had the following significant contractual commitments:

<u>Project</u>	<u>Remaining Contractual Commitment</u>
Pennyroyal Rd. Widening/Improvements	\$1,375,442
E. Milo Beck Park	1,103,755
West Tech Road Extension	959,005
Total	<u>\$3,438,202</u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012***

---

**NOTE 18 – GROUP PURCHASING POOL**

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

**NOTE 19 – JOINTLY GOVERNED ORGANIZATIONS**

During 2012, the City participated in the Warren County General Health District, the Greater Warren Drug Task Force, Miami Valley Regional Planning Commission and the Montgomery County Transportation Improvement District, jointly governed organizations. The following describes the relationship between these organizations and the City:

Warren County General Health District

The Warren County General Health District (the District) provides health services to the citizens within the County. The District, which consists of a representative from each of the participating governments, including the City, oversees the operation of the District. The amount the City contributed during 2012 for the operation of the District was minimal. The City does not have any financial interest in or responsibility for the District. The County Commissioners serve as the taxing authority, and the County Auditor and County Treasurer serve as the fiscal officers. Financial information may be obtained from Kathy Stephenson at the Warren County General Health District, 416 S. East Street, Lebanon, Ohio 45036.

The Greater Warren County Drug Task Force

The Greater Warren County Drug Task Force (the Task Force) is a multijurisdictional drug task force with the primary goal of combating major narcotic traffickers in Warren and Clinton Counties. It is governed by a local policy board consisting of members from local police departments, sheriff's offices, and county prosecutor's offices. Participating members contribute a fee for the operation of the task force, with each member's control over the operation limited to its representation on the Board. The City does not have any financial interest in or responsibility for the operations of the Task Force. Any information requests should be directed to P.O. Box 898, Lebanon, Ohio 45036.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012***

---

**NOTE 19 – JOINTLY GOVERNED ORGANIZATIONS (Continued)**

Miami Valley Regional Planning Commission

The Miami Valley Regional Planning Commission (the Commission) was formed to provide planning and administrative services to approximately 71 governmental and 18 non-governmental members that constitute the full Board of Directors. Each unit of local government members pays a per capita assessment to join the Commission. Non-governmental and other governmental members pay a flat rate to cover associated Commission expenses if they are not a member. The Commission is not dependent upon the City for its existence, no debt exists, and the City does not have an equity interest or a financial responsibility for the Commission. Any information requests should be directed to One South Main St., Suite 260, Dayton, OH 45402.

Montgomery County Transportation Improvement District

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

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

The District issued \$18,940,000 Transportation Improvement Special Obligation Notes, Series 2010B which matured on August 1, 2010. On July 30, 2010 the District issued \$20,335,000 Austin Road Interchange Bonds, Series 2010. These 33 year bonds were used for repayment of the note, cost of issuance of the bonds and new money for right-of-way acquisition. The responsibilities for repayment of these bonds is governed by each participating entity in the Austin Road Interchange Project and were allocated to Miami Township of \$11,520,000, City of Miamisburg of \$4,580,000, and the City of Springboro of \$4,235,000. Repayment of the City of Springboro's bonds are collateralized by Tax Increment Financing and full faith and credit of the City. Any information requests should be directed to Joseph, P. Tuss, (937) 225-6140, 1 Chamber Plaza, Fifth and Main Streets, Dayton, OH 45402.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2012***

---

**NOTE 20 – RELATED ORGANIZATION**

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

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

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

**NOTE 21 – FUND DEFICITS**

The fund deficits at December 31, 2012 of \$1,011,698 in the South Tech Public Improvement TIF Fund and of \$837 in the DARE Trust Fund (special revenue funds), are the result of recording notes payable and accruals in the individual fund balance sheet. The General Fund provides transfers, upon City Council's approval when cash is required not when accruals occur.

*COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES*

---

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

***Nonmajor Governmental Funds***

---

---

***Special Revenue Funds***

---

---

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

**Street Maintenance and Repair Fund**

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

**State Highway Fund**

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

**Permissive Use Tax Fund**

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

**Motor Vehicle License Tax Fund**

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

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

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

**Drug Law Enforcement Fund**

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

**Mayor's Court Improvement Fund**

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



***Special Revenue Funds***

---

**Austin Center Municipal Public Improvement TIF Fund**

To account for payments in lieu of taxes from Montgomery County for properties within the Austin TIF area to be used for repayment of the Austin Road Interchange Bonds and payments to the Miamisburg City School District as required per the Cooperative Agreement.

**South Tech Public Improvement TIF Fund**

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

**Law Enforcement Trust Fund**

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

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

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

***Capital Projects Fund***

---

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

**Permanent Improvement Fund**

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

**Land Acquisition Fund**

To account for purchase of land for City use or for land held for resale.

**CITY OF SPRINGBORO, OHIO**

**Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2012**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 1,645,552	\$ 480,625	\$ 2,126,177
Investments	0	865,278	865,278
Receivables:			
Taxes	93,607	0	93,607
Accounts	0	1,273	1,273
Intergovernmental	447,744	0	447,744
Inventory of Supplies, at Cost	110,908	0	110,908
Prepaid Items	4,118	0	4,118
Assets Held for Resale	0	2,490,558	2,490,558
<b>Total Assets</b>	<b>\$ 2,301,929</b>	<b>\$ 3,837,734</b>	<b>\$ 6,139,663</b>
<b>Liabilities:</b>			
Accounts Payable	\$ 37,072	\$ 0	\$ 37,072
Accrued Wages and Benefits Payable	25,103	0	25,103
Intergovernmental Payable	28,081	0	28,081
Accrued Interest Payable	13,250	3,889	17,139
General Obligation Notes Payable	1,200,000	1,750,000	2,950,000
<b>Total Liabilities</b>	<b>1,303,506</b>	<b>1,753,889</b>	<b>3,057,395</b>
<b>Deferred Inflows of Resources:</b>			
Property Tax Levy for Next Fiscal Year	93,607	0	93,607
Unavailable Amounts	298,479	0	298,479
<b>Total Deferred Inflows of Resources</b>	<b>392,086</b>	<b>0</b>	<b>392,086</b>
<b>Fund Balances:</b>			
Nonspendable	115,026	0	115,026
Restricted	1,503,846	2,083,845	3,587,691
Unassigned	(1,012,535)	0	(1,012,535)
<b>Total Fund Balances</b>	<b>606,337</b>	<b>2,083,845</b>	<b>2,690,182</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 2,301,929</b>	<b>\$ 3,837,734</b>	<b>\$ 6,139,663</b>

**CITY OF SPRINGBORO, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2012**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>			
Property and Other Taxes	\$ 0	\$ 75,000	\$ 75,000
Payment in Lieu of Taxes	99,521	0	99,521
Intergovernmental Revenues	937,170	0	937,170
Fines, Licenses and Permits	18,928	66,953	85,881
Investment Earnings	2,630	802	3,432
Donations	965	0	965
All Other Revenue	310,111	228,268	538,379
<b>Total Revenue</b>	<u>1,369,325</u>	<u>371,023</u>	<u>1,740,348</u>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property	96,380	0	96,380
Transportation	798,160	0	798,160
General Government	952,527	65,922	1,018,449
Capital Outlay	0	1,769,503	1,769,503
Debt Service:			
Interest and Fiscal Charges	4,696	26,383	31,079
<b>Total Expenditures</b>	<u>1,851,763</u>	<u>1,861,808</u>	<u>3,713,571</u>
Excess (Deficiency) of Revenues Over Expenditures	(482,438)	(1,490,785)	(1,973,223)
<b>Other Financing Sources (Uses):</b>			
Sale of Assets Held for Resale	0	65,954	65,954
Transfers In	327,950	1,918,749	2,246,699
Transfers Out	(490,813)	0	(490,813)
<b>Total Other Financing Sources (Uses)</b>	<u>(162,863)</u>	<u>1,984,703</u>	<u>1,821,840</u>
Net Change in Fund Balances	(645,301)	493,918	(151,383)
<b>Fund Balances at Beginning of Year</b>	1,240,543	1,589,927	2,830,470
Increase in Inventory Reserve	11,095	0	11,095
<b>Fund Balances End of Year</b>	<u>\$ 606,337</u>	<u>\$ 2,083,845</u>	<u>\$ 2,690,182</u>

**CITY OF SPRINGBORO, OHIO**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2012**

	Street Maintenance and Repair	State Highway	Permissive Use Tax	Motor Vehicle License Tax	COPS Grant
<b>Assets:</b>					
Cash and Cash Equivalents	\$ 513,647	\$ 251,871	\$ 3,807	\$ 58,107	\$ 157,276
Receivables:					
Taxes	0	0	0	0	0
Intergovernmental	319,374	25,895	0	102,450	0
Inventory of Supplies, at Cost	110,908	0	0	0	0
Prepaid Items	4,118	0	0	0	0
<b>Total Assets</b>	<b>\$ 948,047</b>	<b>\$ 277,766</b>	<b>\$ 3,807</b>	<b>\$ 160,557</b>	<b>\$ 157,276</b>
<b>Liabilities:</b>					
Accounts Payable	\$ 27,699	\$ 1,734	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	22,325	0	0	0	1,076
Intergovernmental Payable	12,744	0	0	0	2,753
Accrued Interest Payable	0	0	0	0	0
General Obligation Notes Payable	0	0	0	0	0
<b>Total Liabilities</b>	<b>62,768</b>	<b>1,734</b>	<b>0</b>	<b>0</b>	<b>3,829</b>
<b>Deferred Inflows of Resources:</b>					
Property Tax Levy for Next Fiscal Year	0	0	0	0	0
Unavailable Amounts	212,916	17,263	0	68,300	0
<b>Total Deferred Inflows of Resources</b>	<b>212,916</b>	<b>17,263</b>	<b>0</b>	<b>68,300</b>	<b>0</b>
<b>Fund Balances:</b>					
Nonspendable	115,026	0	0	0	0
Restricted	557,337	258,769	3,807	92,257	153,447
Unassigned	0	0	0	0	0
<b>Total Fund Balances</b>	<b>672,363</b>	<b>258,769</b>	<b>3,807</b>	<b>92,257</b>	<b>153,447</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 948,047</b>	<b>\$ 277,766</b>	<b>\$ 3,807</b>	<b>\$ 160,557</b>	<b>\$ 157,276</b>

**CITY OF SPRINGBORO, OHIO**

Drug Law Enforcement	Mayor's Court Improvement	Austin Center Municipal Public Improvement TIF	South Tech Public Improvement TIF	Law Enforcement Trust	DARE Trust	Total Nonmajor Special Revenue Funds
\$ 36,957	\$ 188,819	\$ 202,548	\$ 209,191	\$ 9,880	\$ 13,449	\$ 1,645,552
0	0	93,607	0	0	0	93,607
0	0	0	0	25	0	447,744
0	0	0	0	0	0	110,908
0	0	0	0	0	0	4,118
<u>\$ 36,957</u>	<u>\$ 188,819</u>	<u>\$ 296,155</u>	<u>\$ 209,191</u>	<u>\$ 9,905</u>	<u>\$ 13,449</u>	<u>\$ 2,301,929</u>
\$ 0	\$ 0	\$ 0	\$ 7,639	\$ 0	\$ 0	\$ 37,072
0	0	0	0	0	1,702	25,103
0	0	0	0	0	12,584	28,081
0	0	0	13,250	0	0	13,250
0	0	0	1,200,000	0	0	1,200,000
<u>0</u>	<u>0</u>	<u>0</u>	<u>1,220,889</u>	<u>0</u>	<u>14,286</u>	<u>1,303,506</u>
0	0	93,607	0	0	0	93,607
0	0	0	0	0	0	298,479
<u>0</u>	<u>0</u>	<u>93,607</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>392,086</u>
0	0	0	0	0	0	115,026
36,957	188,819	202,548	0	9,905	0	1,503,846
0	0	0	(1,011,698)	0	(837)	(1,012,535)
<u>36,957</u>	<u>188,819</u>	<u>202,548</u>	<u>(1,011,698)</u>	<u>9,905</u>	<u>(837)</u>	<u>606,337</u>
<u>\$ 36,957</u>	<u>\$ 188,819</u>	<u>\$ 296,155</u>	<u>\$ 209,191</u>	<u>\$ 9,905</u>	<u>\$ 13,449</u>	<u>\$ 2,301,929</u>

**CITY OF SPRINGBORO, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2012**

	Street Maintenance and Repair	State Highway	Permissive Use Tax	Motor Vehicle License Tax	COPS Grant
<b>Revenues:</b>					
Payment in Lieu of Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	652,857	52,935	0	203,872	0
Fines, Licenses and Permits	0	0	0	0	0
Investment Earnings	1,766	1,835	1	358	0
Donations	0	0	0	0	0
All Other Revenue	848	0	0	0	14,255
<b>Total Revenue</b>	<u>655,471</u>	<u>54,770</u>	<u>1</u>	<u>204,230</u>	<u>14,255</u>
<b>Expenditures:</b>					
Current:					
Security of Persons and Property	0	0	0	0	32,993
Transportation	738,857	59,303	0	0	0
General Government	0	0	0	0	0
Debt Service:					
Interest and Fiscal Charges	0	0	0	0	0
<b>Total Expenditures</b>	<u>738,857</u>	<u>59,303</u>	<u>0</u>	<u>0</u>	<u>32,993</u>
Excess (Deficiency) of Revenues Over Expenditures	(83,386)	(4,533)	1	204,230	(18,738)
<b>Other Financing Sources (Uses):</b>					
Transfers In	300,000	0	0	0	0
Transfers Out	0	0	0	(200,000)	0
<b>Total Other Financing Sources (Uses)</b>	<u>300,000</u>	<u>0</u>	<u>0</u>	<u>(200,000)</u>	<u>0</u>
Net Change in Fund Balances	216,614	(4,533)	1	4,230	(18,738)
<b>Fund Balance at Beginning of Year</b>	444,654	263,302	3,806	88,027	172,185
Increase in Inventory Reserve	11,095	0	0	0	0
<b>Fund Balance End of Year</b>	<u>\$ 672,363</u>	<u>\$ 258,769</u>	<u>\$ 3,807</u>	<u>\$ 92,257</u>	<u>\$ 153,447</u>

**CITY OF SPRINGBORO, OHIO**

Drug Law Enforcement	Mayor's Court Improvement	Austin Center Municipal Public Improvement TIF	South Tech Public Improvement TIF	Law Enforcement Trust	DARE Trust	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 99,521	\$ 0	\$ 0	\$ 0	\$ 99,521
0	0	0	0	0	27,506	937,170
1,164	17,764	0	0	0	0	18,928
0	0	0	(1,330)	0	0	2,630
0	0	0	0	0	965	965
0	0	290,813	3,600	595	0	310,111
<u>1,164</u>	<u>17,764</u>	<u>390,334</u>	<u>2,270</u>	<u>595</u>	<u>28,471</u>	<u>1,369,325</u>
9,286	0	0	0	0	54,101	96,380
0	0	0	0	0	0	798,160
0	8,412	215,353	728,762	0	0	952,527
0	0	0	4,696	0	0	4,696
<u>9,286</u>	<u>8,412</u>	<u>215,353</u>	<u>733,458</u>	<u>0</u>	<u>54,101</u>	<u>1,851,763</u>
(8,122)	9,352	174,981	(731,188)	595	(25,630)	(482,438)
0	0	0	17,950	0	10,000	327,950
0	0	(290,813)	0	0	0	(490,813)
0	0	(290,813)	17,950	0	10,000	(162,863)
(8,122)	9,352	(115,832)	(713,238)	595	(15,630)	(645,301)
45,079	179,467	318,380	(298,460)	9,310	14,793	1,240,543
0	0	0	0	0	0	11,095
<u>\$ 36,957</u>	<u>\$ 188,819</u>	<u>\$ 202,548</u>	<u>\$ (1,011,698)</u>	<u>\$ 9,905</u>	<u>\$ (837)</u>	<u>\$ 606,337</u>

**CITY OF SPRINGBORO, OHIO**

---

**Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2012**

---

	Permanent Improvement	Land Acquisition	Total Nonmajor Capital Projects Funds
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 188,026	\$ 292,599	\$ 480,625
Investments	0	865,278	865,278
Receivables:			
Accounts	1,273	0	1,273
Assets Held for Resale	0	2,490,558	2,490,558
<b>Total Assets</b>	<u>\$ 189,299</u>	<u>\$ 3,648,435</u>	<u>\$ 3,837,734</u>
<b>Liabilities:</b>			
Accrued Interest Payable	\$ 0	\$ 3,889	\$ 3,889
General Obligation Notes Payable	0	1,750,000	1,750,000
<b>Total Liabilities</b>	<u>0</u>	<u>1,753,889</u>	<u>1,753,889</u>
<b>Fund Balances:</b>			
Restricted	189,299	1,894,546	2,083,845
<b>Total Fund Balances</b>	<u>189,299</u>	<u>1,894,546</u>	<u>2,083,845</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 189,299</u>	<u>\$ 3,648,435</u>	<u>\$ 3,837,734</u>



**CITY OF SPRINGBORO, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2012**

	Permanent Improvement	Land Acquisition	Total Nonmajor Capital Projects Funds
<b>Revenues:</b>			
Property and Other Taxes	\$ 75,000	\$ 0	\$ 75,000
Fines, Licenses and Permits	66,953	0	66,953
Investment Earnings	0	802	802
All Other Revenue	226,268	2,000	228,268
<b>Total Revenue</b>	<u>368,221</u>	<u>2,802</u>	<u>371,023</u>
<b>Expenditures:</b>			
Current:			
General Government	53,264	12,658	65,922
Capital Outlay	801,319	968,184	1,769,503
Debt Service:			
Interest and Fiscal Charges	0	26,383	26,383
<b>Total Expenditures</b>	<u>854,583</u>	<u>1,007,225</u>	<u>1,861,808</u>
Excess (Deficiency) of Revenues Over Expenditures	(486,362)	(1,004,423)	(1,490,785)
<b>Other Financing Sources (Uses):</b>			
Sale of Assets Held for Resale	0	65,954	65,954
Transfers In	613,749	1,305,000	1,918,749
<b>Total Other Financing Sources (Uses)</b>	<u>613,749</u>	<u>1,370,954</u>	<u>1,984,703</u>
Net change in Fund Balances	127,387	366,531	493,918
<b>Fund Balances at Beginning of Year</b>	61,912	1,528,015	1,589,927
<b>Fund Balances End of Year</b>	<u>\$ 189,299</u>	<u>\$ 1,894,546</u>	<u>\$ 2,083,845</u>

**CITY OF SPRINGBORO, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2012**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Municipal Income Taxes	\$ 6,854,400	\$ 6,854,400	\$ 7,328,705	\$ 474,305
Property and Other Taxes	703,050	703,050	611,985	(91,065)
Intergovernmental Revenues	298,500	298,500	424,982	126,482
Fines, Licenses and Permits	378,330	378,330	458,091	79,761
Investment Earnings	228,000	228,000	126,712	(101,288)
Special Assessments	28,000	28,000	21,686	(6,314)
All Other Revenues	221,000	220,352	161,618	(58,734)
Total Revenues	<u>8,711,280</u>	<u>8,710,632</u>	<u>9,133,779</u>	<u>423,147</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Police Department:				
Personal Services	2,272,859	2,259,819	2,232,460	27,359
Materials and Supplies	177,731	188,441	180,462	7,979
Contractual Services	176,341	151,381	136,241	15,140
Total Police Department	<u>2,626,931</u>	<u>2,599,641</u>	<u>2,549,163</u>	<u>50,478</u>
Police Dispatcher:				
Personal Services	208,775	209,075	183,233	25,842
Materials and Supplies	4,000	4,000	3,283	717
Contractual Services	11,844	11,544	6,721	4,823
Total Police Dispatcher	<u>224,619</u>	<u>224,619</u>	<u>193,237</u>	<u>31,382</u>
Street Lighting:				
Contractual Services	118,600	129,284	128,997	287
Total Street Lighting	<u>118,600</u>	<u>129,284</u>	<u>128,997</u>	<u>287</u>
Civil Defense:				
Contractual Services	2,600	2,600	2,591	9
Total Civil Defense	<u>2,600</u>	<u>2,600</u>	<u>2,591</u>	<u>9</u>

(Continued)

**CITY OF SPRINGBORO, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2012**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Prisoner Care:				
Contractual Services	10,054	10,054	10,054	0
Total Prisoner Care	10,054	10,054	10,054	0
Total Security of Persons and Property	2,982,804	2,966,198	2,884,042	82,156
Public Health and Welfare:				
Health Board:				
Contractual Services	14,750	14,750	14,723	27
Total Public Health and Welfare	14,750	14,750	14,723	27
Leisure Time Activities:				
Park Maintenance:				
Personal Services	376,827	396,622	392,732	3,890
Contractual Services	100,488	94,493	74,614	19,879
Materials and Supplies	81,689	87,889	76,017	11,872
Total Park Maintenance	559,004	579,004	543,363	35,641
Library Services:				
Contractual Services	40,100	40,100	34,826	5,274
Total Library Services	40,100	40,100	34,826	5,274
Total Leisure Time Activities	599,104	619,104	578,189	40,915
Community Environment:				
Planning and Zoning:				
Personal Services	13,025	13,025	11,032	1,993
Contractual Services	89,500	89,500	85,059	4,441
Materials and Supplies	200	200	0	200
Total Planning and Zoning	102,725	102,725	96,091	6,634
Engineering:				
Personal Services	105,900	106,317	100,578	5,739
Contractual Services	62,163	47,163	32,998	14,165
Materials and Supplies	9,000	8,583	5,709	2,874
Total Engineering	177,063	162,063	139,285	22,778

(Continued)

**CITY OF SPRINGBORO, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2012***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Economic Development:</b>				
Personal Services	2,350	2,350	1,533	817
Contractual Services	158,839	168,839	147,934	20,905
Materials and Supplies	300	300	0	300
Total Economic Development	<u>161,489</u>	<u>171,489</u>	<u>149,467</u>	<u>22,022</u>
<b>Building Inspection:</b>				
Personal Services	168,150	168,975	163,361	5,614
Contractual Services	91,473	90,649	73,905	16,744
Materials and Supplies	7,000	7,000	4,991	2,009
Total Building Inspection	<u>266,623</u>	<u>266,624</u>	<u>242,257</u>	<u>24,367</u>
Total Community Environment	<u>707,900</u>	<u>702,901</u>	<u>627,100</u>	<u>75,801</u>
<b>General Government:</b>				
<b>City Council:</b>				
Personal Services	147,090	152,090	142,718	9,372
Contractual Services	71,651	70,151	56,918	13,233
Materials and Supplies	5,000	6,500	4,665	1,835
Total City Council	<u>223,741</u>	<u>228,741</u>	<u>204,301</u>	<u>24,440</u>
<b>City Manager:</b>				
Personal Services	125,750	127,750	115,923	11,827
Contractual Services	113,414	110,764	106,910	3,854
Materials and Supplies	2,000	2,650	2,273	377
Total City Manager	<u>241,164</u>	<u>241,164</u>	<u>225,106</u>	<u>16,058</u>
<b>Assistant City Manager:</b>				
Personal Services	73,315	73,315	70,046	3,269
Contractual Services	51,525	51,525	32,927	18,598
Materials and Supplies	1,000	1,000	142	858
Total Assistant City Manager	<u>125,840</u>	<u>125,840</u>	<u>103,115</u>	<u>22,725</u>
<b>Computer Administration:</b>				
Personal Services	80,800	80,800	78,522	2,278
Contractual Services	53,162	53,162	34,618	18,544
Materials and Supplies	55,000	64,000	47,603	16,397
Total Computer Administration	<u>188,962</u>	<u>197,962</u>	<u>160,743</u>	<u>37,219</u>

(Continued)

**CITY OF SPRINGBORO, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2012***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Finance Department:				
Personal Services	166,350	164,850	156,181	8,669
Contractual Services	85,242	76,153	57,766	18,387
Materials and Supplies	1,000	1,000	604	396
Total Finance Department	<u>252,592</u>	<u>242,003</u>	<u>214,551</u>	<u>27,452</u>
Mayor's Court:				
Personal Services	100,950	95,350	82,419	12,931
Contractual Services	80,961	82,940	81,634	1,306
Materials and Supplies	600	600	0	600
Total Mayor's Court	<u>182,511</u>	<u>178,890</u>	<u>164,053</u>	<u>14,837</u>
Income Tax:				
Personal Services	175,150	173,737	170,306	3,431
Contractual Services	793,794	580,206	577,130	3,076
Materials and Supplies	4,500	4,500	4,056	444
Total Income Tax	<u>973,444</u>	<u>758,443</u>	<u>751,492</u>	<u>6,951</u>
Legal Administration:				
Contractual Services	<u>79,550</u>	<u>79,551</u>	<u>79,551</u>	<u>0</u>
Total Legal Administration	<u>79,550</u>	<u>79,551</u>	<u>79,551</u>	<u>0</u>
Volunteer Services:				
Contractual Services	<u>7,500</u>	<u>7,500</u>	<u>2,412</u>	<u>5,088</u>
Total Volunteer Services	<u>7,500</u>	<u>7,500</u>	<u>2,412</u>	<u>5,088</u>
Building and Land:				
Personal Services	577,755	580,184	579,158	1,026
Contractual Services	694,313	638,199	541,019	97,180
Materials and Supplies	82,186	82,186	70,873	11,313
Total Building and Land	<u>1,354,254</u>	<u>1,300,569</u>	<u>1,191,050</u>	<u>109,519</u>

(Continued)

**CITY OF SPRINGBORO, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2012***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Miscellaneous:				
Contractual Services	111,784	128,284	106,069	22,215
Materials and Supplies	10,000	19,000	12,713	6,287
Total Miscellaneous	<u>121,784</u>	<u>147,284</u>	<u>118,782</u>	<u>28,502</u>
Total General Government	<u>3,751,342</u>	<u>3,507,947</u>	<u>3,215,156</u>	<u>292,791</u>
Total Expenditures	<u>8,055,900</u>	<u>7,810,900</u>	<u>7,319,210</u>	<u>491,690</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	655,380	899,732	1,814,569	914,837
<b>Other Financing Sources (Uses):</b>				
Transfers In	330	330	22,923	22,593
Transfers Out	<u>(1,606,902)</u>	<u>(3,980,852)</u>	<u>(3,593,918)</u>	<u>386,934</u>
Total Other Financing Sources (Uses)	<u>(1,606,572)</u>	<u>(3,980,522)</u>	<u>(3,570,995)</u>	<u>409,527</u>
Net Change in Fund Balance	(951,192)	(3,080,790)	(1,756,426)	1,324,364
Fund Balance at Beginning of Year	8,342,039	8,342,039	8,342,039	0
Prior Year Encumbrances	404,962	404,962	404,962	0
Fund Balance at End of Year	<u>\$ 7,795,809</u>	<u>\$ 5,666,211</u>	<u>\$ 6,990,575</u>	<u>\$ 1,324,364</u>

**CITY OF SPRINGBORO, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Debt Service Fund  
For the Year Ended December 31, 2012**

<b>DEBT SERVICE FUND</b>			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Payment in Lieu of Taxes	\$ 11,553	\$ 11,553	\$ 0
Special Assessments	362,790	363,200	410
Total Revenues	<u>374,343</u>	<u>374,753</u>	<u>410</u>
<b>Expenditures:</b>			
Debt Service:			
Principal Retirement	4,575,000	4,575,000	0
Interest and Fiscal Charges	645,310	645,304	6
Total Expenditures	<u>5,220,310</u>	<u>5,220,304</u>	<u>6</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,845,967)	(4,845,551)	416
<b>Other Financing Sources (Uses):</b>			
Transfers In	4,873,692	4,873,692	0
Transfers Out	(22,923)	(22,923)	0
Total Other Financing Sources (Uses)	<u>4,850,769</u>	<u>4,850,769</u>	<u>0</u>
Net Change in Fund Balance	4,802	5,218	416
Fund Balance at Beginning of Year	160,734	160,734	0
Fund Balance at End of Year	<u>\$ 165,536</u>	<u>\$ 165,952</u>	<u>\$ 416</u>

**CITY OF SPRINGBORO, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Capital Project Fund  
For the Year Ended December 31, 2012***

<b>CONSTRUCTION FUND</b>			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 686,460	\$ 612,211	\$ (74,249)
Special Assessments	20,000	22,626	2,626
All Other Revenues	258,000	23,418	(234,582)
Total Revenues	<u>964,460</u>	<u>658,255</u>	<u>(306,205)</u>
<b>Expenditures:</b>			
General Government:			
Contractual Services	150,100	146,975	3,125
Total General Government	<u>150,100</u>	<u>146,975</u>	<u>3,125</u>
Capital Outlay	5,261,906	5,259,958	1,948
Total Expenditures	<u>5,412,006</u>	<u>5,406,933</u>	<u>5,073</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,447,546)	(4,748,678)	(301,132)
<b>Other Financing Sources (Uses):</b>			
Transfers In	4,066,662	4,372,866	306,204
Transfers Out	(1,145,034)	(1,145,034)	0
Total Other Financing Sources (Uses)	<u>2,921,628</u>	<u>3,227,832</u>	<u>306,204</u>
Net Change in Fund Balance	(1,525,918)	(1,520,846)	5,072
Fund Balance at Beginning of Year	355,788	355,788	0
Prior Year Encumbrances	1,247,972	1,247,972	0
Fund Balance at End of Year	<u>\$ 77,842</u>	<u>\$ 82,914</u>	<u>\$ 5,072</u>



**CITY OF SPRINGBORO, OHIO**

---

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Capital Project Fund  
For the Year Ended December 31, 2012**

---

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Municipal Income Taxes	\$ 3,406,000	\$ 3,663,804	\$ 257,804
Total Revenues	<u>3,406,000</u>	<u>3,663,804</u>	<u>257,804</u>
<b>Expenditures:</b>			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,406,000	3,663,804	257,804
<b>Other Financing Sources (Uses):</b>			
Transfers Out	<u>(4,062,095)</u>	<u>(3,947,829)</u>	<u>114,266</u>
Total Other Financing Sources (Uses)	<u>(4,062,095)</u>	<u>(3,947,829)</u>	<u>114,266</u>
Net Change in Fund Balance	(656,095)	(284,025)	372,070
Fund Balance at Beginning of Year	<u>832,291</u>	<u>832,291</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 176,196</u>	<u>\$ 548,266</u>	<u>\$ 372,070</u>

**CITY OF SPRINGBORO, OHIO**

---

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2012**

---

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 593,923	\$ 650,933	\$ 57,010
Investment Earnings	2,450	1,766	(684)
All Other Revenues	<u>0</u>	<u>848</u>	<u>848</u>
Total Revenues	<u>596,373</u>	<u>653,547</u>	<u>57,174</u>
<b>Expenditures:</b>			
Transportation:			
Personal Services	542,018	439,348	102,670
Materials and Supplies	434,158	361,302	72,856
Contractual Services	<u>128,685</u>	<u>107,076</u>	<u>21,609</u>
Total Expenditures	<u>1,104,861</u>	<u>907,726</u>	<u>197,135</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(508,488)	(254,179)	254,309
<b>Other Financing Sources (Uses):</b>			
Transfers In	<u>300,000</u>	<u>300,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>300,000</u>	<u>300,000</u>	<u>0</u>
Net Change in Fund Balance	(208,488)	45,821	254,309
Fund Balance at Beginning of Year	146,527	146,527	0
Prior Year Encumbrances	<u>130,012</u>	<u>130,012</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 68,051</u>	<u>\$ 322,360</u>	<u>\$ 254,309</u>

**CITY OF SPRINGBORO, OHIO**

---

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2012***

---

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 48,100	\$ 52,779	\$ 4,679
Investment Earnings	1,779	1,835	56
Total Revenues	<u>49,879</u>	<u>54,614</u>	<u>4,735</u>
<b>Expenditures:</b>			
Transportation:			
Contractual Services	36,414	19,549	16,865
Capital Outlay	100,000	100,000	0
Total Expenditures	<u>136,414</u>	<u>119,549</u>	<u>16,865</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(86,535)	(64,935)	21,600
Fund Balance at Beginning of Year	155,543	155,543	0
Prior Year Encumbrances	100,713	100,713	0
Fund Balance at End of Year	<u>\$ 169,721</u>	<u>\$ 191,321</u>	<u>\$ 21,600</u>

**CITY OF SPRINGBORO, OHIO**

---

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2012***

---

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Investment Earnings	\$ 0	\$ 1	\$ 1
Total Revenues	<u>0</u>	<u>1</u>	<u>1</u>
<b>Expenditures:</b>			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	1	1
Fund Balance at Beginning of Year	<u>3,806</u>	<u>3,806</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 3,806</u>	<u>\$ 3,807</u>	<u>\$ 1</u>

**CITY OF SPRINGBORO, OHIO**

---

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2012***

---

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 200,000	\$ 203,297	\$ 3,297
Investment Earnings	1,025	358	(667)
Total Revenues	<u>201,025</u>	<u>203,655</u>	<u>2,630</u>
<b>Expenditures:</b>			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	201,025	203,655	2,630
<b>Other Financing Sources (Uses):</b>			
Transfers Out	<u>(200,000)</u>	<u>(200,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(200,000)</u>	<u>(200,000)</u>	<u>0</u>
Net Change in Fund Balance	1,025	3,655	2,630
Fund Balance at Beginning of Year	<u>54,452</u>	<u>54,452</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 55,477</u>	<u>\$ 58,107</u>	<u>\$ 2,630</u>

**CITY OF SPRINGBORO, OHIO**

---

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2012***

---

	COPS GRANT FUND		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
<b>Revenues:</b>			
All Other Revenues	\$ 14,250	\$ 14,255	\$ 5
Total Revenues	<u>14,250</u>	<u>14,255</u>	<u>5</u>
<b>Expenditures:</b>			
Security of Persons and Property:			
Personal Services	56,003	28,619	27,384
Materials and Supplies	400	0	400
Contractual Services	925	728	197
Total Expenditures	<u>57,328</u>	<u>29,347</u>	<u>27,981</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(43,078)	(15,092)	27,986
Fund Balance at Beginning of Year	<u>172,368</u>	<u>172,368</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 129,290</u>	<u>\$ 157,276</u>	<u>\$ 27,986</u>

**CITY OF SPRINGBORO, OHIO**

---

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2012***

---

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Fines, Licenses and Permits	\$ 0	\$ 1,164	\$ 1,164
Total Revenues	<u>0</u>	<u>1,164</u>	<u>1,164</u>
<b>Expenditures:</b>			
Security of Persons and Property:			
Capital Outlay	12,000	9,286	2,714
Total Expenditures	<u>12,000</u>	<u>9,286</u>	<u>2,714</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,000)	(8,122)	3,878
Fund Balance at Beginning of Year	<u>45,079</u>	<u>45,079</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 33,079</u>	<u>\$ 36,957</u>	<u>\$ 3,878</u>

**CITY OF SPRINGBORO, OHIO**

---

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2012***

---

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Fines, Licenses and Permits	\$ 16,350	\$ 18,083	\$ 1,733
Total Revenues	<u>16,350</u>	<u>18,083</u>	<u>1,733</u>
<b>Expenditures:</b>			
General Government:			
Materials and Supplies	1,500	0	1,500
Contractual Services	26,120	4,232	21,888
Capital Outlay	3,000	2,777	223
Total Expenditures	<u>30,620</u>	<u>7,009</u>	<u>23,611</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,270)	11,074	25,344
Fund Balance at Beginning of Year	175,108	175,108	0
Prior Year Encumbrances	1,616	1,616	0
Fund Balance at End of Year	<u>\$ 162,454</u>	<u>\$ 187,798</u>	<u>\$ 25,344</u>



**CITY OF SPRINGBORO, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2012***

**AUSTIN CENTER MUNICIPAL PUBLIC IMPROVEMENT TIF FUND**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Payment in Lieu of Taxes	\$ 98,347	\$ 99,521	\$ 1,174
All Other Revenues	291,278	290,813	(465)
Total Revenues	<u>389,625</u>	<u>390,334</u>	<u>709</u>
<b>Expenditures:</b>			
General Government:			
Contractual Services	216,260	215,353	907
Total Expenditures	<u>216,260</u>	<u>215,353</u>	<u>907</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	173,365	174,981	1,616
<b>Other Financing Sources (Uses):</b>			
Transfers Out	(291,300)	(290,813)	487
Total Other Financing Sources (Uses)	<u>(291,300)</u>	<u>(290,813)</u>	<u>487</u>
Net Change in Fund Balance	(117,935)	(115,832)	2,103
Fund Balance at Beginning of Year	318,380	318,380	0
Fund Balance at End of Year	<u>\$ 200,445</u>	<u>\$ 202,548</u>	<u>\$ 2,103</u>

**CITY OF SPRINGBORO, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2012***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>SOUTH TECH PUBLIC IMPROVEMENT TIF FUND</b>			
<b>Revenues:</b>			
All Other Revenues	\$ 10,500	\$ 3,600	\$ (6,900)
Total Revenues	<u>10,500</u>	<u>3,600</u>	<u>(6,900)</u>
<b>Expenditures:</b>			
General Government:			
Contractual Services	12,600	12,293	307
Capital Outlay	1,048,311	1,046,117	2,194
Total Expenditures	<u>1,060,911</u>	<u>1,058,410</u>	<u>2,501</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,050,411)	(1,054,810)	(4,399)
<b>Other Financing Sources (Uses):</b>			
General Obligation Notes Issued	1,200,000	1,208,904	8,904
Transfers In	18,000	17,950	(50)
Transfers Out	(1,217,950)	(1,217,950)	0
Total Other Financing Sources (Uses)	<u>50</u>	<u>8,904</u>	<u>8,854</u>
Net Change in Fund Balance	(1,050,361)	(1,045,906)	4,455
Fund Balance at Beginning of Year	90,104	90,104	0
Prior Year Encumbrances	960,430	960,430	0
Fund Balance at End of Year	<u>\$ 173</u>	<u>\$ 4,628</u>	<u>\$ 4,455</u>

**CITY OF SPRINGBORO, OHIO**

---

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2012***

---

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
All Other Revenues	\$ 300	\$ 655	\$ 355
Total Revenues	<u>300</u>	<u>655</u>	<u>355</u>
<b>Expenditures:</b>			
Security of Persons and Property:			
Materials and Supplies	5,000	0	5,000
Contractual Services	1,500	0	1,500
Total Expenditures	<u>6,500</u>	<u>0</u>	<u>6,500</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,200)	655	6,855
Fund Balance at Beginning of Year	9,225	9,225	0
Fund Balance at End of Year	<u>\$ 3,025</u>	<u>\$ 9,880</u>	<u>\$ 6,855</u>

**CITY OF SPRINGBORO, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2012***

<b>DARE TRUST FUND</b>			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 27,700	\$ 27,506	\$ (194)
Donations	400	895	495
Total Revenues	<u>28,100</u>	<u>28,401</u>	<u>301</u>
<b>Expenditures:</b>			
Security of Persons and Property:			
Personal Services	39,588	36,826	2,762
Materials and Supplies	4,982	4,649	333
Contractual Services	505	430	75
Total Expenditures	<u>45,075</u>	<u>41,905</u>	<u>3,170</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(16,975)	(13,504)	3,471
<b>Other Financing Sources (Uses):</b>			
Transfers In	10,000	10,000	0
Total Other Financing Sources (Uses)	<u>10,000</u>	<u>10,000</u>	<u>0</u>
Net Change in Fund Balance	(6,975)	(3,504)	3,471
Fund Balance at Beginning of Year	14,768	14,768	0
Fund Balance at End of Year	<u>\$ 7,793</u>	<u>\$ 11,264</u>	<u>\$ 3,471</u>

**CITY OF SPRINGBORO, OHIO**

---

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Fund  
For the Year Ended December 31, 2012**

---

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>PERMANENT IMPROVEMENT FUND</b>			
<b>Revenues:</b>			
Property and Other Taxes	\$ 75,000	\$ 75,000	\$ 0
Fines, Licenses and Permits	4,900	66,953	62,053
All Other Revenues	166,250	224,995	58,745
Total Revenues	<u>246,150</u>	<u>366,948</u>	<u>120,798</u>
<b>Expenditures:</b>			
General Government:			
Contractual Services	58,187	58,129	58
Total General Government	<u>58,187</u>	<u>58,129</u>	<u>58</u>
Capital Outlay	810,554	810,176	378
Total Expenditures	<u>868,741</u>	<u>868,305</u>	<u>436</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(622,591)	(501,357)	121,234
<b>Other Financing Sources (Uses):</b>			
Transfers In	613,750	613,749	(1)
Total Other Financing Sources (Uses)	<u>613,750</u>	<u>613,749</u>	<u>(1)</u>
Net Change in Fund Balance	(8,841)	112,392	121,233
Fund Balance at Beginning of Year	57,845	57,845	0
Prior Year Encumbrances	8,927	8,927	0
Fund Balance at End of Year	<u>\$ 57,931</u>	<u>\$ 179,164</u>	<u>\$ 121,233</u>

**CITY OF SPRINGBORO, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Fund  
For the Year Ended December 31, 2012**

<b>LAND ACQUISITION FUND</b>			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
All Other Revenues	\$ 0	\$ 819,328	\$ 819,328
Total Revenues	<u>0</u>	<u>819,328</u>	<u>819,328</u>
<b>Expenditures:</b>			
General Government:			
Contractual Services	12,658	12,658	0
Total General Government	<u>12,658</u>	<u>12,658</u>	<u>0</u>
Capital Outlay	1,124,515	969,784	154,731
Total Expenditures	<u>1,137,173</u>	<u>982,442</u>	<u>154,731</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,137,173)	(163,114)	974,059
<b>Other Financing Sources (Uses):</b>			
General Obligation Notes Issued	1,914,395	1,760,395	(154,000)
Transfers In	1,153,000	1,305,000	152,000
Transfers Out	(2,040,000)	(2,039,889)	111
Total Other Financing Sources (Uses)	<u>1,027,395</u>	<u>1,025,506</u>	<u>(1,889)</u>
Net Change in Fund Balance	(109,778)	862,392	972,170
Fund Balance at Beginning of Year	110,683	110,683	0
Prior Year Encumbrances	184,000	184,000	0
Fund Balance at End of Year	<u>\$ 184,905</u>	<u>\$ 1,157,075</u>	<u>\$ 972,170</u>

***Fiduciary Funds***

---

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

***Agency Funds***

---

**Library Donation Fund**

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

**Mayor's Court Fund**

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

**Special Assessment Fund**

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

**CITY OF SPRINGBORO, OHIO**

***Statement Of Changes In Assets And Liabilities  
Agency Funds  
For the Year Ended December 31, 2012***

	Balance December 31, 2011	Additions	Deductions	Balance December 31, 2012
<b><u>Library Donation Fund</u></b>				
Assets:				
Cash and Cash Equivalents	\$6,265	\$5,506	(\$5,502)	\$6,269
Total Assets	<u>\$6,265</u>	<u>\$5,506</u>	<u>(\$5,502)</u>	<u>\$6,269</u>
Liabilities:				
Due to Others	\$6,265	\$5,506	(\$5,502)	\$6,269
Total Liabilities	<u>\$6,265</u>	<u>\$5,506</u>	<u>(\$5,502)</u>	<u>\$6,269</u>
<b><u>Mayor's Court Fund</u></b>				
Assets:				
Cash and Cash Equivalents	\$20,973	\$341,211	(\$357,703)	\$4,481
Total Assets	<u>\$20,973</u>	<u>\$341,211</u>	<u>(\$357,703)</u>	<u>\$4,481</u>
Liabilities:				
Undistributed Monies	\$20,973	\$341,211	(\$357,703)	\$4,481
Total Liabilities	<u>\$20,973</u>	<u>\$341,211</u>	<u>(\$357,703)</u>	<u>\$4,481</u>
<b><u>Special Assessment Fund</u></b>				
Assets:				
Special Assessments Receivable	\$115,248	\$164,991	(\$25,642)	\$254,597
Total Assets	<u>\$115,248</u>	<u>\$164,991</u>	<u>(\$25,642)</u>	<u>\$254,597</u>
Liabilities:				
Due to Others	\$115,248	\$164,991	(\$25,642)	\$254,597
Total Liabilities	<u>\$115,248</u>	<u>\$164,991</u>	<u>(\$25,642)</u>	<u>\$254,597</u>
<b><u>Total Agency Funds:</u></b>				
Assets:				
Cash and Cash Equivalents	\$27,238	\$346,717	(\$363,205)	\$10,750
Special Assessments Receivable	115,248	164,991	(25,642)	254,597
Total Assets	<u>\$142,486</u>	<u>\$511,708</u>	<u>(\$388,847)</u>	<u>\$265,347</u>
Liabilities:				
Due to Others	\$121,513	\$170,497	(\$31,144)	\$260,866
Undistributed Monies	20,973	341,211	(357,703)	4,481
Total Liabilities	<u>\$142,486</u>	<u>\$511,708</u>	<u>(\$388,847)</u>	<u>\$265,347</u>



*STATISTICAL SECTION*

---

---



## **STATISTICAL TABLES**

---

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

### **Contents**

---

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

## *City of Springboro*

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>Governmental Activities:</b>				
Net Investment in Capital Assets	\$26,568,831	\$26,779,476	\$26,884,114	\$27,213,897
Restricted	8,191,414	5,917,872	10,161,903	10,981,263
Unrestricted	2,904,963	7,560,929	8,593,613	9,523,096
Total Governmental Activities Net Position	<u>\$37,665,208</u>	<u>\$40,258,277</u>	<u>\$45,639,630</u>	<u>\$47,718,256</u>
<b>Business-type Activities:</b>				
Net Investment in Capital Assets	\$38,353,625	\$41,799,090	\$48,700,584	\$46,543,923
Restricted	2,524,224	2,465,210	1,988,424	2,080,999
Unrestricted	11,331,271	10,390,664	6,795,398	7,879,343
Total Business-type Activities Net Position	<u>\$52,209,120</u>	<u>\$54,654,964</u>	<u>\$57,484,406</u>	<u>\$56,504,265</u>
<b>Primary Government:</b>				
Net Investment in Capital Assets	\$64,922,456	\$68,578,566	\$75,584,698	\$73,757,820
Restricted	10,715,638	8,383,082	12,150,327	13,062,262
Unrestricted	14,236,234	17,951,593	15,389,011	17,402,439
Total Primary Government Net Position	<u>\$89,874,328</u>	<u>\$94,913,241</u>	<u>\$103,124,036</u>	<u>\$104,222,521</u>

Source: Finance Director's Office

*City of Springboro*

---

---

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$29,738,654	\$28,928,245	\$33,359,772	\$35,279,823	\$36,427,139	\$39,980,429
11,542,608	12,587,110	11,179,852	11,019,862	10,242,352	10,047,132
8,809,701	9,194,739	5,717,437	7,290,300	7,448,349	4,747,303
<u>\$50,090,963</u>	<u>\$50,710,094</u>	<u>\$50,257,061</u>	<u>\$53,589,985</u>	<u>\$54,117,840</u>	<u>\$54,774,864</u>
\$48,566,261	\$49,184,865	\$49,189,885	\$49,691,654	\$50,089,838	\$50,576,992
2,186,063	2,525,520	2,491,880	2,504,293	2,356,441	2,416,605
8,746,907	9,099,578	7,476,070	6,663,660	8,034,076	9,633,876
<u>\$59,499,231</u>	<u>\$60,809,963</u>	<u>\$59,157,835</u>	<u>\$58,859,607</u>	<u>\$60,480,355</u>	<u>\$62,627,473</u>
\$78,304,915	\$78,113,110	\$82,549,657	\$84,971,477	\$86,516,977	\$90,557,421
13,728,671	15,112,630	13,671,732	13,524,155	12,598,793	12,463,737
17,556,608	18,294,317	13,193,507	13,953,960	15,482,425	14,381,179
<u>\$109,590,194</u>	<u>\$111,520,057</u>	<u>\$109,414,896</u>	<u>\$112,449,592</u>	<u>\$114,598,195</u>	<u>\$117,402,337</u>

## City of Springboro

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

	2003	2004	2005	2006
<b>Expenses</b>				
Governmental Activities:				
Security of Persons and Property	\$2,509,238	\$2,514,444	\$2,640,056	\$2,630,222
Public Health and Welfare Services	6,950	8,965	8,780	10,647
Leisure Time Activities	451,964	453,041	509,990	507,364
Community Environment	820,106	607,037	768,207	693,745
Transportation	1,829,937	1,848,412	1,878,604	1,922,942
General Government	3,758,165	3,470,693	4,174,898	4,087,878
Interest and Fiscal Charges	438,662	410,280	505,312	492,472
<i>Total Governmental Activities Expenses</i>	<u>9,815,022</u>	<u>9,312,872</u>	<u>10,485,847</u>	<u>10,345,270</u>
Business-type Activities:				
Golf Course	2,153,667	2,357,184	2,136,737	2,503,701
Water	2,754,140	3,026,472	3,108,710	3,463,779
Sewer	2,462,129	2,451,894	3,410,660	3,202,723
Trash	545,247	591,690	777,021	768,894
Storm Water	0	14,092	198,394	216,285
<i>Total Business-type Activities Expenses</i>	<u>7,915,183</u>	<u>8,441,332</u>	<u>9,631,522</u>	<u>10,155,382</u>
<i>Total Primary Government Expenses</i>	<u>\$17,730,205</u>	<u>\$17,754,204</u>	<u>\$20,117,369</u>	<u>\$20,500,652</u>
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services				
Security of Persons and Property	\$29,809	\$4,572	\$56,722	\$51,861
Leisure Time Activities	232,856	210,156	162,396	84,870
Community Environment	372,617	367,699	363,826	207,017
Transportation	95	9,276	11,465	5,392
General Government	951,148	1,055,041	1,185,351	1,205,212
Operating Grants and Contributions	137,084	761,155	931,375	800,017
Capital Grants and Contributions	6,088,874	368,056	2,021,941	301,873
<i>Total Governmental Activities Program Revenues</i>	<u>7,812,483</u>	<u>2,775,955</u>	<u>4,733,076</u>	<u>2,656,242</u>

*City of Springboro*

2007	2008	2009	2010	2011	2012
\$2,697,240	\$2,982,330	\$3,020,400	\$3,103,506	\$3,084,811	\$3,632,041
11,518	14,060	15,274	15,066	14,697	14,723
534,363	626,883	557,517	571,511	610,141	742,999
736,720	582,985	629,165	649,925	550,746	686,964
2,194,691	2,492,616	2,350,862	2,375,477	2,269,438	2,439,903
4,076,554	5,399,004	8,932,219	4,960,892	4,309,581	4,760,638
466,493	433,470	755,444	740,529	671,891	617,827
<u>10,717,579</u>	<u>12,531,348</u>	<u>16,260,881</u>	<u>12,416,906</u>	<u>11,511,305</u>	<u>12,895,095</u>
2,641,012	3,250,865	2,544,726	2,638,443	2,450,840	2,671,202
3,349,609	3,437,672	3,575,866	3,641,434	3,296,748	3,670,617
3,000,301	3,371,521	3,347,830	3,279,192	3,056,852	2,921,396
796,749	806,723	963,583	1,227,847	959,687	964,704
182,234	305,909	340,633	237,611	308,484	502,364
<u>9,969,905</u>	<u>11,172,690</u>	<u>10,772,638</u>	<u>11,024,527</u>	<u>10,072,611</u>	<u>10,730,283</u>
<u>\$20,687,484</u>	<u>\$23,704,038</u>	<u>\$27,033,519</u>	<u>\$23,441,433</u>	<u>\$21,583,916</u>	<u>\$23,625,378</u>
\$32,256	\$37,942	\$45,540	\$58,947	\$49,435	\$16,979
46,106	22,687	35,404	34,264	32,481	293,221
190,536	85,520	83,011	113,003	105,801	200,293
0	291	35,075	2,725	274,693	291,661
1,275,011	1,373,883	1,520,630	1,674,928	277,137	271,683
950,410	1,072,511	942,623	991,710	938,552	726,537
587,717	1,124,572	1,346,957	1,293,808	1,146,666	35,347
<u>3,082,036</u>	<u>3,717,406</u>	<u>4,009,240</u>	<u>4,169,385</u>	<u>2,824,765</u>	<u>1,835,721</u>

(continued)

## City of Springboro

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

	2003	2004	2005	2006
<b>Business-type Activities:</b>				
<b>Charges for Services</b>				
Golf Course	2,197,741	2,256,350	2,181,616	1,749,643
Water	2,697,118	2,737,202	3,197,131	2,897,468
Sewer	1,904,284	1,752,509	2,239,458	2,118,810
Trash	752,780	686,131	828,675	831,763
Storm Water	0	189,852	235,912	222,619
Capital Grants and Contributions	5,242,698	2,638,394	2,515,267	3,576,737
<i>Total Business-type Activities Program Revenues</i>	<u>12,794,621</u>	<u>10,260,438</u>	<u>11,198,059</u>	<u>11,397,040</u>
<i>Total Primary Government Program Revenues</i>	<u>20,607,104</u>	<u>13,036,393</u>	<u>15,931,135</u>	<u>14,053,282</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(2,002,539)	(6,536,917)	(5,752,771)	(7,689,028)
Business-type Activities	4,879,438	1,819,106	1,566,537	1,241,658
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>\$2,876,899</u>	<u>(\$4,717,811)</u>	<u>(\$4,186,234)</u>	<u>(\$6,447,370)</u>
<b>General Revenues and Other Changes in Net Position</b>				
<b>Governmental Activities:</b>				
Income Taxes	\$6,577,076	\$7,280,875	\$9,341,580	\$9,008,615
Property Taxes	613,347	585,395	605,193	629,933
Other Local Taxes	53,455	59,379	80,126	79,746
Payment in Lieu of Taxes	0	0	157,646	473,153
Intergovernmental, unrestricted	1,233,182	761,646	558,942	566,082
Investment Earnings	204,171	398,038	317,708	478,662
Miscellaneous	380,568	744,882	416,746	326,437
Gain (Loss) on Sale of Assets Held for Resale	0	0	0	0
Transfers	(509,592)	(590,874)	(743,817)	(1,586,000)
<i>Total Governmental Activities</i>	<u>8,552,207</u>	<u>9,239,341</u>	<u>10,734,124</u>	<u>9,976,628</u>
<b>Business-type Activities:</b>				
Investment Earnings	26,667	35,864	627,827	607,060
Transfers	509,592	590,874	743,817	1,586,000
<i>Total Business-type Activities</i>	<u>536,259</u>	<u>626,738</u>	<u>1,371,644</u>	<u>2,193,060</u>
<i>Total Primary Government</i>	<u>\$9,088,466</u>	<u>\$9,866,079</u>	<u>\$12,105,768</u>	<u>\$12,169,688</u>
<b>Change in Net Position</b>				
Governmental Activities	\$6,549,668	\$2,702,424	\$4,981,353	\$2,287,600
Business-type Activities	5,415,697	2,445,844	2,938,181	3,434,718
<i>Total Primary Government Change in Net Position</i>	<u>\$11,965,365</u>	<u>\$5,148,268</u>	<u>\$7,919,534</u>	<u>\$5,722,318</u>

Source: Finance Director's Office



*City of Springboro*

2007	2008	2009	2010	2011	2012
1,719,244	2,081,195	1,759,451	1,923,208	1,815,148	1,974,536
3,244,071	3,084,379	2,879,239	3,090,718	3,703,654	4,892,729
2,243,482	2,494,398	2,403,702	2,640,345	3,184,400	3,847,960
840,248	922,152	889,922	945,873	919,731	931,295
225,774	242,065	240,027	253,925	93,911	190,946
1,171,053	523,074	282,629	485,025	360,540	694,590
<u>9,443,872</u>	<u>9,347,263</u>	<u>8,454,970</u>	<u>9,339,094</u>	<u>10,077,384</u>	<u>12,532,056</u>
<u>12,525,908</u>	<u>13,064,669</u>	<u>12,464,210</u>	<u>13,508,479</u>	<u>12,902,149</u>	<u>14,367,777</u>
(7,635,543)	(8,813,942)	(12,251,641)	(8,247,521)	(8,686,540)	(11,059,374)
(526,033)	(1,825,427)	(2,317,668)	(1,685,433)	4,773	1,801,773
<u>(\$8,161,576)</u>	<u>(\$10,639,369)</u>	<u>(\$14,569,309)</u>	<u>(\$9,932,954)</u>	<u>(\$8,681,767)</u>	<u>(\$9,257,601)</u>
\$9,654,160	\$9,678,509	\$9,640,943	\$10,481,235	\$9,595,447	\$11,234,399
763,912	691,809	720,042	702,808	636,375	624,866
87,807	83,684	70,232	56,322	67,699	57,355
384,014	381,409	538,388	550,819	217,620	111,074
564,359	453,943	646,503	505,227	506,161	426,267
770,851	625,240	309,102	169,589	108,369	58,757
357,341	366,047	503,598	385,479	296,839	233,235
437,706	0	0	93,974	(59,560)	65,954
<u>(3,011,900)</u>	<u>(2,847,568)</u>	<u>(630,200)</u>	<u>(1,365,008)</u>	<u>(1,585,560)</u>	<u>(942,176)</u>
<u>10,008,250</u>	<u>9,433,073</u>	<u>11,798,608</u>	<u>11,580,445</u>	<u>9,783,390</u>	<u>11,869,731</u>
509,099	288,591	35,340	22,197	30,415	27,245
<u>3,011,900</u>	<u>2,847,568</u>	<u>630,200</u>	<u>1,365,008</u>	<u>1,585,560</u>	<u>942,176</u>
<u>3,520,999</u>	<u>3,136,159</u>	<u>665,540</u>	<u>1,387,205</u>	<u>1,615,975</u>	<u>969,421</u>
<u>\$13,529,249</u>	<u>\$12,569,232</u>	<u>\$12,464,148</u>	<u>\$12,967,650</u>	<u>\$11,399,365</u>	<u>\$12,839,152</u>
\$2,372,707	\$619,131	(\$453,033)	\$3,332,924	\$1,096,850	\$810,357
2,994,966	1,310,732	(1,652,128)	(298,228)	1,620,748	2,771,194
<u>\$5,367,673</u>	<u>\$1,929,863</u>	<u>(\$2,105,161)</u>	<u>\$3,034,696</u>	<u>\$2,717,598</u>	<u>\$3,581,551</u>

## *City of Springboro*

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

	2003	2004	2005	2006
<b>General Fund</b>				
Nonspendable	\$0	\$0	\$0	\$0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Reserved	1,491,541	451,350	256,689	307,002
Unreserved	1,145,044	3,178,124	4,106,407	4,595,923
<i>Total General Fund</i>	<u>2,636,585</u>	<u>3,629,474</u>	<u>4,363,096</u>	<u>4,902,925</u>
<b>All Other Governmental Funds</b>				
Nonspendable	\$0	\$0	\$0	\$0
Restricted	0	0	0	0
Unassigned	0	0	0	0
Reserved	1,448,737	932,104	5,232,418	5,302,224
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	636,736	547,372	822,349	1,277,471
Debt Service Funds	(67,752)	0	0	0
Capital Projects Funds	568,707	(3,859,964)	(1,784,381)	(232,619)
<i>Total All Other Governmental Funds</i>	<u>2,586,428</u>	<u>(2,380,488)</u>	<u>4,270,386</u>	<u>6,347,076</u>
<i>Total Governmental Funds</i>	<u><u>\$5,223,013</u></u>	<u><u>\$1,248,986</u></u>	<u><u>\$8,633,482</u></u>	<u><u>\$11,250,001</u></u>

Source: Finance Director's Office

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

*City of Springboro*

2007	2008	2009	2010	2011	2012
\$0	\$0	\$0	\$0	\$118,633	\$141,708
0	0	0	0	356,126	328,242
0	0	0	0	8,809,769	7,524,414
304,124	467,125	458,766	452,474	0	0
5,432,893	5,724,981	5,967,265	7,488,980	0	0
<u>5,737,017</u>	<u>6,192,106</u>	<u>6,426,031</u>	<u>7,941,454</u>	<u>9,284,528</u>	<u>7,994,364</u>
\$0	\$0	\$0	\$0	\$105,578	\$115,026
0	0	0	0	6,058,316	6,947,280
0	0	0	0	(298,460)	(1,012,535)
5,091,688	6,520,184	7,300,879	5,710,045	0	0
983,802	1,115,267	(2,663,656)	1,259,760	0	0
0	0	0	0	0	0
909,425	6,898,355	(1,259,533)	(10,441)	0	0
<u>6,984,915</u>	<u>14,533,806</u>	<u>3,377,690</u>	<u>6,959,364</u>	<u>5,865,434</u>	<u>6,049,771</u>
<u>\$12,721,932</u>	<u>\$20,725,912</u>	<u>\$9,803,721</u>	<u>\$14,900,818</u>	<u>\$15,149,962</u>	<u>\$14,044,135</u>

## City of Springboro

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

	2003	2004	2005	2006
<b>Revenues:</b>				
Municipal Income Taxes	\$6,540,059	\$7,312,583	\$9,119,941	\$8,951,015
Property Tax	666,802	644,774	682,471	716,356
Payment in Lieu of Taxes	0	0	157,646	473,153
Intergovernmental Revenues	2,033,354	1,450,786	2,035,269	1,445,957
Charges for Services	749,372	825,777	924,184	890,655
Fines, Licenses and Permits	801,176	802,255	806,742	627,877
Investment Earnings	204,171	398,038	317,708	478,662
Special Assessments	299,856	432,914	382,752	477,898
Donations	8,588	7,873	8,209	8,787
Payments from Developers	0	0	0	0
All Other Revenue	407,957	691,314	423,325	298,314
<b>Total Revenue</b>	<b>11,711,335</b>	<b>12,566,314</b>	<b>14,858,247</b>	<b>14,368,674</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	2,192,558	2,474,163	2,516,280	2,508,433
Public Health and Welfare Services	6,343	8,965	8,780	10,647
Leisure Time Activities	320,075	342,388	387,963	380,019
Community Environment	739,251	589,764	750,053	679,947
Transportation	628,947	646,669	623,135	561,958
General Government	3,343,835	3,383,311	4,032,228	3,532,737
Capital Outlay	1,179,323	7,466,196	1,833,003	1,925,812
Debt Service:				
Principal Retirement	479,553	562,513	605,986	543,625
Interest and Fiscal Charges	416,250	436,819	509,976	498,708
<b>Total Expenditures</b>	<b>9,306,135</b>	<b>15,910,788</b>	<b>11,267,404</b>	<b>10,641,886</b>
Excess (Deficiency) of Revenues Over Expenditures	2,405,200	(3,344,474)	3,590,843	3,726,788

*City of Springboro*

2007	2008	2009	2010	2011	2012
\$9,706,915	\$9,729,065	\$9,388,476	\$9,710,970	\$10,362,125	\$11,029,649
802,737	800,270	808,536	741,189	702,381	686,985
384,014	381,409	538,388	550,819	217,620	111,074
1,268,711	1,632,075	1,970,660	2,490,006	2,026,299	2,031,769
961,574	980,683	1,231,045	1,325,282	0	0
542,849	366,726	391,751	507,841	406,845	540,093
770,851	625,240	222,636	149,940	150,895	122,346
350,886	509,359	411,661	384,934	402,343	407,512
9,434	7,032	7,588	6,673	770	965
0	972,412	0	0	0	0
330,195	703,199	502,665	364,291	572,759	721,702
<u>15,128,166</u>	<u>16,707,470</u>	<u>15,473,406</u>	<u>16,231,945</u>	<u>14,842,037</u>	<u>15,652,095</u>
2,613,876	2,818,460	2,902,211	2,855,621	2,879,485	2,935,104
11,518	14,060	15,274	15,066	14,697	14,723
418,201	434,357	463,693	463,880	500,822	565,858
725,553	583,002	629,695	608,100	531,565	587,997
813,735	883,759	1,032,978	996,012	802,889	798,160
3,943,581	4,435,165	8,552,889	4,421,751	3,914,962	4,026,518
1,524,581	4,615,996	10,288,484	2,812,497	2,499,123	4,975,287
569,708	599,817	1,146,115	1,180,000	1,115,000	1,375,000
472,490	608,577	766,936	737,543	680,895	618,544
<u>11,093,243</u>	<u>14,993,193</u>	<u>25,798,275</u>	<u>14,090,470</u>	<u>12,939,438</u>	<u>15,897,191</u>
4,034,923	1,714,277	(10,324,869)	2,141,475	1,902,599	(245,096)

(Continued)

## *City of Springboro*

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

	2003	2004	2005	2006
<b>Other Financing Sources (Uses):</b>				
Gain (Loss) on Sale of Assets Held for Resale	0	0	0	315,000
Other Financing Sources - Capital Leases	0	73,827	0	0
Issuance of Special Assessment Bonds	1,840,000	0	0	0
Issuance of General Obligation Bonds	0	0	0	0
Refunding General Obligation Bonds	0	0	0	0
Premium on General Obligation Bonds	0	0	0	0
Premium on Refunding Bonds	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0
Transfers In	2,546,960	2,713,152	3,911,840	3,907,388
Transfers Out	(3,056,888)	(3,319,127)	(4,655,657)	(5,333,388)
<b>Total Other Financing Sources (Uses)</b>	<u>1,330,072</u>	<u>(532,148)</u>	<u>(743,817)</u>	<u>(1,111,000)</u>
<b>Net Change in Fund Balance</b>	<u>\$3,735,272</u>	<u>(\$3,876,622)</u>	<u>\$2,847,026</u>	<u>\$2,615,788</u>
 <b>Debt Service as a Percentage of Noncapital Expenditures</b>	 12.39%	 13.42%	 13.42%	 13.58%

Source: Finance Director's Office

*City of Springboro*

---

2007	2008	2009	2010	2011	2012
437,706	0	0	93,974	(59,560)	65,954
0	0	0	0	0	0
0	0	0	0	0	0
0	8,900,000	0	4,235,000	0	0
0	775,000	0	0	0	0
0	232,146	0	0	0	0
0	20,215	0	0	0	0
0	(785,500)	0	0	0	0
2,761,928	2,497,919	4,816,392	2,589,995	5,036,406	8,258,341
(5,773,828)	(5,345,487)	(5,446,592)	(3,955,003)	(6,621,966)	(9,200,517)
(2,574,194)	6,294,293	(630,200)	2,963,966	(1,645,120)	(876,222)
<u>\$1,460,729</u>	<u>\$8,008,570</u>	<u>(\$10,955,069)</u>	<u>\$5,105,441</u>	<u>\$257,479</u>	<u>(\$1,121,318)</u>
12.22%	13.18%	12.33%	16.43%	16.70%	16.33%

## *City of Springboro*

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

<b>Tax year</b>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Income Tax Rate	1.50%	1.50%	1.50%	1.50%
Estimated Personal Income	\$494,378,000	\$546,416,000	\$567,729,000	\$602,762,000
Total Tax Collected	\$6,683,821	\$7,086,005	\$9,300,710	\$8,193,357
Income Tax Receipts				
Withholding	4,412,779	4,752,968	5,419,613	5,086,290
Percentage	66%	67%	58%	62%
Corporate	875,184	777,214	720,866	749,040
Percentage	13%	11%	8%	9%
Individuals	1,395,858	1,555,823	3,160,231	2,358,027
Percentage	21%	22%	34%	29%
Income Tax by Business Type				
Industrial	\$1,276,266	\$1,435,267	\$1,463,903	\$1,449,585
Education/Government	330,251	364,682	367,225	365,954
Service	836,480	889,236	833,096	861,166
Retail	392,535	403,940	370,263	387,102
Medical	213,987	206,807	245,175	225,991
Construction	30,986	45,306	54,523	49,915
Financial	80,980	96,354	111,192	103,773
Restaurants	154,644	180,124	189,199	184,661
Miscellaneous	27,418	28,343	31,913	30,128
Total Tax	<u>\$3,343,549</u>	<u>\$3,650,060</u>	<u>\$3,666,489</u>	<u>\$3,658,275</u>

Source: City Income Tax Department



*City of Springboro*

2007	2008	2009	2010	2011	2012
1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
\$620,374,000	\$654,241,733	\$628,251,333	\$644,179,933	\$693,039,667	\$736,575,600
\$9,960,281	\$9,813,626	\$9,423,770	\$9,662,699	\$10,395,595	\$11,048,634
5,935,297	6,118,077	5,955,246	5,991,024	6,497,945	6,806,365
60%	62%	64%	62%	63%	61%
1,039,162	955,291	690,695	818,146	979,952	1,180,319
10%	10%	7%	8%	9%	11%
2,985,822	2,740,258	2,777,829	2,853,529	2,917,698	3,061,950
30%	28%	29%	30%	28%	28%
\$1,447,450	\$1,494,079	\$1,264,935	\$1,402,155	\$1,453,710	\$1,554,758
380,932	422,883	473,948	425,921	477,010	471,988
992,999	1,116,287	991,385	1,033,557	1,083,425	1,106,856
392,700	397,920	445,666	412,095	485,974	506,473
262,250	322,173	455,691	346,705	605,814	711,101
55,556	58,918	36,375	50,283	41,463	60,934
127,922	142,226	66,987	112,378	70,622	68,846
192,051	208,443	216,565	205,686	218,327	212,341
31,396	41,401	51,767	41,521	53,562	52,443
<u>\$3,883,256</u>	<u>\$4,204,330</u>	<u>\$4,003,319</u>	<u>\$4,030,301</u>	<u>\$4,489,907</u>	<u>\$4,745,740</u>



## City of Springboro

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

Calendar Year 2012				
Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	3,728	43.95%	\$13,641,047	2.61%
20,000 - 49,999	1,104	13.02%	38,098,712	7.30%
50,000 - 74,999	825	9.73%	51,491,708	9.86%
75,000 - 99,999	769	9.07%	67,169,407	12.86%
Over 100,000	2,055	24.23%	351,766,843	67.37%
Total	8,481	100.00%	\$522,167,716	100.00%

#### Local Taxes Paid by Residents

Taxes Paid to Springboro

Taxes Credited to Other Municipalities

#### Tax Dollars

\$5,061,746

2,599,182

\$7,660,928

Calendar Year 2003				
Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	2,013	31.05%	\$11,614,268	2.71%
20,000 - 49,999	1,139	17.57%	39,104,906	9.11%
50,000 - 74,999	980	15.12%	61,090,601	14.23%
75,000 - 99,999	875	13.50%	76,093,356	17.73%
Over 100,000	1,475	22.76%	241,303,927	56.22%
Total	6,482	100.00%	\$429,207,058	100.00%

#### Local Taxes Paid by Residents

Taxes Paid to Springboro

Taxes Credited to Other Municipalities

#### Tax Dollars

\$2,795,061

3,642,895

\$6,437,956

Source: City Income Tax Department

## *City of Springboro*

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

	2003	2004	2005	2006
<b>Governmental Activities</b> <sup>(1)</sup>				
Special Assessment Bonds Payable	\$3,907,000	\$3,724,000	\$3,515,000	\$3,296,000
Unvoted General Obligation Bonds Payable	3,082,900	2,791,150	2,490,950	2,180,750
Capital Leases	164,037	150,100	53,314	38,890
<b>Business-type Activities</b> <sup>(1)</sup>				
Mortgage Revenue Bonds Payable	\$19,910,000	\$38,096,644	\$37,012,203	\$35,672,762
General Obligation Bonds Payable	4,112,100	3,928,577	3,759,626	3,585,675
Capital Leases	223,502	296,712	200,210	120,279
Total Primary Government	<u>\$31,399,539</u>	<u>\$48,987,183</u>	<u>\$47,031,303</u>	<u>\$44,894,356</u>
<b>Population</b> <sup>(2)</sup>				
City of Springboro	15,596	16,687	16,935	17,980
Outstanding Debt Per Capita	\$2,013	\$2,936	\$2,777	\$2,497
<b>Income</b> <sup>(3)</sup>				
Personal (in thousands)	494,378	546,416	589,338	665,979
Percentage of Personal Income	6.35%	8.97%	7.98%	6.74%

**Sources:**

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

*City of Springboro*

2007	2008	2009	2010	2011	2012
\$3,070,000	\$2,833,000	\$2,595,000	\$2,360,000	\$2,100,000	\$1,705,000
1,852,100	10,646,861	9,729,208	13,001,555	12,128,902	11,153,477
23,832	8,115	0	0	0	0
\$34,293,321	\$22,298,880	\$21,329,439	\$20,329,998	\$19,165,557	\$19,042,376
3,400,174	13,522,197	12,834,107	11,855,661	11,886,815	11,043,330
57,809	340,600	282,030	223,708	161,792	96,063
<u>\$42,697,236</u>	<u>\$49,649,653</u>	<u>\$46,769,784</u>	<u>\$47,770,922</u>	<u>\$45,443,066</u>	<u>\$43,040,246</u>
18,094	18,121	17,871	17,409	17,409	17,409
\$2,360	\$2,740	\$2,617	\$2,744	\$2,610	\$2,472
696,782	709,546	696,755	703,602	745,419	745,419
6.13%	7.00%	6.71%	6.79%	6.10%	5.77%

## *City of Springboro*

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

Year	2003	2004	2005	2006
<b>Population</b> <sup>(1)</sup>	15,596	16,687	16,935	17,980
<b>Assessed Value</b> <sup>(2)</sup>	\$393,984,760	\$421,610,140	\$436,014,232	\$502,197,960
<b>General Bonded Debt</b> <sup>(3)</sup>				
General Obligation Bonds	\$7,195,000	\$6,719,727	\$6,250,576	\$5,766,425
<b>Resources Available to Pay Principal</b> <sup>(4)</sup>	\$0	\$16,181	\$126,482	\$401,568
<b>Net General Bonded Debt</b>	\$7,195,000	\$6,703,546	\$6,124,094	\$5,364,857
<b>Ratio of Net Bonded Debt to Estimated Actual Value</b>	1.83%	1.59%	1.40%	1.07%
<b>Net Bonded Debt per Capita</b>	\$461.34	\$401.72	\$361.62	\$298.38

**Source:**

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

*City of Springboro*

---

---

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
18,094	18,121	17,871	17,409	17,409	17,409
\$504,055,570	\$502,452,780	\$455,700,530	\$461,465,512	\$464,866,000	\$450,215,740
\$5,252,274	\$24,169,058	\$22,563,315	\$24,857,216	\$24,015,717	\$22,196,807
\$463,997	\$690,035	\$957,269	\$1,084,280	\$160,734	\$165,952
\$4,788,277	\$23,479,023	\$21,606,046	\$23,772,936	\$23,854,983	\$22,030,855
0.95%	4.67%	4.74%	5.15%	5.13%	4.89%
\$264.63	\$1,295.68	\$1,209.00	\$1,365.55	\$1,370.27	\$1,265.49





## *City of Springboro*

*Computation of Direct and Overlapping  
Debt Attributable to Governmental Activities  
December 31, 2012*

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to the City of Springboro</u>	<u>Amount Applicable to the City of Springboro</u>
<b>Direct:</b>			
City of Springboro	\$15,808,477 (1)	100.00%	\$15,808,477
<b>Overlapping:</b>			
Warren County	22,693,414	8.95%	<u>2,031,061</u>
		Subtotal	<u>2,031,061</u>
		Total	<u><u>\$17,839,538</u></u>

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

(1) Includes all Governmental Activity Debt, including Notes Payable

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

## City of Springboro

### Debt Limitations Last Ten Years

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<u>Total Debt</u>				
Net Assessed Valuation	\$393,984,760	\$421,610,140	\$436,014,232	\$502,197,960
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	41,368,400	44,269,065	45,781,494	52,730,786
City Debt Outstanding (2)	5,322,900	9,341,150	7,220,950	6,460,750
Less: Applicable Debt Service Fund Amounts	<u>0</u>	<u>(16,181)</u>	<u>(126,482)</u>	<u>(401,568)</u>
Net Indebtedness Subject to Limitation	<u>5,322,900</u>	<u>9,324,969</u>	<u>7,094,468</u>	<u>6,059,182</u>
Overall Legal Debt Margin	<u><u>\$36,045,500</u></u>	<u><u>\$34,944,096</u></u>	<u><u>\$38,687,026</u></u>	<u><u>\$46,671,604</u></u>
<u>Unvoted Debt</u>				
Net Assessed Valuation	\$393,984,760	\$421,610,140	\$436,014,232	\$502,197,960
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	21,669,162	23,188,558	23,980,783	27,620,888
City Debt Outstanding (2)	5,322,900	9,341,150	7,220,950	6,460,750
Less: Applicable Debt Service Fund Amounts	<u>0</u>	<u>(16,181)</u>	<u>(126,482)</u>	<u>(401,568)</u>
Net Indebtedness Subject to Limitation	<u>5,322,900</u>	<u>9,324,969</u>	<u>7,094,468</u>	<u>6,059,182</u>
Overall Legal Debt Margin	<u><u>\$16,346,262</u></u>	<u><u>\$13,863,589</u></u>	<u><u>\$16,886,315</u></u>	<u><u>\$21,561,706</u></u>

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

(2) City Debt Outstanding includes Non Self-Supporting General Obligation Bonds and Notes only.  
Enterprise Debt is not considered in the computation of the Legal Debt Margin.

Source: Finance Director's Office

*City of Springboro*

2007	2008	2009	2010	2011	2012
\$504,055,570	\$502,452,780	\$455,700,530	\$461,465,512	\$464,866,000	\$450,215,740
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
52,925,835	52,757,542	47,848,556	48,453,879	48,810,930	47,272,653
4,552,100	13,346,861	16,372,208	15,501,555	12,128,902	11,153,477
(463,997)	(690,035)	(957,269)	(1,084,280)	(160,734)	(165,952)
<u>4,088,103</u>	<u>12,656,826</u>	<u>15,414,939</u>	<u>14,417,275</u>	<u>11,968,168</u>	<u>10,987,525</u>
<u>\$48,837,732</u>	<u>\$40,100,716</u>	<u>\$32,433,617</u>	<u>\$34,036,604</u>	<u>\$36,842,762</u>	<u>\$36,285,128</u>
\$504,055,570	\$502,452,780	\$455,700,530	\$461,465,512	\$464,866,000	\$450,215,740
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
27,723,056	27,634,903	25,063,529	25,380,603	25,567,630	24,761,866
4,552,100	13,346,861	16,372,208	15,501,555	12,128,902	11,153,477
(463,997)	(690,035)	(957,269)	(1,084,280)	(160,734)	(165,952)
<u>4,088,103</u>	<u>12,656,826</u>	<u>15,414,939</u>	<u>14,417,275</u>	<u>11,968,168</u>	<u>10,987,525</u>
<u>\$23,634,953</u>	<u>\$14,978,077</u>	<u>\$9,648,590</u>	<u>\$10,963,328</u>	<u>\$13,599,462</u>	<u>\$13,774,341</u>

## *City of Springboro*

### *Pledged Revenue Coverage Last Ten Years*

	2003	2004	2005	2006
<b>Water System Bonds (1 a)</b>				
Gross Revenues (2)	\$2,706,927	\$2,741,352	\$3,334,461	\$3,071,933
Direct Operating Expenses (3)	1,455,464	1,722,922	1,840,597	2,181,422
Net Revenue Available for Debt Service	1,251,463	1,018,430	1,493,864	890,511
Annual Debt Service Requirement	1,330,874	1,329,476	1,298,390	1,326,057
Coverage	0.94	0.77	1.15	0.67
<b>Sewer System Bonds (1 b)</b>				
Gross Revenues (2)	\$1,904,125	\$1,751,800	\$2,684,569	\$2,483,615
Direct Operating Expenses (3)	1,774,868	1,617,297	2,025,640	1,880,995
Net Revenue Available for Debt Service	129,257	134,503	658,929	602,620
Annual Debt Service Requirement	378,775	380,528	1,512,549	1,644,532
Coverage	0.34	0.35	0.44	0.37
<b>Special Assessment Bonds (4)</b>				
Special Assessment Collections	\$299,856	\$432,914	\$382,752	\$477,898
Debt Service				
Principal	127,000	183,000	209,000	219,000
Interest	123,188	220,314	191,359	181,963
Coverage	1.20	1.07	0.96	1.19

- (1) The Mortgage Revenue Bonds were issued as follows:
- (a) The Water system Mortgage Revenue Bonds were issued in 2004, in the amount of \$3,255,000
  - (b) The Sewer system Mortgage Revenue Bonds were issued in 2004, in the amount of \$18,310,000 Partially defeased in 2012.
  - (b) The Sewer system Mortgage Revenue Bonds were issued in 2011, in the amount of \$2,040,000.
  - (b) The Sewer system Mortgage Revenue Bonds were issued in 2012, in the amount of \$10,295,000.
- (2) Gross revenues include operating revenues plus interest income.
- (3) Direct operating expenses include operating expenses less depreciation.
- (4) This includes several different Special Assessment Bond issues.

Source: City Finance Director's Office

*City of Springboro*

---

2007	2008	2009	2010	2011	2012
\$3,489,537	\$3,252,627	\$2,897,513	\$3,100,393	\$3,716,585	\$4,902,949
2,092,356	2,189,111	2,390,341	2,460,853	2,121,551	2,571,976
1,397,181	1,063,516	507,172	639,540	1,595,034	2,330,973
1,301,242	1,301,142	294,272	298,601	294,801	298,051
1.07	0.82	1.72	2.14	5.41	7.82
\$2,493,083	\$2,612,246	\$2,423,160	\$2,654,117	\$3,202,051	\$3,864,985
1,545,645	1,683,534	1,659,795	1,750,014	1,644,881	1,849,513
947,438	928,712	763,365	904,103	1,557,170	2,015,472
1,627,008	1,625,816	1,627,332	1,619,455	1,631,378	1,328,452
0.58	0.57	0.47	0.56	0.95	1.52
\$350,886	\$509,359	\$411,661	\$384,934	\$402,343	\$407,512
226,000	237,000	238,000	235,000	260,000	265,000
171,571	160,339	148,330	135,728	123,295	109,318
0.88	1.28	1.07	1.04	1.05	1.09

# City of Springboro

## Demographic and Economic Statistics Last Ten Years

Calendar Year	2003	2004	2005	2006
<b>Population</b> (1)				
City of Springboro (a)	15,596	16,687	16,935	17,980
Warren County	158,383	158,383	196,622	196,622
<b>Income</b> (2) (a)				
Total Personal (in thousands)	494,378	546,416	589,338	665,979
County Per Capita	31,699	32,745	34,800	37,040
<b>Unemployment Rate</b> (3)				
Federal	5.8%	6.0%	5.5%	4.6%
State	5.7%	6.1%	6.0%	5.5%
Warren County	4.4%	4.5%	4.4%	4.9%
<b>Civilian Work Force Estimates</b> (3)				
State	5,915,000	5,875,300	5,900,400	5,934,000
Warren County	93,900	99,200	100,200	105,600
<b>Employment Distribution by Occupation</b> (4)				
Industrial	2,424	2,743	2,333	1,889
Education/Government	853	905	926	1,120
Service	3,054	3,249	3,768	3,358
Retail	1,850	1,899	1,974	1,868
Medical	598	671	767	799
Construction	118	152	143	96
Financial	177	244	266	260
Restaurants	2,071	2,246	2,426	2,749
Miscellaneous	247	315	339	391

**Sources:**

(1) US Bureau of Census of Population

(a) City of Springboro Community Development Department

(2) US Department of Commerce, Bureau of Economic Analysis information is only available through 2011 for the presentation of 2012 statistics, the City is using the latest information available.

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

(3) State Department of Labor Statistics

(4) Source: City Income Tax Department

*City of Springboro*

2007	2008	2009	2010	2011	2012
18,094	18,121	17,871	17,409	17,409	17,409
196,622	196,622	196,622	212,693	212,693	212,693
696,782	709,546	696,755	703,602	745,419	745,419
38,509	39,156	38,988	40,416	42,818	42,818
4.6%	5.8%	9.3%	9.6%	8.9%	8.1%
5.6%	6.6%	10.2%	10.1%	8.6%	7.2%
4.6%	5.5%	8.8%	8.9%	7.6%	6.3%
5,976,500	5,986,400	5,970,200	5,897,600	5,806,000	5,747,900
107,800	108,500	109,300	108,300	109,200	109,100
2,360	2,259	2,314	2,312	2,390	2,386
987	1,099	1,195	1,100	1,122	1,096
3,711	3,963	3,869	2,295	2,270	2,317
1,956	1,961	1,919	1,528	1,448	1,409
792	913	1,023	1,235	1,499	1,534
141	128	119	127	110	212
259	271	274	157	176	170
2,514	2,569	2,534	1,991	1,828	1,917
353	376	390	355	332	339





## *City of Springboro*

### *Principal Employers Current Year and Nine Years Ago*

Employer	Nature of Business	2012		
		Number of Employees	Rank	Percentage of Total Employment
Springboro Community Schools	Education	845	1	7.43%
DLM Springboro, LLC	Grocery Store	324	2	2.85%
Gayston Corp	Industry	316	3	2.78%
Sourcelink Ohio, LLC	Industry	298	4	2.62%
Hillspring Rehabilitation Center	Nursing Home	264	5	2.32%
Miami Valley Dinner Theatre	Dinner Theatre	242	6	2.13%
Dayton Metro YMCA	YMCA Center	232	7	2.04%
General Dynamics Armament and Technical Products	Industry	197	8	1.73%
Kmart	Retail	177	9	1.56%
Kelchner, Inc	Construction	174	10	1.53%
Total		<u>3,069</u>		
Total Employment within the City		<u><u>11,380</u></u>		

Employer	Nature of Business	2003		
		Number of Employees	Rank	Percentage of Total Employment
Springboro Community Schools	Education	691	1	5.16%
Commercial Data Center, Inc	Industry	602	2	4.49%
Miami Valley Dinner Theatre	Dinner Theatre	356	3	2.66%
Pioneer Automotive Tech, Inc	Industry	341	4	2.55%
Gayston Corp	Industry	321	5	2.40%
Thomas & King, Inc	Restaurant	304	6	2.27%
Hillspring Rehabilitation Center	Nursing Home	294	7	2.19%
DLM Springboro, LLC	Grocery Store	278	8	2.08%
Kroger Limited Partnership	Grocery Store	259	9	1.93%
Continental Transport, Inc	Industry	211	10	1.58%
Total		<u>3,657</u>		
Total Employment within the City		<u><u>13,395</u></u>		

**Sources:**

Source: City Income Tax Department

## City of Springboro

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

	2003	2004	2005	2006	2007
<b>Governmental Activities</b>					
General Government					
Finance	5.50	5.50	5.50	5.50	6.00
Income Tax	2.50	2.50	2.50	2.50	2.50
Mayor's Court	2.00	2.00	2.00	2.00	2.00
City Manager's Office	3.00	3.00	3.00	3.00	3.00
Computer Administration	1.00	1.00	1.00	1.00	1.00
Council/Clerk of Council	1.50	1.50	1.50	1.50	1.50
Security of Persons and Property					
Police	23.00	23.00	23.00	23.00	25.00
Dispatch	7.00	7.00	7.00	7.00	6.00
Transportation					
Street	7.00	7.00	7.00	7.00	6.50
Leisure Time Activities					
Parks and Recreation	5.25	5.25	5.25	6.25	6.25
Community Environment					
Economic Development	1.00	0.00	0.00	0.00	0.00
Engineering	2.00	2.00	2.00	2.00	2.00
Building and Zoning	5.00	7.00	7.00	6.00	6.00
<b>Business-Type Activities</b>					
Utilities					
Water	5.50	5.50	5.50	5.50	4.50
Sewer	1.50	1.50	1.50	1.50	1.50
Trash	1.00	1.00	1.00	1.00	1.00
Golf Maintenance	0.00	0.00	0.00	0.00	11.00
<i>Total Employees</i>	<u>73.75</u>	<u>74.75</u>	<u>74.75</u>	<u>74.75</u>	<u>85.75</u>

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

Source: Finance Director's Office

*City of Springboro*

---

---

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
6.00	6.00	6.00	6.00	6.00
2.50	2.50	3.00	3.00	3.00
2.00	2.00	2.50	2.50	1.50
3.00	3.00	3.00	3.00	3.00
1.00	1.00	1.50	1.00	1.00
1.50	1.50	4.50	4.50	4.50
26.00	26.00	26.00	26.00	26.00
5.00	5.00	4.00	4.00	4.00
6.50	6.50	7.75	7.25	7.25
6.25	6.25	7.25	9.50	11.00
0.00	0.00	0.00	0.00	0.00
2.00	2.00	3.50	3.50	3.50
5.00	5.00	2.50	2.50	2.50
4.50	4.50	5.00	5.00	5.00
1.50	1.50	1.00	1.00	1.00
1.00	1.00	0.00	0.00	0.00
<u>11.00</u>	<u>11.00</u>	<u>10.00</u>	<u>8.75</u>	<u>9.25</u>
<u>84.75</u>	<u>84.75</u>	<u>87.50</u>	<u>87.50</u>	<u>88.50</u>

## *City of Springboro*

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

	2003	2004	2005	2006	2007
<b>Governmental Activities</b>					
General Government					
Court					
Number of Criminal Cases	185	260	372	329	101
Number of Traffic Cases	1,595	1,596	1,678	2,014	1,895
Number of Citations	1,975	1,836	1,841	2,121	1,996
Number of Offenses	2,039	2,027	2,160	2,460	2,364
Number of Open Cases	398	459	562	526	522
Licenses and Permits					
Number of Residential Building Permits	283	210	140	80	42
Number of Commercial Building Permits	36	94	127	25	16
Number of Residential Building Inspections	9,124	7,504	4,639	3,369	1,934
Number of Commercial Building Inspections	1,669	1,797	2,420	1,442	1,176
Security of Persons and Property					
Police					
Number of Calls for Service	9,574	9,830	13,512	15,569	15,345
Number of Criminal Arrests	532	628	704	776	910
Number of DUI Arrests	92	103	154	112	120
Number of Traffic Accidents	373	357	372	381	318
Transportation					
Street					
Number of Streets Resurfaced	15	7	17	11	7
Community Environment					
Number of New Jobs	700	550	690	495	422
<b>Business-Type Activities</b>					
Golf Course					
Number of Rounds	36,773	37,189	35,412	34,554	33,380
Water					
Number of Service Connections	5,821	6,423	6,994	7,104	7,452
Daily Average Consumption (MGD)	1.865	1.976	2.050	1.920	2.270
Peak Daily Consumption (MGD)	4.003	4.118	4.630	4.124	4.300
Sewer					
Number of Service Connections	5,798	6,327	6,951	6,992	7,012
Daily Average Sewage Treatment (MGD)	2.165	2.171	2.226	2.406	2.310
Trash					
Number of Customers Served	5,683	5,266	6,814	6,928	6,950

Source: Finance Director's Office

*City of Springboro*

---

---

2008	2009	2010	2011	2012
425	389	424	425	364
1,900	2,245	2,384	1,605	1,729
1,872	2,376	2,773	1,943	2,005
2,072	2,612	3,037	2,170	2,253
569	568	679	655	704
14	19	25	24	67
14	2	3	8	6
956	979	1,106	1,218	2,226
667	465	745	594	747
14,470	18,215	18,622	17,311	18,597
696	747	1,104	917	807
88	106	110	113	105
346	217	303	296	250
24	25	4	15	5
215	97	104	121	94
38,606	39,722	38,124	32,301	37,522
7,457	7,382	7,412	7,506	7,713
2,270	1,960	2,250	2,300	2,420
4,300	3,620	4,350	4,400	4,450
7,047	7,566	7,608	7,734	8,211
2,310	2,000	2,380	2,400	2,120
6,985	5,603	5,686	5,672	5,743

## *City of Springboro*

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

	2003	2004	2005	2006	2007
<b>Governmental Activities</b>					
General Government					
Public Land and Buildings					
Land (acres)	556	637	650	645	619
Buildings	11	13	15	15	14
Licensed Vehicles	6	7	6	8	7
Library	1	1	1	1	1
Security of Persons and Property					
Police					
Stations	1	1	1	1	1
Vehicles	18	15	19	21	18
Transportation					
Street					
Number of Paved Streets	337	345	357	360	364
Total Paved Miles	84	86	88	89	90
Street Lights	117	117	117	117	117
Signal Controlled Intersections	13	13	13	13	14
Licensed Vehicles	16	16	14	16	16
Leisure Time Activities					
Parks and Recreation					
Land (acres)	131	212	228	228	228
Buildings	8	8	9	10	11
Parks	3	4	4	4	4
Playgrounds	2	2	3	3	4
Tennis Courts	4	4	4	4	4
Skate Board Park	1	1	1	1	1
Baseball/Softball Diamonds	7	7	8	8	8
Basketball Courts	2	2	2	2	2
Soccer Fields	6	6	6	6	6
Licensed Vehicles	3	3	3	6	6

*City of Springboro*

---

---

2008	2009	2010	2011	2012
613	613	610	608	594
14	14	14	14	14
7	7	7	9	7
1	1	1	1	1
1	1	1	1	1
21	20	20	20	21
365	366	366	366	366
90	91	91	91	91
117	117	117	117	118
15	16	16	16	17
16	16	16	16	18
232	232	232	232	387
11	11	11	11	11
4	4	4	4	4
4	4	4	4	4
4	4	4	4	4
1	1	1	0	0
8	9	9	10	10
2	2	2	2	2
6	6	6	8	8
6	6	6	6	4

(Continued)

## *City of Springboro*

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

	2003	2004	2005	2006	2007
<b>Business-Type Activities</b>					
Golf Course / Clubhouse					
Land (acres)	188	188	188	188	188
Buildings	10	10	11	11	11
Golf Carts	80	80	80	80	84
Licensed Vehicles	1	1	1	1	1
Utilities					
Water					
Water Towers	3	3	3	4	4
Waterlines (Miles)	81	83	86	89	0
Water Treatment Plant	1	1	1	1	1
Buildings	3	3	3	3	3
Licensed Vehicles	5	5	9	10	9
Pump Stations	5	5	5	5	5
Storage Capacity (thousands of gallons)	4,100,000	4,100,000	4,100,000	5,100,000	5,100,000
Sewer					
Sewage Treatment Plant	1	1	1	1	1
Buildings	3	3	3	7	7
Licensed Vehicles	0	0	0	1	5
Sewerlines (Miles)	66	71	74	76	0
Lift Stations	10	10	10	10	9

Source: Finance Director's Office



*City of Springboro*

---

---

2008	2009	2010	2011	2012
188	188	188	188	188
11	11	11	11	11
84	84	84	84	78
1	1	1	1	1
4	4	4	4	4
0	0	0	0	0
1	1	1	1	1
3	3	3	3	3
9	12	12	12	12
0	4	4	4	4
5,100,000	5,100,000	5,100,000	5,100,000	5,100,000
1	1	1	1	1
7	7	7	7	7
2	2	3	4	4
0	0	0	0	0
8	8	8	8	8





# Dave Yost • Auditor of State

**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 9, 2013**