

**CITY OF SPRINGBORO**  
**WARREN COUNTY**  
**REGULAR AUDIT**  
**JANUARY 1, 2015 – DECEMBER 31, 2015**







# Dave Yost • Auditor of State

Members of Council  
City of Springboro  
320 West Central Avenue  
Springboro, Ohio 45066

We have reviewed the *Independent Auditor's Report* of the City of Springboro, Warren County, prepared by Wilson, Shannon & Snow, Inc., for the audit period January 1, 2015 through December 31, 2015. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of Springboro is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

July 1, 2016

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**CITY OF SPRINGBORO  
WARREN COUNTY**

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**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, (the City) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 26, 2016 where in we noted the City adopted GASB Statement No. 68 and 71 as disclosed in Note 2.

***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.

*Wilson, Shannon & Snow, Inc.*

**CERTIFIED PUBLIC ACCOUNTANTS**  
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City of Springboro  
Warren County  
Independent Auditor's Report on Internal Control  
Over Financial Reporting and on Compliance and Other Matters  
Required By *Government Auditing Standards*

***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.

*Wilson, Shuman & Snow, Inc.*

Newark, Ohio  
May 26, 2016

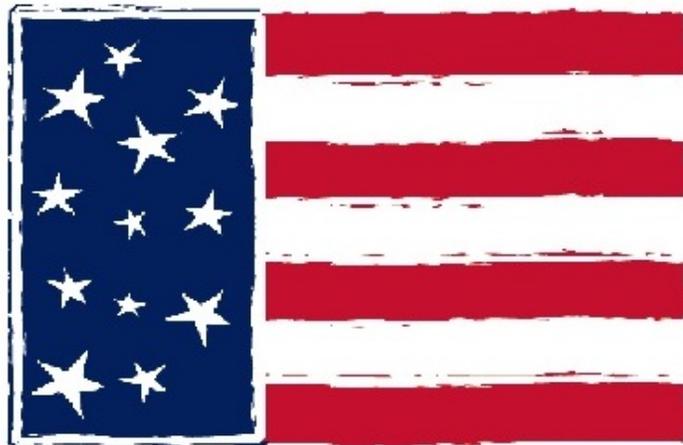
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# **CITY OF SPRINGBORO, OHIO**

## **Comprehensive Annual Financial Report**

**For the Year Ended December 31, 2015**

**SPRINGBORO**



**BICENTENNIAL**

1815 - 2015



CITY OF SPRINGBORO  
320 West Central Avenue  
Springboro, Ohio 45066  
phone (937) 748-4343  
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WARREN COUNTY, OHIO

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## *INTRODUCTORY SECTION*

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# CITY OF SPRINGBORO

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

phone (937) 748-4343

fax (937) 748-6859

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May 26, 2016

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, 2015. 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 thirty-seven 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, 2015***

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***REPORTING ENTITY AND SERVICES***

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

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves their budget, the issuance of their debt or the levying of their taxes. The 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, the Warren County Transportation Improvement District and the Montgomery County Transportation Improvement District were determined to be jointly governed organizations and the Ohio Municipal League of Workers' Compensation Group Rating Plan was determined to be a group purchasing pool. These entities are discussed further in Notes 16 and 17 within the notes to the financial statements.

***ECONOMIC OUTLOOK***

Growth and development within the City of Springboro is expected to exceed the national and state average due to the City's physical location along Interstate 75 between Cincinnati and Dayton. The United States Census Bureau officially counted population in the City of Springboro on April 1, 2010 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 2015, 67 single-family residential construction permits were issued. This is an increase from 2014 and reflective of projections.

Springboro is an important center for manufacturing and service industries. Metal fabrication, electronics assembly, distribution and aerospace comprise a substantial portion of the economic base in this region. Pioneer Industrial Components assembles audio components for the automobile industry. Advanced Engineering designs solutions for interiors of domestic and foreign vehicles, and Bosch Batteries develops nickel-hybrid batteries for BMW and Fiat vehicles. Thaler Machine designs and manufactures parts for the aerospace and defense industries. These few companies alone generate over 700 jobs. If you combine the employment of Springboro's three electronics parts distributors, Dalco Electronics, MCM Electronics and Parts Express International, these industry sectors generate over 1,100 jobs in the City. Add to that Victory Wholesale Grocers, a national grocery distributor and Klosterman Bakery, a bread distributor, Springboro's prominence as a distribution center becomes evident.

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

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### ***Letter of Transmittal For the Year Ended December 31, 2015***

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Over 500 businesses call Springboro home, including corporate headquarters, branch offices and bustling distribution and retail/service establishments.

Since the City annexed the South Tech Business Park in 1997 and began marketing the Stolz Industrial Park and Commercial Way Industrial Park, industrial growth in Springboro has blossomed. In November 2004, the City of Springboro purchased the remaining 89 acres of land at the South Tech Business Park on the northern edge of the City. Three new businesses have purchased land from the City and have built facilities over the past few years. These three businesses are: SB Specialty Metals a fabricator of steel products; Renegade Corporation, which creates composite materials for the Joint Strike Fighter, and one of only two companies in the United State certified by DOD for their particular composite; and Children's Medical Center, which is operating an out-patient urgent care center.

The City has recently extended West Tech Boulevard 1,100 linear feet to open an additional 30 acres of property for development and the City is currently working with Mills-Morgan to develop the Ascent, a thirteen building office park, which will be marketed to business prospects interested in locating near the Austin Boulevard Interchange on Interstate 75. The first business to open on the newly extended West Tech Boulevard, Shiver Security, employs 25 employees.

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 (2015):**

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

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

In 2014, a generator was purchased for the Sparc N' Go Facility to allow continued services in the event of power outages and a fence was installed along one side of the facility.

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

The City has an annual resurfacing and miscellaneous street repair program that is completed each year. Sidewalks were installed in various areas of the City as per the Mobility Master Plan. Improvements to the intersection of SR 73 and SR 741 began in 2014 and will continue over the next few years. Improvements to a portion of Red Lion Five Points Road was done in 2015. Concrete work started in the Royal Oaks Subdivision and will take a couple years to complete. SR73, from SR741 to I-75 was resurfaced as an ODOT project. Improvements were made to Cherry Street and the intersection of SR73 and N Pioneer Blvd.

***Letter of Transmittal  
For the Year Ended December 31, 2015***

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***Park Improvements:***

Improvements to Clearcreek Park in 2015 included Phase II of the construction of an asphalt walking path around the entire park began in 2015. There was a new Sparc N Go facility constructed along north SR741 for bike and pedestrian traffic. Hazel Woods Park is 108 acres of park land and the City is working to determine future use and development of the park. In 2014, a Master Plan for the park was completed and design work for a bridge to access the 108 acres was completed. Improvements at Community Park in 2015 included the replaced of a park shelter at the west end of the park.

***Water Capital Improvements:***

The Tamarack Hills Water Main Replacement program continued in 2015, replacing a 6” water main with an 8” water main and will be done over several years. Survey and design and various other water mains began in 2015 with replacement of these mains in 2016.

***Sewer Capital Improvements:***

Influent piping was designed in 2015 and new valves for the Wastewater Treatment Plant oxidation/clarifier were installed.

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

Several catch basin repairs/replacements occurred in the Royal Oaks Subdivision in conjunction with the concrete work going on in that area.

***Golf Course Improvements:***

Improvements at the clubhouse continued in 2015 to maintain quality standards. These improvements included new/additional security cameras and new landscaping around the clubhouse. Improvements were made to the driving range area and some automatic tees were installed.

**For the Future (2016):**

***General Capital Improvements:***

There is no general capital projects scheduled for 2016.

***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 2016 budget includes funding for \$5,235,000 of street capital improvements in various areas: \$650,000 for street resurfacing; \$350,000 is designated for Royal Oaks Subdivision concrete work, which includes replacement of curb, sidewalk and driveway aprons; \$150,000 is for West Factory Road Improvements; \$60,000 is for the installation of bike lanes and shared lanes; \$4,000,000 is for improvements to the intersection of SR73 and SR741; \$10,000 is designated for a street sweeper debris dumping area; and \$25,000 for the installation of various sidewalks.

***Park Improvements:***

The 2016 budget includes: \$150,000 for improvements to Clearcreek Park that includes Phase III of an asphalt walking path around the entire park and will complete this project; \$25,000 for improvements to North Park is to erect solar lighting within the parking area; \$150,000 for improvements to Community Park that includes replacement of an existing concession stand, installation of permanent bleachers and rehabilitation of the tennis courts; and \$17,500 improvements to the retention pond at Gardner Park.

***Letter of Transmittal  
For the Year Ended December 31, 2015***

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***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 2016 budget includes funding for \$1,070,000 water capital improvements as follows: \$325,000 for the replacement of a 6" water main with an 8" water main in the Tamarack Hills Subdivision; \$395,000 for replacement of a 6" water main with an 8" water main in the Royal Oaks Subdivision; and \$350,000 to paint the interior and exterior of the Pennyroyal Water Tower.

***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. There is no sewer capital projects scheduled for 2016.

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

There is no storm water capital projects scheduled for 2016.

***Golf Course Improvements:***

Heatherwoode Golf Course improvements for 2016 include: \$20,000 for emergency repairs; \$40,000 to sealcoat the parking lot and repave behind the clubhouse; \$30,000 for driving range improvements; and \$10,000 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.

***Letter of Transmittal  
For the Year Ended December 31, 2015***

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

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

***OTHER INFORMATION***

***Independent Audit:***

An audit team from the Wilson, Shannon and Snow, Inc. has performed this year's audit. The independent auditor's unmodified opinion has been included in the Independent Auditor's Report.

***Certificate of Achievement:***

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Springboro, Ohio, for its Comprehensive Annual Financial Report for the year ended December 31, 2014. This was the twenty-sixth 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**

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***List of Principal Officials  
For the Year Ended December 31, 2015***

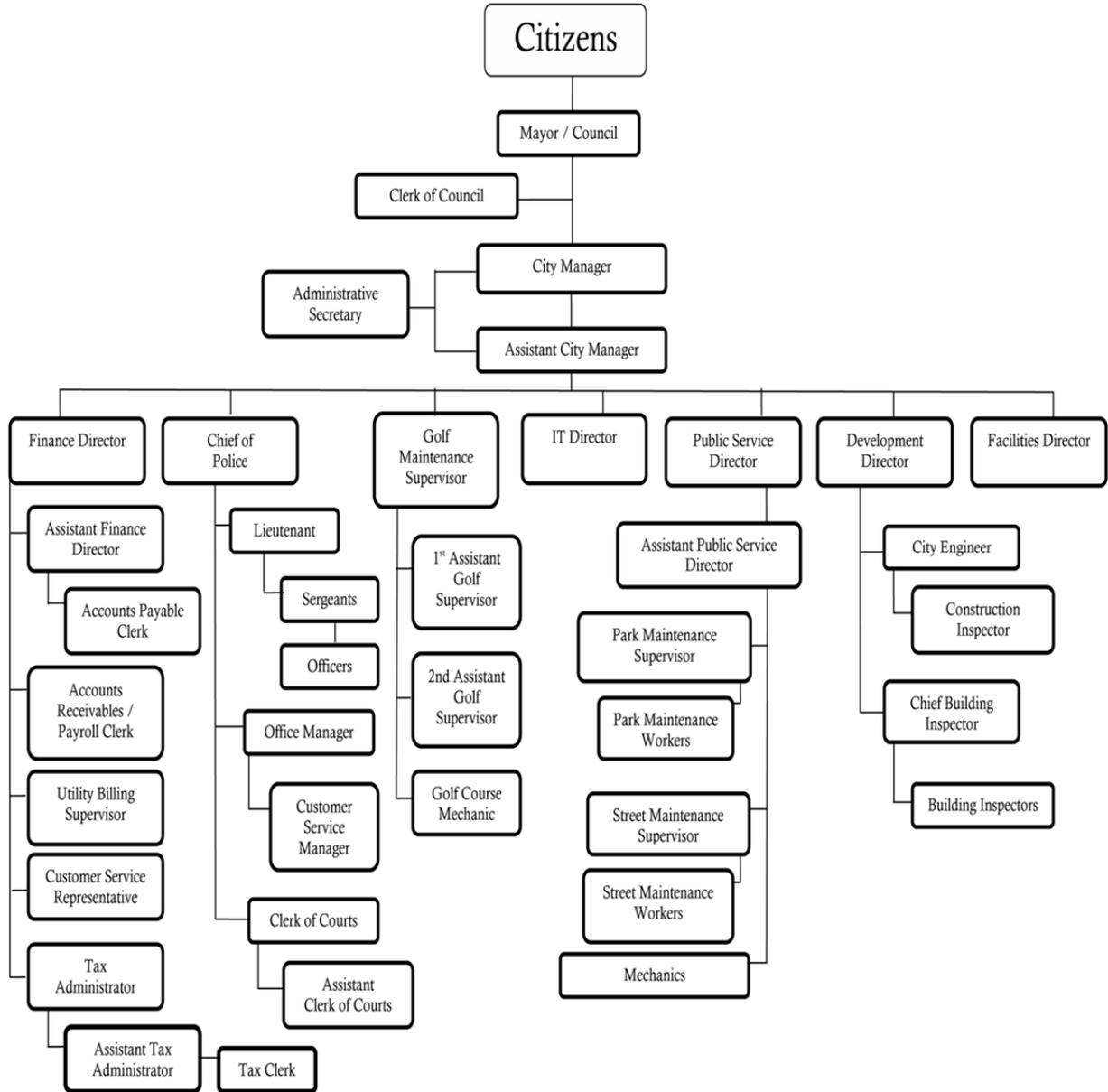
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<b><i>Council</i></b>	<b><i>Title</i></b>	<b><i>Years of Service *</i></b>	<b><i>Term expires</i></b>
John Agenbroad	Mayor	20	December 2015
Janie Ridd	Councilman Ward 1	2	December 2017
Dale Brunner	Councilman Ward 2	<1	December 2017
Bruce Moore	Councilman Ward 3	6	December 2017
Jim Chmiel	Councilman Ward 4	14	December 2017
Becky Iverson	Councilman at Large	4	December 2015
Gary Hruska	Councilman at Large	14	December 2015

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

\* 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, 2015**





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Springboro  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2014**



Executive Director/CEO

## *FINANCIAL SECTION*

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

## INDEPENDENT AUDITOR'S REPORT

To the City Council:

### ***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 the City of Springboro, Warren County, Ohio (the City), as of and for the year ended December 31, 2015, 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.

*Wilson, Shannon & Snow, Inc.*

**CERTIFIED PUBLIC ACCOUNTANTS**  
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FAX (740) 345-5635

***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 the City of Springboro, Warren County, Ohio, as of December 31, 2015, 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 the year ended December 31, 2015, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and also GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. We did not modify our opinion regarding 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* and schedules of net pension liabilities and pension contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

***Supplementary and Other Information***

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

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

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

City of Springboro  
Warren County  
Independent Auditor's Report

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 May 26, 2016 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Wilson, Shannon & Sons, Inc.*

Newark, Ohio  
May 26, 2016



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, 2015. 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 2015 are as follows:

- ❑ In total, net position increased \$9.6 million. Net position of governmental activities increased \$4.9 million which represents a 9% increase from 2014 (as restated). Net position of business-type activities increased \$4.7 million or 6.7 % from 2014 (as restated).
- ❑ General revenues accounted for \$14.9 million in revenue or 47.8% of all revenues. Program specific revenues in the form of charges for services and sales and grants and contributions accounted for 52.2% of total revenues of \$31.2 million.
- ❑ Total net position of governmental activities increased by \$4,910,286 in total. This increase is primarily due to increased income tax revenue, capital grant revenues and decreased expenses.
- ❑ The City had \$11.8 million in expenses related to governmental activities; \$2.9 million of these expenses were offset by program specific charges for services and sales, grants or contributions. General revenues (primarily taxes) of \$14.9 million were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$10.5 million in revenues and \$12.8 million in expenditures and other financing uses. The general fund's fund balance decreased \$2,261,128.
- ❑ Net position for enterprise funds increased by \$4,697,461. This increase was the result of increased revenue collections, which exceeded the minimal increase in expenditures.

### **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, liabilities and deferred inflows/outflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

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

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

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

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

**Fund Financial Statements**

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

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

**CITY OF SPRINGBORO, OHIO**

**Management's Discussion and Analysis  
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**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 2015 compared to 2014:

	Governmental Activities		Business-type Activities		Total	
	2015	Restated 2014	2015	Restated 2014	2015	Restated 2014
Current and other assets	\$23,353,262	\$22,137,990	\$19,401,985	\$16,746,068	\$42,755,247	\$38,884,058
Capital assets, Net	53,730,714	51,660,143	79,039,992	79,077,694	132,770,706	130,737,837
Total assets	<u>77,083,976</u>	<u>73,798,133</u>	<u>98,441,977</u>	<u>95,823,762</u>	<u>175,525,953</u>	<u>169,621,895</u>
Deferred Outflows of Resources	796,158	530,306	1,490,852	1,523,518	2,287,010	2,053,824
Net Pension Liability	5,637,782	5,382,924	1,023,373	978,610	6,661,155	6,361,534
Long-term debt outstanding	11,384,059	12,438,462	23,821,949	26,000,377	35,206,008	38,438,839
Other liabilities	519,701	1,117,940	591,006	586,843	1,110,707	1,704,783
Total liabilities	<u>17,541,542</u>	<u>18,939,326</u>	<u>25,436,328</u>	<u>27,565,830</u>	<u>42,977,870</u>	<u>46,505,156</u>
Deferred Inflows of Resources	781,852	742,659	17,590	0	799,442	742,659
Net investment in capital assets	46,648,334	43,618,251	56,633,201	54,601,283	103,281,535	98,219,534
Restricted	14,312,206	10,366,896	2,398,893	2,386,606	16,711,099	12,753,502
Unrestricted	(1,403,800)	661,307	15,446,817	12,793,561	14,043,017	13,454,868
Total net position	<u>\$59,556,740</u>	<u>\$54,646,454</u>	<u>\$74,478,911</u>	<u>\$69,781,450</u>	<u>\$134,035,651</u>	<u>\$124,427,904</u>

During 2015, the City adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions— an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

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

***Management's Discussion and Analysis  
For the Year Ended December 31, 2015***

***Unaudited***

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

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

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

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

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

As a result of implementing GASB 68, the City is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2014. The net pension liability and deferred outflows reduced beginning of year net position (net) by \$4,852,618 in governmental activities and \$853,797 in business-type activities.

**CITY OF SPRINGBORO, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2015**

**Unaudited**

Changes in Net Position – The following table shows the changes in net position for 2015 compared to 2014:

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues						
Program Revenues:						
Charges for Services and Sales	\$1,005,274	\$1,107,008	\$11,906,569	\$11,828,518	\$12,911,843	\$12,935,526
Operating Grants and Contributions	1,017,011	979,678	0	0	1,017,011	979,678
Capital Grants and Contributions	857,004	108,708	1,502,175	1,060,632	2,359,179	1,169,340
Total Program Revenues	2,879,289	2,195,394	13,408,744	12,889,150	16,288,033	15,084,544
General revenues:						
Income Taxes	13,274,634	11,925,126	0	0	13,274,634	11,925,126
Property Taxes	768,398	870,963	0	0	768,398	870,963
Other Local Taxes	73,476	69,690	0	0	73,476	69,690
Payment in Lieu of Taxes	103,114	96,645	0	0	103,114	96,645
Intergovernmental, unrestricted	259,602	253,287	0	0	259,602	253,287
Investment Earnings	77,545	77,679	44,023	42,366	121,568	120,045
Miscellaneous	332,784	258,713	0	0	332,784	258,713
Gain (Loss) on Sale of Assets						
Held for Resale	0	2,305	0	0	0	2,305
Total General Revenues	14,889,553	13,554,408	44,023	42,366	14,933,576	13,596,774
Total Revenues	17,768,842	15,749,802	13,452,767	12,931,516	31,221,609	28,681,318
Program Expenses						
Security of Persons and Property	3,333,613	3,377,387	0	0	3,333,613	3,377,387
Public Health and Welfare Services	16,677	16,704	0	0	16,677	16,704
Leisure Time Activities	735,563	769,354	0	0	735,563	769,354
Community Environment	738,231	682,355	0	0	738,231	682,355
Transportation	2,680,481	3,159,853	0	0	2,680,481	3,159,853
General Government	3,871,054	3,815,946	0	0	3,871,054	3,815,946
Interest and Fiscal Charges	433,760	484,875	0	0	433,760	484,875
Golf Course	0	0	2,275,754	2,368,968	2,275,754	2,368,968
Water	0	0	3,078,773	3,037,234	3,078,773	3,037,234
Sewer	0	0	3,010,001	2,971,336	3,010,001	2,971,336
Trash	0	0	1,103,164	1,168,721	1,103,164	1,168,721
Storm Water	0	0	336,791	317,896	336,791	317,896
Total Expenses	11,809,379	12,306,474	9,804,483	9,864,155	21,613,862	22,170,629
Change in Net Position before transfers	5,959,463	3,443,328	3,648,284	3,067,361	9,607,747	6,510,689
Transfers	(1,049,177)	(1,263,069)	1,049,177	1,263,069	0	0
Total Change in Net Position	4,910,286	2,180,259	4,697,461	4,330,430	9,607,747	6,510,689
Beginning Net Position - Restated	54,646,454	N/A	69,781,450	N/A	124,427,904	N/A
Ending Net Position	\$59,556,740	\$54,646,454	\$74,478,911	\$69,781,450	\$134,035,651	\$124,427,904

***Management's Discussion and Analysis  
For the Year Ended December 31, 2015***

***Unaudited***

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The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$530,306 for Governmental Activities and \$124,813 for Business-type Activities computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense of \$553,346 for Governmental Activities and \$133,743 for Business-type Activities.

Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed:

	Governmental Activities	Business-type Activities
Total 2015 program expenses under GASB 68	\$11,809,379	\$9,804,483
Pension expense under GASB 68	(553,346)	(133,743)
2015 contractually required contribution	535,213	169,399
Adjusted 2015 program expenses	11,791,246	9,840,139
Total 2014 program expenses under GASB 27	12,306,474	9,864,155
Decrease in program expenses not related to pension	(\$515,228)	(\$24,016)

**Governmental Activities**

Net position of the City's governmental activities increased by \$4,910,286. Revenues increased by \$2,019,040 in 2015 compared to 2014 and expenses and transfers decreased by \$710,987. Income taxes and capital grants accounted for virtually all of the increase in revenues. Income tax increases are mostly due to business profits, as well as withholdings and the new businesses moving into the City. Transportation expenses and decreased transfers out accounted for the majority of the decrease in total expenses.

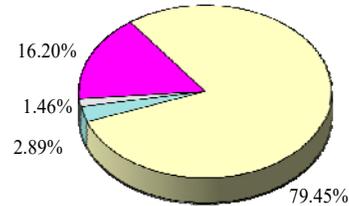
The City receives an income tax, which is based on 1.5% of all salaries, wages, commissions and other compensation earned from residents living within the City and from nonresidents for work done or services performed or rendered in the City.

Property taxes and income taxes made up 4.3% and 74.7% respectively of revenues for governmental activities for the City in 2015. The City's reliance upon tax revenues is demonstrated by the following graph indicating 79.45% of total revenues from general tax revenues:

**Management's Discussion and Analysis  
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**Unaudited**

Revenue Sources	2015	Percent of Total
Intergovernmental, unrestricted	\$259,602	1.46%
Program Revenues	2,879,289	16.20%
General Tax Revenues	14,116,508	79.45%
General Other	513,443	2.89%
<b>Total Revenue</b>	<b>\$17,768,842</b>	<b>100.00%</b>



**Business-Type Activities**

Net position of the business-type activities increased by \$4,697,461. This increase was the result of increased revenues outpacing expenses. A large part of the increase in revenues is associated with the increase in new housing units throughout the City.

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

The City's governmental funds reported a combined fund balance of \$18,395,148, which is an increase from last year's balance of \$16,621,632. The schedule below indicates the fund balance and the total change in fund balance by fund type as of December 31, 2015 and 2014:

	Fund Balance December 31, 2015	Fund Balance December 31, 2014	Increase (Decrease)
General	\$6,390,778	\$8,651,906	(\$2,261,128)
Debt Service	156,654	140,602	16,052
Construction (Capital Project)	4,719,631	1,716,006	3,003,625
Income Tax Capital Improvement (Capital Project)	1,467,966	1,016,231	451,735
Other Governmental	5,660,119	5,096,887	563,232
<b>Total</b>	<b>\$18,395,148</b>	<b>\$16,621,632</b>	<b>\$1,773,516</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. The increase in transfers out was due to City Council's determination that it was in the best interest of the City to pay cash for the purchase of property adjacent to the SR73/SR741 Intersection Improvement Project for future economic development. The City saw an increase in every revenue category except property taxes. The tables that follow assist in illustrating the financial activities and balance of the General Fund:

**CITY OF SPRINGBORO, OHIO**

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**Management's Discussion and Analysis  
For the Year Ended December 31, 2015**

**Unaudited**

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	2015	2014	Increase
	Revenues	Revenues	(Decrease)
Municipal Income Taxes	\$8,711,842	\$7,752,162	\$959,680
Property and Other Taxes	622,100	733,980	(111,880)
Intergovernmental Revenue	265,942	265,495	447
Fines, Licenses and Permits	510,955	487,241	23,714
Investment Earnings	74,521	72,505	2,016
Special Assessments	32,487	30,819	1,668
All Other Revenue	300,297	198,036	102,261
Total	<u>\$10,518,144</u>	<u>\$9,540,238</u>	<u>\$977,906</u>

General Fund revenues increased compared with revenues in 2014. The increase is attributed to new businesses and higher earnings reported from businesses.

	2015	2014	Increase
	Expenditures	Expenditures	(Decrease)
Security of Persons and Property	\$2,974,853	\$2,961,836	\$13,017
Public Health and Welfare Services	16,677	16,704	(27)
Leisure Time Activities	580,393	589,217	(8,824)
Community Environment	719,559	644,956	74,603
General Government	3,573,824	3,237,348	336,476
Total	<u>\$7,865,306</u>	<u>\$7,450,061</u>	<u>\$415,245</u>

General Fund expenditures increased by \$415,245 or 5.6% over the prior year mostly due to increased costs in the General Government function. These increased costs are typical annual increases for the cost of materials and supplies, as well as contractual services.

*Debt Service Fund* – The Debt Service Fund balance increased this year by \$16,052. Although revenue levels decreased in 2015, expenditures decreased at a higher level in 2015 due to the change in debt payments from 2014 to 2015.

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

*Income Tax Capital Improvement Fund* - The fund balance increased \$451,735 to a balance of \$1,467,966. Increased income tax collections accounted for this increase, as well as decreased capital expenditures.

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 2015 the City amended its General Fund budget several times, none significant.

**Management's Discussion and Analysis  
For the Year Ended December 31, 2015**

**Unaudited**

For the General Fund, final budget basis revenue of \$9.8 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 2015 the City had \$132,770,706 net of accumulated depreciation invested in land, improvements, infrastructure, buildings, machinery and equipment and construction in progress. Of this total, \$53,730,714 was related to governmental activities and \$79,039,992 to the business-type activities. The following table shows 2015 and 2014 balances:

	Governmental Activities		Changes
	2015	2014	
Land	\$17,171,799	\$17,171,799	\$0
Construction in Progress	1,577,211	545,896	1,031,315
Total Non-Depreciable Capital Assets	18,749,010	17,717,695	1,031,315
Improvements	3,952,059	3,378,987	573,072
Infrastructure	44,086,680	42,361,577	1,725,103
Buildings	12,733,943	12,385,378	348,565
Machinery and Equipment	5,063,179	4,819,511	243,668
Less: Accumulated Depreciation	(30,854,157)	(29,003,005)	(1,851,152)
Total Depreciable Capital Assets, Net	34,981,704	33,942,448	1,039,256
Totals	\$53,730,714	\$51,660,143	\$2,070,571

	Business-Type Activities		Changes
	2015	2014	
Land	\$8,685,240	\$8,685,240	\$0
Construction in Progress	41,051	0	41,051
Total Non-Depreciable Capital Assets	8,726,291	8,685,240	41,051
Buildings	3,811,204	3,785,849	25,355
Land Improvements	1,633,905	1,570,303	63,602
Infrastructure	87,650,525	86,714,478	936,047
Machinery and Equipment	3,099,398	2,792,949	306,449
Less: Accumulated Depreciation	(25,881,331)	(24,471,125)	(1,410,206)
Total Depreciable Capital Assets, Net	70,313,701	70,392,454	(78,753)
Totals	\$79,039,992	\$79,077,694	(\$37,702)

The primary increases occurred in construction in progress and infrastructure for governmental activities. The increase in improvements and infrastructure 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 age of the mains, as well as growth which has taken place within the City.

***Management's Discussion and Analysis  
For the Year Ended December 31, 2015***

***Unaudited***

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As of December 31, 2015, the City has contractual commitments of \$3,692,467 for various projects. Included in these projects are the E. Milo Beck Park, the Red Lion 5 Points Roadway Improvements and the Hazel Woods park development. Additional information on the City's capital assets can be found in Note 9.

***Debt***

At December 31, 2015, the City had \$33 million in bonds outstanding, \$3,416,262 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2015 and 2014:

	2015	Restated 2014
Governmental Activities:		
Special Assessment Bonds	\$1,035,000	\$1,170,000
General Obligation Bonds	8,330,564	9,306,535
General Obligation Notes	1,500,000	1,500,000
Compensated Absences	518,495	461,927
Net Pension Liability	5,637,782	4,852,618
Total Governmental Activities	<u>17,021,841</u>	<u>17,291,080</u>
Business-Type Activities:		
General Obligation Bonds	8,382,875	9,296,360
Mortgage Revenue Bonds	15,291,946	16,578,756
Compensated Absences	147,128	125,261
Net Pension Liability	1,023,373	853,797
Total Business-Type Activities	<u>24,845,322</u>	<u>26,854,174</u>
Totals	<u>\$41,867,163</u>	<u>\$44,145,254</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, 2015, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 13.

**ECONOMIC FACTORS**

The City's budget for 2016 is very conservative. The City of Springboro has been fortunate enough to sustain and thrive over the past several years despite economic conditions during that time. We have a good residential and business base and our income tax revenue has increased and is budgeted to increase in 2016. The 2016 expenditures were reduced from 2015 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 2016 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, 2015**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 6,052,406	\$ 3,152,330	\$ 9,204,736
Investments	4,946,736	12,052,130	16,998,866
Receivables:			
Taxes	772,053	0	772,053
Accounts	0	1,331,916	1,331,916
Intergovernmental	613,624	0	613,624
Income Taxes	2,928,553	0	2,928,553
Special Assessments	1,721,985	0	1,721,985
Inventory of Supplies at Cost	145,614	37,103	182,717
Inventory Held for Resale	0	51,815	51,815
Prepaid Items	232,720	230,221	462,941
Restricted Assets:			
Cash and Cash Equivalents	0	147,577	147,577
Cash and Cash Equivalents with Fiscal Agent	0	2,398,893	2,398,893
Assets Held for Resale	5,939,571	0	5,939,571
Non-Depreciable Capital Assets	18,749,010	8,726,291	27,475,301
Depreciable Capital Assets, Net	34,981,704	70,313,701	105,295,405
<b>Total Assets</b>	<b>77,083,976</b>	<b>98,441,977</b>	<b>175,525,953</b>
<b>Deferred Outflows of Resources:</b>			
Deferred Charge on Debt Refunding	0	1,268,030	1,268,030
Pension	796,158	222,822	1,018,980
<b>Total Deferred Outflows of Resources</b>	<b>796,158</b>	<b>1,490,852</b>	<b>2,287,010</b>
<b>Liabilities:</b>			
Accounts Payable	223,767	227,961	451,728
Accrued Wages and Benefits	27,291	46,235	73,526
Intergovernmental Payable	222,467	92,014	314,481
Refundable Deposits	0	147,577	147,577
Accrued Interest Payable	46,176	77,219	123,395
Long Term Liabilities:			
Due within one year	2,702,047	2,292,468	4,994,515
Due in More Than One Year:			
Net Pension Liability	5,637,782	1,023,373	6,661,155
Other Amounts Due in More Than One Year	8,682,012	21,529,481	30,211,493
<b>Total Liabilities</b>	<b>17,541,542</b>	<b>25,436,328</b>	<b>42,977,870</b>
<b>Deferred Inflows of Resources:</b>			
Property Tax Levy for Next Fiscal Year	752,725	0	752,725
Pension	29,127	17,590	46,717
<b>Total Deferred Inflows of Resources</b>	<b>781,852</b>	<b>17,590</b>	<b>799,442</b>

**CITY OF SPRINGBORO, OHIO**

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	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Net Position:</b>			
Net Investment in Capital Assets	46,648,334	56,633,201	103,281,535
Restricted For:			
Capital Projects	10,351,175	0	10,351,175
Debt Service	1,832,463	2,398,893	4,231,356
Security of Persons	238,102	0	238,102
Transportation	1,285,966	0	1,285,966
General Government	604,500	0	604,500
Unrestricted	(1,403,800)	15,446,817	14,043,017
<b>Total Net Position</b>	<b>\$ 59,556,740</b>	<b>\$ 74,478,911</b>	<b>\$ 134,035,651</b>

See accompanying notes to the basic financial statements

**CITY OF SPRINGBORO, OHIO**

**Statement of Activities  
For the Year Ended December 31, 2015**

	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	\$ 3,333,613	\$ 69,982	\$ 36,166	\$ 0
Public Health and Welfare Services	16,677	0	0	0
Leisure Time Activities	735,563	117,480	0	0
Community Environment	738,231	314,172	0	0
Transportation	2,680,481	285,917	980,845	857,004
General Government	3,871,054	217,723	0	0
Interest and Fiscal Charges	433,760	0	0	0
<b>Total Governmental Activities</b>	<b>11,809,379</b>	<b>1,005,274</b>	<b>1,017,011</b>	<b>857,004</b>
<b>Business-Type Activities:</b>				
Golf Course	2,275,754	1,688,183	0	0
Water	3,078,773	4,589,298	0	869,547
Sewer	3,010,001	4,247,656	0	546,133
Trash	1,103,164	1,108,436	0	0
Storm Water	336,791	272,996	0	86,495
<b>Total Business-Type Activities</b>	<b>9,804,483</b>	<b>11,906,569</b>	<b>0</b>	<b>1,502,175</b>
<b>Totals</b>	<b>\$ 21,613,862</b>	<b>\$ 12,911,843</b>	<b>\$ 1,017,011</b>	<b>\$ 2,359,179</b>

**General Revenues:**

Income Taxes  
 Property Taxes  
 Other Local Taxes  
 Payment in Lieu of Taxes  
 Intergovernmental, unrestricted  
 Investment Earnings  
 Miscellaneous

**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**

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Net (Expense) Revenue  
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (3,227,465)	\$ 0	\$ (3,227,465)
(16,677)	0	(16,677)
(618,083)	0	(618,083)
(424,059)	0	(424,059)
(556,715)	0	(556,715)
(3,653,331)	0	(3,653,331)
(433,760)	0	(433,760)
<u>(8,930,090)</u>	<u>0</u>	<u>(8,930,090)</u>
0	(587,571)	(587,571)
0	2,380,072	2,380,072
0	1,783,788	1,783,788
0	5,272	5,272
0	22,700	22,700
<u>0</u>	<u>3,604,261</u>	<u>3,604,261</u>
<u>(8,930,090)</u>	<u>3,604,261</u>	<u>(5,325,829)</u>
13,274,634	0	13,274,634
768,398	0	768,398
73,476	0	73,476
103,114	0	103,114
259,602	0	259,602
77,545	44,023	121,568
332,784	0	332,784
(1,049,177)	1,049,177	0
<u>13,840,376</u>	<u>1,093,200</u>	<u>14,933,576</u>
4,910,286	4,697,461	9,607,747
<u>54,646,454</u>	<u>69,781,450</u>	<u>124,427,904</u>
<u>\$ 59,556,740</u>	<u>\$ 74,478,911</u>	<u>\$ 134,035,651</u>

**CITY OF SPRINGBORO, OHIO**

**Balance Sheet  
Governmental Funds  
December 31, 2015**

	General	Debt Service	Construction	Income Tax Capital Improvement
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 529,184	\$ 156,654	\$ 1,345,962	\$ 1,030,653
Investments	4,946,736	0	0	0
Receivables:				
Taxes	668,053	0	0	0
Intergovernmental	164,252	0	0	0
Income Taxes	1,952,369	0	0	976,184
Special Assessments	0	1,721,985	0	0
Inventory of Supplies, at Cost	34,214	0	0	0
Prepaid Items	207,633	0	0	0
Assets Held for Resale	0	0	3,535,103	0
<b>Total Assets</b>	<b>\$ 8,502,441</b>	<b>\$ 1,878,639</b>	<b>\$ 4,881,065</b>	<b>\$ 2,006,837</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 58,014	\$ 0	\$ 161,434	\$ 0
Accrued Wages and Benefits Payable	16,807	0	0	0
Intergovernmental Payable	213,204	0	0	0
<b>Total Liabilities</b>	<b>288,025</b>	<b>0</b>	<b>161,434</b>	<b>0</b>
<b>Deferred Inflows of Resources:</b>				
Property Tax Levy for Next Fiscal Year	648,725	0	0	0
Unavailable Amounts	1,174,913	1,721,985	0	538,871
<b>Total Deferred Inflows of Resources</b>	<b>1,823,638</b>	<b>1,721,985</b>	<b>0</b>	<b>538,871</b>
<b>Fund Balances:</b>				
Nonspendable	241,847	0	0	0
Restricted	0	156,654	4,719,631	1,467,966
Assigned	749,159	0	0	0
Unassigned	5,399,772	0	0	0
<b>Total Fund Balances</b>	<b>6,390,778</b>	<b>156,654</b>	<b>4,719,631</b>	<b>1,467,966</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 8,502,441</b>	<b>\$ 1,878,639</b>	<b>\$ 4,881,065</b>	<b>\$ 2,006,837</b>

See accompanying notes to the basic financial statements

**CITY OF SPRINGBORO, OHIO**

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Other Governmental Funds	Total Governmental Funds
\$ 2,989,953	\$ 6,052,406
0	4,946,736
104,000	772,053
449,372	613,624
0	2,928,553
0	1,721,985
111,400	145,614
25,087	232,720
2,404,468	5,939,571
<u>\$ 6,084,280</u>	<u>\$ 23,353,262</u>
\$ 4,319	\$ 223,767
10,484	27,291
9,263	222,467
<u>24,066</u>	<u>473,525</u>
104,000	752,725
296,095	3,731,864
<u>400,095</u>	<u>4,484,589</u>
136,487	378,334
5,523,632	11,867,883
0	749,159
0	5,399,772
<u>5,660,119</u>	<u>18,395,148</u>
<u>\$ 6,084,280</u>	<u>\$ 23,353,262</u>

**CITY OF SPRINGBORO, OHIO**

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***Reconciliation Of Total Governmental Fund Balances  
To Net Position Of Governmental Activities  
December 31, 2015***

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**Total Governmental Fund Balances** \$ 18,395,148

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

Capital Assets used in governmental activities are not resources and therefore are not reported in the funds. 53,730,714

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	1,616,614	
Property Taxes Receivable - accrual basis	10,470	
Special Assessments Receivable - accrual basis	1,721,985	
Grants Receivable - accrual basis	382,795	
Total		3,731,864

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

Deferred Outflows - Pension	796,158	
Deferred Inflows - Pension	(29,127)	
Net Pension Liability	(5,637,782)	
Total		(4,870,751)

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	(2,702,047)	
Amounts Due in More Than One Year	(8,682,012)	
Accrued Interest on Long-Term Debt	(46,176)	
Total		(11,430,235)

***Net Position of Governmental Activities*** \$ 59,556,740

See accompanying notes to the basic financial statements



**CITY OF SPRINGBORO, OHIO**

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2015**

	General	Debt Service	Construction	Income Tax Capital Improvement
<b>Revenues:</b>				
Municipal Income Tax	\$ 8,711,842	\$ 0	\$ 0	\$ 4,355,272
Property and Other Taxes	622,100	0	0	0
Payment in Lieu of Taxes	0	0	0	0
Intergovernmental Revenues	265,942	0	0	0
Fines, Licenses and Permits	510,955	0	0	0
Investment Earnings	74,521	0	1,048	0
Special Assessments	32,487	211,702	11,089	0
Donations	0	0	0	0
All Other Revenue	300,297	0	83,483	0
<b>Total Revenue</b>	<b>10,518,144</b>	<b>211,702</b>	<b>95,620</b>	<b>4,355,272</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	2,974,853	0	0	0
Public Health and Welfare Services	16,677	0	0	0
Leisure Time Activities	580,393	0	0	0
Community Environment	719,559	0	0	0
Transportation	0	0	0	0
General Government	3,573,824	0	41,913	0
Capital Outlay	0	0	3,184,778	0
Debt Service:				
Principal Retirement	0	1,090,000	0	0
Interest and Fiscal Charges	0	454,074	0	0
<b>Total Expenditures</b>	<b>7,865,306</b>	<b>1,544,074</b>	<b>3,226,691</b>	<b>0</b>
Excess (Deficiency) of Revenues Over Expenditures	2,652,838	(1,332,372)	(3,131,071)	4,355,272
<b>Other Financing Sources (Uses):</b>				
General Obligation Notes Issued	0	0	0	0
Transfers In	0	1,348,424	7,126,155	0
Transfers Out	(4,915,705)	0	(991,459)	(3,903,537)
<b>Total Other Financing Sources (Uses)</b>	<b>(4,915,705)</b>	<b>1,348,424</b>	<b>6,134,696</b>	<b>(3,903,537)</b>
Net Change in Fund Balances	(2,262,867)	16,052	3,003,625	451,735
<b>Fund Balances at Beginning of Year</b>	<b>8,651,906</b>	<b>140,602</b>	<b>1,716,006</b>	<b>1,016,231</b>
Increase in Inventory Reserve	1,739	0	0	0
<b>Fund Balances End of Year</b>	<b>\$ 6,390,778</b>	<b>\$ 156,654</b>	<b>\$ 4,719,631</b>	<b>\$ 1,467,966</b>

See accompanying notes to the basic financial statements

**CITY OF SPRINGBORO, OHIO**

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Other Governmental Funds	Total Governmental Funds
\$ 0	\$ 13,067,114
220,922	843,022
103,114	103,114
1,032,297	1,298,239
146,913	657,868
1,976	77,545
0	255,278
6,825	6,825
257,098	640,878
<u>1,769,145</u>	<u>16,949,883</u>
79,751	3,054,604
0	16,677
0	580,393
0	719,559
925,913	925,913
51,617	3,667,354
454,320	3,639,098
1,500,000	2,590,000
4,533	458,607
<u>3,016,134</u>	<u>15,652,205</u>
(1,246,989)	1,297,678
1,500,000	1,500,000
781,448	9,256,027
(494,503)	(10,305,204)
<u>1,786,945</u>	<u>450,823</u>
539,956	1,748,501
5,096,887	16,621,632
23,276	25,015
<u>\$ 5,660,119</u>	<u>\$ 18,395,148</u>

**CITY OF SPRINGBORO, OHIO**

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***Reconciliation Of The Statement Of Revenues, Expenditures  
And Changes In Fund Balances Of Governmental Funds  
To The Statement Of Activities  
For The Year Ended December 31, 2015***

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<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 1,748,501</b>
<i>Amounts reported for governmental activities in the statement of activities are different because</i>	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	2,105,553
The net effect of various miscellaneous transactions involving capital assets (i.e. disposals and donations) is to change net position.	(34,982)
Revenues and transfers in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	26,053
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	535,213
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.	(553,346)
The issuance of long-term debt provides current financial resources to governmental funds, but has no effect on net position.	(1,500,000)
The repayment of principal of long-term debt consumes current financial resources of governmental funds, however, it does not effect net position.	2,610,971
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	3,876
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(31,553)</u>
<b><i>Change in Net Position of Governmental Activities</i></b>	<b><u>\$ 4,910,286</u></b>

See accompanying notes to the basic financial statements

**CITY OF SPRINGBORO, OHIO**

**Statement of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
General Fund  
For the Year Ended December 31, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Municipal Income Tax	\$ 8,113,168	\$ 8,113,168	\$ 8,625,755	\$ 512,587
Property and Other Taxes	756,461	756,461	622,758	(133,703)
Intergovernmental Revenue	210,598	210,598	269,888	59,290
Fines, Licenses and Permits	391,995	391,995	510,368	118,373
Investment Earnings	152,262	152,262	72,625	(79,637)
Special Assessments	28,000	28,000	32,487	4,487
All Other Revenues	201,000	200,627	254,855	54,228
Total Revenues	<u>9,853,484</u>	<u>9,853,111</u>	<u>10,388,736</u>	<u>535,625</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	3,343,535	3,344,285	3,030,970	313,315
Public Health and Welfare Services	16,677	16,677	16,677	0
Leisure Time Activities	727,909	731,809	628,737	103,072
Community Environment	1,014,644	1,015,244	843,871	171,373
General Government	4,179,743	4,220,491	3,854,614	365,877
Total Expenditures	<u>9,282,508</u>	<u>9,328,506</u>	<u>8,374,869</u>	<u>953,637</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	570,976	524,605	2,013,867	1,489,262
<b>Other Financing Sources (Uses):</b>				
Transfers Out	<u>(1,941,151)</u>	<u>(5,484,539)</u>	<u>(4,915,705)</u>	<u>568,834</u>
Total Other Financing Sources (Uses):	<u>(1,941,151)</u>	<u>(5,484,539)</u>	<u>(4,915,705)</u>	<u>568,834</u>
Net Change in Fund Balance	(1,370,175)	(4,959,934)	(2,901,838)	2,058,096
Fund Balance at Beginning of Year	7,457,501	7,457,501	7,457,501	0
Prior Year Encumbrances	432,467	432,467	432,467	0
Fund Balance at End of Year	<u>\$ 6,519,793</u>	<u>\$ 2,930,034</u>	<u>\$ 4,988,130</u>	<u>\$ 2,058,096</u>

See accompanying notes to the basic financial statements

**CITY OF SPRINGBORO, OHIO**

**Statement of Net Position  
Proprietary Funds  
December 31, 2015**

	Business-Type Activities		
	Enterprise Funds		
	Golf Course	Water	Sewer
<b>Assets:</b>			
<i>Current Assets:</i>			
Cash and Cash Equivalents	\$ 544,928	\$ 468,228	\$ 634,317
Investments	0	5,936,832	6,115,298
Receivables:			
Accounts	0	553,813	589,680
Inventory of Supplies at Cost	37,103	0	0
Inventory Held for Resale	51,815	0	0
Prepaid Items	4,014	100,366	114,940
<i>Total Current Assets</i>	<u>637,860</u>	<u>7,059,239</u>	<u>7,454,235</u>
<i>Non Current Assets:</i>			
Restricted Assets:			
Cash and Cash Equivalents	0	147,577	0
Cash and Cash Equivalents with Fiscal Agent	0	322,461	2,076,432
Non-Depreciable Capital Assets	7,755,718	747,923	222,650
Depreciable Capital Assets, Net	2,377,038	27,833,158	32,012,780
<i>Total Noncurrent Assets</i>	<u>10,132,756</u>	<u>29,051,119</u>	<u>34,311,862</u>
<b>Total Assets</b>	<u>10,770,616</u>	<u>36,110,358</u>	<u>41,766,097</u>
<b>Deferred Outflows of Resources:</b>			
Deferred Charge on Debt Refunding	198,645	316,374	753,011
Pension	97,477	63,399	39,447
<b>Total Deferred Outflows of Resources</b>	<u>296,122</u>	<u>379,773</u>	<u>792,458</u>
<b>Liabilities:</b>			
<i>Current Liabilities:</i>			
Accounts Payable	6,465	19,643	7,498
Accrued Wages and Benefits	16,357	15,443	9,343
Intergovernmental Payable	17,271	61,061	8,767
Refundable Deposits	0	147,577	0
Accrued Interest Payable	5,002	26,661	45,556
Compensated Absences Payable - Current	5,300	10,897	9,104
General Obligation Bonds - Current	240,000	703,485	0
Mortgage Revenue Bonds - Current	0	263,993	1,057,817
<i>Total Current Liabilities</i>	<u>290,395</u>	<u>1,248,760</u>	<u>1,138,085</u>

**CITY OF SPRINGBORO, OHIO**

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Trash	Storm Water	Total
\$ 548,569	\$ 956,288	\$ 3,152,330
0	0	12,052,130
150,022	38,401	1,331,916
0	0	37,103
0	0	51,815
6,072	4,829	230,221
<u>704,663</u>	<u>999,518</u>	<u>16,855,515</u>
0	0	147,577
0	0	2,398,893
0	0	8,726,291
0	8,090,725	70,313,701
0	8,090,725	81,586,462
<u>704,663</u>	<u>9,090,243</u>	<u>98,441,977</u>
0	0	1,268,030
11,653	10,846	222,822
<u>11,653</u>	<u>10,846</u>	<u>1,490,852</u>
89,318	105,037	227,961
2,635	2,457	46,235
2,535	2,380	92,014
0	0	147,577
0	0	77,219
1,000	872	27,173
0	0	943,485
0	0	1,321,810
<u>95,488</u>	<u>110,746</u>	<u>2,883,474</u>

(Continued)

**CITY OF SPRINGBORO, OHIO**

**Statement of Net Position  
Proprietary Funds  
December 31, 2015**

	Business-Type Activities		
	Enterprise Funds		
	Golf Course	Water	Sewer
<i>Noncurrent Liabilities:</i>			
Compensated Absences Payable	15,485	49,092	36,496
General Obligation Bonds Payable	1,590,000	5,849,390	0
Mortgage Revenue Bonds Payable	0	557,981	13,412,155
Net Pension Liability	324,856	353,882	221,597
<i>Total Noncurrent Liabilities</i>	<u>1,930,341</u>	<u>6,810,345</u>	<u>13,670,248</u>
<b>Total Liabilities</b>	<u>2,220,736</u>	<u>8,059,105</u>	<u>14,808,333</u>
<b>Deferred Inflows of Resources:</b>			
Pension	<u>5,145</u>	<u>6,306</u>	<u>3,953</u>
<b>Net Position:</b>			
Net Investment in Capital Assets	8,501,401	21,522,606	18,518,469
Restricted for:			
Debt Service	0	322,461	2,076,432
Unrestricted	339,456	6,579,653	7,151,368
<b>Total Net Position</b>	<u>\$ 8,840,857</u>	<u>\$ 28,424,720</u>	<u>\$ 27,746,269</u>

See accompanying notes to the basic financial statements

**CITY OF SPRINGBORO, OHIO**

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<u>Trash</u>	<u>Storm Water</u>	<u>Total</u>
7,984	10,898	119,955
0	0	7,439,390
0	0	13,970,136
63,159	59,879	1,023,373
71,143	70,777	22,552,854
166,631	181,523	25,436,328
<u>1,120</u>	<u>1,066</u>	<u>17,590</u>
0	8,090,725	56,633,201
0	0	2,398,893
548,565	827,775	15,446,817
<u>\$ 548,565</u>	<u>\$ 8,918,500</u>	<u>\$ 74,478,911</u>

**CITY OF SPRINGBORO, OHIO**

**Statement of Revenues, Expenses and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended December 31, 2015**

	Business-Type Activities		
	Enterprise Funds		
	Golf Course	Water	Sewer
<b>Operating Revenues:</b>			
Charges for Services	\$ 1,513,355	\$ 4,570,396	\$ 4,068,943
Sales	140,086	0	0
Other Operating Revenue	34,742	18,902	178,713
<b>Total Operating Revenues</b>	<b>1,688,183</b>	<b>4,589,298</b>	<b>4,247,656</b>
<b>Operating Expenses:</b>			
Personal Services	1,000,743	635,252	387,667
Contractual Services	517,702	1,299,748	1,366,139
Materials and Supplies	450,361	143,527	42,649
Depreciation	213,162	627,805	674,968
<b>Total Operating Expenses</b>	<b>2,181,968</b>	<b>2,706,332</b>	<b>2,471,423</b>
Operating Income (Loss)	(493,785)	1,882,966	1,776,233
<b>Nonoperating Revenue (Expenses):</b>			
Investment Earnings	0	21,097	22,926
Interest and Fiscal Charges	(93,786)	(372,441)	(538,578)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(93,786)</b>	<b>(351,344)</b>	<b>(515,652)</b>
Income (Loss) Before Transfers and Contributions	(587,571)	1,531,622	1,260,581
Transfers In	930,870	0	0
Transfers Out	0	(90,062)	(90,062)
Capital Contributions - Tap in Fees	0	404,847	423,909
Capital Contributions	0	464,700	122,224
Change in Net Position	343,299	2,311,107	1,716,652
Net Position Beginning of Year, Restated	8,497,558	26,113,613	26,029,617
Net Position End of Year	<u>\$ 8,840,857</u>	<u>\$ 28,424,720</u>	<u>\$ 27,746,269</u>

See accompanying notes to the basic financial statements

**CITY OF SPRINGBORO, OHIO**

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Trash	Storm Water	Total
\$ 1,108,406	\$ 272,968	\$ 11,534,068
0	0	140,086
30	28	232,415
<u>1,108,436</u>	<u>272,996</u>	<u>11,906,569</u>
114,266	109,636	2,247,564
977,448	62,685	4,223,722
11,450	2,636	650,623
0	161,834	1,677,769
<u>1,103,164</u>	<u>336,791</u>	<u>8,799,678</u>
5,272	(63,795)	3,106,891
0	0	44,023
0	0	(1,004,805)
<u>0</u>	<u>0</u>	<u>(960,782)</u>
5,272	(63,795)	2,146,109
0	298,431	1,229,301
0	0	(180,124)
0	0	828,756
0	86,495	673,419
<u>5,272</u>	<u>321,131</u>	<u>4,697,461</u>
<u>543,293</u>	<u>8,597,369</u>	<u>69,781,450</u>
<u>\$ 548,565</u>	<u>\$ 8,918,500</u>	<u>\$ 74,478,911</u>

**CITY OF SPRINGBORO, OHIO**

**Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2015**

	Business-Type Activities		
	Enterprise Funds		
	Golf Course	Water	Sewer
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$1,653,441	\$4,576,964	\$4,055,998
Other Operating Receipts	34,742	88,767	178,713
Cash Payments for Goods and Services	(993,017)	(1,564,576)	(1,494,795)
Cash Payments to Employees	(1,000,367)	(637,374)	(387,532)
Net Cash Provided (Used) by Operating Activities	(305,201)	2,463,781	2,352,384
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers In from Other Funds	930,870	0	0
Transfers Out to Other Funds	0	(90,062)	(90,062)
Net Cash Provided (Used) by Noncapital Financing Activities	930,870	(90,062)	(90,062)
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Cash Received from Tap-in Fees in Excess of Cost	0	404,847	423,909
Acquisition and Construction of Assets	(114,530)	(232,428)	(517,825)
Principal Paid on General Obligation Bonds	(235,000)	(660,000)	0
Principal Paid on Mortgage Revenue Bonds	0	(255,000)	(950,000)
Interest Paid on All Debt	(65,898)	(351,945)	(561,039)
Net Cash Used by Capital and Related Financing Activities	(415,428)	(1,094,526)	(1,604,955)
<u>Cash Flows from Investing Activities:</u>			
Receipt of Interest	0	20,900	22,330
Purchase of Investments	0	(1,944,031)	(1,358,132)
Net Cash Used by Investing Activities	0	(1,923,131)	(1,335,802)
Net Increase (Decrease) in Cash and Cash Equivalents	210,241	(643,938)	(678,435)
Cash and Cash Equivalents at Beginning of Year	334,687	1,582,204	3,389,184
Cash and Cash Equivalents at End of Year	\$544,928	\$938,266	\$2,710,749
<u>Reconciliation of Cash and Cash Equivalents per the Balance Sheet:</u>			
Cash and Cash Equivalents	\$544,928	\$468,228	\$634,317
Restricted Cash and Cash Equivalents	0	147,577	0
Restricted Cash and Cash Equivalents with Fiscal Agent	0	322,461	2,076,432
Cash and Cash Equivalents at End of Year	\$544,928	\$938,266	\$2,710,749

**CITY OF SPRINGBORO, OHIO**

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<u>Trash</u>	<u>Storm Water</u>	<u>Totals</u>
\$1,107,132	\$272,105	\$11,665,640
30	28	302,280
(981,224)	(65,257)	(5,098,869)
<u>(115,944)</u>	<u>(108,108)</u>	<u>(2,249,325)</u>
9,994	98,768	4,619,726
0	298,431	1,229,301
<u>0</u>	<u>0</u>	<u>(180,124)</u>
0	298,431	1,049,177
0	0	828,756
0	(113,059)	(977,842)
0	0	(895,000)
0	0	(1,205,000)
<u>0</u>	<u>0</u>	<u>(978,882)</u>
0	(113,059)	(3,227,968)
0	0	43,230
<u>0</u>	<u>0</u>	<u>(3,302,163)</u>
<u>0</u>	<u>0</u>	<u>(3,258,933)</u>
9,994	284,140	(817,998)
538,575	672,148	6,516,798
<u>\$548,569</u>	<u>\$956,288</u>	<u>\$5,698,800</u>
\$548,569	\$956,288	\$3,152,330
0	0	147,577
0	0	2,398,893
<u>\$548,569</u>	<u>\$956,288</u>	<u>\$5,698,800</u>

(Continued)

**CITY OF SPRINGBORO, OHIO**

**Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2015**

	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)	(\$493,785)	\$1,882,966	\$1,776,233
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	213,162	627,805	674,968
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	0	6,568	(12,945)
Increase in Inventory	(8,580)	0	0
Increase in Inventory Held for Resale	(9,946)	0	0
Increase in Prepaid Items	(2,122)	(56,753)	(83,586)
Increase in Deferred Outflows - Pension	(97,477)	(63,399)	(39,447)
Increase (Decrease) in Accounts Payable	(5,610)	523	(3,126)
Increase in Accrued Wages and Benefits	9,649	1,881	948
Increase (Decrease) in Intergovernmental Payable	6,438	1,474	(1,370)
Increase in Refundable Deposits	0	29	0
Increase in Compensated Absences	2,821	8,601	7,038
Increase in Net Pension Liability	75,104	47,780	29,718
Increase in Deferred Inflows - Pension	5,145	6,306	3,953
Total Adjustments	188,584	580,815	576,151
Net Cash Provided (Used) by Operating Activities	(\$305,201)	\$2,463,781	\$2,352,384

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2015, the Storm Water Fund had an outstanding liability of \$103,320 for the purchase of certain capital assets. During 2015, the fair value of investments increased by \$197 and \$596 in the Water and Sewer Funds, respectively. During 2015, the Water, Sewer and Storm Water Funds received contributed capital valued at \$464,700, \$122,224 and \$86,495, respectively.

See accompanying notes to the basic financial statements

**CITY OF SPRINGBORO, OHIO**

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<u>Trash</u>	<u>Storm Water</u>	<u>Totals</u>
\$5,272	(\$63,795)	\$3,106,891
0	161,834	1,677,769
(1,274)	(863)	(8,514)
0	0	(8,580)
0	0	(9,946)
(1,274)	(184)	(143,919)
(11,653)	(10,846)	(222,822)
9,056	334	1,177
296	271	13,045
(497)	(482)	5,563
0	0	29
152	3,255	21,867
8,796	8,178	169,576
1,120	1,066	17,590
<u>4,722</u>	<u>162,563</u>	<u>1,512,835</u>
<u>\$9,994</u>	<u>\$98,768</u>	<u>\$4,619,726</u>

**CITY OF SPRINGBORO, OHIO**

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***Statement of Assets and Liabilities  
Fiduciary Funds  
December 31, 2015***

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	<u>Agency Funds</u>
<b>Assets:</b>	
Cash and Cash Equivalents	\$ 77,078
Receivables:	
Special Assessments	<u>297,458</u>
<b>Total Assets</b>	<u>374,536</u>
<b>Liabilities:</b>	
Due to Others	371,079
Undistributed Monies	<u>3,457</u>
<b>Total Liabilities</b>	<u>\$ 374,536</u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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

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

The financial statements are presented as of December 31, 2015 and for the year then ended and have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

**A. Reporting Entity**

The accompanying basic financial statements comply with the provisions of GASB Statement No. 14, *"The Financial Reporting Entity,"* as amended by GASB Statement No. 39, *"Determining Whether Certain Organizations are Component Units"* as amended by GASB Statement No. 61, *"The Financial Reporting Entity Omnibus"* in that the financial statements include all organizations, activities, functions and component units for which the City (the primary government) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the City's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the City.

Based on the foregoing, the City's financial reporting entity 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, Warren County Transportation Improvement District and the Montgomery County Transportation Improvement District also jointly governed organizations. The City is also a member of the Ohio Municipal League of Workers Compensation Group Rating Plan (GRP), an insurance purchasing pool. See Notes 16 and 17 for additional information on these organizations.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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

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

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

***Governmental Funds***

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

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, 2015***

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**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, Joint Economic Development District (JEDD) activity, Mayor's court fines and special assessments collected on behalf of neighborhood associations. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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

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

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

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

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

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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

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

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

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

**D. Basis of Accounting**

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

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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

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

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

Special assessment installments including related interest, which are measurable but not available at December 31, are recorded as deferred revenue. Property taxes measurable as of December 31, 2015 but which are not intended to finance 2015 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, 2015***

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

**E. Budgetary Process (Continued)**

1. Tax Budget

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

2. Estimated Resources

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or if actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2015.

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 2015, 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, 2015***

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

**E. Budgetary Process** (Continued)

4. Lapsing of Appropriations

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

5. Budgetary Basis of Accounting

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

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

<u>Net Change in Fund Balance</u>	
	<u>General Fund</u>
GAAP Basis (as reported)	(\$2,262,867)
Increase (Decrease):	
Accrued Revenues at December 31, 2015 received during 2016	(975,249)
Accrued Revenues at December 31, 2014 received during 2015	845,841
Accrued Expenditures at December 31, 2015 paid during 2016	288,025
Accrued Expenditures at December 31, 2014 paid during 2015	(302,194)
2015 Prepays for 2016	(207,633)
2014 Prepays for 2015	185,816
Outstanding Encumbrances	<u>(473,577)</u>
Budget Basis	<u><u>(\$2,901,838)</u></u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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

**F. Cash and Cash Equivalents**

During 2015, cash and cash equivalents included amounts in demand deposits, certificates of deposit, and in U.S. Treasury Money Market accounts in US Bank and Charles Schwab investment accounts with original maturities of less than three months.

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

**G. Investments**

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. 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, 2015, 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, 2015***

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

**K. Capital Assets and Depreciation**

Capital assets are defined by the City as assets with an initial, individual cost of more than \$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:

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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

**L. Long-Term Obligations**

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

<u>Obligation</u>	<u>Fund</u>
Special Assessment Bonds	Bond Retirement Fund
General Obligation Bonds	Bond Retirement Fund, Golf Course Fund 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
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.

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.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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

**O. Net position**

Net position represents the difference between assets and liabilities and deferred outflows/inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. As disclosed in Note 17, the City is participating in a jointly governed organization related to the Austin Road Interchange and the City will not be responsible for maintaining any infrastructure improvements, therefore any debt (or any unspent debt proceeds) associated with this project is excluded from net investment in capital assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**P. Pensions**

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

**Q. Interfund Activity**

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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

**R. Interfund Assets/Liabilities**

The City reports cash overdrafts from pooled cash and cash equivalents as an interfund loan payable in the fund with the overdraft and as an interfund loan receivable in the fund(s) designated by management. The interfund loans receivable are equally offset by a fund balance reserve account which indicates that they do not constitute available expendable resources since they are not a component of net current assets. Receivables and payables resulting from transactions between funds for services provided or goods received are classified as “due from other funds” or “due to other funds” on the balance sheet. Long-term interfund loans are classified as “advances to/from other funds.” There were no outstanding interfund loans at December 31, 2015.

**S. Fund Balance**

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

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

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

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

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**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 2015.

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**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. Deferred inflows of resources related to pension are reported on the government-wide and proprietary funds statement of net position. See Note 10.

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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

In 2015 the City implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, “Accounting and Financial Reporting for Pensions” and GASB Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68.” GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources deferred inflows of resources and expense/expenditure.

The implementation of GASB 68 had the following effect on net position as reported December 31, 2014:

	Governmental Activities	Business-type Activities	Golf Course Fund	Water Fund
Net Position December 31, 2014	\$59,499,072	\$70,635,247	\$8,747,310	\$26,419,715
Adjustments:				
Net Pension Liability	(5,382,924)	(978,610)	(286,262)	(350,850)
Deferred Outflows - Payments Subsequent to Measurement Date	530,306	124,813	36,510	44,748
Restated Net Position December 31, 2014	<u>\$54,646,454</u>	<u>\$69,781,450</u>	<u>\$8,497,558</u>	<u>\$26,113,613</u>
	Sewer Fund	Trash Fund	Storm Sewer Fund	
Net Position December 31, 2014	\$26,221,496	\$597,656	\$8,649,070	
Adjustments:				
Net Pension Liability	(219,929)	(62,310)	(59,259)	
Deferred Outflows - Payments Subsequent to Measurement Date	28,050	7,947	7,558	
Restated Net Position December 31, 2014	<u>\$26,029,617</u>	<u>\$543,293</u>	<u>\$8,597,369</u>	

Other than employer contributions subsequent to the measurement date, the City made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

**CITY OF SPRINGBORO, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

**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	\$207,633	\$0	\$0	\$0	\$25,087	\$232,720
Supplies Inventory	34,214	0	0	0	111,400	145,614
Total Nonspendable	<u>241,847</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>136,487</u>	<u>378,334</u>
Restricted:						
Transportation Projects	0	0	0	0	885,669	885,669
Court Projects	0	0	0	0	189,389	189,389
Law Enforcement	0	0	0	0	238,102	238,102
TIF Projects	0	0	0	0	585,765	585,765
Debt Service	0	156,654	0	0	0	156,654
Capital Improvements	0	0	4,719,631	1,467,966	3,624,707	9,812,304
Total Restricted	<u>0</u>	<u>156,654</u>	<u>4,719,631</u>	<u>1,467,966</u>	<u>5,523,632</u>	<u>11,867,883</u>
Assigned:						
Projected budgetary deficit	305,666	0	0	0	0	305,666
Other Purposes	443,493	0	0	0	0	443,493
Total Assigned	<u>749,159</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>749,159</u>
Unassigned	5,399,772	0	0	0	0	5,399,772
Total Fund Balances	<u>\$6,390,778</u>	<u>\$156,654</u>	<u>\$4,719,631</u>	<u>\$1,467,966</u>	<u>\$5,660,119</u>	<u>\$18,395,148</u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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

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

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

Capital Outlay	\$4,432,004
Depreciation Expense	<u>(2,326,451)</u>
	\$2,105,553

*Net effect of capital asset transactions:*

Loss on Disposal of Capital Asset	(\$34,982)
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*Governmental revenues not reported in the funds:*

Increase in Delinquent Income Tax Revenue	\$207,520
Decrease in Delinquent Property Tax	(1,148)
Decrease in Intergovernmental, unrestricted	(21,626)
Decrease in Special Assessment Revenue	<u>(158,693)</u>
	\$26,053

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

General Obligation Bond Principal Payment	\$955,000
Special Assessment Bond Principal Payment	135,000
General Obligation Note Payment	1,500,000
Amortization of Premium on Refunding Bonds	<u>20,971</u>
	\$2,610,971

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

Increase in Compensated Absences Payable	(\$56,568)
Decrease in supplies inventory	<u>25,015</u>
	(\$31,553)

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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

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

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

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

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

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

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

**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 \$11,828,284 and the bank balance was \$12,245,024. Federal deposit insurance covered \$1,000,000 of the bank balance and \$11,245,024 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>\$11,245,024</u>
Total Balance	<u><u>\$11,245,024</u></u>

**B. Investments**

The City's investments at December 31, 2015 were as follows:

	Fair Value	Credit Rating	Investment Maturities (in Years)		
			less than 1	1-3	3-5
Negotiable C/D's	\$1,199,840	N/A	\$0	\$477,646	\$722,194
FHLB	2,135,177	Aaa, AA+	944,305	1,190,872	0
FHLMC	4,603,038	Aaa, AA+	395,850	3,434,280	772,908
FNMA	5,947,273	Aaa, AA+	1,101,736	3,887,102	958,435
FFCB	1,499,895	Aaa, AA+	0	1,499,895	0
Freddie Mac	735,682	Aaa, AA+	0	735,682	0
US Treasury Notes	877,961	P-1, A-1+	0	877,961	0
Total Investments	<u>\$16,998,866</u>		<u>\$2,441,891</u>	<u>\$12,103,438</u>	<u>\$2,453,537</u>

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**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 7% are Negotiable C/D’s, 12.6% are FHLB, 27.1% are FHLMC, 35% are FNMA, 8.8% are FFCB, 4.3% are Freddie Mac and 5.2% are U.S. Treasury Notes.

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

**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 2015 for real and public utility property taxes represents collections of 2014 taxes. Property tax payments received during 2015 for tangible personal property (other than public utility property) is for 2015 taxes.

2015 real property taxes are levied after October 1, 2015, on assessed value as of January 1, 2015, the lien date. Assessed values are established by State law at 35 percent of the appraised value. 2015 real property taxes are collected in and intended to finance 2015.

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. 2015 public utility property taxes became a lien December 31, 2014, are levied after October 1, 2015, and are collected in 2015 with real property taxes.

Tangible personal property tax revenue received during 2015 (other than public utility property tax) represents the collection of 2015 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 2015 were levied after October 1, 2014, on the value as of December 31, 2014.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 6 – TAXES (Continued)**

**A. Property Taxes (Continued)**

The full tax rate for all City operations for the year ended December 31, 2015, was \$1.11 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2015 property tax receipts were based are as follows: \$474,999,280 in real property assessed value and \$12,025,720 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 2015, 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, 2015 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 2015 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 2015 was \$13,274,634.

**CITY OF SPRINGBORO, OHIO**

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

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**NOTE 7 - RECEIVABLES**

Receivables at December 31, 2015 consisted of income taxes, property taxes, accounts, 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 2015:

Fund	Transfer In	Transfer Out
General Fund	\$0	\$4,915,705
Debt Service Fund	1,348,424	0
Construction Fund	7,126,155	991,459
Income Tax Capital Improvement Fund	0	3,903,537
Other Governmental Funds	781,448	494,503
Total Governmental Funds	<u>9,256,027</u>	<u>10,305,204</u>
Golf Course Fund	930,870	0
Water Fund	0	90,062
Sewer Fund	0	90,062
Storm Water Fund	298,431	0
Total Proprietary Funds	<u>1,229,301</u>	<u>180,124</u>
Totals	<u>\$10,485,328</u>	<u>\$10,485,328</u>

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

Transfers out of the Income Tax Capital Improvement Fund to the Construction Fund, Golf Course 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, general capital projects, park capital projects; and the General Fund's share of the debt service for outstanding debt. The transfers from the Water and Sewer Funds to the Debt Service fund was to cover a portion of the 2008 Various Purpose Bonds.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

**NOTE 9 - CAPITAL ASSETS**

**A. Governmental Activities Capital Assets**

Summary by category of changes in governmental activities capital assets at December 31, 2015:

<i>Historical Cost:</i>	Balance at December 31, 2014	Additions	Deletions	Balance at December 31, 2015
Class				
<b><i>Non-depreciable Capital assets:</i></b>				
Land	\$17,171,799	\$0	\$0	\$17,171,799
Construction in Progress	545,896	1,031,315	0	1,577,211
Total Non-depreciable Capital assets	<u>17,717,695</u>	<u>1,031,315</u>	<u>0</u>	<u>18,749,010</u>
<b><i>Capital assets being depreciated:</i></b>				
Improvements	3,378,987	573,072	0	3,952,059
Infrastructure	42,361,577	2,081,125	(356,022)	44,086,680
Buildings	12,385,378	348,565	0	12,733,943
Machinery and Equipment	4,819,511	397,927	(154,259)	5,063,179
Total Depreciable Capital assets	<u>62,945,453</u>	<u>3,400,689</u>	<u>(510,281)</u>	<u>65,835,861</u>
Total Cost	<u>\$80,663,148</u>	<u>\$4,432,004</u>	<u>(\$510,281)</u>	<u>\$84,584,871</u>
<b><i>Accumulated Depreciation:</i></b>				
Class	Balance at December 31, 2014	Additions	Deletions	Balance at December 31, 2015
Improvements	(\$872,958)	(\$245,065)	\$0	(\$1,118,023)
Infrastructure	(23,720,117)	(1,420,823)	298,982	(24,841,958)
Buildings	(1,892,593)	(233,943)	0	(2,126,536)
Machinery and Equipment	(2,517,337)	(426,620)	176,317	(2,767,640)
Total Depreciation	<u>(\$29,003,005)</u>	<u>(\$2,326,451) *</u>	<u>\$475,299</u>	<u>(\$30,854,157)</u>
<b><i>Net Value:</i></b>	<u>\$51,660,143</u>			<u>\$53,730,714</u>

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

Security of Persons and Property	(\$194,011)
Leisure Time Activities	(159,316)
Community Environment	(20,792)
Transportation	(1,780,387)
General Government	(171,945)
Total Depreciation Expense	<u>(\$2,326,451)</u>

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

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

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

Summary by Category at December 31, 2015:

<i>Historical Cost:</i>	Balance at December 31, 2014	Additions	Deletions	Balance at December 31, 2015
Class				
<i>Non-depreciable Capital assets:</i>				
Land	\$8,685,240	\$0	\$0	\$8,685,240
Construction in Progress	0	41,051	0	41,051
Total Non-depreciable Capital Assets	<u>8,685,240</u>	<u>41,051</u>	<u>0</u>	<u>8,726,291</u>
<i>Capital assets being depreciated:</i>				
Buildings	3,785,849	25,355	0	3,811,204
Land Improvements	1,570,303	63,602	0	1,633,905
Infrastructure	86,714,478	936,047	0	87,650,525
Machinery and Equipment	2,792,949	574,012	(267,563)	3,099,398
Total Depreciable Capital assets	<u>94,863,579</u>	<u>1,599,016</u>	<u>(267,563)</u>	<u>96,195,032</u>
Total Cost	<u>\$103,548,819</u>	<u>\$1,640,067</u>	<u>(\$267,563)</u>	<u>\$104,921,323</u>
 <i>Accumulated Depreciation:</i>				
Class	Balance at December 31, 2014	Additions	Deletions	Balance at December 31, 2015
Buildings	(\$1,919,826)	(\$96,062)	\$0	(\$2,015,888)
Land Improvements	(1,308,350)	(63,822)	0	(1,372,172)
Infrastructure	(19,326,320)	(1,367,150)	0	(20,693,470)
Machinery and Equipment	(1,916,629)	(150,735)	267,563	(1,799,801)
Total Depreciation	<u>(\$24,471,125)</u>	<u>(\$1,677,769)</u>	<u>\$267,563</u>	<u>(\$25,881,331)</u>
 <i>Net Value:</i>	 <u>\$79,077,694</u>			 <u>\$79,039,992</u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS**

***Net Pension Liability***

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

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

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

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

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

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

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

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

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

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

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

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

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

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

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

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

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

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

	<u>State and Local</u>
<b>2015 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee	10.0 %
<b>2015 Actual Contribution Rates</b>	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	<u>2.0</u>
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City’s contractually required contribution was \$375,412 for 2015.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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

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

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

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

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

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

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

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

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

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

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

	<u>Police</u>
<b>2015 Statutory Maximum Contribution Rates</b>	
Employer	19.50 %
Employee:	
January 1, 2015 through July 1, 2015	11.50 %
July 2, 2015 through December 31, 2015	12.25 %
<b>2015 Actual Contribution Rates</b>	
Employer:	
Pension	19.00 %
Post-employment Health Care Benefits	<u>0.50</u>
Total Employer	<u>19.50 %</u>
Employee:	
January 1, 2015 through July 1, 2015	11.50 %
July 2, 2015 through December 31, 2015	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OPF was \$329,200 for 2015.

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

The net pension liability for OPERS was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF’s total pension liability was measured as of December 31, 2014, and was determined by rolling forward the total pension liability as of January 1, 2014, to December 31, 2014. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$2,659,236	\$4,001,919	\$6,661,155
Proportion of the Net Pension Liability	0.022048%	0.0772509%	
Pension Expense	\$296,393	\$390,696	\$687,089

**CITY OF SPRINGBORO, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

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

At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Net difference between projected and actual earnings on pension plan investments	\$141,889	\$172,479	\$314,368
City contributions subsequent to the measurement date	<u>375,412</u>	<u>329,200</u>	<u>704,612</u>
Total Deferred Outflows of Resources	<u>\$517,301</u>	<u>\$501,679</u>	<u>\$1,018,980</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	<u>\$46,717</u>	<u>\$0</u>	<u>\$46,717</u>

\$704,612 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
2016	\$13,916	\$43,120	\$57,036
2017	13,916	43,120	57,036
2018	31,866	43,120	74,986
2019	<u>35,474</u>	<u>43,119</u>	<u>78,593</u>
Total	<u>\$95,172</u>	<u>\$172,479</u>	<u>\$267,651</u>

**Actuarial Assumptions - OPERS**

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.75 percent
Future Salary Increases, including inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA	3 percent, simple
Investment Rate of Return	8 percent
Actuarial Cost Method	Individual Entry Age

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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

Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2010.

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

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 6.95 percent for 2014.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2014 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.31 %
Domestic Equities	19.90	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	19.10	7.40
Other investments	18.00	4.59
Total	100.00 %	5.28 %

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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

**Discount Rate** The discount rate used to measure the total pension liability was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** The following table presents the City’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 8 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (7 percent) or one-percentage-point higher (9 percent) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$4,892,231	\$2,659,236	\$778,515

**Actuarial Assumptions – OPF**

OPF’s total pension liability as of December 31, 2014 is based on the results of an actuarial valuation date of January 1, 2014, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2014, are presented below:

Valuation Date	January 1, 2014
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
Cost of Living Adjustments	2.60 percent and 3.00 percent

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF’s target asset allocation as of December 31, 2014 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	(0.25) %
Domestic Equity	16.00	4.47
Non-US Equity	16.00	4.47
Core Fixed Income *	20.00	1.62
Global Inflation Protected *	20.00	1.33
High Yield	15.00	3.39
Real Estate	12.00	3.93
Private Markets	8.00	6.98
Timber	5.00	4.92
Master Limited Partnerships	8.00	7.03
Total	120.00 %	

\* levered 2x

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

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

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

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

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

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$5,535,259	\$4,001,919	\$2,703,646

**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 coverage, deposits to a Health Reimbursement Arrangement, 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 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45. Please see the Plan Statement in the OPERS 2014 CAFR for details.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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

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

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.

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

Funding Policy – The ORC provides the statutory authority requiring public employers to fund post retirement health care coverage through their contributions to OPERS. A portion of each employer’s contribution to OPERS 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 2015, 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.

OPERS maintains three health care trusts. The two cost-sharing, multiple-employer trusts, the 401(h) Health Care Trust and the 115 Health Care Trust, work together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. The third trust is a Voluntary Employee’s Beneficiary Association (VEBA) that provides funding for a Retiree Medical Account for Member-Directed Plan members. Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0% during calendar year 2015. As recommended by OPERS’ actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0% for both plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to the VEBA for participants in the Member-Directed Plan for 2015 was 4.5%.

The City's contributions for health care to the OPERS for the years ending December 31, 2015, 2014, and 2013 were \$69,654, \$65,904 and \$29,389, respectively, which were equal to the required contributions for each year.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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

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

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

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

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

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

Funding Policy – The ORC provides for contribution requirements of the participating employers and of plan members to the OP&F. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5% and 24.0% of covered payroll for police and fire employers, respectively. The ORC states that the employer contribution may not exceed 19.5% of covered payroll for police employer units and 24.0% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2015, the portion of employer contributions allocated to health care was 0.5% of covered payroll for both police officers and firefighters. 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, 2015, 2014, and 2013 were \$8,663, \$8,486 and \$58,870 for police which was equal to the required contributions for each year.

**CITY OF SPRINGBORO, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

**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, 2015, the City's accumulated, unpaid compensated absences amounted to \$665,623, of which \$518,495 is recorded as a liability of the Governmental Activities and \$147,128 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 - LONG-TERM OBLIGATIONS**

Long-term debt and other long-term obligations of the City at December 31, 2015 were as follows:

		Restated Balance December 31, 2014	Issued	(Retired)	Balance December 31, 2015	Amount Due Within One Year
<b>Business Type-Activities:</b>						
General Obligation Bonds:						
1.0 - 3.65% Golf Course Refunding	2010	\$2,065,000	\$0	(\$235,000)	\$1,830,000	\$240,000
3.0 - 5.0% Water Capital Refunding Bond	2008	7,065,000	0	(660,000)	6,405,000	685,000
Premium on Refunding Bond	2008	166,360	0	(18,485)	147,875	18,485
Total General Obligation Bonds		<u>9,296,360</u>	<u>0</u>	<u>(913,485)</u>	<u>8,382,875</u>	<u>943,485</u>
Mortgage Revenue Bonds:						
2.00 - 4.00% Waterworks Improvement Refunding	2004	1,080,000	0	(255,000)	825,000	265,000
2.00 - 4.00% Discount on Waterworks Refunding	2004	(4,033)	0	1,007	(3,026)	(1,007)
2.00 -5.00% Sewer	2004	2,980,000	0	(630,000)	2,350,000	0
2.00 -5.00% Premium on Sewer Bond	2004	83,715	0	(5,581)	78,134	5,581
1.50 - 2.50% Sewer Refunding - 1997 Issue	2011	1,195,000	0	(290,000)	905,000	295,000
2.00 -5.00% Sewer Refunding - 2004 Issue	2012	10,240,000	0	(30,000)	10,210,000	680,000
2.00 -5.00% Premium on Sewer Funding - 2004	2012	1,004,074	0	(77,236)	926,838	77,236
Total Mortgage Revenue Bonds		<u>16,578,756</u>	<u>0</u>	<u>(1,286,810)</u>	<u>15,291,946</u>	<u>1,321,810</u>
Net Pension Liability:						
Ohio Public Employers Retirement System		978,610	44,763	0	1,023,373	0
Compensated Absences Payable		125,261	147,128	(125,261)	147,128	27,173
Total Business-Type Activity Long-Term Liabilities		<u>\$26,978,987</u>	<u>\$191,891</u>	<u>(\$2,325,556)</u>	<u>\$24,845,322</u>	<u>\$2,292,468</u>

**CITY OF SPRINGBORO, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

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

		Restated Balance December 31, 2014	Issued	(Retired)	Balance December 31, 2015	Amount Due Within One Year
<b>Governmental Activities:</b>						
Special Assessment Bonds:						
4.200 - 5.600% Commercial Way	1997	\$125,000	\$0	(\$40,000)	\$85,000	\$40,000
1.500 - 5.350% Various Purpose	2003	1,045,000	0	(95,000)	950,000	100,000
Total Special Assessment Bonds (with Governmental Commitment)		1,170,000	0	(135,000)	1,035,000	140,000
Unvoted General Obligation Bonds:						
4.500 - 6.000% South Main St. Improvement	1997	50,000	0	(15,000)	35,000	15,000
3.000 - 5.000% Street Paving Projects	2008	435,000	0	(105,000)	330,000	105,000
3.000 - 5.000% Street Reconstruction	2008	1,305,000	0	(310,000)	995,000	320,000
3.000 - 5.000% Municipal Building	2008	3,285,000	0	(305,000)	2,980,000	320,000
3.000 - 5.000% Refunding Bonds	2008	360,000	0	(85,000)	275,000	90,000
2.000 - 5.000% Austin Road Interchange Bonds	2010	3,745,000	0	(135,000)	3,610,000	140,000
Premium on Bonds		126,535	0	(20,971)	105,564	20,967
Total General Obligation Bonds		9,306,535	0	(975,971)	8,330,564	1,010,967
Net Pension Liability:						
Ohio Public Employees Retirement System		1,620,563	15,300	0	1,635,863	0
Ohio Police and Fire Pension Fund		3,762,361	239,558	0	4,001,919	0
Total Net Pension Liability		5,382,924	254,858	0	5,637,782	0
General Obligation Note Payable		1,500,000	1,500,000	(1,500,000)	1,500,000	1,500,000
Compensated Absences Payable		461,927	518,495	(461,927)	518,495	51,080
Total Governmental Activity Long-Term Liabilities		\$17,821,386	\$2,273,353	(\$3,072,898)	\$17,021,841	\$2,702,047

The principal amount of the City's special assessment bonds outstanding at December 31, 2015, \$1,035,000, 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 \$16,618.

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

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

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

The City's future long-term obligation funding requirements, including principal and interest payments as of December 31, 2015, follow:

Years	General Obligation Bonds			
	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2016	\$990,000	\$357,602	\$925,000	\$349,938
2017	995,000	318,240	960,000	316,510
2018	1,015,000	280,090	990,000	280,560
2019	585,000	229,340	1,035,000	236,060
2020	545,000	202,490	1,085,000	188,860
2021-2025	2,165,000	660,520	3,240,000	281,458
2026-2030	1,125,000	337,500	0	0
2031-2033	805,000	73,575	0	0
Totals	\$8,225,000	\$2,459,357	\$8,235,000	\$1,653,386

Years	Special Assessment Bonds		Mortgage Revenue Bonds	
	Principal	Interest	Principal	Interest
2016	\$140,000	\$53,660	\$1,240,000	\$562,908
2017	150,000	46,420	1,280,000	529,017
2018	110,000	38,650	1,315,000	490,518
2019	115,000	33,150	750,000	442,663
2020	120,000	27,400	785,000	404,287
2021-2025	400,000	43,603	4,510,000	1,455,088
2026-2029	0	0	4,410,000	413,781
Totals	\$1,035,000	\$242,883	\$14,290,000	\$4,298,262

**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, 2015, \$2,405,000 of bonds outstanding are considered defeased.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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

**B. Defeased Debt (Continued)**

In September 2008, the City partially refunded \$515,000 of General Obligation Bonds for Various Purpose 1999, through the issuance of \$535,000 of General Obligation Bonds. The refunded bonds, which have an outstanding balance of \$240,000 at December 31, 2015, 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 \$35,000 at December 31, 2015, 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 \$6,555,000 at December 31, 2015, are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

In March 2010, the City refunded \$3,060,000 of General Obligation Bonds for Golf Course Refunding 1999, through the issuance of \$3,200,000 of General Obligation Bonds. The refunded bonds, which have an outstanding balance of \$1,900,000 at December 31, 2015, are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

In April 2012, the City partially refunded \$10,245,000 of Mortgage Revenue Bonds for Sewer Improvements 2004, through the issuance of \$10,295,000 of Mortgage Revenue Bonds. The refunded bonds, which have an outstanding balance of \$10,245,000 at December 31, 2015, are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 14 - RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. During 2015 the City contracted with several different insurance providers for various insurance coverages, as follows:

<u>Type of Coverage</u>	<u>Liability Limits</u>	<u>Deductible</u>
Property	\$79,485,235	\$5,000
Crime	250,000	2,500
Inland Marine	2,198,320	1,000
General Liability	10,000,000	0
Employee Benefits Liability	8,000,000	1,000
Employers Liability	8,000,000	0
Automobile Liability	8,000,000	0
Public Officials Liability	9,000,000	2,500
Police Liability	9,000,000	2,500
Employment Practices Liability	9,000,000	2,500

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

For the year 2015, the City participated in the Ohio Municipal League of Ohio Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (see Note 16). The intent of the GRP is to achieve the benefit of a reduced premium for the City by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating cities is calculated as one experience and a common premium rate is applied to all cities in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to cities that can meet the GRP's selection criteria. The firm of 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.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 15 - CONTRACTUAL COMMITMENTS**

As of December 31, 2015, the City had the following significant contractual commitments:

<u>Project</u>	<u>Remaining Contractual Commitment</u>
E. Milo Beck Park	\$1,103,755
Hazel Woods Park Development	983,201
Red Lion 5 Pts. Rd. Improvements	784,798
Bridge to Hazel Woods Park	415,265
Sparc-n-Go	200,000
Clearcreek Park Improvements	102,214
Hiawatha Trail Storm Sewer Improvements	95,000
Gardner Park Improvements	8,234
Total	<u><u>\$3,692,467</u></u>

**NOTE 16 – GROUP PURCHASING POOL**

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

**NOTE 17 – JOINTLY GOVERNED ORGANIZATIONS**

During 2015, the City participated in the Warren County General Health District, the Greater Warren Drug Task Force, Miami Valley Regional Planning Commission, the Montgomery County Transportation Improvement District and the Warren County Transportation Improvement District, jointly governed organizations. The following describes the relationship between these organizations and the City:

Warren County General Health District

The Warren County General Health District (the District) provides health services to the citizens within the County. The District, which consists of a representative from each of the participating governments, including the City, oversees the operation of the District. The amount the City contributed during 2015 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.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 17 – JOINTLY GOVERNED ORGANIZATIONS (Continued)**

The Greater Warren County Drug Task Force

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

Miami Valley Regional Planning Commission

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

Montgomery County Transportation Improvement District

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

Warren County Transportation Improvement District

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

The City entered into 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.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 17 – JOINTLY GOVERNED ORGANIZATIONS (Continued)**

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

The City entered into an intergovernmental agreement with the WCTID on August 23, 2013, which was amended on December 4, 2015 related to the SR73/SR741 Intersection Improvement Project. The WCTID will act as the project manager for the intersection project in order to facilitate the property acquisitions and the construction of the project which is scheduled to begin in 2016.

**NOTE 18 – RELATED ORGANIZATION**

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

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

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

**NOTE 19 – SUBSEQUENT EVENT**

On January 27, 2016, the City issued general obligation bond anticipation notes in the amount of \$5,800,000 for the SR73/SR741 intersection improvements and site development improvements. The notes have an interest rate of 1.5 percent and mature on January 26, 2017.

On April 2, 2015, the City issued general obligation bond anticipation notes in the amount of \$1,500,000 to retire notes previously issued for street improvements. The notes have an interest rate of 1.0 percent and mature on April 1, 2016.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

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**NOTE 20 – SIGNIFICANT ENCUMBRANCES**

At December 31, 2015 the City had the following significant encumbrances outstanding:

Fund	Total Encumbrances	Significant Encumbrances	Explanation
<b>Major Funds:</b>			
Construction	\$ 2,147,269	\$ 652,365 600,855 246,315 200,000	Hazelwoods Park Bridge Eng/Construction Sharts Rd/Greenwood Ln Improv. 2015/2016 Concrete program Sparc N Go at Clearcreek Park
<b>All Nonmajor Funds</b>	142,394	0	None Significant
Golf Course	339,922	116,000	Clubhouse and Cart Barn Repairs
Water	1,654,802	1,525,613	Misc Water Main Replacements
Sewer	408,796	322,728	Sewer Plant Operations Contract
Storm Water	503,100	246,000 203,462	Retaining Wall/Bank Stabilization Tahlaquah Tr/Hiawatha Tr Storm Water Improv

*REQUIRED SUPPLEMENTAL INFORMATION*

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**CITY OF SPRINGBORO, OHIO**

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

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**Ohio Public Employees Retirement System**

Fiscal Year	<u>2013</u>	<u>2014</u>
City's proportion of the net pension liability (asset)	0.022048%	0.022048%
City's proportionate share of the net pension liability (asset)	\$2,599,172	\$2,659,236
City's covered-employee payroll	\$2,938,923	\$2,762,517
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	88.44%	96.26%
Plan fiduciary net position as a percentage of the total pension liability	86.36%	86.45%

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

**Ohio Police and Fire Pension Fund**

Fiscal Year	<u>2013</u>	<u>2014</u>
City's proportion of the net pension liability (asset)	0.0772509%	0.0772509%
City's proportionate share of the net pension liability (asset)	\$3,762,361	\$4,001,919
City's covered-employee payroll	\$1,520,211	\$1,589,474
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	247.49%	251.78%
Plan fiduciary net position as a percentage of the total pension liability	73.00%	72.20%

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

Notes: The City implemented GASB Statement 68 in 2015.

Information prior to 2013 is not available.

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

**CITY OF SPRINGBORO, OHIO**

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***Schedule of City Contributions  
Last Three Years***

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**Ohio Public Employees Retirement System**

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

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

**Ohio Police and Fire Pension Fund**

Fiscal Year	<u>2013</u>	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$259,652	\$323,617	\$329,200
Contributions in relation to the contractually required contribution	<u>259,652</u>	<u>323,617</u>	<u>329,200</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered-employee payroll	\$1,520,211	\$1,589,474	\$1,638,626
Contributions as a percentage of covered-employee payroll	17.08%	20.36%	20.09%

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

Notes: The City implemented GASB Statement 68 in 2015.  
Information prior to 2013 is not available.



*COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES*

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

***Nonmajor Governmental Funds***

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***Special Revenue Funds***

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

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**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.

**Austin JEDD Fund**

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

**South Tech Public Improvement TIF Fund**

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

**Law Enforcement Trust Fund**

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

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

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

***Capital Projects Funds***

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

**Permanent Improvement Fund**

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

**Land Acquisition Fund**

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

**CITY OF SPRINGBORO, OHIO**

**Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2015**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 1,769,714	\$ 1,220,239	\$ 2,989,953
Receivables:			
Taxes	104,000	0	104,000
Intergovernmental	449,372	0	449,372
Inventory of Supplies, at Cost	111,400	0	111,400
Prepaid Items	25,087	0	25,087
Assets Held for Resale	0	2,404,468	2,404,468
<b>Total Assets</b>	<b>\$ 2,459,573</b>	<b>\$ 3,624,707</b>	<b>\$ 6,084,280</b>
<b>Liabilities:</b>			
Accounts Payable	\$ 4,319	\$ 0	\$ 4,319
Accrued Wages and Benefits Payable	10,484	0	10,484
Intergovernmental Payable	9,263	0	9,263
<b>Total Liabilities</b>	<b>24,066</b>	<b>0</b>	<b>24,066</b>
<b>Deferred Inflows of Resources:</b>			
Property Tax Levy for Next Fiscal Year	104,000	0	104,000
Unavailable Amounts	296,095	0	296,095
<b>Total Deferred Inflows of Resources</b>	<b>400,095</b>	<b>0</b>	<b>400,095</b>
<b>Fund Balances:</b>			
Nonspendable	136,487	0	136,487
Restricted	1,898,925	3,624,707	5,523,632
<b>Total Fund Balances</b>	<b>2,035,412</b>	<b>3,624,707</b>	<b>5,660,119</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 2,459,573</b>	<b>\$ 3,624,707</b>	<b>\$ 6,084,280</b>

**CITY OF SPRINGBORO, OHIO**

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2015***

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>			
Property and Other Taxes	\$ 0	\$ 220,922	\$ 220,922
Payment in Lieu of Taxes	103,114	0	103,114
Intergovernmental Revenues	1,032,297	0	1,032,297
Fines, Licenses and Permits	56,327	90,586	146,913
Investment Earnings	1,976	0	1,976
Donations	6,825	0	6,825
All Other Revenue	230,204	26,894	257,098
<b>Total Revenue</b>	<b>1,430,743</b>	<b>338,402</b>	<b>1,769,145</b>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property	79,751	0	79,751
Transportation	925,913	0	925,913
General Government	46,353	5,264	51,617
Capital Outlay	0	454,320	454,320
Debt Service:			
Principal Retirement	1,500,000	0	1,500,000
Interest and Fiscal Charges	4,533	0	4,533
<b>Total Expenditures</b>	<b>2,556,550</b>	<b>459,584</b>	<b>3,016,134</b>
Excess (Deficiency) of Revenues Over Expenditures	(1,125,807)	(121,182)	(1,246,989)
<b>Other Financing Sources (Uses):</b>			
General Obligation Notes Issued	1,500,000	0	1,500,000
Transfers In	399,794	381,654	781,448
Transfers Out	(494,503)	0	(494,503)
<b>Total Other Financing Sources (Uses)</b>	<b>1,405,291</b>	<b>381,654</b>	<b>1,786,945</b>
Net Change in Fund Balances	279,484	260,472	539,956
<b>Fund Balances at Beginning of Year</b>	<b>1,732,652</b>	<b>3,364,235</b>	<b>5,096,887</b>
Increase in Inventory Reserve	23,276	0	23,276
<b>Fund Balances End of Year</b>	<b>\$ 2,035,412</b>	<b>\$ 3,624,707</b>	<b>\$ 5,660,119</b>

**CITY OF SPRINGBORO, OHIO**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2015**

	Street Maintenance and Repair	State Highway	Permissive Use Tax	Motor Vehicle License Tax
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 426,798	\$ 181,013	\$ 3,902	\$ 59,026
Receivables:				
Taxes	0	0	0	0
Intergovernmental	318,232	25,803	0	100,109
Inventory of Supplies, at Cost	111,400	0	0	0
Prepaid Items	22,557	0	0	0
<b>Total Assets</b>	<b>\$ 878,987</b>	<b>\$ 206,816</b>	<b>\$ 3,902</b>	<b>\$ 159,135</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 3,633	\$ 686	\$ 0	\$ 0
Accrued Wages and Benefits Payable	10,484	0	0	0
Intergovernmental Payable	8,811	0	0	0
<b>Total Liabilities</b>	<b>22,928</b>	<b>686</b>	<b>0</b>	<b>0</b>
<b>Deferred Inflows of Resources:</b>				
Property Tax Levy for Next Fiscal Year	0	0	0	0
Unavailable Amounts	212,154	17,202	0	66,739
<b>Total Deferred Inflows of Resources</b>	<b>212,154</b>	<b>17,202</b>	<b>0</b>	<b>66,739</b>
<b>Fund Balances:</b>				
Nonspendable	133,957	0	0	0
Restricted	509,948	188,928	3,902	92,396
<b>Total Fund Balances</b>	<b>643,905</b>	<b>188,928</b>	<b>3,902</b>	<b>92,396</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 878,987</b>	<b>\$ 206,816</b>	<b>\$ 3,902</b>	<b>\$ 159,135</b>

**CITY OF SPRINGBORO, OHIO**

<u>COPS Grant</u>	<u>Drug Law Enforcement</u>	<u>Mayor's Court Improvement</u>	<u>Austin Center Municipal Public Improvement TIF</u>	<u>Austin JEDD</u>	<u>South Tech Public Improvement TIF</u>
\$ 105,604	\$ 77,563	\$ 189,389	\$ 412,581	\$ 90,495	\$ 173,184
0	0	0	104,000	0	0
4,584	644	0	0	0	0
0	0	0	0	0	0
0	0	2,530	0	0	0
<u>\$ 110,188</u>	<u>\$ 78,207</u>	<u>\$ 191,919</u>	<u>\$ 516,581</u>	<u>\$ 90,495</u>	<u>\$ 173,184</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0
452	0	0	0	0	0
<u>452</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	104,000	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>104,000</u>	<u>0</u>	<u>0</u>
0	0	2,530	0	0	0
109,736	78,207	189,389	412,581	90,495	173,184
<u>109,736</u>	<u>78,207</u>	<u>191,919</u>	<u>412,581</u>	<u>90,495</u>	<u>173,184</u>
<u>\$ 110,188</u>	<u>\$ 78,207</u>	<u>\$ 191,919</u>	<u>\$ 516,581</u>	<u>\$ 90,495</u>	<u>\$ 173,184</u>

(Continued)

**CITY OF SPRINGBORO, OHIO**

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**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2015**

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	Law Enforcement Trust	DARE Trust	Total Nonmajor Special Revenue Funds
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 11,687	\$ 38,472	\$ 1,769,714
Receivables:			
Taxes	0	0	104,000
Intergovernmental	0	0	449,372
Inventory of Supplies, at Cost	0	0	111,400
Prepaid Items	0	0	25,087
<b>Total Assets</b>	<u>\$ 11,687</u>	<u>\$ 38,472</u>	<u>\$ 2,459,573</u>
<b>Liabilities:</b>			
Accounts Payable	\$ 0	\$ 0	\$ 4,319
Accrued Wages and Benefits Payable	0	0	10,484
Intergovernmental Payable	0	0	9,263
<b>Total Liabilities</b>	<u>0</u>	<u>0</u>	<u>24,066</u>
<b>Deferred Inflows of Resources:</b>			
Property Tax Levy for Next Fiscal Year	0	0	104,000
Unavailable Amounts	0	0	296,095
<b>Total Deferred Inflows of Resources</b>	<u>0</u>	<u>0</u>	<u>400,095</u>
<b>Fund Balances:</b>			
Nonspendable	0	0	136,487
Restricted	11,687	38,472	1,898,925
<b>Total Fund Balances</b>	<u>11,687</u>	<u>38,472</u>	<u>2,035,412</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 11,687</u>	<u>\$ 38,472</u>	<u>\$ 2,459,573</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, 2015**

	Street Maintenance and Repair	State Highway	Permissive Use Tax	Motor Vehicle License Tax
<b>Revenues:</b>				
Payment in Lieu of Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	668,785	54,226	0	211,419
Fines, Licenses and Permits	0	0	0	0
Investment Earnings	1,069	708	16	183
Donations	0	0	0	0
All Other Revenue	10,894	0	0	0
<b>Total Revenue</b>	<u>680,748</u>	<u>54,934</u>	<u>16</u>	<u>211,602</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	0	0	0	0
Transportation	898,845	27,068	0	0
General Government	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<b>Total Expenditures</b>	<u>898,845</u>	<u>27,068</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(218,097)	27,866	16	211,602
<b>Other Financing Sources (Uses):</b>				
General Obligation Notes Issued	0	0	0	0
Transfers In	351,000	0	0	0
Transfers Out	0	0	0	(200,000)
<b>Total Other Financing Sources (Uses)</b>	<u>351,000</u>	<u>0</u>	<u>0</u>	<u>(200,000)</u>
Net Change in Fund Balances	132,903	27,866	16	11,602
<b>Fund Balance at Beginning of Year</b>	487,726	161,062	3,886	80,794
Increase in Inventory Reserve	23,276	0	0	0
<b>Fund Balance End of Year</b>	<u>\$ 643,905</u>	<u>\$ 188,928</u>	<u>\$ 3,902</u>	<u>\$ 92,396</u>

**CITY OF SPRINGBORO, OHIO**

COPS Grant	Drug Law Enforcement	Mayor's Court Improvement	Austin Center Municipal Public Improvement TIF	Austin JEDD	South Tech Public Improvement TIF
\$ 0	\$ 0	\$ 0	\$ 103,114	\$ 0	\$ 0
0	0	0	0	61,701	0
0	42,031	14,296	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
17,878	0	0	191,540	0	6,644
<u>17,878</u>	<u>42,031</u>	<u>14,296</u>	<u>294,654</u>	<u>61,701</u>	<u>6,644</u>
30,466	700	0	0	0	0
0	0	0	0	0	0
0	0	18,126	9,657	0	18,570
0	0	0	0	0	1,500,000
0	0	0	0	0	4,533
<u>30,466</u>	<u>700</u>	<u>18,126</u>	<u>9,657</u>	<u>0</u>	<u>1,523,103</u>
(12,588)	41,331	(3,830)	284,997	61,701	(1,516,459)
0	0	0	0	0	1,500,000
0	0	0	0	28,794	0
0	0	0	(294,503)	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>(294,503)</u>	<u>28,794</u>	<u>1,500,000</u>
(12,588)	41,331	(3,830)	(9,506)	90,495	(16,459)
122,324	36,876	195,749	422,087	0	189,643
0	0	0	0	0	0
<u>\$ 109,736</u>	<u>\$ 78,207</u>	<u>\$ 191,919</u>	<u>\$ 412,581</u>	<u>\$ 90,495</u>	<u>\$ 173,184</u>

(Continued)

**CITY OF SPRINGBORO, OHIO**

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015***

	Law Enforcement Trust	DARE Trust	Total Nonmajor Special Revenue Funds
<b>Revenues:</b>			
Payment in Lieu of Taxes	\$ 0	\$ 0	\$ 103,114
Intergovernmental Revenues	0	36,166	1,032,297
Fines, Licenses and Permits	0	0	56,327
Investment Earnings	0	0	1,976
Donations	0	6,825	6,825
All Other Revenue	449	2,799	230,204
<b>Total Revenue</b>	<u>449</u>	<u>45,790</u>	<u>1,430,743</u>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property	0	48,585	79,751
Transportation	0	0	925,913
General Government	0	0	46,353
Debt Service:			
Principal Retirement	0	0	1,500,000
Interest and Fiscal Charges	0	0	4,533
<b>Total Expenditures</b>	<u>0</u>	<u>48,585</u>	<u>2,556,550</u>
Excess (Deficiency) of Revenues Over Expenditures	449	(2,795)	(1,125,807)
<b>Other Financing Sources (Uses):</b>			
General Obligation Notes Issued	0	0	1,500,000
Transfers In	0	20,000	399,794
Transfers Out	0	0	(494,503)
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>20,000</u>	<u>1,405,291</u>
Net Change in Fund Balances	449	17,205	279,484
<b>Fund Balance at Beginning of Year</b>	11,238	21,267	1,732,652
Increase in Inventory Reserve	0	0	23,276
<b>Fund Balance End of Year</b>	<u>\$ 11,687</u>	<u>\$ 38,472</u>	<u>\$ 2,035,412</u>

**CITY OF SPRINGBORO, OHIO**

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**Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2015**

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	Permanent Improvement	Land Acquisition	Total Nonmajor Capital Projects Funds
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 1,219,925	\$ 314	\$ 1,220,239
Assets Held for Resale	0	2,404,468	2,404,468
<b>Total Assets</b>	<u>\$ 1,219,925</u>	<u>\$ 2,404,782</u>	<u>\$ 3,624,707</u>
<b>Liabilities:</b>			
<b>Total Liabilities</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Fund Balances:</b>			
Restricted	1,219,925	2,404,782	3,624,707
<b>Total Fund Balances</b>	<u>1,219,925</u>	<u>2,404,782</u>	<u>3,624,707</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 1,219,925</u>	<u>\$ 2,404,782</u>	<u>\$ 3,624,707</u>

**CITY OF SPRINGBORO, OHIO**

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**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2015**

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	Permanent Improvement	Land Acquisition	Total Nonmajor Capital Projects Funds
<b>Revenues:</b>			
Property and Other Taxes	\$ 220,922	\$ 0	\$ 220,922
Fines, Licenses and Permits	90,586	0	90,586
All Other Revenue	26,894	0	26,894
<b>Total Revenue</b>	<u>338,402</u>	<u>0</u>	<u>338,402</u>
<b>Expenditures:</b>			
Current:			
General Government	5,264	0	5,264
Capital Outlay	454,320	0	454,320
<b>Total Expenditures</b>	<u>459,584</u>	<u>0</u>	<u>459,584</u>
Excess (Deficiency) of Revenues Over Expenditures	(121,182)	0	(121,182)
<b>Other Financing Sources (Uses):</b>			
Transfers In	381,654	0	381,654
<b>Total Other Financing Sources (Uses)</b>	<u>381,654</u>	<u>0</u>	<u>381,654</u>
Net change in Fund Balances	260,472	0	260,472
<b>Fund Balances at Beginning of Year</b>	<u>959,453</u>	<u>2,404,782</u>	<u>3,364,235</u>
<b>Fund Balances End of Year</b>	<u>\$ 1,219,925</u>	<u>\$ 2,404,782</u>	<u>\$ 3,624,707</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, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Municipal Income Taxes	\$ 8,113,168	\$ 8,113,168	\$ 8,625,755	\$ 512,587
Property and Other Taxes	756,461	756,461	622,758	(133,703)
Intergovernmental Revenues	210,598	210,598	269,888	59,290
Fines, Licenses and Permits	391,995	391,995	510,368	118,373
Investment Earnings	152,262	152,262	72,625	(79,637)
Special Assessments	28,000	28,000	32,487	4,487
All Other Revenues	201,000	200,627	254,855	54,228
Total Revenues	<u>9,853,484</u>	<u>9,853,111</u>	<u>10,388,736</u>	<u>535,625</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Police Department:				
Personal Services	2,590,398	2,600,380	2,433,758	166,622
Materials and Supplies	198,417	198,417	138,134	60,283
Contractual Services	157,968	147,968	117,462	30,506
Capital Outlay	7,200	7,200	7,200	0
Total Police Department	<u>2,953,983</u>	<u>2,953,965</u>	<u>2,696,554</u>	<u>257,411</u>
Police Dispatcher:				
Personal Services	213,900	211,168	178,927	32,241
Materials and Supplies	7,664	7,664	4,464	3,200
Contractual Services	10,200	10,200	854	9,346
Total Police Dispatcher	<u>231,764</u>	<u>229,032</u>	<u>184,245</u>	<u>44,787</u>
Street Lighting:				
Contractual Services	147,003	150,503	139,395	11,108
Total Street Lighting	<u>147,003</u>	<u>150,503</u>	<u>139,395</u>	<u>11,108</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, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Prisoner Care:				
Contractual Services	8,185	8,185	8,185	0
Total Prisoner Care	8,185	8,185	8,185	0
Total Security of Persons and Property	3,343,535	3,344,285	3,030,970	313,315
Public Health and Welfare:				
Health Board:				
Contractual Services	16,677	16,677	16,677	0
Total Public Health and Welfare	16,677	16,677	16,677	0
Leisure Time Activities:				
Park Maintenance:				
Personal Services	449,071	447,428	390,937	56,491
Contractual Services	133,051	131,537	121,955	9,582
Materials and Supplies	106,510	113,567	84,717	28,850
Total Park Maintenance	688,632	692,532	597,609	94,923
Library Services:				
Contractual Services	37,277	37,277	29,958	7,319
Materials and Supplies	2,000	2,000	1,170	830
Total Library Services	39,277	39,277	31,128	8,149
Total Leisure Time Activities	727,909	731,809	628,737	103,072
Community Environment:				
Planning and Zoning:				
Personal Services	14,350	14,350	11,408	2,942
Contractual Services	160,263	159,863	158,431	1,432
Materials and Supplies	200	600	0	600
Total Planning and Zoning	174,813	174,813	169,839	4,974
Engineering:				
Personal Services	107,451	107,451	100,426	7,025
Contractual Services	166,935	166,935	111,314	55,621
Materials and Supplies	10,500	10,500	5,669	4,831
Total Engineering	284,886	284,886	217,409	67,477

(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, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Economic Development:				
Personal Services	5,000	5,000	2,705	2,295
Contractual Services	145,800	146,400	98,881	47,519
Materials and Supplies	300	300	0	300
Total Economic Development	151,100	151,700	101,586	50,114
Building Inspection:				
Personal Services	317,100	317,100	288,565	28,535
Contractual Services	77,245	76,245	59,563	16,682
Materials and Supplies	9,500	10,500	6,909	3,591
Total Building Inspection	403,845	403,845	355,037	48,808
Total Community Environment	1,014,644	1,015,244	843,871	171,373
General Government:				
City Council:				
Personal Services	216,600	210,070	188,420	21,650
Contractual Services	115,568	122,098	112,564	9,534
Materials and Supplies	5,966	5,966	3,375	2,591
Total City Council	338,134	338,134	304,359	33,775
City Manager:				
Personal Services	146,750	149,610	138,999	10,611
Contractual Services	85,257	82,397	66,016	16,381
Materials and Supplies	500	500	0	500
Total City Manager	232,507	232,507	205,015	27,492
Assistant City Manager:				
Personal Services	89,450	89,315	82,704	6,611
Contractual Services	64,151	62,674	48,342	14,332
Materials and Supplies	1,000	2,612	2,612	0
Total Assistant City Manager	154,601	154,601	133,658	20,943
Computer Administration:				
Personal Services	91,600	91,600	86,297	5,303
Contractual Services	58,880	63,731	54,769	8,962
Materials and Supplies	60,000	55,149	25,068	30,081
Total Computer Administration	210,480	210,480	166,134	44,346

(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, 2015***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Finance Department:				
Personal Services	151,750	151,750	143,956	7,794
Contractual Services	82,765	78,765	56,060	22,705
Materials and Supplies	1,500	5,500	3,885	1,615
Total Finance Department	236,015	236,015	203,901	32,114
Mayor's Court:				
Personal Services	79,575	82,325	81,133	1,192
Contractual Services	86,700	86,700	79,471	7,229
Materials and Supplies	500	500	0	500
Total Mayor's Court	166,775	169,525	160,604	8,921
Income Tax:				
Personal Services	205,850	205,530	193,099	12,431
Contractual Services	787,517	787,837	704,245	83,592
Materials and Supplies	1,000	1,361	1,361	0
Total Income Tax	994,367	994,728	898,705	96,023
Legal Administration:				
Contractual Services	27,533	32,533	32,493	40
Total Legal Administration	27,533	32,533	32,493	40
Volunteer Services:				
Contractual Services	4,000	4,000	0	4,000
Total Volunteer Services	4,000	4,000	0	4,000
Building and Land:				
Personal Services	890,241	894,025	887,981	6,044
Contractual Services	616,845	642,461	586,868	55,593
Materials and Supplies	121,620	114,858	89,361	25,497
Total Building and Land	1,628,706	1,651,344	1,564,210	87,134

(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, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Miscellaneous:				
Contractual Services	172,997	182,996	172,222	10,774
Materials and Supplies	13,628	13,628	13,313	315
Total Miscellaneous	<u>186,625</u>	<u>196,624</u>	<u>185,535</u>	<u>11,089</u>
Total General Government	<u>4,179,743</u>	<u>4,220,491</u>	<u>3,854,614</u>	<u>365,877</u>
Total Expenditures	<u>9,282,508</u>	<u>9,328,506</u>	<u>8,374,869</u>	<u>953,637</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	570,976	524,605	2,013,867	1,489,262
<b>Other Financing Sources (Uses):</b>				
Transfers Out	<u>(1,941,151)</u>	<u>(5,484,539)</u>	<u>(4,915,705)</u>	<u>568,834</u>
Total Other Financing Sources (Uses)	<u>(1,941,151)</u>	<u>(5,484,539)</u>	<u>(4,915,705)</u>	<u>568,834</u>
Net Change in Fund Balance	(1,370,175)	(4,959,934)	(2,901,838)	2,058,096
Fund Balance at Beginning of Year	7,457,501	7,457,501	7,457,501	0
Prior Year Encumbrances	432,467	432,467	432,467	0
Fund Balance at End of Year	<u>\$ 6,519,793</u>	<u>\$ 2,930,034</u>	<u>\$ 4,988,130</u>	<u>\$ 2,058,096</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, 2015**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Special Assessments	\$ 209,645	\$ 211,702	\$ 2,057
Total Revenues	<u>209,645</u>	<u>211,702</u>	<u>2,057</u>
<b>Expenditures:</b>			
General Government:			
Debt Service:			
Principal Retirement	2,590,000	2,590,000	0
Interest and Fiscal Charges	<u>469,032</u>	<u>469,032</u>	<u>0</u>
Total Expenditures	<u>3,059,032</u>	<u>3,059,032</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,849,387)	(2,847,330)	2,057
<b>Other Financing Sources (Uses):</b>			
Transfers In	<u>2,863,382</u>	<u>2,863,382</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>2,863,382</u>	<u>2,863,382</u>	<u>0</u>
Net Change in Fund Balance	13,995	16,052	2,057
Fund Balance at Beginning of Year	<u>140,602</u>	<u>140,602</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 154,597</u>	<u>\$ 156,654</u>	<u>\$ 2,057</u>

**CITY OF SPRINGBORO, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Capital Project Funds –Construction Fund  
For the Year Ended December 31, 2015**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Special Assessments	\$ 20,000	\$ 11,089	\$ (8,911)
All Other Revenues	60,000	83,483	23,483
Total Revenues	<u>80,000</u>	<u>94,572</u>	<u>14,572</u>
<b>Expenditures:</b>			
General Government:			
Contractual Services	52,035	50,709	1,326
Total General Government	<u>52,035</u>	<u>50,709</u>	<u>1,326</u>
Capital Outlay	8,223,982	8,221,203	2,779
Total Expenditures	<u>8,276,017</u>	<u>8,271,912</u>	<u>4,105</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,196,017)	(8,177,340)	18,677
<b>Other Financing Sources (Uses):</b>			
Transfers In	7,140,456	7,126,155	(14,301)
Transfers Out	<u>(991,459)</u>	<u>(991,459)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>6,148,997</u>	<u>6,134,696</u>	<u>(14,301)</u>
Net Change in Fund Balance	(2,047,020)	(2,042,644)	4,376
Fund Balance at Beginning of Year	450,627	450,627	0
Prior Year Encumbrances	1,747,197	1,747,197	0
Fund Balance at End of Year	<u>\$ 150,804</u>	<u>\$ 155,180</u>	<u>\$ 4,376</u>

**CITY OF SPRINGBORO, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Capital Project Funds –Income Tax Capital Improvement Fund  
For the Year Ended December 31, 2015**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Municipal Income Taxes	\$ 4,014,668	\$ 4,312,229	\$ 297,561
Total Revenues	<u>4,014,668</u>	<u>4,312,229</u>	<u>297,561</u>
<b>Expenditures:</b>			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,014,668	4,312,229	297,561
<b>Other Financing Sources (Uses):</b>			
Transfers Out	<u>(4,443,537)</u>	<u>(3,903,537)</u>	<u>540,000</u>
Total Other Financing Sources (Uses)	<u>(4,443,537)</u>	<u>(3,903,537)</u>	<u>540,000</u>
Net Change in Fund Balance	(428,869)	408,692	837,561
Fund Balance at Beginning of Year	<u>621,961</u>	<u>621,961</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 193,092</u>	<u>\$ 1,030,653</u>	<u>\$ 837,561</u>

**CITY OF SPRINGBORO, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015**

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 670,000	\$ 675,846	\$ 5,846
Investment Earnings	1,000	1,069	69
All Other Revenues	10,000	10,894	894
Total Revenues	<u>681,000</u>	<u>687,809</u>	<u>6,809</u>
<b>Expenditures:</b>			
Transportation:			
Personal Services	577,215	499,659	77,556
Materials and Supplies	444,071	361,179	82,892
Contractual Services	210,336	186,332	24,004
Total Expenditures	<u>1,231,622</u>	<u>1,047,170</u>	<u>184,452</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(550,622)	(359,361)	191,261
<b>Other Financing Sources (Uses):</b>			
Transfers In	300,000	351,000	51,000
Total Other Financing Sources (Uses)	<u>300,000</u>	<u>351,000</u>	<u>51,000</u>
Net Change in Fund Balance	(250,622)	(8,361)	242,261
Fund Balance at Beginning of Year	238,216	238,216	0
Prior Year Encumbrances	87,976	87,976	0
Fund Balance at End of Year	<u>\$ 75,570</u>	<u>\$ 317,831</u>	<u>\$ 242,261</u>

**CITY OF SPRINGBORO, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015***

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 50,100	\$ 54,798	\$ 4,698
Investment Earnings	500	708	208
Total Revenues	<u>50,600</u>	<u>55,506</u>	<u>4,906</u>
<b>Expenditures:</b>			
Transportation:			
Contractual Services	32,000	23,107	8,893
Capital Outlay	100,000	5,691	94,309
Total Expenditures	<u>132,000</u>	<u>28,798</u>	<u>103,202</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(81,400)	26,708	108,108
Fund Balance at Beginning of Year	143,359	143,359	0
Prior Year Encumbrances	10,686	10,686	0
Fund Balance at End of Year	<u>\$ 72,645</u>	<u>\$ 180,753</u>	<u>\$ 108,108</u>

**CITY OF SPRINGBORO, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015***

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Investment Earnings	\$ 0	\$ 16	\$ 16
Total Revenues	<u>0</u>	<u>16</u>	<u>16</u>
<b>Expenditures:</b>			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	16	16
Fund Balance at Beginning of Year	<u>3,886</u>	<u>3,886</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 3,886</u>	<u>\$ 3,902</u>	<u>\$ 16</u>

**CITY OF SPRINGBORO, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015***

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 210,000	\$ 211,427	\$ 1,427
Investment Earnings	300	183	(117)
Total Revenues	<u>210,300</u>	<u>211,610</u>	<u>1,310</u>
<b>Expenditures:</b>			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	210,300	211,610	1,310
<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	10,300	11,610	1,310
Fund Balance at Beginning of Year	<u>47,416</u>	<u>47,416</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 57,716</u>	<u>\$ 59,026</u>	<u>\$ 1,310</u>

**CITY OF SPRINGBORO, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015***

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	COPS GRANT FUND		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
<b>Revenues:</b>			
All Other Revenues	\$ 9,000	\$ 13,294	\$ 4,294
Total Revenues	<u>9,000</u>	<u>13,294</u>	<u>4,294</u>
<b>Expenditures:</b>			
Security of Persons and Property:			
Personal Services	53,553	29,671	23,882
Materials and Supplies	0	0	0
Contractual Services	925	759	166
Total Expenditures	<u>54,478</u>	<u>30,430</u>	<u>24,048</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(45,478)	(17,136)	28,342
Fund Balance at Beginning of Year	122,740	122,740	0
Fund Balance at End of Year	<u>\$ 77,262</u>	<u>\$ 105,604</u>	<u>\$ 28,342</u>

**CITY OF SPRINGBORO, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015***

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Fines, Licenses and Permits	\$ 30,000	\$ 41,387	\$ 11,387
Total Revenues	<u>30,000</u>	<u>41,387</u>	<u>11,387</u>
<b>Expenditures:</b>			
Security of Persons and Property:			
Capital Outlay	42,000	26,000	16,000
Total Expenditures	<u>42,000</u>	<u>26,000</u>	<u>16,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,000)	15,387	27,387
Fund Balance at Beginning of Year	<u>37,054</u>	<u>37,054</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 25,054</u>	<u>\$ 52,441</u>	<u>\$ 27,387</u>

**CITY OF SPRINGBORO, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015***

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**MAYOR'S COURT IMPROVEMENT FUND**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Fines, Licenses and Permits	\$ 14,000	\$ 14,388	\$ 388
Total Revenues	<u>14,000</u>	<u>14,388</u>	<u>388</u>
<b>Expenditures:</b>			
General Government:			
Materials and Supplies	1,500	0	1,500
Contractual Services	8,900	4,426	4,474
Capital Outlay	18,138	14,249	3,889
Total Expenditures	<u>28,538</u>	<u>18,675</u>	<u>9,863</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,538)	(4,287)	10,251
Fund Balance at Beginning of Year	192,408	192,408	0
Prior Year Encumbrances	138	138	0
Fund Balance at End of Year	<u>\$ 178,008</u>	<u>\$ 188,259</u>	<u>\$ 10,251</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, 2015**

**AUSTIN CENTER MUNICIPAL PUBLIC IMPROVEMENT TIF FUND**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Payment in Lieu of Taxes	\$ 97,000	\$ 103,114	\$ 6,114
All Other Revenues	147,251	191,540	44,289
Total Revenues	<u>244,251</u>	<u>294,654</u>	<u>50,403</u>
<b>Expenditures:</b>			
General Government:			
Contractual Services	19,000	9,657	9,343
Total Expenditures	<u>19,000</u>	<u>9,657</u>	<u>9,343</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	225,251	284,997	59,746
<b>Other Financing Sources (Uses):</b>			
Transfers In	50,252	0	(50,252)
Transfers Out	(294,503)	(294,503)	0
Total Other Financing Sources (Uses)	<u>(244,251)</u>	<u>(294,503)</u>	<u>(50,252)</u>
Net Change in Fund Balance	(19,000)	(9,506)	9,494
Fund Balance at Beginning of Year	422,087	422,087	0
Fund Balance at End of Year	<u>\$ 403,087</u>	<u>\$ 412,581</u>	<u>\$ 9,494</u>

**CITY OF SPRINGBORO, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015**

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 61,500	\$ 61,701	\$ 201
Total Revenues	<u>61,500</u>	<u>61,701</u>	<u>201</u>
<b>Expenditures:</b>			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	61,500	61,701	201
<b>Other Financing Sources (Uses):</b>			
Transfers In	<u>28,500</u>	<u>28,794</u>	<u>294</u>
Total Other Financing Sources (Uses)	<u>28,500</u>	<u>28,794</u>	<u>294</u>
Net Change in Fund Balance	90,000	90,495	495
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 90,000</u>	<u>\$ 90,495</u>	<u>\$ 495</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, 2015***

**SOUTH TECH PUBLIC IMPROVEMENT TIF FUND**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
All Other Revenues	\$ 3,600	\$ 6,644	\$ 3,044
Total Revenues	<u>3,600</u>	<u>6,644</u>	<u>3,044</u>
<b>Expenditures:</b>			
General Government:			
Capital Outlay	60,000	24,180	35,820
Total Expenditures	<u>60,000</u>	<u>24,180</u>	<u>35,820</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(56,400)	(17,536)	38,864
<b>Other Financing Sources (Uses):</b>			
General Obligation Notes Issued	1,500,000	1,510,425	10,425
Transfers In	13,400	0	(13,400)
Transfers Out	<u>(1,515,000)</u>	<u>(1,514,958)</u>	<u>42</u>
Total Other Financing Sources (Uses)	<u>(1,600)</u>	<u>(4,533)</u>	<u>(2,933)</u>
Net Change in Fund Balance	(58,000)	(22,069)	35,931
Fund Balance at Beginning of Year	188,705	188,705	0
Prior Year Encumbrances	938	938	0
Fund Balance at End of Year	<u>\$ 131,643</u>	<u>\$ 167,574</u>	<u>\$ 35,931</u>

**CITY OF SPRINGBORO, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015**

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
All Other Revenues	\$ 473	\$ 574	\$ 101
Total Revenues	<u>473</u>	<u>574</u>	<u>101</u>
<b>Expenditures:</b>			
Security of Persons and Property:			
Personal Services	1,000	0	1,000
Materials and Supplies	5,000	0	5,000
Contractual Services	1,000	0	1,000
Total Expenditures	<u>7,000</u>	<u>0</u>	<u>7,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,527)	574	7,101
Fund Balance at Beginning of Year	11,113	11,113	0
Fund Balance at End of Year	<u>\$ 4,586</u>	<u>\$ 11,687</u>	<u>\$ 7,101</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, 2015**

<b>DARE TRUST FUND</b>			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 26,800	\$ 36,166	\$ 9,366
Donations	600	6,875	6,275
All Other Revenues	0	2,799	2,799
Total Revenues	<u>27,400</u>	<u>45,840</u>	<u>18,440</u>
<b>Expenditures:</b>			
Security of Persons and Property:			
Personal Services	44,500	41,833	2,667
Materials and Supplies	11,139	9,188	1,951
Contractual Services	500	0	500
Total Expenditures	<u>56,139</u>	<u>51,021</u>	<u>5,118</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(28,739)	(5,181)	23,558
<b>Other Financing Sources (Uses):</b>			
Transfers In	20,000	20,000	0
Total Other Financing Sources (Uses)	<u>20,000</u>	<u>20,000</u>	<u>0</u>
Net Change in Fund Balance	(8,739)	14,819	23,558
Fund Balance at Beginning of Year	19,378	19,378	0
Prior Year Encumbrances	1,839	1,839	0
Fund Balance at End of Year	<u>\$ 12,478</u>	<u>\$ 36,036</u>	<u>\$ 23,558</u>

**CITY OF SPRINGBORO, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2015***

<b>PERMANENT IMPROVEMENT FUND</b>			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Property and Other Taxes	\$ 7,000	\$ 220,922	\$ 213,922
Fines, Licenses and Permits	55,000	90,586	35,586
All Other Revenues	53,000	26,894	(26,106)
Total Revenues	<u>115,000</u>	<u>338,402</u>	<u>223,402</u>
<b>Expenditures:</b>			
General Government:			
Contractual Services	31,564	31,564	0
Total General Government	<u>31,564</u>	<u>31,564</u>	<u>0</u>
Capital Outlay	1,486,112	1,485,884	228
Total Expenditures	<u>1,517,676</u>	<u>1,517,448</u>	<u>228</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,402,676)	(1,179,046)	223,630
<b>Other Financing Sources (Uses):</b>			
Transfers In	362,000	381,654	19,654
Total Other Financing Sources (Uses)	<u>362,000</u>	<u>381,654</u>	<u>19,654</u>
Net Change in Fund Balance	(1,040,676)	(797,392)	243,284
Fund Balance at Beginning of Year	223,049	223,049	0
Prior Year Encumbrances	837,781	837,781	0
Fund Balance at End of Year	<u>\$ 20,154</u>	<u>\$ 263,438</u>	<u>\$ 243,284</u>

**CITY OF SPRINGBORO, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2015***

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Expenditures:</b>			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
Fund Balance at Beginning of Year	314	314	0
Fund Balance at End of Year	<u>\$ 314</u>	<u>\$ 314</u>	<u>\$ 0</u>

***Fiduciary Funds***

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

***Agency Funds***

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**Library Donation Fund**

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

**Lytle Five Points JEDD Fund**

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

**Mayor's Court Fund**

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

**Special Assessment Fund**

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

**CITY OF SPRINGBORO, OHIO**

***Statement Of Changes In Assets And Liabilities  
Agency Funds  
For the Year Ended December 31, 2015***

	Balance December 31, 2014	Additions	Deductions	Balance December 31, 2015
<u>Library Donation Fund</u>				
Assets:				
Cash and Cash Equivalents	\$6,082	\$5,019	(\$5,318)	\$5,783
Total Assets	<u>\$6,082</u>	<u>\$5,019</u>	<u>(\$5,318)</u>	<u>\$5,783</u>
Liabilities:				
Due to Others	\$6,082	\$5,019	(\$5,318)	\$5,783
Total Liabilities	<u>\$6,082</u>	<u>\$5,019</u>	<u>(\$5,318)</u>	<u>\$5,783</u>
<u>Lytle Five Points JEDD Fund</u>				
Assets:				
Cash and Cash Equivalents	\$0	\$153,256	(\$85,418)	\$67,838
Total Assets	<u>\$0</u>	<u>\$153,256</u>	<u>(\$85,418)</u>	<u>\$67,838</u>
Liabilities:				
Due to Others	\$0	\$153,256	(\$85,418)	\$67,838
Total Liabilities	<u>\$0</u>	<u>\$153,256</u>	<u>(\$85,418)</u>	<u>\$67,838</u>
<u>Mayor's Court Fund</u>				
Assets:				
Cash and Cash Equivalents	\$5,402	\$265,470	(\$267,415)	\$3,457
Total Assets	<u>\$5,402</u>	<u>\$265,470</u>	<u>(\$267,415)</u>	<u>\$3,457</u>
Liabilities:				
Undistributed Monies	\$5,402	\$265,470	(\$267,415)	\$3,457
Total Liabilities	<u>\$5,402</u>	<u>\$265,470</u>	<u>(\$267,415)</u>	<u>\$3,457</u>
<u>Special Assessment Fund</u>				
Assets:				
Special Assessments Receivable	\$405,775	\$0	(\$108,317)	\$297,458
Total Assets	<u>\$405,775</u>	<u>\$0</u>	<u>(\$108,317)</u>	<u>\$297,458</u>
Liabilities:				
Due to Others	\$405,775	\$0	(\$108,317)	\$297,458
Total Liabilities	<u>\$405,775</u>	<u>\$0</u>	<u>(\$108,317)</u>	<u>\$297,458</u>
<u>Total Agency Funds:</u>				
Assets:				
Cash and Cash Equivalents	\$11,484	\$423,745	(\$358,151)	\$77,078
Special Assessments Receivable	405,775	0	(108,317)	297,458
Total Assets	<u>\$417,259</u>	<u>\$423,745</u>	<u>(\$466,468)</u>	<u>\$374,536</u>
Liabilities:				
Due to Others	\$411,857	\$158,275	(\$199,053)	\$371,079
Undistributed Monies	5,402	265,470	(267,415)	3,457
Total Liabilities	<u>\$417,259</u>	<u>\$423,745</u>	<u>(\$466,468)</u>	<u>\$374,536</u>

*STATISTICAL SECTION*

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## **STATISTICAL TABLES**

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

### **Contents**

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<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 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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Governmental Activities:</b>				
Net Investment in Capital Assets	\$27,213,897	\$29,738,654	\$28,928,245	\$33,359,772
Restricted	10,981,263	11,542,608	12,587,110	11,179,852
Unrestricted	9,523,096	8,809,701	9,194,739	5,717,437
Total Governmental Activities Net Position	<u>\$47,718,256</u>	<u>\$50,090,963</u>	<u>\$50,710,094</u>	<u>\$50,257,061</u>
<b>Business-type Activities:</b>				
Net Investment in Capital Assets	\$46,543,923	\$48,566,261	\$49,184,865	\$49,189,885
Restricted	2,080,999	2,186,063	2,525,520	2,491,880
Unrestricted	7,879,343	8,746,907	9,099,578	7,476,070
Total Business-type Activities Net Position	<u>\$56,504,265</u>	<u>\$59,499,231</u>	<u>\$60,809,963</u>	<u>\$59,157,835</u>
<b>Primary Government:</b>				
Net Investment in Capital Assets	\$73,757,820	\$78,304,915	\$78,113,110	\$82,549,657
Restricted	13,062,262	13,728,671	15,112,630	13,671,732
Unrestricted	17,402,439	17,556,608	18,294,317	13,193,507
Total Primary Government Net Position	<u>\$104,222,521</u>	<u>\$109,590,194</u>	<u>\$111,520,057</u>	<u>\$109,414,896</u>

Source: Finance Director's Office

*City of Springboro*

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2010	2011	2012	2013	2014	2015
\$35,279,823	\$36,427,139	\$39,980,429	\$41,524,086	\$43,618,251	\$46,648,334
11,019,862	10,242,352	10,047,132	10,672,787	10,366,896	14,312,206
7,290,300	7,448,349	4,747,303	5,121,940	661,307	(1,403,800)
<u>\$53,589,985</u>	<u>\$54,117,840</u>	<u>\$54,774,864</u>	<u>\$57,318,813</u>	<u>\$54,646,454</u>	<u>\$59,556,740</u>
\$49,691,654	\$50,089,838	\$50,576,992	\$51,515,909	\$54,601,283	\$56,633,201
2,504,293	2,356,441	2,416,605	2,371,790	2,386,606	2,398,893
6,663,660	8,034,076	9,633,876	12,417,118	12,793,561	15,446,817
<u>\$58,859,607</u>	<u>\$60,480,355</u>	<u>\$62,627,473</u>	<u>\$66,304,817</u>	<u>\$69,781,450</u>	<u>\$74,478,911</u>
\$84,971,477	\$86,516,977	\$90,557,421	\$93,039,995	\$98,219,534	\$103,281,535
13,524,155	12,598,793	12,463,737	13,044,577	12,753,502	16,711,099
13,953,960	15,482,425	14,381,179	17,539,058	13,454,868	14,043,017
<u>\$112,449,592</u>	<u>\$114,598,195</u>	<u>\$117,402,337</u>	<u>\$123,623,630</u>	<u>\$124,427,904</u>	<u>\$134,035,651</u>

## City of Springboro

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

	2006	2007	2008	2009
<b>Expenses</b>				
Governmental Activities:				
Security of Persons and Property	\$2,630,222	\$2,697,240	\$2,982,330	\$3,020,400
Public Health and Welfare Services	10,647	11,518	14,060	15,274
Leisure Time Activities	507,364	534,363	626,883	557,517
Community Environment	693,745	736,720	582,985	629,165
Transportation	1,922,942	2,194,691	2,492,616	2,350,862
General Government	4,087,878	4,076,554	5,399,004	8,932,219
Interest and Fiscal Charges	492,472	466,493	433,470	755,444
<i>Total Governmental Activities Expenses</i>	<u>10,345,270</u>	<u>10,717,579</u>	<u>12,531,348</u>	<u>16,260,881</u>
Business-type Activities:				
Golf Course	2,503,701	2,641,012	3,250,865	2,544,726
Water	3,463,779	3,349,609	3,437,672	3,575,866
Sewer	3,202,723	3,000,301	3,371,521	3,347,830
Trash	768,894	796,749	806,723	963,583
Storm Water	216,285	182,234	305,909	340,633
<i>Total Business-type Activities Expenses</i>	<u>10,155,382</u>	<u>9,969,905</u>	<u>11,172,690</u>	<u>10,772,638</u>
<i>Total Primary Government Expenses</i>	<u>\$20,500,652</u>	<u>\$20,687,484</u>	<u>\$23,704,038</u>	<u>\$27,033,519</u>
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services and Sales				
Security of Persons and Property	\$51,861	\$32,256	\$37,942	\$45,540
Leisure Time Activities	84,870	46,106	22,687	35,404
Community Environment	207,017	190,536	85,520	83,011
Transportation	5,392	0	291	35,075
General Government	1,205,212	1,275,011	1,373,883	1,520,630
Operating Grants and Contributions	800,017	950,410	1,072,511	942,623
Capital Grants and Contributions	301,873	587,717	1,124,572	1,346,957
<i>Total Governmental Activities Program Revenues</i>	<u>2,656,242</u>	<u>3,082,036</u>	<u>3,717,406</u>	<u>4,009,240</u>

*City of Springboro*

2010	2011	2012	2013	2014	2015
\$3,103,506	\$3,084,811	\$3,632,041	\$2,954,087	\$3,377,387	\$3,333,613
15,066	14,697	14,723	14,651	16,704	16,677
571,511	610,141	742,999	694,736	769,354	735,563
649,925	550,746	686,964	666,822	682,355	738,231
2,375,477	2,269,438	2,439,903	3,798,401	3,159,853	2,680,481
4,960,892	4,309,581	4,760,638	3,685,441	3,815,946	3,871,054
740,529	671,891	617,827	542,335	484,875	433,760
<u>12,416,906</u>	<u>11,511,305</u>	<u>12,895,095</u>	<u>12,356,473</u>	<u>12,306,474</u>	<u>11,809,379</u>
2,638,443	2,450,840	2,671,202	2,237,071	2,368,968	2,275,754
3,641,434	3,296,748	3,670,617	3,140,275	3,037,234	3,078,773
3,279,192	3,056,852	2,921,396	2,920,507	2,971,336	3,010,001
1,227,847	959,687	964,704	1,012,007	1,168,721	1,103,164
237,611	308,484	502,364	284,940	317,896	336,791
<u>11,024,527</u>	<u>10,072,611</u>	<u>10,730,283</u>	<u>9,594,800</u>	<u>9,864,155</u>	<u>9,804,483</u>
<u>\$23,441,433</u>	<u>\$21,583,916</u>	<u>\$23,625,378</u>	<u>\$21,951,273</u>	<u>\$22,170,629</u>	<u>\$21,613,862</u>
\$58,947	\$49,435	\$16,979	\$19,027	\$18,976	\$69,982
34,264	32,481	293,221	138,999	160,027	117,480
113,003	105,801	200,293	210,534	269,250	314,172
2,725	274,693	291,661	344,208	422,147	285,917
1,674,928	277,137	271,683	252,163	236,608	217,723
991,710	938,552	726,537	1,181,004	979,678	1,017,011
1,293,808	1,146,666	35,347	355,511	108,708	857,004
<u>4,169,385</u>	<u>2,824,765</u>	<u>1,835,721</u>	<u>2,501,446</u>	<u>2,195,394</u>	<u>2,879,289</u>

(continued)

## City of Springboro

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

	2006	2007	2008	2009
<b>Business-type Activities:</b>				
<b>Charges for Services</b>				
Golf Course	1,749,643	1,719,244	2,081,195	1,759,451
Water	2,897,468	3,244,071	3,084,379	2,879,239
Sewer	2,118,810	2,243,482	2,494,398	2,403,702
Trash	831,763	840,248	922,152	889,922
Storm Water	222,619	225,774	242,065	240,027
Capital Grants and Contributions	3,576,737	1,171,053	523,074	282,629
<i>Total Business-type Activities Program Revenues</i>	<u>11,397,040</u>	<u>9,443,872</u>	<u>9,347,263</u>	<u>8,454,970</u>
<i>Total Primary Government Program Revenues</i>	<u>14,053,282</u>	<u>12,525,908</u>	<u>13,064,669</u>	<u>12,464,210</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(7,689,028)	(7,635,543)	(8,813,942)	(12,251,641)
Business-type Activities	1,241,658	(526,033)	(1,825,427)	(2,317,668)
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$6,447,370)</u>	<u>(\$8,161,576)</u>	<u>(\$10,639,369)</u>	<u>(\$14,569,309)</u>
<b>General Revenues and Other Changes in Net Position</b>				
<b>Governmental Activities:</b>				
Income Taxes	\$9,008,615	\$9,654,160	\$9,678,509	\$9,640,943
Property Taxes	629,933	763,912	691,809	720,042
Other Local Taxes	79,746	87,807	83,684	70,232
Payment in Lieu of Taxes	473,153	384,014	381,409	538,388
Intergovernmental, unrestricted	566,082	564,359	453,943	646,503
Investment Earnings	478,662	770,851	625,240	309,102
Miscellaneous	326,437	357,341	366,047	503,598
Gain (Loss) on Sale of Assets Held for Resale	0	437,706	0	0
Transfers	(1,586,000)	(3,011,900)	(2,847,568)	(630,200)
<i>Total Governmental Activities</i>	<u>9,976,628</u>	<u>10,008,250</u>	<u>9,433,073</u>	<u>11,798,608</u>
<b>Business-type Activities:</b>				
Investment Earnings	607,060	509,099	288,591	35,340
Transfers	1,586,000	3,011,900	2,847,568	630,200
<i>Total Business-type Activities</i>	<u>2,193,060</u>	<u>3,520,999</u>	<u>3,136,159</u>	<u>665,540</u>
<i>Total Primary Government</i>	<u>\$12,169,688</u>	<u>\$13,529,249</u>	<u>\$12,569,232</u>	<u>\$12,464,148</u>
<b>Change in Net Position</b>				
Governmental Activities	\$2,287,600	\$2,372,707	\$619,131	(\$453,033)
Business-type Activities	3,434,718	2,994,966	1,310,732	(1,652,128)
<i>Total Primary Government Change in Net Position</i>	<u>\$5,722,318</u>	<u>\$5,367,673</u>	<u>\$1,929,863</u>	<u>(\$2,105,161)</u>

Source: Finance Director's Office

*City of Springboro*

2010	2011	2012	2013	2014	2015
1,923,208	1,815,148	1,974,536	1,621,898	1,713,411	1,688,183
3,090,718	3,703,654	4,892,729	4,475,509	4,630,118	4,589,298
2,640,345	3,184,400	3,847,960	3,963,098	4,146,437	4,247,656
945,873	919,731	931,295	1,030,615	1,069,469	1,108,436
253,925	93,911	190,946	264,150	269,083	272,996
485,025	360,540	694,590	794,448	1,060,632	1,502,175
<u>9,339,094</u>	<u>10,077,384</u>	<u>12,532,056</u>	<u>12,149,718</u>	<u>12,889,150</u>	<u>13,408,744</u>
<u>13,508,479</u>	<u>12,902,149</u>	<u>14,367,777</u>	<u>14,651,164</u>	<u>15,084,544</u>	<u>16,288,033</u>
(8,247,521)	(8,686,540)	(11,059,374)	(9,855,027)	(10,111,080)	(8,930,090)
(1,685,433)	4,773	1,801,773	2,554,918	3,024,995	3,604,261
<u>(\$9,932,954)</u>	<u>(\$8,681,767)</u>	<u>(\$9,257,601)</u>	<u>(\$7,300,109)</u>	<u>(\$7,086,085)</u>	<u>(\$5,325,829)</u>
\$10,481,235	\$9,595,447	\$11,234,399	\$11,755,014	\$11,925,126	\$13,274,634
702,808	636,375	624,866	828,996	870,963	768,398
56,322	67,699	57,355	70,427	69,690	73,476
550,819	217,620	111,074	147,717	96,645	103,114
505,227	506,161	426,267	441,753	253,287	259,602
169,589	108,369	58,757	67,201	77,679	77,545
385,479	296,839	233,235	195,995	258,713	332,784
93,974	(59,560)	65,954	0	2,305	0
<u>(1,365,008)</u>	<u>(1,585,560)</u>	<u>(942,176)</u>	<u>(1,108,127)</u>	<u>(1,263,069)</u>	<u>(1,049,177)</u>
<u>11,580,445</u>	<u>9,783,390</u>	<u>11,869,731</u>	<u>12,398,976</u>	<u>12,291,339</u>	<u>13,840,376</u>
22,197	30,415	27,245	14,299	42,366	44,023
1,365,008	1,585,560	942,176	1,108,127	1,263,069	1,049,177
<u>1,387,205</u>	<u>1,615,975</u>	<u>969,421</u>	<u>1,122,426</u>	<u>1,305,435</u>	<u>1,093,200</u>
<u>\$12,967,650</u>	<u>\$11,399,365</u>	<u>\$12,839,152</u>	<u>\$13,521,402</u>	<u>\$13,596,774</u>	<u>\$14,933,576</u>
\$3,332,924	\$1,096,850	\$810,357	\$2,543,949	\$2,180,259	\$4,910,286
(298,228)	1,620,748	2,771,194	3,677,344	4,330,430	4,697,461
<u>\$3,034,696</u>	<u>\$2,717,598</u>	<u>\$3,581,551</u>	<u>\$6,221,293</u>	<u>\$6,510,689</u>	<u>\$9,607,747</u>

## *City of Springboro*

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund				
Nonspendable	\$0	\$0	\$0	\$0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Reserved	307,002	304,124	467,125	458,766
Unreserved	<u>4,595,923</u>	<u>5,432,893</u>	<u>5,724,981</u>	<u>5,967,265</u>
<i>Total General Fund</i>	<u>4,902,925</u>	<u>5,737,017</u>	<u>6,192,106</u>	<u>6,426,031</u>
All Other Governmental Funds				
Nonspendable	\$0	\$0	\$0	\$0
Restricted	0	0	0	0
Unassigned	0	0	0	0
Reserved	5,302,224	5,091,688	6,520,184	7,300,879
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	1,277,471	983,802	1,115,267	(2,663,656)
Debt Service Funds	0	0	0	0
Capital Projects Funds	<u>(232,619)</u>	<u>909,425</u>	<u>6,898,355</u>	<u>(1,259,533)</u>
<i>Total All Other Governmental Funds</i>	<u>6,347,076</u>	<u>6,984,915</u>	<u>14,533,806</u>	<u>3,377,690</u>
<i>Total Governmental Funds</i>	<u><u>\$11,250,001</u></u>	<u><u>\$12,721,932</u></u>	<u><u>\$20,725,912</u></u>	<u><u>\$9,803,721</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*

2010	2011	2012	2013	2014	2015
\$0	\$118,633	\$141,708	\$193,739	\$218,291	\$241,847
0	356,126	328,242	1,007,606	1,402,360	749,159
0	8,809,769	7,524,414	6,746,464	7,031,255	5,399,772
452,474	0	0	0	0	0
7,488,980	0	0	0	0	0
<u>7,941,454</u>	<u>9,284,528</u>	<u>7,994,364</u>	<u>7,947,809</u>	<u>8,651,906</u>	<u>6,390,778</u>
\$0	\$105,578	\$115,026	\$105,942	\$107,944	\$136,487
0	6,058,316	6,947,280	7,797,447	7,861,782	11,867,883
0	(298,460)	(1,012,535)	(1,275,608)	0	0
5,710,045	0	0	0	0	0
1,259,760	0	0	0	0	0
0	0	0	0	0	0
(10,441)	0	0	0	0	0
<u>6,959,364</u>	<u>5,865,434</u>	<u>6,049,771</u>	<u>6,627,781</u>	<u>7,969,726</u>	<u>12,004,370</u>
<u>\$14,900,818</u>	<u>\$15,149,962</u>	<u>\$14,044,135</u>	<u>\$14,575,590</u>	<u>\$16,621,632</u>	<u>\$18,395,148</u>

## City of Springboro

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

	2006	2007	2008	2009
<b>Revenues:</b>				
Municipal Income Taxes	\$8,951,015	\$9,706,915	\$9,729,065	\$9,388,476
Property Tax	716,356	802,737	800,270	808,536
Payment in Lieu of Taxes	473,153	384,014	381,409	538,388
Intergovernmental Revenues	1,445,957	1,268,711	1,632,075	1,970,660
Charges for Services	890,655	961,574	980,683	1,231,045
Fines, Licenses and Permits	627,877	542,849	366,726	391,751
Investment Earnings	478,662	770,851	625,240	222,636
Special Assessments	477,898	350,886	509,359	411,661
Donations	8,787	9,434	7,032	7,588
Payments from Developers	0	0	972,412	0
All Other Revenue	298,314	330,195	703,199	502,665
<b>Total Revenue</b>	<b>14,368,674</b>	<b>15,128,166</b>	<b>16,707,470</b>	<b>15,473,406</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	2,508,433	2,613,876	2,818,460	2,902,211
Public Health and Welfare Services	10,647	11,518	14,060	15,274
Leisure Time Activities	380,019	418,201	434,357	463,693
Community Environment	679,947	725,553	583,002	629,695
Transportation	561,958	813,735	883,759	1,032,978
General Government	3,532,737	3,943,581	4,435,165	8,552,889
Capital Outlay	1,925,812	1,524,581	4,615,996	10,288,484
Debt Service:				
Principal Retirement	543,625	569,708	599,817	1,146,115
Interest and Fiscal Charges	498,708	472,490	608,577	766,936
<b>Total Expenditures</b>	<b>10,641,886</b>	<b>11,093,243</b>	<b>14,993,193</b>	<b>25,798,275</b>
Excess (Deficiency) of Revenues Over Expenditures	3,726,788	4,034,923	1,714,277	(10,324,869)

*City of Springboro*

2010	2011	2012	2013	2014	2015
\$9,710,970	\$10,362,125	\$11,029,649	\$11,576,805	\$11,627,659	\$13,067,114
741,189	702,381	686,985	903,357	951,075	843,022
550,819	217,620	111,074	147,717	96,645	103,114
2,490,006	2,026,299	2,031,769	1,944,528	1,348,059	1,298,239
1,325,282	0	0	0	0	0
507,841	406,845	540,093	540,991	573,421	657,868
149,940	150,895	122,346	67,201	77,679	77,545
384,934	402,343	407,512	370,615	400,731	255,278
6,673	770	965	1,020	800	6,825
0	0	0	0	0	0
364,291	572,759	721,702	549,190	681,417	640,878
<u>16,231,945</u>	<u>14,842,037</u>	<u>15,652,095</u>	<u>16,101,424</u>	<u>15,757,486</u>	<u>16,949,883</u>
2,855,621	2,879,485	2,935,104	2,888,617	3,042,822	3,054,604
15,066	14,697	14,723	14,651	16,704	16,677
463,880	500,822	565,858	581,460	589,217	580,393
608,100	531,565	587,997	631,873	644,956	719,559
996,012	802,889	798,160	975,291	1,368,605	925,913
4,421,751	3,914,962	4,026,518	3,429,879	3,546,195	3,667,354
2,812,497	2,499,123	4,975,287	4,222,106	3,044,966	3,639,098
1,180,000	1,115,000	1,375,000	1,150,000	1,190,000	2,590,000
737,543	680,895	618,544	567,797	499,621	458,607
<u>14,090,470</u>	<u>12,939,438</u>	<u>15,897,191</u>	<u>14,461,674</u>	<u>13,943,086</u>	<u>15,652,205</u>
2,141,475	1,902,599	(245,096)	1,639,750	1,814,400	1,297,678

(Continued)

## *City of Springboro*

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

	2006	2007	2008	2009
<b>Other Financing Sources (Uses):</b>				
Gain (Loss) on Sale of Assets Held for Resale	315,000	437,706	0	0
Issuance of General Obligation Notes	0	0	0	0
Issuance of General Obligation Bonds	0	0	8,900,000	0
Refunding General Obligation Bonds	0	0	775,000	0
Premium on General Obligation Bonds	0	0	232,146	0
Premium on Refunding Bonds	0	0	20,215	0
Payment to Refunded Bond Escrow Agent	0	0	(785,500)	0
Transfers In	3,907,388	2,761,928	2,497,919	4,816,392
Transfers Out	(5,333,388)	(5,773,828)	(5,345,487)	(5,446,592)
<b>Total Other Financing Sources (Uses)</b>	<u>(1,111,000)</u>	<u>(2,574,194)</u>	<u>6,294,293</u>	<u>(630,200)</u>
<b>Net Change in Fund Balance</b>	<u>\$2,615,788</u>	<u>\$1,460,729</u>	<u>\$8,008,570</u>	<u>(\$10,955,069)</u>
 <b>Debt Service as a Percentage of Noncapital Expenditures</b>	 13.58%	 12.22%	 13.18%	 12.33%

Source: Finance Director's Office

*City of Springboro*

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2010	2011	2012	2013	2014	2015
93,974	(59,560)	65,954	0	2,305	0
0	0	0	0	1,500,000	1,500,000
4,235,000	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
2,589,995	5,036,406	8,258,341	6,659,391	5,798,965	9,256,027
(3,955,003)	(6,621,966)	(9,200,517)	(7,767,518)	(7,062,034)	(10,305,204)
<u>2,963,966</u>	<u>(1,645,120)</u>	<u>(876,222)</u>	<u>(1,108,127)</u>	<u>239,236</u>	<u>450,823</u>
<u>\$5,105,441</u>	<u>\$257,479</u>	<u>(\$1,121,318)</u>	<u>\$531,623</u>	<u>\$2,053,636</u>	<u>\$1,748,501</u>
16.43%	16.70%	16.33%	14.85%	15.25%	25.38%

## *City of Springboro*

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

<b>Tax year</b>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Income Tax Rate	1.50%	1.50%	1.50%	1.50%
Estimated Personal Income	\$602,762,000	\$620,374,000	\$654,241,733	\$628,251,333
Total Tax Collected	\$8,193,357	\$9,960,281	\$9,813,626	\$9,423,770
Income Tax Receipts				
Withholding	5,086,290	5,935,297	6,118,077	5,955,246
Percentage	62%	60%	62%	64%
Corporate	749,040	1,039,162	955,291	690,695
Percentage	9%	10%	10%	7%
Individuals	2,358,027	2,985,822	2,740,258	2,777,829
Percentage	29%	30%	28%	29%
Income Tax by Business Type				
Industrial	\$1,449,585	\$1,447,450	\$1,494,079	\$1,264,935
Education/Government	365,954	380,932	422,883	473,948
Service	861,166	992,999	1,116,287	991,385
Retail	387,102	392,700	397,920	445,666
Medical	225,991	262,250	322,173	455,691
Construction	49,915	55,556	58,918	36,375
Financial	103,773	127,922	142,226	66,987
Restaurants	184,661	192,051	208,443	216,565
Miscellaneous	30,128	31,396	41,401	51,767
Total Tax	<u>\$3,658,275</u>	<u>\$3,883,256</u>	<u>\$4,204,330</u>	<u>\$4,003,319</u>

Source: City Income Tax Department

*City of Springboro*

2010	2011	2012	2013	2014	2015
1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
\$644,179,933	\$693,039,667	\$736,575,600	\$783,695,333	\$785,480,333	\$871,974,733
\$9,662,699	\$10,395,595	\$11,048,634	\$11,755,430	\$11,782,205	\$13,079,621
5,991,024	6,497,945	6,806,365	7,193,224	7,230,191	7,823,634
62%	63%	61%	60%	61%	60%
818,146	979,952	1,180,319	1,336,470	1,297,990	1,667,142
8%	9%	11%	11%	11%	13%
2,853,529	2,917,698	3,061,950	3,225,736	3,254,024	3,588,845
30%	28%	28%	27%	28%	27%
\$1,402,155	\$1,453,710	\$1,554,758	\$1,584,384	\$1,650,806	\$1,338,009
425,921	477,010	471,988	474,856	473,461	503,690
1,033,557	1,083,425	1,106,856	1,069,197	1,021,450	1,042,193
412,095	485,974	506,473	509,623	541,549	577,193
346,705	605,814	711,101	835,690	859,599	892,091
50,283	41,463	60,934	71,349	132,315	143,715
112,378	70,622	68,846	78,547	78,268	84,375
205,686	218,327	212,341	243,657	280,816	288,359
41,521	53,562	52,443	66,008	86,090	90,104
<u>\$4,030,301</u>	<u>\$4,489,907</u>	<u>\$4,745,740</u>	<u>\$4,933,310</u>	<u>\$5,124,354</u>	<u>\$4,959,729</u>



## City of Springboro

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

#### Calendar Year 2015

Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	4,625	47.32%	17,226,222	2.95%
20,000 - 49,999	1,241	12.70%	42,352,231	7.26%
50,000 - 74,999	838	8.57%	52,305,418	8.97%
75,000 - 99,999	804	8.23%	70,065,077	12.02%
Over 100,000	2,265	23.18%	401,066,326	68.80%
Total	9,773	100.00%	\$583,015,274	100.00%

#### Local Taxes Paid by Residents

Taxes Paid to Springboro

Taxes Credited to Other Municipalities

#### Tax Dollars

\$3,588,845

2,912,494

\$6,501,339

#### Calendar Year 2006

Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	2,370	33.22%	\$12,550,517	2.52%
20,000 - 49,999	1,186	16.63%	41,024,128	8.25%
50,000 - 74,999	878	12.31%	54,881,915	11.04%
75,000 - 99,999	876	12.28%	76,361,398	15.36%
Over 100,000	1,823	25.56%	312,453,203	62.83%
Total	7,133	100.00%	\$497,271,161	100.00%

#### Local Taxes Paid by Residents

Taxes Paid to Springboro

Taxes Credited to Other Municipalities

#### Tax Dollars

\$4,733,233

2,725,834

\$7,459,067

Source: City Income Tax Department

## *City of Springboro*

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

	2006	2007	2008	2009
<b>Governmental Activities</b> <sup>(1)</sup>				
Special Assessment Bonds Payable	\$3,296,000	\$3,070,000	\$2,833,000	\$2,595,000
Unvoted General Obligation Bonds Payable	2,180,750	1,852,100	10,646,861	9,729,208
General Obligation Notes Payable	0	0	0	0
Capital Leases	38,890	23,832	8,115	0
<b>Business-type Activities</b> <sup>(1)</sup>				
Mortgage Revenue Bonds Payable	\$35,672,762	\$34,293,321	\$22,298,880	\$21,329,439
General Obligation Bonds Payable	3,585,675	3,400,174	13,522,197	12,834,107
Capital Leases	120,279	57,809	340,600	282,030
Total Primary Government	<u>\$44,894,356</u>	<u>\$42,697,236</u>	<u>\$49,649,653</u>	<u>\$46,769,784</u>
<b>Population</b> <sup>(2)</sup>				
City of Springboro	17,980	18,094	18,121	17,871
Outstanding Debt Per Capita	\$2,497	\$2,360	\$2,740	\$2,617
<b>Income</b> <sup>(3)</sup>				
Personal (in thousands)	665,979	696,782	709,546	696,755
Percentage of Personal Income	6.74%	6.13%	7.00%	6.71%

**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*

2010	2011	2012	2013	2014	2015
\$2,360,000	\$2,100,000	\$1,705,000	\$1,445,000	\$1,170,000	\$1,035,000
13,001,555	12,128,902	11,153,477	10,242,506	9,306,535	8,330,564
0	0	0	0	1,500,000	1,500,000
0	0	0	0	0	0
\$20,329,998	\$19,165,557	\$19,042,376	\$17,830,566	\$16,578,756	\$15,291,946
11,855,661	11,886,815	11,043,330	10,179,845	9,296,360	8,382,875
223,708	161,792	96,063	0	0	0
<u>\$47,770,922</u>	<u>\$45,443,066</u>	<u>\$43,040,246</u>	<u>\$39,697,917</u>	<u>\$37,851,651</u>	<u>\$34,540,385</u>
17,409	17,409	17,409	17,409	17,409	17,409
\$2,744	\$2,610	\$2,472	\$2,280	\$2,174	\$1,984
703,602	745,419	718,992	722,474	727,696	732,919
6.79%	6.10%	5.99%	5.49%	5.20%	4.71%

## *City of Springboro*

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

Year	2006	2007	2008	2009
<b>Population</b> <sup>(1)</sup>	17,980	18,094	18,121	17,871
<b>Assessed Value</b> <sup>(2)</sup>	\$502,197,960	\$504,055,570	\$502,452,780	\$455,700,530
<b>General Bonded Debt</b> <sup>(3)</sup>				
General Obligation Bonds	\$5,766,425	\$5,252,274	\$24,169,058	\$22,563,315
<b>Resources Available to Pay Principal</b> <sup>(4)</sup>	\$401,568	\$463,997	\$690,035	\$957,269
<b>Net General Bonded Debt</b>	\$5,364,857	\$4,788,277	\$23,479,023	\$21,606,046
<b>Ratio of Net Bonded Debt to Estimated Actual Value</b>	1.07%	0.95%	4.67%	4.74%
<b>Net Bonded Debt per Capita</b>	\$298.38	\$264.63	\$1,295.68	\$1,209.00

**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*

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<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
17,409	17,409	17,409	17,409	17,409	17,409
\$461,465,512	\$464,866,000	\$450,215,740	\$453,795,120	\$487,025,000	\$522,384,960
\$24,857,216	\$24,015,717	\$22,196,807	\$20,422,351	\$18,602,895	\$16,713,439
\$1,084,280	\$160,734	\$165,952	\$149,414	\$140,602	\$156,654
\$23,772,936	\$23,854,983	\$22,030,855	\$20,272,937	\$18,462,293	\$16,556,785
5.15%	5.13%	4.89%	4.47%	3.79%	3.17%
\$1,365.55	\$1,370.27	\$1,265.49	\$1,164.51	\$1,060.50	\$951.05



**City of Springboro**

*Computation of Direct and Overlapping  
Debt Attributable to Governmental Activities  
December 31, 2015*

<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	\$10,865,564 (1)	100.00%	\$10,865,564
<b>Overlapping:</b>			
Warren County	26,071,214	8.02%	<u>2,090,911</u>
		Subtotal	<u>2,090,911</u>
		Total	<u><u>\$12,956,475</u></u>

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

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

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

## City of Springboro

### Debt Limitations Last Ten Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<u>Total Debt</u>				
Net Assessed Valuation	\$502,197,960	\$504,055,570	\$502,452,780	\$455,700,530
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	52,730,786	52,925,835	52,757,542	47,848,556
City Debt Outstanding (2)	6,460,750	4,552,100	13,346,861	16,372,208
Less: Applicable Debt Service Fund Amounts	<u>(401,568)</u>	<u>(463,997)</u>	<u>(690,035)</u>	<u>(957,269)</u>
Net Indebtedness Subject to Limitation	<u>6,059,182</u>	<u>4,088,103</u>	<u>12,656,826</u>	<u>15,414,939</u>
Overall Legal Debt Margin	<u><u>\$46,671,604</u></u>	<u><u>\$48,837,732</u></u>	<u><u>\$40,100,716</u></u>	<u><u>\$32,433,617</u></u>
<u>Unvoted Debt</u>				
Net Assessed Valuation	\$502,197,960	\$504,055,570	\$502,452,780	\$455,700,530
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	27,620,888	27,723,056	27,634,903	25,063,529
City Debt Outstanding (2)	6,460,750	4,552,100	13,346,861	16,372,208
Less: Applicable Debt Service Fund Amounts	<u>(401,568)</u>	<u>(463,997)</u>	<u>(690,035)</u>	<u>(957,269)</u>
Net Indebtedness Subject to Limitation	<u>6,059,182</u>	<u>4,088,103</u>	<u>12,656,826</u>	<u>15,414,939</u>
Overall Legal Debt Margin	<u><u>\$21,561,706</u></u>	<u><u>\$23,634,953</u></u>	<u><u>\$14,978,077</u></u>	<u><u>\$9,648,590</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*

2010	2011	2012	2013	2014	2015
\$461,465,512	\$464,866,000	\$450,215,740	\$453,795,120	\$487,025,000	\$522,384,960
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
48,453,879	48,810,930	47,272,653	47,648,488	51,137,625	54,850,421
15,501,555	12,128,902	11,153,477	10,242,506	9,306,535	8,330,564
(1,084,280)	(160,734)	(165,952)	(149,414)	(140,602)	(156,654)
<u>14,417,275</u>	<u>11,968,168</u>	<u>10,987,525</u>	<u>10,093,092</u>	<u>9,165,933</u>	<u>8,173,910</u>
<u>\$34,036,604</u>	<u>\$36,842,762</u>	<u>\$36,285,128</u>	<u>\$37,555,396</u>	<u>\$41,971,692</u>	<u>\$46,676,511</u>
\$461,465,512	\$464,866,000	\$450,215,740	\$453,795,120	\$487,025,000	\$522,384,960
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
25,380,603	25,567,630	24,761,866	24,958,732	26,786,375	28,731,173
15,501,555	12,128,902	11,153,477	10,242,506	9,306,535	8,330,564
(1,084,280)	(160,734)	(165,952)	(149,414)	(140,602)	(156,654)
<u>14,417,275</u>	<u>11,968,168</u>	<u>10,987,525</u>	<u>10,093,092</u>	<u>9,165,933</u>	<u>8,173,910</u>
<u>\$10,963,328</u>	<u>\$13,599,462</u>	<u>\$13,774,341</u>	<u>\$14,865,640</u>	<u>\$17,620,442</u>	<u>\$20,557,263</u>

## *City of Springboro*

### *Pledged Revenue Coverage Last Ten Years*

	2006	2007	2008	2009
<b>Water System Bonds (1 a)</b>				
Gross Revenues (2)	\$3,071,933	\$3,489,537	\$3,252,627	\$2,897,513
Direct Operating Expenses (3)	2,181,422	2,092,356	2,189,111	2,390,341
Net Revenue Available for Debt Service	890,511	1,397,181	1,063,516	507,172
Annual Debt Service Requirement	1,326,057	1,301,242	1,301,142	294,272
Coverage	0.67	1.07	0.82	1.72
<b>Sewer System Bonds (1 b)</b>				
Gross Revenues (2)	\$2,483,615	\$2,493,083	\$2,612,246	\$2,423,160
Direct Operating Expenses (3)	1,880,995	1,545,645	1,683,534	1,659,795
Net Revenue Available for Debt Service	602,620	947,438	928,712	763,365
Annual Debt Service Requirement	1,644,532	1,627,008	1,625,816	1,627,332
Coverage	0.37	0.58	0.57	0.47
<b>Special Assessment Bonds (4)</b>				
Special Assessment Collections	\$477,898	\$350,886	\$509,359	\$411,661
Debt Service				
Principal	219,000	226,000	237,000	238,000
Interest	181,963	171,571	160,339	148,330
Coverage	1.19	0.88	1.28	1.07

- (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*

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2010	2011	2012	2013	2014	2015
\$3,100,393	\$3,716,585	\$4,902,949	\$4,478,496	\$4,649,905	\$4,610,395
2,460,853	2,121,551	2,571,976	2,081,257	2,021,365	2,078,527
639,540	1,595,034	2,330,973	2,397,239	2,628,540	2,531,868
298,601	294,801	298,051	295,708	297,908	294,470
2.14	5.41	7.82	8.11	8.82	8.60
\$2,654,117	\$3,202,051	\$3,864,985	\$3,964,822	\$4,169,016	\$4,270,582
1,750,014	1,644,881	1,849,513	1,695,235	1,764,117	1,796,455
904,103	1,557,170	2,015,472	2,269,587	2,404,899	2,474,127
1,619,455	1,631,378	1,328,452	1,507,344	1,510,100	1,511,038
0.56	0.95	1.52	1.51	1.59	1.64
\$384,934	\$402,343	\$407,512	\$370,615	\$400,731	\$255,278
235,000	260,000	265,000	260,000	275,000	135,000
135,728	123,295	109,318	88,268	73,868	60,650
1.04	1.05	1.09	1.06	1.15	1.30

# *City of Springboro*

## *Demographic and Economic Statistics Last Ten Years*

Calendar Year	2006	2007	2008	2009
<b>Population</b> (1)				
City of Springboro (a)	17,980	18,094	18,121	17,871
Warren County	196,622	196,622	196,622	196,622
<b>Income</b> (2) (a)				
Total Personal (in thousands)	665,979	696,782	709,546	696,755
County Per Capita	37,040	38,509	39,156	38,988
<b>Unemployment Rate</b> (3)				
Federal	4.6%	4.6%	5.8%	9.3%
State	5.5%	5.6%	6.6%	10.2%
Warren County	4.9%	4.6%	5.5%	8.8%
<b>Civilian Work Force Estimates</b> (3)				
State	5,934,000	5,976,500	5,986,400	5,970,200
Warren County	105,600	107,800	108,500	109,300
<b>Employment Distribution by Occupation</b> (4)				
Industrial	1,889	2,360	2,259	2,314
Education/Government	1,120	987	1,099	1,195
Service	3,358	3,711	3,963	3,869
Retail	1,868	1,956	1,961	1,919
Medical	799	792	913	1,023
Construction	96	141	128	119
Financial	260	259	271	274
Restaurants	2,749	2,514	2,569	2,534
Miscellaneous	391	353	376	390

**Sources:**

- (1) US Bureau of Census of Population
- (a) City of Springboro Community Development Department
- (2) US Department of Commerce, Bureau of Economic Analysis information is only available through 2012 for the presentation of 2013-14 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*

2010	2011	2012	2013	2014	2015
17,409	17,409	17,409	17,409	17,409	17,409
212,693	212,693	212,693	212,693	212,693	212,693
703,602	745,419	718,992	722,474	727,696	732,919
40,416	42,818	41,300	41,500	41,800	42,100
9.6%	8.9%	8.1%	7.4%	5.4%	5.0%
10.1%	8.6%	7.2%	7.4%	4.7%	4.6%
8.9%	7.6%	6.3%	6.3%	3.9%	3.9%
5,897,600	5,806,000	5,747,900	5,698,900	5,697,000	5,669,200
108,300	109,200	109,100	110,200	110,500	110,100
2,312	2,390	2,386	2,137	2,015	1,873
1,100	1,122	1,096	1,109	1,053	1,256
2,295	2,270	2,317	2,174	2,125	2,124
1,528	1,448	1,409	1,615	1,771	1,506
1,235	1,499	1,534	1,741	1,773	1,861
127	110	212	190	222	397
157	176	170	172	153	162
1,991	1,828	1,917	2,384	2,375	2,480
355	332	339	356	350	397



## *City of Springboro*

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

Employer	Nature of Business	2015		
		Number of Employees	Rank	Percentage of Total Employment
Springboro Community Schools	Education	864	1	7.17%
DLM Springboro, LLC	Grocery Store	373	2	3.09%
Hillspring Rehabilitation Center	Nursing Home	304	3	2.52%
Dayton Metro YMCA	YMCA Center	224	4	1.86%
City of Springboro	Government	215	5	1.78%
Miami Valley Dinner Theatre	Dinner Theatre	211	6	1.75%
Kelchner Inc	Construction	186	7	1.54%
Kmart	Retail	181	8	1.50%
Victory Wholesale Grocers	Industry	173	9	1.43%
Hearth Grains Bakery	Industry	170	10	1.41%
Total		<u>2,901</u>		
Total Employment within the City		<u>12,056</u>		

Employer	Nature of Business	2006		
		Number of Employees	Rank	Percentage of Total Employment
Springboro Community Schools	Education	868	1	5.47%
DLM Springboro	Grocery Store	358	2	2.26%
Miami Valley Dinner Theater	Dinner Theater	322	3	2.03%
Hillspring Rehabilitation Center	Nursing Home	301	4	1.90%
Pioneer Automotive Tech	Industrial	282	5	1.78%
J & A Management Co.	Restaurant	274	6	1.73%
Kroger Limited Partnership	Grocery Store	271	7	1.71%
Dayton Metro YMCA	YMCA Center	263	8	1.66%
K-Mart Corporation	Retail	231	9	1.46%
Gayston Corporation	Industrial	213	10	1.34%
Total		<u>3,383</u>		
Total Employment within the City		<u>15,863</u>		

**Sources:**

Source: City Income Tax Department

## *City of Springboro*

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

	2006	2007	2008	2009	2010
<b>Governmental Activities</b>					
General Government					
Finance	5.50	6.00	6.00	6.00	6.00
Income Tax	2.50	2.50	2.50	2.50	3.00
Mayor's Court	2.00	2.00	2.00	2.00	2.50
City Manager's Office	3.00	3.00	3.00	3.00	3.00
Computer Administration	1.00	1.00	1.00	1.00	1.50
Council/Clerk of Council	1.50	1.50	1.50	1.50	4.50
Security of Persons and Property					
Police	23.00	25.00	26.00	26.00	26.00
Dispatch	7.00	6.00	5.00	5.00	4.00
Transportation					
Street	7.00	6.50	6.50	6.50	7.75
Leisure Time Activities					
Parks and Recreation	6.25	6.25	6.25	6.25	7.25
Community Environment					
Economic Development	0.00	0.00	0.00	0.00	0.00
Engineering	2.00	2.00	2.00	2.00	3.50
Building and Zoning	6.00	6.00	5.00	5.00	2.50
<b>Business-Type Activities</b>					
Utilities					
Water	5.50	4.50	4.50	4.50	5.00
Sewer	1.50	1.50	1.50	1.50	1.00
Trash	1.00	1.00	1.00	1.00	0.00
Golf Operations	0.00	0.00	0.00	0.00	0.00
Golf Maintenance	0.00	11.00	11.00	11.00	10.00
<i>Total Employees</i>	<u>74.75</u>	<u>85.75</u>	<u>84.75</u>	<u>84.75</u>	<u>87.50</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*

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2011	2012	2013	2014	2015
6.00	6.00	5.50	5.00	5.00
3.00	3.00	3.00	3.00	3.00
2.50	1.50	2.00	2.00	2.00
3.00	3.00	3.00	3.00	3.00
1.00	1.00	1.00	1.00	1.00
4.50	4.50	4.50	4.50	4.50
26.00	26.00	26.00	24.00	24.00
4.00	4.00	4.00	4.00	4.00
7.25	7.25	9.50	9.50	9.50
9.50	11.00	10.00	10.00	10.00
0.00	0.00	0.00	0.00	0.00
3.50	3.50	2.50	2.00	2.00
2.50	2.50	3.50	3.50	3.50
5.00	5.00	2.00	2.00	2.00
1.00	1.00	1.00	1.00	1.00
0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	26.75
8.75	9.25	9.00	9.00	9.00
<u>87.50</u>	<u>88.50</u>	<u>86.50</u>	<u>83.50</u>	<u>110.25</u>

## City of Springboro

### Operating Indicators by Function Last Ten Years

	2006	2007	2008	2009	2010
<b>Governmental Activities</b>					
General Government					
Court					
Number of Criminal Cases	329	101	425	389	424
Number of Traffic Cases	2,014	1,895	1,900	2,245	2,384
Number of Citations	2,121	1,996	1,872	2,376	2,773
Number of Offenses	2,460	2,364	2,072	2,612	3,037
Number of Open Cases	526	522	569	568	679
Licenses and Permits					
Number of Residential Building Permits	80	42	14	19	25
Number of Commercial Building Permits	25	16	14	2	3
Number of Residential Building Inspections	3,369	1,934	956	979	1,106
Number of Commercial Building Inspections	1,442	1,176	667	465	745
Security of Persons and Property					
Police					
Number of Calls for Service	15,569	15,345	14,470	18,215	18,622
Number of Criminal Arrests	776	910	696	747	1,104
Number of DUI Arrests	112	120	88	106	110
Number of Traffic Accidents	381	318	346	217	303
Transportation					
Street					
Number of Streets Resurfaced	11	7	24	25	4
Community Environment					
Number of New Jobs	495	422	215	97	104
<b>Business-Type Activities</b>					
Golf Course					
Number of Rounds	34,554	33,380	38,606	39,722	38,124
Water					
Number of Service Connections	7,104	7,452	7,457	7,382	7,412
Daily Average Consumption (MGD)	1.920	2.270	2.270	1.960	2.250
Peak Daily Consumption (MGD)	4.124	4.300	4.300	3.620	4.350
Sewer					
Number of Service Connections	6,992	7,012	7,047	7,566	7,608
Daily Average Sewage Treatment (MGD)	2.406	2.310	2.310	2.000	2.380
Trash					
Number of Customers Served	6,928	6,950	6,985	5,603	5,686

Source: Finance Director's Office

*City of Springboro*

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2011	2012	2013	2014	2015
425	364	445	726	984
1,605	1,729	1,631	1,386	1,326
1,943	2,005	1,915	1,608	1,489
2,170	2,253	2,178	1,817	1,691
655	704	771	1,068	1,489
24	67	95	65	67
8	6	4	2	1
1,218	2,226	2,650	2,369	2,265
594	747	579	455	904
17,311	18,597	16,458	15,447	15,278
917	807	677	535	521
113	105	129	85	88
296	250	265	296	262
15	5	12	1	15
121	94	115	126	97
32,301	37,522	31,308	30,033	33,040
7,506	7,713	7,743	7,780	7,912
2,300	2,420	2,525	2,400	2,450
4,400	4,450	4,520	4,570	4,580
7,734	8,211	8,241	8,278	8,300
2,400	2,120	2,350	2,600	2,750
5,672	5,743	5,822	5,931	6,015

# City of Springboro

## Capital Asset Statistics by Function Last Ten Years

	2006	2007	2008	2009	2010
<b>Governmental Activities</b>					
General Government					
Public Land and Buildings					
Land (acres)	645	619	613	613	610
Buildings	15	14	14	14	14
Licensed Vehicles	8	7	7	7	7
Library	1	1	1	1	1
Security of Persons and Property					
Police					
Stations	1	1	1	1	1
Vehicles	21	18	21	20	20
Transportation					
Street					
Number of Paved Streets	360	364	365	366	366
Total Paved Miles	89	90	90	91	91
Street Lights	117	117	117	117	117
Signal Controlled Intersections	13	14	15	16	16
Licensed Vehicles	16	16	16	16	16
Leisure Time Activities					
Parks and Recreation					
Land (acres)	228	228	232	232	232
Buildings	10	11	11	11	11
Parks	4	4	4	4	4
Playgrounds	3	4	4	4	4
Tennis Courts	4	4	4	4	4
Skate Board Park	1	1	1	1	1
Baseball/Softball Diamonds	8	8	8	9	9
Basketball Courts	2	2	2	2	2
Soccer Fields	6	6	6	6	6
Licensed Vehicles	6	6	6	6	6

*City of Springboro*

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2011	2012	2013	2014	2015
608	594	594	592	599
14	14	15	15	21
9	7	8	8	8
1	1	1	1	1
1	1	1	1	1
20	21	25	25	25
366	366	368	368	371
91	91	91	91	85
117	118	118	118	118
16	17	17	18	16
16	18	16	17	17
232	387	495	495	495
11	11	11	11	11
4	4	5	5	5
4	4	5	5	5
4	4	4	4	4
0	0	0	0	0
10	10	10	10	10
2	2	2	2	2
8	8	8	8	8
6	4	4	4	4

(Continued)

## *City of Springboro*

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

	2006	2007	2008	2009	2010
<b>Business-Type Activities</b>					
Golf Course / Clubhouse					
Land (acres)	188	188	188	188	188
Buildings	11	11	11	11	11
Golf Carts	80	84	84	84	84
Licensed Vehicles	1	1	1	1	1
Utilities					
Water					
Water Towers	4	4	4	4	4
Waterlines (Miles)	89	0	0	0	0
Water Treatment Plant	1	1	1	1	1
Buildings	3	3	3	3	3
Licensed Vehicles	10	9	9	12	12
Pump Stations	5	5	0	4	4
Storage Capacity (thousands of gallons)	5,100,000	5,100,000	5,100,000	5,100,000	5,100,000
Sewer					
Sewage Treatment Plant	1	1	1	1	1
Buildings	7	7	7	7	7
Licensed Vehicles	1	5	2	2	3
Sewerlines (Miles)	76	0	0	0	0
Lift Stations	10	9	8	8	8

Source: Finance Director's Office

*City of Springboro*

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<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
188	188	188	188	188
11	11	11	11	11
84	78	78	78	78
1	1	1	1	1
4	4	4	4	4
0	0	0	0	0
1	1	1	1	1
3	3	3	3	3
12	12	12	9	9
4	4	4	4	4
5,100,000	5,100,000	5,100,000	5,100,000	5,100,000
1	1	1	1	1
7	7	7	7	7
4	4	4	6	6
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 19, 2016**