



CITY OF SPRINGBORO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended December 31, 2018

Prepared by the Finance Department





THE CITY OF SPRINGBORO, OHIO

WARREN COUNTY

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FOR THE YEAR ENDED
December 31, 2018

Prepared by:
Department of Finance

Jonathan Hudson
Director of Finance

CITY OF SPRINGBORO, OHIO



CITY OF SPRINGBORO
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WARREN COUNTY, OHIO**

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CITY OF SPRINGBORO, OHIO



INTRODUCTORY SECTION





CITY OF SPRINGBORO

320 West Central Avenue • Springboro, Ohio 45066
Jonathan Hudson, Director of Finance

phone (937) 748-4343

fax (937) 748-6859

June 26, 2019

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, 2018. The responsibility for both the accuracy of the presented data, and the completeness and fairness of presentation, including all disclosures, rests with the management of the City, particularly the office of the Director of Finance. This report is prepared in conformance with accounting principles generally accepted in the United States of America as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources. We believe the data is fairly presented in all material aspects and that it is presented in a manner designed to set forth the financial position and results of operations of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain a reasonable understanding of the City's financial affairs have been included.

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

THE CITY

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

CITY OF SPRINGBORO, OHIO

Letter of Transmittal ***For the Year Ended December 31, 2018***

REPORTING ENTITY AND SERVICES

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

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves their budget, the issuance of their debt or the levying of their taxes. The Community Improvement Corporation of Springboro is reported as a discretely presented component unit in a separate column on the entity wide financial statements.

The Warren County General Health District, the Greater Warren County Drug Task Force, the Miami Valley Regional Planning Commission, the Warren County Transportation Improvement District and the Montgomery County Transportation Improvement District were determined to be jointly governed organizations and the Ohio Municipal League of Workers' Compensation Group Rating Plan was determined to be a group purchasing pool. These entities are discussed further in Notes 17 and 18 within the notes to the financial statements.

ECONOMIC OUTLOOK

Growth and development within the City of Springboro is expected to exceed the national and state average due to the City's physical location along Interstate 75 between Cincinnati and Dayton. The United States Census Bureau officially counted population in the City of Springboro on April 1, 2010 as 17,409, an increase of 5,029 from the 2000 United States Census Bureau count. The estimated population from the US Census Bureau in 2018 was 18,213. The main factor contributing to this growth over a sustained period was an abundance of available building sites offering appealing terrain, location, amenities, small town atmosphere and a low crime rate. In 2018, 70 single-family residential construction permits were issued. This is a slight increase from 2017 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. Thaler Machine designs and manufactures parts for the aerospace and defense industries. These few companies alone generate over 700 jobs.

CITY OF SPRINGBORO, OHIO

Letter of Transmittal ***For the Year Ended December 31, 2018***

Add to that Victory Wholesale Grocers, a national grocery distributor and Klosterman Bakery, a bread distributor, Springboro's prominence as a distribution center becomes evident. In October 2018, Victory Wholesale Grocers completed construction on a 220,000 square foot building expansion that created an additional 127 jobs.

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

Since the City annexed the South Tech Business Park in 1997 and began marketing the Stoltz Industrial Park and Commercial Way Industrial Park, industrial growth in Springboro has blossomed. In November 2004, the City of Springboro purchased the remaining 89 acres of land at the South Tech Business Park on the northern edge of the City and, in conjunction with other local governments, redeveloped the surrounding infrastructure to create Austin Landing, a mixed-use development along Interstate 75. The developer for the project announced plans in 2018 to fully build out the entire 142-acre development within the next two years, including retail and entertainment establishments and restaurants, including 54 acres within the City.

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

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

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

Growth and development in the City are expected to continue to be strong through 2019. Medical office development and business retention are high on the City's Economic Development priority list. Dayton Children's Medical Center has recently opened a new 16-bed Emergency Care Unit at their current facility in South Tech Business Park and they have completed a new surgery center at the same site in late 2017. In all, Dayton Children's has invested over \$40 million in a 110,000 square foot medical facility in Springboro and they have plans to expand beyond that in the near future.

CITY OF SPRINGBORO, OHIO

Letter of Transmittal ***For the Year Ended December 31, 2018***

MAJOR INITIATIVES

For the Year (2018):

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 2018, a new digital sign was installed at the Municipal Building and demolition of buildings continued on the property the City purchased at the corner of SR 73 and SR 741.

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 was completed in 2018. Intersection improvements were made on St. Rt. 741 at the Springboro Junior High entrance. Major improvements were also made on South Pioneer during 2018.

Park Improvements:

Improvements continued in 2018 on Hazel Woods Park with the demolition of a house, installation of a parking area and completion of a dog park. Clearcreek Park underwent lighting upgrades at the football fields. A fishing pier was added to Gardner Park to allow for fishing within the city.

Water Capital Improvements:

The Tamarack Hills Water Main Replacement program and the Royal Oaks Water Main Replacement program continued in 2018, replacing 6" water mains with 8" water mains and will be done over several years.

Sewer Capital Improvements:

There were no sewer capital improvement projects in 2018.

Storm Water Utility Capital Improvements:

Several catch basin repairs/replacements occurred in various subdivisions in conjunction with the concrete work going on in those area. There was also a retaining wall built on Hole #16 at Heatherwoode Golf Course.

Golf Course Improvements:

Improvements at the clubhouse continued in 2018 to maintain quality standards. These improvements included lighting upgrades, window replacements and other cosmetic facelifts.

CITY OF SPRINGBORO, OHIO

Letter of Transmittal ***For the Year Ended December 31, 2018***

For the Future (2019):

General Capital Improvements:

2019 budget of \$621,000 includes: \$350,000 for property redevelopment at the NW corner of SR73/SR74; \$221,000 for Municipal Building Improvements; and \$51,000 for a regional fiber project.

Street Capital Improvements:

Mobility Master Plan was completed in 2001, which analyzed both motorized and non-motorized transportation needs and developed a capital improvement plan. The 2019 budget includes funding for \$3,105,000 of street capital improvements in various areas: \$850,000 for street resurfacing; \$400,000 is for intersection improvements at SR73/SR741; \$225,000 for SR73 median improvements; \$255,000 is for Clearcreek Park Bike Trail Connection; \$800,000 is for improvements to South Pioneer Boulevard; \$100,000 for traffic signal on SR741/Edgebrook; \$150,000 for the Joint Repair Program; and \$25,000 for the installation of various sidewalks.

Park Improvements:

The 2019 budget includes: \$350,000 for improvements to Hazel Woods Park that includes new soccer/lacrosse fields; and \$1,200,000 for construction of Kacie Jane Park at the corner of Lytle Five Points and Crosley Rd. Kacie Jane will be the new home of a community splashpad and bath house. The City will be \$1 million in donations to offset the cost of construction.

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 2019 budget includes funding for \$2,240,000 water capital improvements as follows: \$325,000 for the replacement of a 6" water main with an 8" water main in the Tamarack Hills Subdivision; \$325,000 for replacement of a 6" water main with an 8" water main in the Royal Oaks Subdivision; \$370,000 for Lytle-Five Points Water Tower Interior Painting; \$220,000 for WTP Clearwell Roof Improvements and \$1,000,000 for Wellfield #1 Generator & Pump House Improvements.

Sewer Capital Improvements:

The City has developed a Sanitary Sewer Master Plan to address the sewer collection system and treatment plant needs for the next 20-years. This plan includes an analysis of the system and a Capital Improvement Program (CIP) to address these needs. In 2019 the budget includes \$175,000 to extend the sanitary sewer to the Villages of Creekside subdivision, which will eliminate that lift station and \$975,000 for Wastewater Treatment Plant Centrifuge Pump Improvements.

Storm Water Utility Capital Improvements:

The 2019 budget includes: \$75,000 to catch basin replacement program; and \$100,000 for storm water projects in conjunction with street capital projects.

Golf Course Improvements:

Heatherwoode Golf Course improvements for 2019 include: \$50,000 for emergency repairs; \$350,000 for new windows blinds and exterior lighting at Heatherwoode Clubhouse.

CITY OF SPRINGBORO, OHIO

Letter of Transmittal ***For the Year Ended December 31, 2018***

FINANCIAL INFORMATION

Internal Control, Budgetary Control and the Accounting System

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

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

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

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

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

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

CITY OF SPRINGBORO, OHIO

Letter of Transmittal For the Year Ended December 31, 2018

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, 2017. This was the twenty-ninth year that the government has achieved this prestigious award.

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

Acknowledgment:

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

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



Christopher J. Pozzuto
City Manager



Jonathan Hudson
Director of Finance

CITY OF SPRINGBORO, OHIO

List of Principal Officials For the Year Ended December 31, 2018

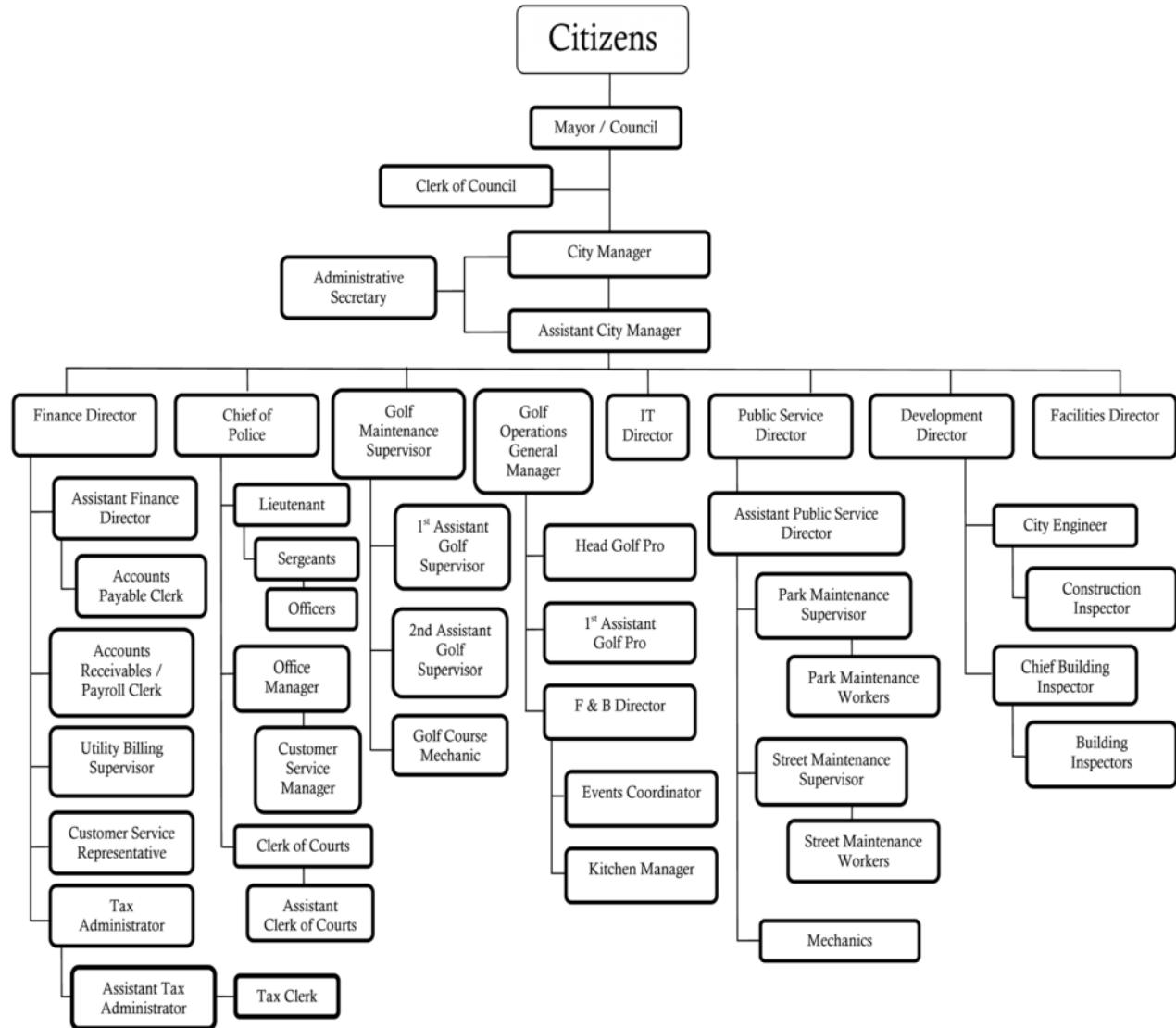
<i>Council</i>	<i>Title</i>	<i>Years of Service *</i>	<i>Term expires</i>
John Agenbroad	Mayor	23	December 2019
Janie Ridd	Council Member Ward 1	4	December 2021
Dale Brunner	Council Member Ward 2	3	December 2021
Carol Moore	Council Member Ward 3	2	December 2021
Jim Chmiel	Council Member Ward 4	17	December 2021
Becky Iverson	Council Member at Large	7	December 2019
Steve Harding	Council Member at Large	3	December 2019

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

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

CITY OF SPRINGBORO, OHIO

City Organizational Chart For the Year Ended December 31, 2018



CITY OF SPRINGBORO, OHIO

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



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, 2017

Christopher P. Monill

Executive Director/CEO

FINANCIAL SECTION



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

INDEPENDENT AUDITOR'S REPORT

To the City Council and Management:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Springboro, Warren County, Ohio (the City), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

City of Springboro
Warren County
Independent Auditor's Report

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Springboro, Warren County, Ohio, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General and urban Redevelopment TIF Funds 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 2018, the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75 "*Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*". 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 and other post-employment benefit liabilities and pension and other post-employment benefit 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 this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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 June 26, 2019, 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, Shumaker & Snou, Inc.

Newark, Ohio
June 26, 2019



CITY OF SPRINGBORO, OHIO

Management's Discussion and Analysis For the Year Ended December 31, 2018

Unaudited

Management's discussion and analysis of the City of Springboro's (the City) financial performance provides an overall review of the City's financial activities for the year ended December 31, 2018. 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 2018 are as follows:

- In total, net position increased \$13 million. Net position of governmental activities increased \$8.3 million which represents a 15% increase from 2017. Net position of business-type activities increased \$4.7 million or 5.8 % from 2017.
- General revenues accounted for \$17 million in revenue or 45.7% of all revenues. Program specific revenues in the form of charges for services and sales and grants and contributions accounted for 54.3% of total revenues of \$37.3 million.
- Total net position of governmental activities increased by \$8.3 million in total. Both revenues and expenses increased from 2017. Income tax collections continued to increase in 2018 and helped to offset the increase in expenses resulting in the increased net position.
- The City had \$13.5 million in expenses related to governmental activities; \$6.2 million of these expenses were offset by program specific charges for services and sales, grants or contributions. General revenues (primarily taxes) of \$16.8 million were adequate to provide for these programs.
- Among major funds, the general fund had \$11.4 million in revenues and other financing sources and \$10.7 million in expenditures and other financing uses. The general fund's fund balance increased \$761,083.
- Net position for enterprise funds increased by \$4.7 million. Revenues were slightly higher than 2017 while expenses decreased in the current year. Additional transfers from governmental activities and the surplus of revenues over expenses accounted for the increase in 2018.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

These statements are as follows:

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

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

CITY OF SPRINGBORO, OHIO

Management's Discussion and Analysis For the Year Ended December 31, 2018

Unaudited

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.

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

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

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following table provides a summary of the City's net position for 2018 compared to 2017:

	Governmental Activities		Business-type Activities		Total	
	Restated		Restated		Restated	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$32,407,796	\$24,731,351	\$22,660,632	\$20,445,274	\$55,068,428	\$45,176,625
Capital assets, Net	64,570,909	59,140,105	79,775,147	79,145,865	144,346,056	138,285,970
Total assets	96,978,705	83,871,456	102,435,779	99,591,139	199,414,484	183,462,595
Deferred Outflows of Resources	1,910,721	2,293,077	1,496,135	2,154,071	3,406,856	4,447,148
Net Penision Liability	7,159,645	8,293,058	1,721,857	2,623,122	8,881,502	10,916,180
Net OPEB Liability	6,078,149	5,278,824	1,210,153	1,142,397	7,288,302	6,421,221
Long-term debt outstanding	13,889,006	15,171,512	14,534,002	16,658,511	28,423,008	31,830,023
Other liabilities	5,339,841	667,452	604,330	639,751	5,944,171	1,307,203
Total liabilities	32,466,641	29,410,846	18,070,342	21,063,781	50,536,983	50,474,627
Deferred Inflows of Resources	2,285,716	965,440	509,775	15,612	2,795,491	981,052
Net investment in capital assets	54,582,898	48,013,645	66,408,488	63,777,140	120,991,386	111,790,785
Restricted	16,017,516	14,376,740	468,042	724,349	16,485,558	15,101,089
Unrestricted	(6,463,345)	(6,602,138)	18,475,267	16,164,328	12,011,922	9,562,190
Total net position	<u>\$64,137,069</u>	<u>\$55,788,247</u>	<u>\$85,351,797</u>	<u>\$80,665,817</u>	<u>\$149,488,866</u>	<u>\$136,454,064</u>

The net pension liability (NPL) is reported by the City pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For fiscal year 2018, the City adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). 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 OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*.

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GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the City's proportionate share of each plan's collective:

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

GASB notes that pension and OPEB 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 and other postemployment benefits. GASB noted that the unfunded portion of this 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 these liabilities. 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 Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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 retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *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 retirement system is responsible for the administration of the pension and OPEB plans.

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 or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, 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 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 and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows. As a result of implementing GASB 75, the City is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2017 from \$61,038,270 to \$55,788,247 for Governmental Activities and from \$81,793,481 to \$80,665,817 for Business-type Activities.

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Changes in Net Position – The following table shows the changes in net position for 2018 compared to 2017:

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
Program Revenues:						
Charges for Services and Sales	\$1,270,584	\$908,135	\$12,846,360	\$12,517,258	\$14,116,944	\$13,425,393
Operating Grants and Contributions	1,407,169	1,209,464	0	0	1,407,169	1,209,464
Capital Grants and Contributions	3,495,542	79,145	1,230,151	909,511	4,725,693	988,656
Total Program Revenues	6,173,295	2,196,744	14,076,511	13,426,769	20,249,806	15,623,513
General revenues:						
Income Taxes	13,899,458	13,272,536	0	0	13,899,458	13,272,536
Property Taxes	745,854	871,019	0	0	745,854	871,019
Other Local Taxes	71,793	78,581	0	0	71,793	78,581
Payment in Lieu of Taxes	536,457	175,264	0	0	536,457	175,264
Intergovernmental, unrestricted	1,024,272	289,115	0	0	1,024,272	289,115
Investment Earnings	252,894	109,278	183,530	63,530	436,424	172,808
Miscellaneous	317,333	508,430	0	0	317,333	508,430
Gain (Loss) on Sale of Assets	0	66,152	0	0	0	66,152
Held for Resale						
Total General Revenues	16,848,061	15,370,375	183,530	63,530	17,031,591	15,433,905
Total Revenues	23,021,356	17,567,119	14,260,041	13,490,299	37,281,397	31,057,418
Program Expenses						
Security of Persons and Property	4,360,669	3,875,186	0	0	4,360,669	3,875,186
Public Health and Welfare Services	16,460	16,480	0	0	16,460	16,480
Leisure Time Activities	915,240	930,498	0	0	915,240	930,498
Community Environment	926,636	894,046	0	0	926,636	894,046
Transportation	2,691,945	5,708,785	0	0	2,691,945	5,708,785
General Government	4,197,195	4,496,267	0	0	4,197,195	4,496,267
Interest and Fiscal Charges	402,182	338,394	0	0	402,182	338,394
Golf Course	0	0	2,260,020	2,744,386	2,260,020	2,744,386
Water	0	0	3,294,517	3,634,171	3,294,517	3,634,171
Sewer	0	0	2,934,574	3,139,008	2,934,574	3,139,008
Trash	0	0	1,396,694	1,174,847	1,396,694	1,174,847
Storm Water	0	0	850,463	407,877	850,463	407,877
Total Expenses	13,510,327	16,259,656	10,736,268	11,100,289	24,246,595	27,359,945
Change in Net Position before transfers	9,511,029	1,307,463	3,523,773	2,390,010	13,034,802	3,697,473
Transfers	(1,162,207)	(1,010,454)	1,162,207	1,010,454	0	0
Total Change in Net Position	8,348,822	297,009	4,685,980	3,400,464	13,034,802	3,697,473
Beginning Net Position, Restated	55,788,247	N/A	80,665,817	N/A	136,454,064	N/A
Ending Net Position, Restated	\$64,137,069	\$55,788,247	\$85,351,797	\$80,665,817	\$149,488,866	\$136,454,064

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Governmental Activities

The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include OPEB expense of \$28,801 for Governmental Activities and \$14,733 for Business-type Activities computed under GASB 45. GASB 45 required recognizing OPEB expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report OPEB expense of \$474,599 for Governmental Activities and \$94,960 for Business-type Activities.

Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

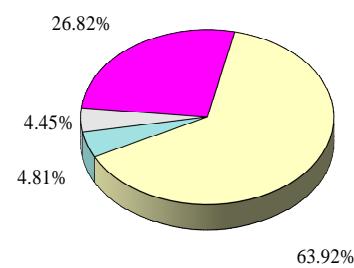
	Governmental Activities	Business-type Activities
Total 2018 program expenses under GASB 75	\$13,510,327	\$10,736,268
OPEB expense under GASB 75	(474,599)	(94,960)
2018 contractually required contribution	9,936	0
Adjusted 2018 program expenses	13,045,664	10,641,308
Total 2017 program expenses under GASB 45	16,259,656	11,100,289
Change in program expenses not related to OPEB	<u><u>(\$3,213,992)</u></u>	<u><u>(\$458,981)</u></u>

Net position of the City's governmental activities increased by \$8,348,822. Revenues increased by \$5,454,237 in 2018 compared to 2017 and expenses and transfers decreased by \$2,597,576. A \$3.7 million refund from the Warren County TID related to the reconstruction of the SR 73/741 intersection accounted for the majority of the increase in revenues. Income tax increases are mostly due to business net profits and withholdings. Transportation expenses dropped by \$3,016,840 accounting for the majority of the decrease in overall 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 3.2% and 60.4% respectively of revenues for governmental activities for the City in 2018. The City's reliance upon tax revenues is demonstrated by the following graph indicating 63.92% of total revenues from general tax revenues:

Revenue Sources	2018	Percent of Total
Intergovernmental, unrestricted	\$1,024,272	4.45%
Program Revenues	6,173,295	26.82%
General Tax Revenues	14,717,105	63.92%
General Other	1,106,684	4.81%
Total Revenue	<u><u>\$23,021,356</u></u>	<u><u>100.00%</u></u>



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Business-Type Activities

Net position of the business-type activities increased by \$4,685,980. This increase was the result of higher revenues and decreased expenses.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$23,119,690, which is an increase from last year's balance of \$20,524,996. The schedule below indicates the fund balance and the total change in fund balance by fund type as of December 31, 2018 and 2017:

	<u>Fund Balance December 31, 2018</u>	<u>Fund Balance December 31, 2017</u>	<u>Increase (Decrease)</u>
General	\$8,894,097	\$8,133,014	\$761,083
Urban Redevelopment TIF	(10,501)	0	(10,501)
Construction (Capital Project)	6,959,414	5,051,485	1,907,929
Income Tax Capital			
Improvement (Capital Project)	1,151,249	2,029,892	(878,643)
Other Governmental	6,125,431	5,310,605	814,826
Total	<u>\$23,119,690</u>	<u>\$20,524,996</u>	<u>\$2,594,694</u>

General Fund – The City's General Fund balance increase is due mainly to revenue collections outpacing expenditure totals. The tables that follow assist in illustrating the financial activities and balance of the General Fund:

	<u>2018 Revenues</u>	<u>2017 Revenues</u>	<u>Increase (Decrease)</u>
Municipal Income Taxes	\$9,175,159	\$8,920,577	\$254,582
Property and Other Taxes	683,989	678,200	5,789
Intergovernmental Revenue	252,153	239,076	13,077
Fines, Licenses and Permits	534,330	546,587	(12,257)
Investment Earnings	265,826	101,836	163,990
Special Assessments	35,853	34,020	1,833
All Other Revenue	280,479	474,410	(193,931)
Total	<u>\$11,227,789</u>	<u>\$10,994,706</u>	<u>\$233,083</u>

General Fund revenues increased compared with revenues in 2017. The majority of the increase is attributed to higher collections of income taxes and investment earnings.

CITY OF SPRINGBORO, OHIO

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	2018 Expenditures	2017 Expenditures	Increase (Decrease)
Security of Persons and Property	\$3,443,992	\$3,142,430	\$301,562
Public Health and Welfare Services	16,460	16,480	(20)
Leisure Time Activities	688,336	636,392	51,944
Community Environment	830,915	783,064	47,851
General Government	3,905,330	3,972,677	(67,347)
Debt Service:			
Interest and Fiscal Charges	0	4,250	(4,250)
Total	\$8,885,033	\$8,555,293	\$329,740

General Fund expenditures increased by \$329,740 or 3.9% over the prior year mostly due to increased costs in the security of persons function.

Urban Redevelopment TIF Fund – This fund will be utilized to redevelop areas around the City. Other than the issuance of a general obligation note, very little activity occurred in 2018.

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

Income Tax Capital Improvement Fund - The fund balance decreased \$878,643 to a balance of \$1,151,249. Increased transfers out accounted for the majority of the decrease, which will also vary year to year, depending on the capital projects slated for that year.

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

During the course of 2018 the City amended its General Fund budget several times, none significant.

For the General Fund, final budget basis revenue of \$11.1 million did not change from the original budget estimates. The General Fund had an adequate fund balance to cover expenditures.

The large variances between budgeted and actual expenditures represent fiscally conservative spending practices.

CITY OF SPRINGBORO, OHIO

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Unaudited

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2018 the City had \$144,346,056 net of accumulated depreciation invested in land, improvements, infrastructure, buildings, machinery and equipment and construction in progress. Of this total, \$64,570,909 was related to governmental activities and \$79,775,147 to the business-type activities. The following table shows 2018 and 2017 balances:

	Governmental Activities		Changes
	2018	2017	
Land	\$25,927,375	\$17,685,652	\$8,241,723
Construction in Progress	464,257	7,465,948	(7,001,691)
Total Non-Depreciable Capital Assets	26,391,632	25,151,600	1,240,032
Improvements	5,953,669	4,972,497	981,172
Infrastructure	50,454,254	45,812,903	4,641,351
Buildings	13,279,704	13,190,912	88,792
Machinery and Equipment	6,366,961	5,542,565	824,396
Less: Accumulated Depreciation	(37,875,311)	(35,530,372)	(2,344,939)
Total Depreciable Capital Assets, Net	38,179,277	33,988,505	4,190,772
Totals	\$64,570,909	\$59,140,105	\$5,430,804
	Business-Type Activities		Changes
	2018	2017	
Land	\$8,685,240	\$8,685,240	\$0
Construction in Progress	66,891	0	66,891
Total Non-Depreciable Capital Assets	8,752,131	8,685,240	66,891
Buildings	3,999,397	3,848,637	150,760
Land Improvements	2,049,885	1,633,905	415,980
Infrastructure	91,922,093	90,727,904	1,194,189
Machinery and Equipment	3,756,042	3,364,816	391,226
Less: Accumulated Depreciation	(30,704,401)	(29,114,637)	(1,589,764)
Total Depreciable Capital Assets, Net	71,023,016	70,460,625	562,391
Totals	\$79,775,147	\$79,145,865	\$629,282

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

As of December 31, 2018, the City has construction commitments of \$9.8 million for various projects. Additional information on the City's capital assets can be found in Note 9.

CITY OF SPRINGBORO, OHIO

Management's Discussion and Analysis For the Year Ended December 31, 2018

Unaudited

Debt

At December 31, 2018, the City had \$21.6 million in bonds outstanding, \$2,797,821 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2018 and 2017:

	2018	Restated 2017
Governmental Activities:		
Special Assessment Bonds	\$672,368	\$794,842
General Obligation Bonds	6,541,410	7,727,538
General Obligation Notes	6,050,000	6,050,000
Compensated Absences	625,228	599,132
Net Pension Liability	7,159,645	8,293,058
Net OPEB Liability	6,078,149	5,278,824
Total Governmental Activities	<u>27,126,800</u>	<u>28,743,394</u>
Business-Type Activities:		
General Obligation Bonds	5,551,593	6,598,911
Mortgage Revenue Bonds	8,800,130	9,907,366
Compensated Absences	182,279	152,234
Net Pension Liability	1,721,857	2,623,122
Net OPEB Liability	1,210,153	1,142,397
Total Business-Type Activities	<u>17,466,012</u>	<u>20,424,030</u>
Totals	<u><u>\$44,592,812</u></u>	<u><u>\$49,167,424</u></u>

State statutes limit the amount of unvoted general obligation debt the City may issue. The aggregate amount of the City's unvoted debt is also subject to overlapping debt restrictions with other political subdivisions. The actual aggregate amount of the City's unvoted debt, when added to that of other political subdivisions within the respective counties in which Springboro lies, is limited to ten mills. At December 31, 2018, 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 2019 is very conservative. The City of Springboro has been fortunate to sustain and thrive over the past several years despite economic conditions during that time. We have a solid residential and business base, which continues to grow and expand, and our income tax revenue has increased and is projected to increase in 2019. The 2019 expenditures were increased from 2018 levels due to an increase in capital projects and debt retirement. City Council wants to continue to maintain current service levels to the residents of the City and they will continue to monitor the revenue stream for 2019 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



CITY OF SPRINGBORO, OHIO

Statement of Net Position
December 31, 2018

	Governmental Activities	Business-Type Activities	Total	Component Unit
				Community Improvement Corporation of Springboro
Assets:				
Cash and Cash Equivalents	\$ 13,653,876	\$ 7,674,210	\$ 21,328,086	\$ 9,545
Investments	10,212,486	12,551,445	22,763,931	
Receivables:				
Taxes	1,343,044	0	1,343,044	0
Accounts	344	1,434,462	1,434,806	0
Intergovernmental	615,927	3,104	619,031	0
Income Taxes	2,241,534	0	2,241,534	0
Special Assessments	1,359,323	0	1,359,323	0
Internal Balances	(6,154)	6,154	0	0
Inventory of Supplies at Cost	180,043	38,719	218,762	0
Inventory Held for Resale	0	84,530	84,530	0
Prepaid Items	371,671	290,547	662,218	0
Restricted Assets:				
Cash and Cash Equivalents	0	109,419	109,419	0
Cash and Cash Equivalents with Fiscal Agent	0	468,042	468,042	0
Assets Held for Resale	2,435,702	0	2,435,702	0
Non-Depreciable Capital Assets	26,391,632	8,752,131	35,143,763	0
Depreciable Capital Assets, Net	38,179,277	71,023,016	109,202,293	0
Total Assets	96,978,705	102,435,779	199,414,484	9,545
Deferred Outflows of Resources:				
Deferred Charge on Debt Refunding	100,767	985,064	1,085,831	0
Pension	1,247,578	422,016	1,669,594	0
OPEB	562,376	89,055	651,431	0
Total Deferred Outflows of Resources	1,910,721	1,496,135	3,406,856	0
Liabilities:				
Accounts Payable	49,381	272,783	322,164	0
Accrued Wages and Benefits	210,511	73,832	284,343	0
Intergovernmental Payable	352,450	102,806	455,256	0
Refundable Deposits	0	109,419	109,419	0
Accrued Interest Payable	227,499	45,490	272,989	0
General Obligation Notes Payable	4,500,000	0	4,500,000	0
Long Term Liabilities:				
Due within one year	6,996,478	1,937,370	8,933,848	0
Due in More Than One Year:				
Net Pension Liability	7,159,645	1,721,857	8,881,502	0
Net OPEB Liability	6,078,149	1,210,153	7,288,302	0
Other Amounts Due in More Than One Year	6,892,528	12,596,632	19,489,160	0
Total Liabilities	32,466,641	18,070,342	50,536,983	0
Deferred Inflows of Resources:				
Property Tax Levy for Next Fiscal Year	1,335,502	0	1,335,502	0
Pension	751,301	408,249	1,159,550	0
OPEB	198,913	101,526	300,439	0
Total Deferred Inflows of Resources	2,285,716	509,775	2,795,491	0

CITY OF SPRINGBORO, OHIO

	Governmental Activities	Business-Type Activities	Total	Component Unit
				Community Improvement Corporation of Springboro
Net Position:				
Net Investment in Capital Assets	54,582,898	66,408,488	120,991,386	0
Restricted For:				
Capital Projects	11,340,202	0	11,340,202	0
Debt Service	2,292,933	468,042	2,760,975	0
Security of Persons	241,509	0	241,509	0
Transportation	1,726,621	0	1,726,621	0
General Government	416,251	0	416,251	0
Unrestricted	(6,463,345)	18,475,267	12,011,922	9,545
Total Net Position	\$ 64,137,069	\$ 85,351,797	\$ 149,488,866	\$ 9,545

See accompanying notes to the basic financial statements

CITY OF SPRINGBORO, OHIO

Statement of Activities
For the Year Ended December 31, 2018

		Program Revenues			
		Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:					
Security of Persons and Property	\$ 4,360,669	\$ 101,048	\$ 48,415	\$ 0	
Public Health and Welfare Services	16,460	0	0	0	
Leisure Time Activities	915,240	307,722	0	14,552	
Community Environment	926,636	358,358	0	0	
Transportation	2,691,945	276,265	1,358,754	3,330,360	
General Government	4,197,195	227,191	0	150,630	
Interest and Fiscal Charges	402,182	0	0	0	
Total Governmental Activities	13,510,327	1,270,584	1,407,169	3,495,542	
Business-Type Activities:					
Golf Course	2,260,020	1,981,923	0	0	
Water	3,294,517	4,832,675	0	762,894	
Sewer	2,934,574	4,535,924	0	261,775	
Trash	1,396,694	1,212,273	0	0	
Storm Water	850,463	283,565	0	205,482	
Total Business-Type Activities	10,736,268	12,846,360	0	1,230,151	
Totals	\$ 24,246,595	\$ 14,116,944	\$ 1,407,169	\$ 4,725,693	
Component Unit:					
Community Improvement					
Corporation of Springboro	\$ 48,574	\$ 2,000	\$ 0	\$ 34,096	
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

Net (Expense) Revenue and Changes in Net Position				Component Unit
Governmental Activities	Business-Type Activities	Total	Community Improvement Corporation of Springboro	
\$ (4,211,206)	\$ 0	\$ (4,211,206)		
(16,460)	0	(16,460)		
(592,966)	0	(592,966)		
(568,278)	0	(568,278)		
2,273,434	0	2,273,434		
(3,819,374)	0	(3,819,374)		
(402,182)	0	(402,182)		
<u>(7,337,032)</u>	<u>0</u>	<u>(7,337,032)</u>		
0	(278,097)	(278,097)		
0	2,301,052	2,301,052		
0	1,863,125	1,863,125		
0	(184,421)	(184,421)		
0	(361,416)	(361,416)		
<u>0</u>	<u>3,340,243</u>	<u>3,340,243</u>		
<u>(7,337,032)</u>	<u>3,340,243</u>	<u>(3,996,789)</u>		
		\$ (12,478)		
13,899,458	0	13,899,458	0	
745,854	0	745,854	0	
71,793	0	71,793	0	
536,457	0	536,457	0	
1,024,272	0	1,024,272	0	
252,894	183,530	436,424	3	
317,333	0	317,333	0	
(1,162,207)	1,162,207	0	0	
<u>15,685,854</u>	<u>1,345,737</u>	<u>17,031,591</u>	<u>3</u>	
8,348,822	4,685,980	13,034,802	(12,475)	
<u>55,788,247</u>	<u>80,665,817</u>	<u>136,454,064</u>	<u>22,020</u>	
<u>\$ 64,137,069</u>	<u>\$ 85,351,797</u>	<u>\$ 149,488,866</u>	<u>\$ 9,545</u>	

CITY OF SPRINGBORO, OHIO

Balance Sheet
Governmental Funds
December 31, 2018

	Urban Redevelopment			Income Tax Capital Improvement	
	General	TIF	Construction		
Assets:					
Cash and Cash Equivalents	\$ 2,568,032	\$ 4,525,780	\$ 2,146,003	\$ 750,973	
Investments	5,546,121	0	4,666,365		0
Receivables:					
Taxes	806,644	0	0		0
Accounts	25	0	0		0
Intergovernmental	107,826	0	23,817		0
Income Taxes	1,494,356	0	0		747,178
Special Assessments	0	0	0		0
Inventory of Supplies, at Cost	52,040	0	0		0
Prepaid Items	251,015	0	0		0
Assets Held for Resale	0	0	123,229		0
Total Assets	\$ 10,826,059	\$ 4,525,780	\$ 6,959,414	\$ 1,498,151	
Liabilities:					
Accounts Payable	\$ 46,584	\$ 0	\$ 0	\$ 0	0
Accrued Wages and Benefits Payable	194,923	0	0		0
Intergovernmental Payable	102,632	0	0		0
Due to Other Funds	6,154	0	0		0
Accrued Interest Payable	0	36,281	0		0
General Obligation Notes Payable	0	4,500,000	0		0
Total Liabilities	350,293	4,536,281	0	0	
Deferred Inflows of Resources:					
Property Tax Levy for Next Fiscal Year	799,102	0	0		0
Unavailable Amounts	782,567	0	0		346,902
Total Deferred Inflows of Resources	1,581,669	0	0	0	346,902
Fund Balances:					
Nonspendable	303,055	0	0		0
Restricted	0	0	6,959,414		1,151,249
Assigned	1,661,535	0	0		0
Unassigned	6,929,507	(10,501)	0		0
Total Fund Balances	8,894,097	(10,501)	6,959,414	1,151,249	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 10,826,059	\$ 4,525,780	\$ 6,959,414	\$ 1,498,151	

See accompanying notes to the basic financial statements

CITY OF SPRINGBORO, OHIO

Other Governmental Funds	Total Governmental Funds
\$ 3,663,088	\$ 13,653,876
0	10,212,486
536,400	1,343,044
319	344
484,284	615,927
0	2,241,534
1,359,323	1,359,323
128,003	180,043
120,656	371,671
2,312,473	2,435,702
<u>\$ 8,604,546</u>	<u>\$ 32,413,950</u>
2,797	49,381
15,588	210,511
249,818	352,450
0	6,154
0	36,281
0	4,500,000
<u>268,203</u>	<u>5,154,777</u>
536,400	1,335,502
1,674,512	2,803,981
<u>2,210,912</u>	<u>4,139,483</u>
248,659	551,714
5,876,772	13,987,435
0	1,661,535
0	6,919,006
<u>6,125,431</u>	<u>23,119,690</u>
<u>\$ 8,604,546</u>	<u>\$ 32,413,950</u>

CITY OF SPRINGBORO, OHIO

**Reconciliation Of Total Governmental Fund Balances
To Net Position Of Governmental Activities
December 31, 2018**

Total Governmental Fund Balances \$ 23,119,690

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. 64,570,909

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	1,040,706
Property Taxes Receivable - accrual basis	7,542
Special Assessments Receivable - accrual basis	1,359,323
Grants Receivable - accrual basis	396,410
Total	2,803,981

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	1,247,578
Deferred Outflows - OPEB	562,376
Deferred Inflows - Pension	(751,301)
Deferred Inflows - OPEB	(198,913)
Net Pension Liability	(7,159,645)
Net OPEB Liability	(6,078,149)
Total	(12,378,054)

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	(6,996,478)
Amounts Due in More Than One Year	(6,892,528)
Accrued Interest on Long-Term Debt	(191,218)
Deferred Charge on Debt Refunding	100,767
Total	(13,979,457)
<i>Net Position of Governmental Activities</i>	<u>\$ 64,137,069</u>

See accompanying notes to the basic financial statements

CITY OF SPRINGBORO, OHIO



CITY OF SPRINGBORO, OHIO

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2018

	General	TIF	Urban Redevelopment	Construction	Income Tax Capital Improvement
Revenues:					
Municipal Income Tax	\$ 9,175,159	\$ 0	\$ 0	\$ 0	\$ 4,586,887
Property and Other Taxes	683,989	0	0	0	0
Payment in Lieu of Taxes	0	0	0	0	0
Intergovernmental Revenues	252,153	0	3,232,040	0	0
Fines, Licenses and Permits	534,330	0	0	0	0
Investment Earnings	265,826	0	(23,750)	5	0
Special Assessments	35,853	0	18,529	0	0
Donations	0	0	0	0	0
All Other Revenue	280,479	25,780	265,457	0	0
Total Revenue	11,227,789	25,780	3,492,276	4,586,892	
Expenditures:					
Current:					
Security of Persons and Property	3,443,992	0	0	0	0
Public Health and Welfare Services	16,460	0	0	0	0
Leisure Time Activities	688,336	0	0	0	0
Community Environment	830,915	0	0	0	0
Transportation	0	0	0	0	0
General Government	3,905,330	0	24,848	0	0
Capital Outlay	0	0	6,129,791	0	0
Debt Service:					
Principal Retirement	0	0	6,050,000	0	0
Interest and Fiscal Charges	0	36,281	121,000	0	0
Total Expenditures	8,885,033	36,281	12,325,639	0	
Excess (Deficiency) of Revenues Over Expenditures	2,342,756	(10,501)	(8,833,363)	4,586,892	
Other Financing Sources (Uses):					
General Obligation Notes Issued	0	0	6,050,000	0	0
Transfers In	184,250	0	5,575,337	0	0
Transfers Out	(1,778,175)	0	(884,045)	(5,465,535)	
Total Other Financing Sources (Uses)	(1,593,925)	0	10,741,292	(5,465,535)	
Net Change in Fund Balances	748,831	(10,501)	1,907,929	(878,643)	
Fund Balances at Beginning of Year	8,133,014	0	5,051,485	2,029,892	
Change in Inventory Reserve	12,252	0	0	0	0
Fund Balances End of Year	\$ 8,894,097	\$ (10,501)	\$ 6,959,414	\$ 1,151,249	

See accompanying notes to the basic financial statements

CITY OF SPRINGBORO, OHIO

Other Governmental Funds	Total Governmental Funds
\$ 0	\$ 13,762,046
139,340	823,329
536,457	536,457
2,203,863	5,688,056
144,525	678,855
10,813	252,894
141,309	195,691
1,785	1,785
299,708	871,424
<hr/> 3,477,800	<hr/> 22,810,537

161,992	3,605,984
0	16,460
0	688,336
0	830,915
1,026,760	1,026,760
286,260	4,216,438
917,264	7,047,055
<hr/> 1,260,000	<hr/> 7,310,000
<hr/> 221,017	<hr/> 378,298
<hr/> 3,873,293	<hr/> 25,120,246

(395,493) (2,309,709)

0	6,050,000
2,247,875	8,007,462
(1,041,914)	(9,169,669)
<hr/> 1,205,961	<hr/> 4,887,793
 810,468	 2,578,084
 5,310,605	 20,524,996
 4,358	 16,610
<hr/> \$ 6,125,431	<hr/> \$ 23,119,690

CITY OF SPRINGBORO, OHIO

Reconciliation Of The Statement Of Revenues, Expenditures And Changes In Fund Balances Of Governmental Funds To The Statement Of Activities For The Year Ended December 31, 2018

Net Change in Fund Balances - Total Governmental Funds	\$ 2,578,084
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Amounts reported for governmental activities in the statement of activities are different because

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period. 5,473,014

The net effect of various miscellaneous transactions involving capital assets (i.e. disposals and donations) is to change net position. (42,210)

Revenues and transfers in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 60,189

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 687,902

Except for amounts reported as deferred inflows/outflows, changes in the net pension and OPEB liabilities are reported as pension expense in the statement of activities. (1,634,787)

The issuance of long-term debt (e.g. notes, bonds) provides current financial resources to government funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position.

General Obligation Notes Issued	(6,050,000)
Principal Retirement	7,310,000
Total	1,260,000

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (23,884)

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. (9,486)

Change in Net Position of Governmental Activities \$ 8,348,822

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, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal Income Tax	\$ 8,843,400	\$ 8,843,400	\$ 9,216,731	\$ 373,331
Property and Other Taxes	796,996	796,996	691,865	(105,131)
Intergovernmental Revenue	225,500	225,500	255,006	29,506
Fines, Licenses and Permits	654,400	654,400	530,175	(124,225)
Investment Earnings	125,000	125,000	249,620	124,620
Special Assessments	35,000	35,000	35,853	853
All Other Revenues	246,000	245,981	286,824	40,843
Total Revenues	<u>10,926,296</u>	<u>10,926,277</u>	<u>11,266,074</u>	<u>339,797</u>
Expenditures:				
Current:				
Security of Persons and Property	3,473,977	3,597,451	3,459,835	137,616
Public Health and Welfare Services	16,460	16,460	16,460	0
Leisure Time Activities	819,485	792,985	686,168	106,817
Community Environment	1,232,720	1,066,220	892,261	173,959
General Government	4,880,528	4,505,054	4,033,978	471,076
Total Expenditures	<u>10,423,170</u>	<u>9,978,170</u>	<u>9,088,702</u>	<u>889,468</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	503,126	948,107	2,177,372	1,229,265
Other Financing Sources (Uses):				
Transfers In	185,000	185,000	184,250	(750)
Transfers Out	<u>(1,878,674)</u>	<u>(2,108,889)</u>	<u>(1,778,175)</u>	<u>330,714</u>
Total Other Financing Sources (Uses):	<u>(1,693,674)</u>	<u>(1,923,889)</u>	<u>(1,593,925)</u>	<u>329,964</u>
Net Change in Fund Balance	(1,190,548)	(975,782)	583,447	1,559,229
Fund Balance at Beginning of Year	6,857,751	6,857,751	6,857,751	0
Prior Year Encumbrances	432,686	432,686	432,686	0
Fund Balance at End of Year	<u>\$ 6,099,889</u>	<u>\$ 6,314,655</u>	<u>\$ 7,873,884</u>	<u>\$ 1,559,229</u>

See accompanying notes to the basic financial statements

CITY OF SPRINGBORO, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Special Revenue Fund – Urban Redevelopment TIF Fund
For the Year Ended December 31, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
All Other Revenues	\$ 0	\$ 0	\$ 25,780	\$ 25,780
Total Revenues	0	0	25,780	25,780
Expenditures:				
Current:				
General Government	0	4,500,000	4,500,000	0
Total Expenditures	0	4,500,000	4,500,000	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(4,500,000)	(4,474,220)	25,780
Other Financing Sources (Uses):				
General Obligation Notes Issued	0	4,500,000	4,500,000	0
Total Other Financing Sources (Uses):	0	4,500,000	4,500,000	0
Net Change in Fund Balance	0	0	25,780	25,780
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 25,780	\$ 25,780

See accompanying notes to the basic financial statements

CITY OF SPRINGBORO, OHIO



CITY OF SPRINGBORO, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2018**

		Business-Type Activities		
		Enterprise Funds		
		Golf Course	Water	Sewer
Assets:				
<i>Current Assets:</i>				
Cash and Cash Equivalents	\$ 680,025	\$ 2,573,567	\$ 3,089,269	
Investments	0	5,834,002	6,717,443	
Receivables:				
Accounts	0	591,055	635,082	
Intergovernmental	254	2,714	89	
Due from Other Funds	6,154	0	0	
Inventory of Supplies at Cost	38,719	0	0	
Inventory Held for Resale	84,530	0	0	
Prepaid Items	16,100	123,555	138,232	
Total Current Assets	825,782	9,124,893	10,580,115	
<i>Non Current Assets:</i>				
Restricted Assets:				
Cash and Cash Equivalents	0	109,419	0	
Cash and Cash Equivalents with Fiscal Agent	0	0	468,042	
Non-Depreciable Capital Assets	7,755,718	706,872	289,541	
Depreciable Capital Assets, Net	2,790,707	29,585,672	30,223,261	
Total Noncurrent Assets	10,546,425	30,401,963	30,980,844	
Total Assets	11,372,207	39,526,856	41,560,959	
Deferred Outflows of Resources:				
Deferred Charge on Debt Refunding	113,511	306,795	564,758	
Pension	184,941	121,270	71,866	
OPEB	39,027	25,591	15,165	
Total Deferred Outflows of Resources	337,479	453,656	651,789	

CITY OF SPRINGBORO, OHIO

<u>Trash</u>	<u>Storm Water</u>	<u>Total</u>
\$ 368,467	\$ 962,882	\$ 7,674,210
0	0	12,551,445
166,987	41,338	1,434,462
0	47	3,104
0	0	6,154
0	0	38,719
0	0	84,530
6,324	6,336	290,547
<u>541,778</u>	<u>1,010,603</u>	<u>22,083,171</u>
0	0	109,419
0	0	468,042
0	0	8,752,131
0	8,423,376	71,023,016
0	8,423,376	80,352,608
<u>541,778</u>	<u>9,433,979</u>	<u>102,435,779</u>
0	0	985,064
19,135	24,804	422,016
4,038	5,234	89,055
<u>23,173</u>	<u>30,038</u>	<u>1,496,135</u>

(Continued)

CITY OF SPRINGBORO, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2018**

	Business-Type Activities Enterprise Funds		
	Golf Course	Water	Sewer
Liabilities:			
<i>Current Liabilities:</i>			
Accounts Payable	3,984	8,725	88,952
Accrued Wages and Benefits	26,656	22,983	14,020
Intergovernmental Payable	14,328	74,618	7,733
Refundable Deposits	0	109,419	0
Accrued Interest Payable	3,164	12,443	29,883
Compensated Absences Payable - Current	5,723	6,193	3,720
General Obligation Bonds - Current	260,000	832,318	0
Mortgage Revenue Bonds - Current	0	0	827,236
<i>Total Current Liabilities</i>	<u>313,855</u>	<u>1,066,699</u>	<u>971,544</u>
<i>Noncurrent Liabilities:</i>			
Compensated Absences Payable	36,196	61,103	42,328
General Obligation Bonds Payable	835,000	3,624,275	0
Mortgage Revenue Bonds Payable	0	0	7,972,894
Net Pension Liability	754,574	494,791	293,218
Net OPEB Liability	530,328	347,749	206,079
<i>Total Noncurrent Liabilities</i>	<u>2,156,098</u>	<u>4,527,918</u>	<u>8,514,519</u>
Total Liabilities	<u>2,469,953</u>	<u>5,594,617</u>	<u>9,486,063</u>
Deferred Inflows of Resources:			
Pension	178,907	117,314	69,521
OPEB	44,492	29,174	17,290
Total Deferred Inflows of Resources	<u>223,399</u>	<u>146,488</u>	<u>86,811</u>
Net Position:			
Net Investment in Capital Assets	9,564,936	26,142,746	22,277,430
Restricted for:			
Debt Service	0	0	468,042
Unrestricted	(548,602)	8,096,661	9,894,402
Total Net Position	<u>\$ 9,016,334</u>	<u>\$ 34,239,407</u>	<u>\$ 32,639,874</u>

See accompanying notes to the basic financial statements

CITY OF SPRINGBORO, OHIO

Trash	Storm Water	Total
86,189	84,933	272,783
4,526	5,647	73,832
2,661	3,466	102,806
0	0	109,419
0	0	45,490
819	1,361	17,816
0	0	1,092,318
0	0	827,236
<hr/> <u>94,195</u>	<hr/> <u>95,407</u>	<hr/> <u>2,541,700</u>
9,160	15,676	164,463
0	0	4,459,275
0	0	7,972,894
78,072	101,202	1,721,857
54,870	71,127	1,210,153
<hr/> <u>142,102</u>	<hr/> <u>188,005</u>	<hr/> <u>15,528,642</u>
<hr/> <u>236,297</u>	<hr/> <u>283,412</u>	<hr/> <u>18,070,342</u>
18,512	23,995	408,249
4,604	5,966	101,526
<hr/> <u>23,116</u>	<hr/> <u>29,961</u>	<hr/> <u>509,775</u>
0	8,423,376	66,408,488
0	0	468,042
305,538	727,268	18,475,267
<hr/> <u>\$ 305,538</u>	<hr/> <u>\$ 9,150,644</u>	<hr/> <u>\$ 85,351,797</u>

CITY OF SPRINGBORO, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2018**

	Business-Type Activities Enterprise Funds		
	Golf Course	Water	Sewer
Operating Revenues:			
Charges for Services	\$ 1,743,397	\$ 4,815,542	\$ 4,368,272
Sales	150,948	0	0
Other Operating Revenue	87,578	17,133	167,652
Total Operating Revenues	<u>1,981,923</u>	<u>4,832,675</u>	<u>4,535,924</u>
Operating Expenses:			
Personal Services	1,295,142	796,889	460,876
Contractual Services	110,538	1,476,558	1,371,268
Materials and Supplies	544,883	153,542	35,934
Depreciation	232,898	657,294	707,152
Total Operating Expenses	<u>2,183,461</u>	<u>3,084,283</u>	<u>2,575,230</u>
Operating Income (Loss)	(201,538)	1,748,392	1,960,694
Nonoperating Revenue (Expenses):			
Investment Earnings	0	89,808	93,722
Interest and Fiscal Charges	(73,225)	(197,454)	(359,344)
Loss on Disposal of Capital Assets	(3,334)	(12,780)	0
Total Nonoperating Revenues (Expenses)	<u>(76,559)</u>	<u>(120,426)</u>	<u>(265,622)</u>
Income (Loss) Before Transfers and Contributions	(278,097)	1,627,966	1,695,072
Transfers In	938,186	0	0
Transfers Out	0	(87,360)	(87,360)
Capital Contributions - Tap in Fees	0	454,266	261,775
Capital Contributions	0	<u>308,628</u>	0
Change in Net Position	660,089	2,303,500	1,869,487
Net Position Beginning of Year, Restated	8,356,245	31,935,907	30,770,387
Net Position End of Year	<u>\$ 9,016,334</u>	<u>\$ 34,239,407</u>	<u>\$ 32,639,874</u>

See accompanying notes to the basic financial statements

CITY OF SPRINGBORO, OHIO

Trash	Storm Water	Total
\$ 1,211,320	\$ 282,487	\$ 12,421,018
0	0	150,948
953	1,078	274,394
<u>1,212,273</u>	<u>283,565</u>	<u>12,846,360</u>
128,668	157,796	2,839,371
1,252,932	423,442	4,634,738
15,094	7,631	757,084
0	183,671	1,781,015
<u>1,396,694</u>	<u>772,540</u>	<u>10,012,208</u>
(184,421)	(488,975)	2,834,152
0	0	183,530
0	0	(630,023)
0	(77,923)	(94,037)
<u>0</u>	<u>(77,923)</u>	<u>(540,530)</u>
(184,421)	(566,898)	2,293,622
0	398,741	1,336,927
0	0	(174,720)
0	0	716,041
0	205,482	514,110
(184,421)	37,325	4,685,980
489,959	9,113,319	80,665,817
<u>\$ 305,538</u>	<u>\$ 9,150,644</u>	<u>\$ 85,351,797</u>

CITY OF SPRINGBORO, OHIO

Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2018

	Business-Type Activities Enterprise Funds		
	Golf Course	Water	Sewer
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$1,737,243	\$4,796,364	\$4,350,069
Other Operating Receipts	238,469	64,263	167,623
Cash Payments for Goods and Services	(673,305)	(1,704,372)	(1,465,450)
Cash Payments to Employees	(1,204,036)	(729,608)	(430,103)
Net Cash Provided (Used) by Operating Activities	<u>98,371</u>	<u>2,426,647</u>	<u>2,622,139</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers In from Other Funds	938,186	0	0
Transfers Out to Other Funds	<u>0</u>	<u>(87,360)</u>	<u>(87,360)</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>938,186</u>	<u>(87,360)</u>	<u>(87,360)</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Cash Received from Tap-in Fees in Excess of Cost	0	454,266	261,775
Acquisition and Construction of Assets	(755,284)	(773,532)	(281,920)
Principal Paid on General Obligation Bonds	(250,000)	(750,000)	0
Principal Paid on Mortgage Revenue Bonds	0	0	(1,030,000)
Interest Paid on All Debt	(45,472)	(186,512)	(376,875)
Net Cash Used by Capital and Related Financing Activities	<u>(1,050,756)</u>	<u>(1,255,778)</u>	<u>(1,427,020)</u>
<u>Cash Flows from Investing Activities:</u>			
Receipt of Interest	0	88,308	92,449
Sale of Investments	<u>0</u>	<u>895,520</u>	<u>932,830</u>
Net Cash Provided by Investing Activities	<u>0</u>	<u>983,828</u>	<u>1,025,279</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(14,199)</u>	<u>2,067,337</u>	<u>2,133,038</u>
Cash and Cash Equivalents at Beginning of Year	<u>694,224</u>	<u>615,649</u>	<u>1,424,273</u>
Cash and Cash Equivalents at End of Year	<u>\$680,025</u>	<u>\$2,682,986</u>	<u>\$3,557,311</u>
<u>Reconciliation of Cash and Cash Equivalents per the Balance Sheet:</u>			
Cash and Cash Equivalents	\$680,025	\$2,573,567	\$3,089,269
Restricted Cash and Cash Equivalents	0	109,419	0
Restricted Cash and Cash Equivalents with Fiscal Agent	0	0	468,042
Cash and Cash Equivalents at End of Year	<u>\$680,025</u>	<u>\$2,682,986</u>	<u>\$3,557,311</u>

CITY OF SPRINGBORO, OHIO

Trash	Storm Water	Totals
\$1,207,576	\$281,421	\$12,372,673
970	1,047	472,372
(1,266,251)	(431,376)	(5,540,754)
(115,553)	(145,727)	(2,625,027)
<u>(173,258)</u>	<u>(294,635)</u>	<u>4,679,264</u>
0	398,741	1,336,927
<u>0</u>	<u>0</u>	<u>(174,720)</u>
<u>0</u>	<u>398,741</u>	<u>1,162,207</u>
0	0	716,041
0	(157,899)	(1,968,635)
0	0	(1,000,000)
0	0	(1,030,000)
<u>0</u>	<u>0</u>	<u>(608,859)</u>
<u>0</u>	<u>(157,899)</u>	<u>(3,891,453)</u>
0	0	180,757
<u>0</u>	<u>0</u>	<u>1,828,350</u>
<u>0</u>	<u>0</u>	<u>2,009,107</u>
<u>(173,258)</u>	<u>(53,793)</u>	<u>3,959,125</u>
<u>541,725</u>	<u>1,016,675</u>	<u>4,292,546</u>
<u>\$368,467</u>	<u>\$962,882</u>	<u>\$8,251,671</u>
\$368,467	\$962,882	\$7,674,210
0	0	109,419
0	0	468,042
<u>\$368,467</u>	<u>\$962,882</u>	<u>\$8,251,671</u>

(Continued)

CITY OF SPRINGBORO, OHIO

Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2018

	Business-Type Activities Enterprise Funds		
	Golf Course	Water	Sewer
Reconciliation of Operating Income (Loss) to Net Cash			
Provided (Used) by Operating Activities:			
Operating Income (Loss)	(\$201,538)	\$1,748,392	\$1,960,694
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	232,898	657,294	707,152
Changes in Assets and Liabilities:			
(Acrease) in Accounts Receivable	0	(16,596)	(18,203)
(Acrease) Decrease in Intergovernmental Receivable	(57)	(2,616)	(29)
(Acrease) in Due from Other Funds	(6,154)	0	0
Decrease in Inventory	1,675	0	0
(Acrease) in Inventory Held for Resale	(20,167)	0	0
(Acrease) Decrease in Prepaid Items	541	(6,306)	(7,771)
Decrease in Deferred Outflows - Pension	250,379	164,943	104,559
(Acrease) in Deferred Outflows - OPEB	(32,625)	(21,382)	(12,570)
Increase (Decrease) in Accounts Payable	608	1,495	(50,322)
Increase in Accrued Wages and Benefits	3,386	3,565	2,938
Increase (Decrease) in Intergovernmental Payable	(24)	1,624	1,164
(Decrease) in Refundable Deposits	0	(21,399)	0
Increase (Decrease) in Compensated Absences	8,426	10,777	7,669
Increase in Deferred Inflows - Pension	172,123	112,854	66,771
Increase in Deferred Inflows - OPEB	44,492	29,174	17,290
(Decrease) in Net Pension Liability	(385,285)	(254,643)	(168,741)
Increase in Net OPEB Liability	29,693	19,471	11,538
Total Adjustments	299,909	678,255	661,445
Net Cash Provided (Used) by Operating Activities	\$98,371	\$2,426,647	\$2,622,139

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2018, the Sewer and Storm Water Funds had an outstanding liabilities of \$85,025 and \$79,921 for the purchase of certain capital assets. During 2018, the fair value of investments increased by \$1,500 and \$ 1,273 in the Water and Sewer Funds, respectively. During 2018, the Water and Storm Water Funds received contributed capital assets valued at \$308,628 and \$205,482, respectively.

See accompanying notes to the basic financial statements

CITY OF SPRINGBORO, OHIO

Trash	Storm Water	Totals
(\$184,421)	(\$488,975)	\$2,834,152
0	183,671	1,781,015
(3,722)	(1,066)	(39,587)
17	(31)	(2,716)
0	0	(6,154)
0	0	1,675
0	0	(20,167)
(667)	(658)	(14,861)
24,264	35,625	579,770
(3,400)	(4,345)	(74,322)
2,485	403	(45,331)
1,519	1,699	13,107
1,334	(715)	3,383
0	0	(21,399)
(610)	3,783	30,045
17,835	23,054	392,637
4,604	5,966	101,526
(35,567)	(57,029)	(901,265)
3,071	3,983	67,756
11,163	194,340	1,845,112
(\$173,258)	(\$294,635)	\$4,679,264

CITY OF SPRINGBORO, OHIO

Statement of Assets and Liabilities
Fiduciary Funds
December 31, 2018

	<u>Agency Funds</u>
Assets:	
Cash and Cash Equivalents	\$ 75,069
Receivables:	
Special Assessments	725,615
Total Assets	<u>\$ 800,684</u>
Liabilities:	
Due to Others	\$ 797,507
Undistributed Monies	3,177
Total Liabilities	<u>\$ 800,684</u>

See accompanying notes to the basic financial statements

CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

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, 2018 and for the year then ended and have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

A. Reporting Entity

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

Based on the foregoing, the City's financial reporting entity includes all funds, agencies, boards and commissions that are part of the primary government, which includes the following services: police protection, street construction and maintenance, street lighting, parks and recreation, planning and zoning and other governmental services. In addition, golf, water, sewer, trash collection and disposal services and storm water collection services are provided under an enterprise concept with user charges set by City Council to ensure adequate coverage of operating expenses and payments on outstanding debt. In addition, the City has included the Community Improvement Corporation of Springboro (CIC) as a discretely presented component unit.

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

CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

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

The Warren County General Health District, a jointly governed organization, provides health services within the County. The Board of Health, which consists of a representative from each of the participating governments, oversees the operation of the District. The City is not financially accountable for the District. The County Commissioners serve as the taxing authority and the County Auditor and Treasurer serve as fiscal officers. The City is associated with the Greater Warren County Drug Task Force, the Miami Valley Regional Planning Commission, Warren County Transportation Improvement District and the Montgomery County Transportation Improvement District also jointly governed organizations. The City is also a member of the Ohio Municipal League of Workers Compensation Group Rating Plan (GRP), an insurance purchasing pool. See Notes 17 and 18 for additional information on these organizations.

B. Basis of Presentation - Fund Accounting

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

Governmental Funds

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

CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

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

Urban Redevelopment TIF Fund - This fund is used to account for tax increment financing activities associated with redevelopment throughout the City.

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

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

Proprietary Funds

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

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

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

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

CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

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

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

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

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

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

Fiduciary Funds

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

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CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements

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

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

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

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

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

CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

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

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

D. Basis of Accounting

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

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

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

CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

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, 2018 but which are not intended to finance 2018 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred inflows of resources.

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

E. Budgetary Process

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

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

CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

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 2018.

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 2018, 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 and major special revenue fund are presented on the budgetary basis to provide a comparison of actual results to the final budget, including all amendments and modifications.

CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

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 and major special revenue fund:

Net Change in Fund Balance		
	General Fund	Urban Redevelopment TIF
GAAP Basis (as reported)	\$748,831	(\$10,501)
Increase (Decrease):		
Accrued Revenues at December 31, 2018 received during 2019	(816,393)	0
Accrued Revenues at December 31, 2017 received during 2018	854,678	0
Accrued Expenditures at December 31, 2018 paid during 2019	350,293	4,536,281
Accrued Expenditures at December 31, 2017 paid during 2018	(287,200)	0
2017 Prepays for 2018	235,311	0
2018 Prepays for 2019	(251,015)	0
Outstanding Encumbrances	(251,058)	(4,500,000)
Budget Basis	<u>\$583,447</u>	<u>\$25,780</u>

CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Cash Equivalents

During 2018, cash and cash equivalents included amounts in demand deposits, the State Treasury Asset Reserve (STAR Ohio) and in U.S. Treasury Money Market accounts in US Bank and Charles Schwab investment accounts with original maturities of less than three months.

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

G. Investments

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

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

The City's investment in the State Treasury Asset Reserve of Ohio (STAR Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company and is recognized as an external investment pool by the City. The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value. For fiscal year 2018, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Restricted Assets

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

I. Inventory

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

J. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2018, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

K. Capital Assets and Depreciation

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

1. Property, Plant and Equipment - Governmental Activities

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

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

CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Capital Assets and Depreciation (Continued)

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

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

3. Depreciation

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

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

L. Long-Term Obligations

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

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

CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Bond Discounts/Premiums

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

N. Compensated Absences

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

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

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

O. Net position

Net position represents the difference between assets and liabilities and deferred outflows/inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. As disclosed in Note 18, the City is participating in a jointly governed organization related to the Austin Road Interchange and the City will not be responsible for maintaining any infrastructure improvements, therefore any debt (or any unspent debt proceeds) associated with this project is excluded from net investment in capital assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Pension/OPEB

The provision for pension/OPEB cost is recorded when the related payroll is accrued and the obligation is incurred. For purposes of measuring the net pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB 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/OPEB systems report investments at fair value.

Q. Interfund Activity

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

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

R. Interfund Assets/Liabilities

The City reports cash overdrafts from pooled cash and cash equivalents as an interfund loan payable in the fund with the overdraft and as an interfund loan receivable in the fund(s) designated by management. The interfund loans receivable are equally offset by a fund balance reserve account which indicates that they do not constitute available expendable resources since they are not a component of net current assets. Receivables and payables resulting from transactions between funds for services provided or goods received are classified as “due from other funds” or “due to other funds” on the balance sheet. Long-term interfund loans are classified as “advances to/from other funds.” There were no outstanding interfund loans at December 31, 2018.

CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S. Fund Balance

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

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

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

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

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

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

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

T. Assets Held for Resale

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

CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

U. Estimates

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

V. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Council and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2018.

W. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows for the deferred charge on debt refunding and for deferred pension/OPEB amounts. The deferred charge on debt refunding is reported in the government-wide statement of net position and proprietary funds statement 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. Deferred outflows of resources are reported for pension/OPEB amounts on the government-wide and proprietary funds statement of net position. See Notes 10 and 11.

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/OPEB are reported on the government-wide and proprietary funds statement of net position. See Notes 10 and 11.

CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

NOTE 2 – ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principle and Restatement of Net Position

For 2018, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,” Statement No. 85, “Omnibus 2017,” and Statement No. 86, “Certain Debt Extinguishment Issues.”

GASB Statement No. 75 addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to OPEB.

GASB Statement No. 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits). These changes were incorporated in the City’s 2018 financial statements, however, there was no effect on beginning net position/fund balance.

GASB Statement No. 86 improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. These changes were incorporated in the City’s 2018 financial statements, however, there was no effect on beginning net position/fund balance.

The implementation of GASB 75 had the following effect on net position as reported December 31, 2017:

	Governmental Activities	Business-type Activities	Golf Fund	Water Fund
Net position December 31, 2017	\$61,038,270	\$81,793,481	\$8,850,478	\$32,259,976
Adjustments:				
Net OPEB Liability	(5,278,824)	(1,142,397)	(500,635)	(328,278)
Deferred Outflow - Payments Subsequent to the Measurement Date	28,801	14,733	6,402	4,209
Restated Net Position December 31, 2017	<u>\$55,788,247</u>	<u>\$80,665,817</u>	<u>\$8,356,245</u>	<u>\$31,935,907</u>
	Sewer Fund	Trash Fund	Storm Water Fund	
Net position December 31, 2017	\$30,962,333	\$541,120	\$9,179,574	
Adjustments:				
Net OPEB Liability	(194,541)	(51,799)	(67,144)	
Deferred Outflow - Payments Subsequent to the Measurement Date	2,595	638	889	
Restated Net Position December 31, 2017	<u>\$30,770,387</u>	<u>\$489,959</u>	<u>\$9,113,319</u>	

CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

NOTE 2 – ACCOUNTABILITY AND COMPLIANCE (Continued)

A. Change in Accounting Principle and Restatement of Net Position (Continued)

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.

B. Compliance

The fund deficit at December 31, 2018 in the Urban Redevelopment TIF fund of \$10,501 arises from the recognition of certain liabilities under the modified accrual basis of accounting. Under the budgetary basis of accounting this deficit does not exist. The General Fund provides transfers when cash is required, not when accruals occur.

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	Urban Redevelopment	Construction	Income Tax Capital Improvement	Other Governmental Funds	Total Governmental Funds
Nonspendable:						
Prepaid Items	\$251,015	\$0	\$0	\$0	\$120,656	\$371,671
Supplies Inventory	52,040	0	0	0	128,003	180,043
Total Nonspendable	303,055	0	0	0	248,659	551,714
Restricted:						
Transportation Projects	0	0	0	0	1,286,750	1,286,750
Court Projects	0	0	0	0	183,784	183,784
Law Enforcement	0	0	0	0	240,295	240,295
TIF Projects	0	0	0	0	244,077	244,077
Debt Service	0	0	0	0	1,124,828	1,124,828
Capital Improvements	0	0	6,959,414	1,151,249	2,797,038	10,907,701
Total Restricted	0	0	6,959,414	1,151,249	5,876,772	13,987,435
Assigned:						
Projected budgetary deficit	1,437,154	0	0	0	0	1,437,154
Goods and Services	224,381	0	0	0	0	224,381
Total Assigned	1,661,535	0	0	0	0	1,661,535
Unassigned	6,929,507	(10,501)	0	0	0	6,919,006
Total Fund Balances	\$8,894,097	(\$10,501)	\$6,959,414	\$1,151,249	\$6,125,431	\$23,119,690

CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

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

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

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

Capital Outlay	\$8,092,157
Depreciation Expense	(2,619,143)
	<hr/>
	\$5,473,014

Net effect of capital asset transactions:

Loss on Disposal of Capital Asset	(\$42,210)
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Governmental revenues not reported in the funds:

Decrease in Delinquent Income Tax Revenue	\$137,412
Increase in Delinquent Property Tax	(5,682)
Increase in Intergovernmental, unrestricted	(10,023)
Decrease in Special Assessment Revenue	(61,518)
	<hr/>
	\$60,189

Contractually required contributions reported as deferred outflows:

Pension	\$677,966
OPEB	9,936
	<hr/>
	\$687,902

Pension and OPEB expense:

Pension	(\$1,160,188)
OPEB	(474,599)
	<hr/>
	(\$1,634,787)

Expenses not requiring the use of current financial resources:

Increase in Compensated Absences Payable	(\$26,096)
Decrease in supplies inventory	16,610
	<hr/>
	(\$9,486)

CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

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

CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

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

Custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned to it. The City has no deposit policy for custodial risk beyond the requirements of State statute.

Ohio law requires that deposits be either insured or be protected by eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

A. Deposits

At year end the carrying amount of the City's deposits was \$20,954,335 and the bank balance was \$21,418,470. Federal depository insurance covered \$755,887 of the bank balance and \$20,662,583 was uninsured and collateralized with securities held in the Ohio Pooled Collateral System.

B. Investments

The City's investments at December 31, 2018 were as follows:

	Measurement	Concentration				
		Amount	Credit Rating	Fair Value Hierarchy	of Credit Risk	Investment Maturities (in Years)
Star Ohio	\$1,026,281	AAAm	N/A	4.31%	\$1,026,281	\$0
Negotiable C/D's	4,803,319	AAA	Level 2	20.19%	1,447,898	3,355,421
FHLB	3,693,182	AA+	Level 2	15.52%	1,557,057	2,136,125
FHLMC	3,030,314	AA+	Level 2	12.74%	2,091,025	939,289
FNMA	5,282,697	AA+	Level 2	22.22%	1,297,744	3,984,953
FFCB	1,447,627	AA+	Level 2	6.08%	915,160	532,467
Freddie Mac	542,821	AA+	Level 2	2.28%	0	542,821
US Treasury Bills	2,258,686	A-1+	Level 2	9.49%	2,258,686	0
US Treasury Notes	1,705,285	A-1+	Level 2	7.17%	623,799	1,081,486
Total Investments	<u><u>\$23,790,212</u></u>			<u><u>100.00%</u></u>	<u><u>\$11,217,650</u></u>	<u><u>\$12,572,562</u></u>

Credit Rating – Standard and Poor's

CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

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

B. Investments (Continued)

The City's investments in federal agency securities (FHLMC, FNMA, FFCB, FHLB, Freddie Mac, US T-Bills and Notes) and negotiable CD's are valued using quoted prices in markets that are not considered to be active dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

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.

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.

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CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

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 2018 for real and public utility property taxes represents collections of 2017 taxes. Property tax payments received during 2018 for tangible personal property (other than public utility property) is for 2018 taxes.

2018 real property taxes are levied after October 1, 2018, on assessed value as of January 1, 2018, the lien date. Assessed values are established by State law at 35 percent of the appraised value. 2018 real property taxes are collected in and intended to finance 2018.

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. 2018 public utility property taxes became a lien December 31, 2017, are levied after October 1, 2018, and are collected in 2018 with real property taxes.

Tangible personal property tax revenue received during 2018 (other than public utility property tax) represents the collection of 2018 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 2018 were levied after October 1, 2017, on the value as of December 31, 2017.

The full tax rate for all City operations for the year ended December 31, 2018, was \$1.11 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2018 property tax receipts were based are as follows: \$532,995,190 in real property assessed value and \$19,462,230 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 2018, the due dates were February 19 and July 15.

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

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

CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

NOTE 6 – TAXES (Continued)

A. Property Taxes (Continued)

Property taxes receivable represents real property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2018 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 2018 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 2018 was \$13,899,458.

NOTE 7 - RECEIVABLES

Receivables at December 31, 2018 consisted of income taxes, property taxes, accounts, special assessments and intergovernmental receivables arising from shared revenues. All receivables are considered collectible in full.

CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

NOTE 8 - TRANSFERS

Following is a summary of transfers in and out for all funds for 2018:

Fund	Transfer In	Transfer Out
General Fund	\$184,250	\$1,778,175
Construction Fund	5,575,337	884,045
Income Tax Capital Improvement Fund	0	5,465,535
Other Governmental Funds	2,247,875	1,041,914
Total Governmental Funds	<u>8,007,462</u>	<u>9,169,669</u>
Golf Course Fund	938,186	0
Water Fund	0	87,360
Sewer Fund	0	87,360
Storm Water Fund	398,741	0
Total Proprietary Funds	<u>1,336,927</u>	<u>174,720</u>
Totals	<u><u>\$9,344,389</u></u>	<u><u>\$9,344,389</u></u>

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

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CITY OF SPRINGBORO, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2018**

NOTE 9 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2018:

<i>Historical Cost:</i>	Balance at December 31, 2017	Additions	Deletions	Balance at December 31, 2018
Class				
<i>Non-depreciable Capital assets:</i>				
Land	\$17,685,652	\$8,241,723	\$0	\$25,927,375
Construction in Progress	7,465,948	289,866	(7,291,557)	464,257
Total Non-depreciable Capital assets	<u>25,151,600</u>	<u>8,531,589</u>	<u>(7,291,557)</u>	<u>26,391,632</u>
<i>Capital assets being depreciated:</i>				
Improvements	4,972,497	992,772	(11,600)	5,953,669
Infrastructure	45,812,903	4,723,051	(81,700)	50,454,254
Buildings	13,190,912	88,792	0	13,279,704
Machinery and Equipment	5,542,565	1,047,510	(223,114)	6,366,961
Total Depreciable Capital assets	<u>69,518,877</u>	<u>6,852,125</u>	<u>(316,414)</u>	<u>76,054,588</u>
Total Cost	<u><u>\$94,670,477</u></u>	<u><u>\$15,383,714</u></u>	<u><u>(\$7,607,971)</u></u>	<u><u>\$102,446,220</u></u>
<i>Accumulated Depreciation:</i>				
Class	Balance at December 31, 2017	Additions	Deletions	Balance at December 31, 2018
Improvements	(\$1,830,298)	(\$410,795)	\$11,600	(\$2,229,493)
Infrastructure	(27,641,319)	(1,403,648)	81,388	(28,963,579)
Buildings	(2,612,178)	(263,275)	0	(2,875,453)
Machinery and Equipment	(3,446,577)	(541,425)	181,216	(3,806,786)
Total Depreciation	<u>(\$35,530,372)</u>	<u>(\$2,619,143)</u> *	<u>\$274,204</u>	<u>(\$37,875,311)</u>
<i>Net Value:</i>	<u><u>\$59,140,105</u></u>			<u><u>\$64,570,909</u></u>

* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	(\$223,745)
Leisure Time Activities	(253,697)
Community Environment	(22,450)
Transportation	(1,926,431)
General Government	(192,820)
Total Depreciation Expense	<u><u>(\$2,619,143)</u></u>

CITY OF SPRINGBORO, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2018**

NOTE 9 - CAPITAL ASSETS (Continued)

B. Business-Type Activities Capital Assets

Summary by Category at December 31, 2018:

<i>Historical Cost:</i>	Balance at December 31, 2017	Additions	Deletions	Balance at December 31, 2018
<i>Class</i>				
<i>Non-depreciable Capital assets:</i>				
Land	\$8,685,240	\$0	\$0	\$8,685,240
Construction in Progress	0	66,891	0	66,891
Total Non-depreciable Capital Assets	<u>8,685,240</u>	<u>66,891</u>	<u>0</u>	<u>8,752,131</u>
<i>Capital assets being depreciated:</i>				
Buildings	3,848,637	150,760	0	3,999,397
Land Improvements	1,633,905	415,980	0	2,049,885
Infrastructure	90,727,904	1,341,720	(147,531)	91,922,093
Machinery and Equipment	3,364,816	528,983	(137,757)	3,756,042
Total Depreciable Capital assets	<u>99,575,262</u>	<u>2,437,443</u>	<u>(285,288)</u>	<u>101,727,417</u>
Total Cost	<u>\$108,260,502</u>	<u>\$2,504,334</u>	<u>(\$285,288)</u>	<u>\$110,479,548</u>
<i>Accumulated Depreciation:</i>				
<i>Class</i>	Balance at December 31, 2017	Additions	Deletions	Balance at December 31, 2018
Buildings	(\$2,211,181)	(\$104,098)	\$0	(\$2,315,279)
Land Improvements	(1,446,079)	(30,841)	0	(1,476,920)
Infrastructure	(23,367,254)	(1,392,567)	56,828	(24,702,993)
Machinery and Equipment	(2,090,123)	(253,509)	134,423	(2,209,209)
Total Depreciation	<u>(\$29,114,637)</u>	<u>(\$1,781,015)</u>	<u>\$191,251</u>	<u>(\$30,704,401)</u>
<i>Net Value:</i>	<u>\$79,145,865</u>			<u>\$79,775,147</u>

CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

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

CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

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):

Group A	Group B	Group C
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
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

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CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

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>
2018 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2018 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits	0.0
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 \$514,876 for 2018.

CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

Plan Description - City full-time police and firefighters 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 or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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

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

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

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

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

CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

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>	<u>Firefighters</u>
2018 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee:		
January 1, 2018 through December 31, 2018	12.25 %	12.25 %
2018 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50</u>	<u>0.50</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee:		
January 1, 2018 through December 31, 2018	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$377,574 for 2018.

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, 2017, 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, 2017, and was determined by rolling forward the total pension liability as of January 1, 2017, to December 31, 2017. 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&F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$4,133,386	\$4,748,116	\$8,881,502
Proportion of the Net Pension Liability-2018	0.026347%	0.077363%	
Proportion of the Net Pension Liability-2017	<u>0.026454%</u>	<u>0.077502%</u>	
Percentage Change	<u>(0.000107%)</u>	<u>(0.000139%)</u>	
Pension Expense	\$866,403	\$579,411	\$1,445,814

CITY OF SPRINGBORO, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2018**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Changes in assumptions	\$493,966	\$206,900	\$700,866
Differences between expected and actual experience	4,222	72,056	76,278
City contributions subsequent to the measurement date	514,876	377,574	892,450
Total Deferred Outflows of Resources	<u>\$1,013,064</u>	<u>\$656,530</u>	<u>\$1,669,594</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$887,383	\$164,250	\$1,051,633
Differences between expected and actual experience	81,457	8,588	90,045
Change in proportionate share	11,176	6,696	17,872
Total Deferred Inflows of Resources	<u>\$980,016</u>	<u>\$179,534</u>	<u>\$1,159,550</u>

\$892,450 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, 2019. 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&F</u>	<u>Total</u>
2019	\$364,520	\$118,198	\$482,718
2020	(90,951)	75,014	(15,937)
2021	(390,756)	(95,110)	(485,866)
2022	(364,641)	(62,869)	(427,510)
2023	0	51,771	51,771
2024	0	12,418	12,418
Total	<u>(\$481,828)</u>	<u>\$99,422</u>	<u>(\$382,406)</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.

CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 16.82% for 2017.

CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)	
		23.00 %	2.20 %
Fixed Income	19.00	6.37	
Domestic Equities	10.00	5.26	
Real Estate	10.00	8.97	
Private Equity	20.00	7.88	
International Equities	18.00	5.26	
Total	100.00 %	5.66 %	

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

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

	1% Decrease (6.50%)	Current	
		Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	\$7,339,842	\$4,133,386	\$1,460,170

Changes between Measurement Date and Report Date In October 2018, the OPERS Board adopted a change in the investment return assumption, reducing it from 7.5 percent to 7.2 percent. This change will be effective for the 2018 valuation. The exact amount of the impact to the City's net pension liability is not known.

CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions – OPF

OPF's total pension liability as of December 31, 2017 is based on the results of an actuarial valuation date of January 1, 2017, 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, 2017, are presented below:

Valuation Date	January 1, 2017
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.00 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Increases	3.25 percent
Inflation Assumptions	2.75 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent for increases based on the lesser of the increase in CPI and 3%.

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120%. Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

	Age	Police	Fire
Healthy Mortality			
67 or less	77%	68%	
68-77	105%	87%	
78 and up	115%	120%	
Disabled Mortality			
59 or less	35%	35%	
60-69	60%	45%	
70-79	75%	70%	
80 and up	100%	90%	

The most recent experience study was completed for the five year period ended December 31, 2016.

CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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, 2017 are summarized below:

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

* levered 2x

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

Discount Rate The total pension liability was calculated using the discount rate of 8.00 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 8.00 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.

CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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 8.00 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 (7.00 percent), or one percentage point higher (9.00 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	\$6,582,134	\$4,748,116	\$3,252,307

NOTE 11 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

The net OPEB liability reported on the statement of net position represents a liability to employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB 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 OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability represents the City's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB 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 these estimates 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 OPEB are financed; however, the City does receive the benefit of employees' services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty 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 meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0 percent during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0 percent for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2018 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2018.

Plan Description – Ohio Police & Fire Pension Fund (OP&F)

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment healthcare plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. OP&F provides health care benefits including coverage for medical, prescription drug, dental, vision, and Medicare Part B Premium to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 75.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. 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 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

OP&F maintains funds for health care in two separate accounts. There is one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. An Internal Revenue Code 401(h) account is maintained for Medicare Part B reimbursements.

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 2018, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees is also 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 contractually required contribution to OP&F was \$9,936 for 2018.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2017, and was determined by rolling forward the total OPEB liability as of January 1, 2017, to December 31, 2017. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net OPEB Liability	\$2,905,022	\$4,383,280	\$7,288,302
Proportion of the Net OPEB Liability-2018	0.026752%	0.077363%	
Proportion of the Net OPEB Liability-2017	0.271510%	0.077502%	
Percentage Change	(0.244758%)	(0.000139%)	
OPEB Expense	\$226,330	\$343,229	\$569,559

CITY OF SPRINGBORO, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2018**

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Changes in assumptions	\$211,517	\$427,715	\$639,232
Differences between expected and actual experience	2,263	0	2,263
City contributions subsequent to the measurement date	0	9,936	9,936
Total Deferred Outflows of Resources	<u>\$213,780</u>	<u>\$437,651</u>	<u>\$651,431</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$216,405	\$28,853	\$245,258
Differences between expected and actual experience	0	22,107	22,107
Change in proportionate share	27,311	5,763	33,074
Total Deferred Inflows of Resources	<u>\$243,716</u>	<u>\$56,723</u>	<u>\$300,439</u>

\$9,936 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
2019	\$35,050	\$51,244	\$86,294
2020	35,050	51,244	86,294
2021	(45,935)	51,244	5,309
2022	(54,101)	51,243	(2,858)
2023	0	58,457	58,457
2024	0	58,457	58,457
2025	0	49,103	49,103
Total	<u>(\$29,936)</u>	<u>\$370,992</u>	<u>\$341,056</u>

CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

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 and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.85 percent
Prior Measurement date	4.23 percent
Investment Rate of Return	6.50 percent
Municipal Bond Rate	3.31 percent
Health Care Cost Trend Rate	7.5 percent, initial 3.25 percent, ultimate in 2028
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

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

The long-term expected rate of return on health care 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.

CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 15.2 percent for 2017.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2017 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	34.00 %	1.88 %
Domestic Equities	21.00	6.37
Real Estate Investment Trust	6.00	5.91
International Equities	22.00	7.88
Other investments	17.00	5.39
Total	100.00 %	4.98 %

Discount Rate A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. A single discount rate of 4.23 percent was used to measure the OPEB liability on the measurement date of December 31, 2016. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.50 percent and a municipal bond rate of 3.31 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.85 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.85 percent) or one-percentage-point higher (4.85 percent) than the current rate:

	1% Decrease (2.85%)	Current Discount Rate (3.85%)	1% Increase (4.85%)
City's proportionate share of the net OPEB liability	\$3,859,449	\$2,905,022	\$2,132,903

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2018 is 7.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$2,779,488	\$2,905,022	\$3,034,698

Changes between Measurement Date and Report Date In October 2018, the OPERS Board adopted a change in the investment return assumption, reducing it from 6.5 percent to 6.0 percent. This change will be effective for the 2018 valuation. The exact amount of the impact to the City's net OPEB liability is not known.

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2017, is based on the results of an actuarial valuation date of January 1, 2017, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation.

CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

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.

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 and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Valuation Date	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Single discount rate:	
Current measurement date	3.24 percent
Prior measurement date	3.79 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

Age	Police	Fire
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

Age	Police	Fire
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

The most recent experience study was completed for the five year period ended December 31, 2016. The prior experience study was completed December 31, 2011.

The long-term expected rate of return on OPEB 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 expected. 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 OP&F's target asset allocation as of December 31, 2017, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	- %	0.00 %
Domestic Equity	16.00	5.21
Non-US Equity	16.00	5.40
Core Fixed Income *	20.00	2.37
Global Inflation Protected Securities*	20.00	2.33
High Yield	15.00	4.48
Real Estate	12.00	5.65
Private Markets	8.00	7.99
Timber	5.00	6.87
Master Limited Partnerships	8.00	7.36
Total	<u>120.00 %</u>	
Note: Assumptions are geometric.		
* levered 2x		

CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F'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 the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

Discount Rate The total OPEB liability was calculated using the discount rate of 3.24 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 3.16 percent at December 31, 2017 and 3.71 percent at December 31, 2016, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 3.24 percent. The municipal bond rate was determined using the S&P Municipal Bond 20 Year High Grade Rate Index. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2025. The long-term expected rate of return on health care investments was applied to projected costs through 2025, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 3.24 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.24 percent), or one percentage point higher (4.24 percent) than the current rate.

	1% Decrease (2.24%)	Current Discount Rate (3.24%)	1% Increase (4.24%)
City's proportionate share of the net OPEB liability	\$5,479,151	\$4,383,280	\$3,540,053

CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Net OPEB liability is sensitive to changes in the health care cost trend rate. The trend rate is the annual rate at which the cost of covered medical services is assumed to increase from the current year to the next year. Beginning in 2017, the per-capita costs are assumed to change by the following percentages each year:

Year	Non-Medicare	Non-AARP	AARP	Rx Drug	Medicare Part B
2017	-0.47%	-2.50%	4.50%	-0.47%	5.20%
2018	7.00%	7.00%	4.50%	7.00%	5.10%
2019	6.50%	6.50%	4.50%	6.50%	5.00%
2020	6.00%	6.00%	4.50%	6.00%	5.00%
2021	5.50%	5.50%	4.50%	5.50%	5.00%
2022	5.00%	5.00%	4.50%	5.00%	5.00%
2023 and Later	4.50%	4.50%	4.50%	4.50%	5.00%

To illustrate the potential impact, the following table presents the net OPEB liability calculated using the current healthcare cost trend current rates as outlined in the table above, a one percent decrease in the trend rates and a one percent increase in the trend rates.

City's proportionate share of the net OPEB liability	Current Rates		
	1% Decrease	Current Rates	1% Increase
	\$3,405,010	\$4,383,280	\$5,701,654

Changes between Measurement Date and Report Date

In March 2018, the OP&F Board of Trustees approved the implementation date and framework for a new health care model. Beginning January 1, 2019, the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. The impact to the City's NOL is not known.

CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

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, 2018, the City's accumulated, unpaid compensated absences amounted to \$807,507, of which \$625,228 is recorded as a liability of the Governmental Activities and \$182,279 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, 2018 were as follows:

	Restated		Balance December 31, 2018	Balance December 31, 2018	Amount Due Within One Year			
	2017	Issued						
Business Type-Activities:								
General Obligation Bonds:								
1.00 - 3.65% Golf Course Refunding	2010	\$1,345,000	\$0	(\$250,000)	\$1,095,000			
3.00 - 5.00% Water Capital Refunding Bond	2008	740,000	0	(740,000)	0			
Premium on Refunding Bond	2008	0	0	0	0			
2.00 - 5.00% Water Refunding Bond	2017	4,230,000	0	(10,000)	4,220,000			
Premium on Refunding Bond	2017	283,911	0	(47,318)	236,593			
Total General Obligation Bonds		<u>6,598,911</u>	<u>0</u>	<u>(1,047,318)</u>	<u>5,551,593</u>			
Mortgage Revenue Bonds:								
1.50 - 2.50% Sewer Refunding - 1997 Issue	2011	310,000	0	(310,000)	0			
2.00 - 5.00% Sewer Refunding - 2004 Issue	2012	8,825,000	0	(720,000)	8,105,000			
2.00 - 5.00% Premium on Sewer Funding - 2004	2012	772,366	0	(77,236)	695,130			
Total Mortgage Revenue Bonds		<u>9,907,366</u>	<u>0</u>	<u>(1,107,236)</u>	<u>8,800,130</u>			
Net Pension Liability:								
Ohio Public Employers Retirement System		2,623,122	(901,265)	0	1,721,857			
Net OPEB Liability:								
Ohio Public Employers Retirement System		1,142,397	67,756	0	1,210,153			
Compensated Absences Payable		152,234	182,279	(152,234)	182,279			
Total Business-Type Activity Long-Term Liabilities		<u>\$20,424,030</u>	<u>(\$651,230)</u>	<u>(\$2,306,788)</u>	<u>\$17,466,012</u>			

CITY OF SPRINGBORO, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2018**

NOTE 13 - LONG-TERM OBLIGATIONS (Continued)

		Restated Balance December 31, 2017	Issued	(Retired)	Balance December 31, 2018	Amount Due Within One Year
Governmental Activities:						
Special Assessment Bonds:						
2.000 - 5.000% Various Purpose Refunding	2017	\$750,000	\$0	(\$115,000)	\$635,000	\$120,000
Premium on Refunding	2017	44,842	0	(7,474)	37,368	7,474
Total Special Assessment Bonds (with Governmental Commitment)		794,842	0	(122,474)	672,368	127,474
Unvoted General Obligation Bonds:						
3.000 - 5.000% Street Paving Projects	2008	115,000	0	(115,000)	0	0
3.000 - 5.000% Street Reconstruction	2008	345,000	0	(345,000)	0	0
3.000 - 5.000% Municipal Building	2008	345,000	0	(345,000)	0	0
3.000 - 5.000% Refunding Bonds	2008	125,000	0	(60,000)	65,000	65,000
2.000 - 5.000% Austin Road Interchange Bonds	2010	3,325,000	0	(150,000)	3,175,000	160,000
2.000 - 5.000% Municipal Building Refunding	2017	1,970,000	0	(5,000)	1,965,000	365,000
2.000 - 5.000% Street Improvement Bonds	2017	1,290,000	0	(125,000)	1,165,000	130,000
Premium on Bonds		212,538	0	(41,128)	171,410	30,793
Total General Obligation Bonds		7,727,538	0	(1,186,128)	6,541,410	750,793
Net Pension Liability:						
Ohio Public Employees Retirement System		3,384,149	(972,620)	0	2,411,529	0
Ohio Police and Fire Pension Fund		4,908,909	(160,793)	0	4,748,116	0
Total Net Pension Liability		8,293,058	(1,133,413)	0	7,159,645	0
Net OPEB Liability:						
Ohio Public Employees Retirement System		1,599,971	94,898	0	1,694,869	0
Ohio Police and Fire Pension Fund		3,678,853	704,427	0	4,383,280	0
Total Net OPEB Liability		5,278,824	799,325	0	6,078,149	0
General Obligation Note Payable		6,050,000	6,050,000	(6,050,000)	6,050,000	6,050,000
Compensated Absences Payable		599,132	625,228	(599,132)	625,228	68,211
Total Governmental Activity Long-Term Liabilities		\$28,743,394	\$6,341,140	(\$7,957,734)	\$27,126,800	\$6,996,478

The principal amount of the City's special assessment bonds outstanding at December 31, 2018, \$635,000, 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 \$12,205.

CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

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, 2018, follow:

Years	General Obligation Bonds			
	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2019	\$720,000	\$245,365	\$1,045,000	\$187,285
2020	685,000	211,765	1,095,000	139,585
2021	700,000	195,590	1,120,000	113,905
2022	730,000	167,590	1,160,000	70,365
2023	750,000	148,103	895,000	40,275
2024-2028	1,500,000	457,000	0	0
2029-2033	1,285,000	178,650	0	0
Totals	<u>\$6,370,000</u>	<u>\$1,604,063</u>	<u>\$5,315,000</u>	<u>\$551,415</u>
Years	Special Assessment Bonds		Mortgage Revenue Bonds	
	Principal	Interest	Principal	Interest
	\$120,000	\$22,500	\$750,000	\$339,850
2019	125,000	16,500	785,000	301,475
2020	125,000	14,000	825,000	261,225
2021	130,000	9,000	870,000	223,200
2022	135,000	6,075	900,000	187,800
2023	0	0	3,975,000	237,050
Totals	<u>\$635,000</u>	<u>\$68,075</u>	<u>\$8,105,000</u>	<u>\$1,550,600</u>

B. Defeased Debt

In prior years, the City has defeased certain general obligation and other bonds by placing the proceeds of the refunding bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included on the City's financial statements. At December 31, 2018, \$1,020,000 of bonds outstanding are considered defeased.

CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

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 \$65,000 at December 31, 2018, 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 \$4,380,000 at December 31, 2018, 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 \$1,170,000 at December 31, 2018, are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

In April 2012, the City partially refunded \$10,245,000 of Mortgage Revenue Bonds for Sewer Improvements 2004, through the issuance of \$10,295,000 of Mortgage Revenue Bonds. The refunded bonds, which have an outstanding balance of \$8,195,000 at December 31, 2018, are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

NOTE 14 - NOTES PAYABLE

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

Notes payable at December 31, 2018 were as follows:

	Balance December 31, 2017	Issued	(Retired)	Balance December 31, 2018
Special Revenue Fund:				
Urban Redevelopment TIF Fund:				
3.38% Performing Arts Center	\$0	\$4,500,000		\$0
				\$4,500,000

CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

NOTE 15 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. During 2018 the City contracted with several different insurance providers for various insurance coverages, as follows:

Type of Coverage	Liability Limits	Deductible
Property	\$88,444,948	\$5,000
Crime	1,000,000	250,000
Inland Marine	2,614,920	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	500
Public Officials Liability	8,000,000	5,000
Police Liability	8,000,000	5,000
Employment Practices Liability	8,000,000	5,000

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 2018, the City participated in the Ohio Municipal League of Ohio Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (see Note 17). The intent of the GRP is to achieve the benefit of a reduced premium for the City by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating cities is calculated as one experience and a common premium rate is applied to all cities in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to cities that can meet the GRP's selection criteria. The firm of Comp Management, Inc. provides administrative, cost control and actuarial services to the GRP.

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

CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

NOTE 16 - CONTRACTUAL COMMITMENTS

As of December 31, 2018, the City had the following significant contractual commitments:

Project	Remaining Contractual Commitment
Performing Arts Center	\$4,500,000
Wright Station Development	3,500,000
Kacie Jane Park Development	1,027,656
South Pioneer Blvd. Roadway Improvements	<u>782,400</u>
Total	<u><u>\$9,810,056</u></u>

NOTE 17 – GROUP PURCHASING POOL

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

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CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

NOTE 18 – JOINTLY GOVERNED ORGANIZATIONS

During 2018, the City participated in the Warren County General Health District, the Greater Warren County Drug Task Force, Miami Valley Regional Planning Commission, the Montgomery County Transportation Improvement District and the Warren County Transportation Improvement District, jointly governed organizations. The following describes the relationship between these organizations and the City:

Warren County General Health District

The Warren County General Health District (the District) provides health services to the citizens within the County. The District, which consists of a representative from each of the participating governments, including the City, oversees the operation of the District. The amount the City contributed during 2018 for the operation of the District was minimal. The City does not have any financial interest in or responsibility for the District. The County Commissioners serve as the taxing authority, and the County Auditor and County Treasurer serve as the fiscal officers. Financial information may be obtained from Kathy Stephenson at the Warren County General Health District, 416 S. East Street, Lebanon, Ohio 45036.

The Greater Warren County Drug Task Force

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

Miami Valley Regional Planning Commission

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

Montgomery County Transportation Improvement District

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

CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

NOTE 18 – JOINTLY GOVERNED ORGANIZATIONS (Continued)

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

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

Warren County Transportation Improvement District

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

The City entered into an intergovernmental agreement with the WCTID on August 23, 2013, which was amended on December 4, 2015 related to the SR73/SR741 Intersection Improvement Project. The WCTID will act as the project manager for the intersection project in order to facilitate the property acquisitions and the construction of the project which began in 2015 and should be completed in 2018.

CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

NOTE 19 – RELATED ORGANIZATION

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

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

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

NOTE 20 – SUBSEQUENT EVENT

On January 24, 2019, the City issued general obligation bond anticipation notes in the amount of \$5,046,400 for the SR73/SR741 intersection improvements and site development improvements. This was to retire notes previously issued. The notes have an interest rate of 3.0 percent and mature on January 23, 2020. The Warren County Transportation Improvement District is managing this project for the City. The note was for right-of-way acquisition, utility relocation, management fee and construction costs.

CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

NOTE 21 – SIGNIFICANT ENCUMBRANCES

At December 31, 2018 the City had the following significant encumbrances outstanding:

<u>Fund</u>	<u>Total Encumbrances</u>	<u>Significant Encumbrances</u>	<u>Explanation</u>
Major Funds:			
General	\$ 251,058	\$ -	None Significant
Urban Redevelopment TIF	4,500,000	4,500,000	Performing Arts Center
Construction	3,501,644	2,627,046 750,000	73/741 Intersection S. Pioneer Improvements
Water	284,601	250,100	Water Facility Repairs
Sewer	344,405	297,730	Sewer Facility Repairs
Storm Water	426,413	388,100	73/741 Infrastructure
All Nonmajor Funds	374,932	353,797	TIF Payment to Miamisburg City Schools

CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

NOTE 22 – TAX ABATEMENT DISCLOSURES

As of December 31, 2018, the City of Springboro provides tax incentives under the Community Reinvestment Area (CRA) program.

Real Estate Tax Abatements

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

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

Incentive Criteria for Decision Making

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

Below is the information relevant to the disclosure of those programs for the year ended December 31, 2018:

<u>Tax Abatement Program</u>	<u>Total Amount of Taxes Abated for the Year 2018 (In Actual Dollars)</u>
Community Reinvestment Act (CRA)	
Commercial	\$113,296
Industrial	364,224
	<hr/>
	\$477,520
	<hr/>

CITY OF SPRINGBORO, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2018

NOTE 22 – TAX ABATEMENT DISCLOSURES (Continued)

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

The following are the required amounts of income tax dollars paid by the City to each School District in 2018:

<u>Springboro City School District</u>		
Commercial	90% of 1/3 Municipal Income Tax Revenue	\$5,253
<u>Franklin City School District</u>		
Industrial	90% of 1/3 Municipal Income Tax Revenue	\$89,376
<u>Miamisburg City School District</u>		
Commercial	50% of Municipal Income Tax Revenue	\$11,662
<u>Warren County Career Center</u>		
Commercial	10% of Municipal Income Tax Revenue	\$1,106
Industrial	10% of Municipal Income Tax Revenue	9,956
		<u><u>\$11,062</u></u>

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

Summary of Significant Accounting Policies

Organization

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

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

CITY OF SPRINGBORO, OHIO

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2018***

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

Basis of Presentation

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

Cash and Cash Equivalents

During the calendar year 2018, the CIC's cash in an interest bearing account is considered to be cash equivalents. The CIC had no investments.

Income Taxes

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

Fin 48- Accounting for Uncertain Tax Positions

The CIC may file income tax returns and information returns in the US Federal jurisdiction and various state and local jurisdictions. The CIC is no longer subject to US Federal income tax examination by authorities for the years prior to 2007. With respect to state and local jurisdictions the CIC is no longer subject to income tax examinations prior to 2007. In the normal course of business, the CIC is subject to examination by various taxing authorities. Although the outcome of tax audits is always uncertain, the CIC believes that there are no significant unrecognized tax liabilities as of December 31, 2018.

CITY OF SPRINGBORO, OHIO

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

CITY OF SPRINGBORO, OHIO

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

Ohio Public Employees Retirement System

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

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

Ohio Police and Fire Pension Fund

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

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

<u>2016</u>	<u>2017</u>
-------------	-------------

0.026454%	0.026347%
-----------	-----------

\$6,007,271	\$4,133,386
\$3,576,317	\$3,374,031

167.97%	122.51%
---------	---------

77.25%	84.66%
--------	--------

<u>2016</u>	<u>2017</u>
-------------	-------------

0.077502%	0.077363%
-----------	-----------

\$4,908,909	\$4,748,116
\$1,702,937	\$1,958,784

288.26%	242.40%
---------	---------

68.36%	70.91%
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CITY OF SPRINGBORO, OHIO

Schedule of City Pension Contributions Last Six Years

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 payroll	\$2,938,923	\$2,762,517	\$3,128,433
Contributions as a percentage of covered 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 payroll	\$1,629,956	\$1,703,247	\$1,732,632
Contributions as a percentage of covered payroll	15.93%	19.00%	19.00%

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

Notes: The City implemented GASB Statement 68 in 2015.

Information prior to 2013 is not available.

CITY OF SPRINGBORO, OHIO

<u>2016</u>	<u>2017</u>	<u>2018</u>
\$429,158	\$438,624	\$514,876
<u>429,158</u>	<u>438,624</u>	<u>514,876</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$3,576,317	\$3,374,031	\$3,677,686
12.00%	13.00%	14.00%

<u>2016</u>	<u>2017</u>	<u>2018</u>
\$323,558	\$372,169	\$377,574
<u>323,558</u>	<u>372,169</u>	<u>377,574</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,702,937	\$1,958,784	\$1,987,232
19.00%	19.00%	19.00%

CITY OF SPRINGBORO, OHIO



CITY OF SPRINGBORO, OHIO

Schedule of the City's Proportionate Share of the Net Other Postemployment Benefits (OPEB) Liability Last Two Years

Ohio Public Employees Retirement System

Year	2016	2017
City's proportion of the net OPEB liability	0.027151%	0.026752%
City's proportionate share of the net OPEB liability	\$2,742,368	\$2,905,022
City's covered payroll	\$3,576,317	\$3,374,031
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	76.68%	86.10%
Plan fiduciary net position as a percentage of the total OPEB liability	54.50%	54.14%

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

Ohio Police and Fire Pension Fund

Year	2016	2017
City's proportion of the net OPEB liability	0.077502%	0.077363%
City's proportionate share of the net OPEB liability	\$3,678,853	\$4,383,280
City's covered payroll	\$1,702,937	\$1,958,784
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	216.03%	223.78%
Plan fiduciary net position as a percentage of the total OPEB liability	15.96%	14.13%

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

Notes: The City implemented GASB Statement 75 in 2018.

Information prior to 2016 is not available.

CITY OF SPRINGBORO, OHIO

Schedule of City's Other Postemployment Benefit (OPEB) Contributions Last Six Years

Ohio Public Employees Retirement System

Year	2013	2014	2015
Contractually required contribution	\$29,389	\$55,250	\$62,569
Contributions in relation to the contractually required contribution	<u>29,389</u>	<u>55,250</u>	<u>62,569</u>
Contribution deficiency (excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
City's covered payroll	\$2,938,923	\$2,762,517	\$3,128,433
Contributions as a percentage of covered payroll	1.00%	2.00%	2.00%

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

Ohio Police and Fire Pension Fund

Year	2013	2014	2015
Contractually required contribution	\$58,870	\$8,516	\$8,663
Contributions in relation to the contractually required contribution	<u>58,870</u>	<u>8,516</u>	<u>8,663</u>
Contribution deficiency (excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
City's covered payroll	\$1,629,956	\$1,703,247	\$1,732,632
Contributions as a percentage of covered payroll	3.61%	0.50%	0.50%

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

Notes: The City implemented GASB Statement 75 in 2018.

Information prior to 2013 is not available.

CITY OF SPRINGBORO, OHIO

<u>2016</u>	<u>2017</u>	<u>2018</u>
\$71,526	\$33,740	\$0
<u>71,526</u>	<u>33,740</u>	<u>0</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$3,576,317	\$3,374,031	\$3,677,686
2.00%	1.00%	0.00%

<u>2016</u>	<u>2017</u>	<u>2018</u>
\$8,515	\$9,794	\$9,936
<u>8,515</u>	<u>9,794</u>	<u>9,936</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,702,937	\$1,958,784	\$1,987,232
0.50%	0.50%	0.50%

CITY OF SPRINGBORO, OHIO

Notes to the Required Supplementary Information For the Year Ended December 31, 2018

NET PENSION LIABILITY

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2018.

Changes in assumptions:

2014-2016: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2017: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date

- Reduction in actuarial assumed rate of return from 8.00% to 7.50%
- Decrease in wage inflation from 3.75% to 3.25%
- Change in future salary increases from a range of 4.25%-10.02% to 3.25%-10.75%

2018: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2018.

Changes in assumptions:

2014-2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2018: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date.

- Reduction in actuarial assumed rate of return from 8.25% to 8.00%
- Decrease salary increases from 3.75% to 3.25%
- Change in payroll growth from 3.75% to 3.25%
- Reduce DROP interest rate from 4.5% to 4.0%
- Reduce CPI-based COLA from 2.6% to 2.2%
- Inflation component reduced from 3.25% to 2.75%

CITY OF SPRINGBORO, OHIO

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2018***

NET OPEB LIABILITY

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: For 2018, there were no changes in benefit terms.

Changes in assumptions: For 2018, the single discount rate changed from 4.23% to 3.85%.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms: For 2018, there were no changes in benefit terms.

Changes in assumptions: For 2018, the single discount rate changed from 3.79% to 3.24%.

***C*OMBINING AND *I*NDIVIDUAL *F*UND
*S*TATEMENTS AND *S*CHEDES**

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

CITY OF SPRINGBORO, OHIO

Nonmajor Governmental Funds

Special Revenue Funds

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

Street Maintenance and Repair Fund

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

State Highway Fund

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

Permissive Use Tax Fund

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

Motor Vehicle License Tax Fund

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

Community Oriented Policing Service (COPS) Grant Fund

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

Drug Law Enforcement Fund

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

Mayor's Court Improvement Fund

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

Austin Center Municipal Public Improvement TIF Fund

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

CITY OF SPRINGBORO, OHIO

Special Revenue Funds

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.

Debt Service Funds

Debt Service Funds are used to account for retirement of the City's general obligation and special assessment bonds.

Debt Service Fund

To account for the accumulation of resources for, and the payment of, general obligation and special assessment long-term debt principal and interest.

Capital Projects Funds

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

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, 2018

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 2,053,695	\$ 1,124,828	\$ 484,565	\$ 3,663,088
Receivables:				
Taxes	536,400	0	0	536,400
Accounts	319	0	0	319
Intergovernmental	484,284	0	0	484,284
Special Assessments	0	1,359,323	0	1,359,323
Inventory of Supplies, at Cost	128,003	0	0	128,003
Prepaid Items	35,057	0	85,599	120,656
Assets Held for Resale	0	0	2,312,473	2,312,473
Total Assets	\$ 3,237,758	\$ 2,484,151	\$ 2,882,637	\$ 8,604,546
Liabilities:				
Accounts Payable	\$ 2,797	\$ 0	\$ 0	\$ 2,797
Accrued Wages and Benefits Payable	15,588	0	0	15,588
Intergovernmental Payable	249,818	0	0	249,818
Total Liabilities	268,203	0	0	268,203
Deferred Inflows of Resources:				
Property Tax Levy for Next Fiscal Year	536,400	0	0	536,400
Unavailable Amounts	315,189	1,359,323	0	1,674,512
Total Deferred Inflows of Resources	851,589	1,359,323	0	2,210,912
Fund Balances:				
Nonspendable	163,060	0	85,599	248,659
Restricted	1,954,906	1,124,828	2,797,038	5,876,772
Total Fund Balances	2,117,966	1,124,828	2,882,637	6,125,431
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 3,237,758	\$ 2,484,151	\$ 2,882,637	\$ 8,604,546

CITY OF SPRINGBORO, OHIO

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2018

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property and Other Taxes	\$ 0	\$ 0	\$ 139,340	\$ 139,340
Payment in Lieu of Taxes	536,457	0	0	536,457
Intergovernmental Revenues	1,412,147	777,164	14,552	2,203,863
Fines, Licenses and Permits	53,507	0	91,018	144,525
Investment Earnings	10,813	0	0	10,813
Special Assessments	0	141,309	0	141,309
Donations	1,785	0	0	1,785
All Other Revenue	80,003	1,001	218,704	299,708
Total Revenue	2,094,712	919,474	463,614	3,477,800
Expenditures:				
Current:				
Security of Persons and Property	161,992	0	0	161,992
Transportation	1,026,760	0	0	1,026,760
General Government	284,760	0	1,500	286,260
Capital Outlay	0	0	917,264	917,264
Debt Service:				
Principal Retirement	0	1,260,000	0	1,260,000
Interest and Fiscal Charges	0	221,017	0	221,017
Total Expenditures	1,473,512	1,481,017	918,764	3,873,293
Excess (Deficiency) of Revenues Over Expenditures	621,200	(561,543)	(455,150)	(395,493)
Other Financing Sources (Uses):				
Transfers In	497,682	1,407,959	342,234	2,247,875
Transfers Out	(1,041,914)	0	0	(1,041,914)
Total Other Financing Sources (Uses)	(544,232)	1,407,959	342,234	1,205,961
Net Change in Fund Balances	76,968	846,416	(112,916)	810,468
Fund Balances at Beginning of Year	2,036,640	278,412	2,995,553	5,310,605
Change in Inventory Reserve	4,358	0	0	4,358
Fund Balances End of Year	\$ 2,117,966	\$ 1,124,828	\$ 2,882,637	\$ 6,125,431

CITY OF SPRINGBORO, OHIO

Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2018

	Street	Maintenance and Repair	State Highway	Permissive Use Tax	Motor Vehicle License Tax
Assets:					
Cash and Cash Equivalents	\$ 775,178	\$ 257,883	\$ 4,003	\$ 118,269	
Receivables:					
Taxes	0	0	0	0	
Accounts	147	0	0	0	
Intergovernmental	338,089	29,414	0	105,287	
Inventory of Supplies, at Cost	128,003	0	0	0	
Prepaid Items	33,705	0	0	0	
Total Assets	\$ 1,275,122	\$ 287,297	\$ 4,003	\$ 223,556	
Liabilities:					
Accounts Payable	\$ 1,994	\$ 803	\$ 0	\$ 0	
Accrued Wages and Benefits Payable	15,588	0	0	0	
Intergovernmental Payable	7,946	0	0	0	
Total Liabilities	25,528	803	0	0	
Deferred Inflows of Resources:					
Property Tax Levy for Next Fiscal Year	0	0	0	0	
Unavailable Amounts	225,387	19,610	0	70,192	
Total Deferred Inflows of Resources	225,387	19,610	0	70,192	
Fund Balances:					
Nonspendable	161,708	0	0	0	
Restricted	862,499	266,884	4,003	153,364	
Total Fund Balances	1,024,207	266,884	4,003	153,364	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,275,122	\$ 287,297	\$ 4,003	\$ 223,556	

(Continued)

CITY OF SPRINGBORO, OHIO

Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2018

	COPS Grant	Drug Law Enforcement	Mayor's Court Improvement	Austin Center Municipal Public Improvement TIF
Assets:				
Cash and Cash Equivalents	\$ 43,495	\$ 90,055	\$ 183,998	\$ 478,012
Receivables:				
Taxes	0	0	0	536,400
Accounts	166	0	6	0
Intergovernmental	11,494	0	0	0
Inventory of Supplies, at Cost	0	0	0	0
Prepaid Items	1,214	0	138	0
Total Assets	\$ 56,369	\$ 90,055	\$ 184,142	\$ 1,014,412
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0
Intergovernmental Payable	1,773	0	220	239,068
Total Liabilities	1,773	0	220	239,068
Deferred Inflows of Resources:				
Property Tax Levy for Next Fiscal Year	0	0	0	536,400
Unavailable Amounts	0	0	0	0
Total Deferred Inflows of Resources	0	0	0	536,400
Fund Balances:				
Nonspendable	1,214	0	138	0
Restricted	53,382	90,055	183,784	238,944
Total Fund Balances	54,596	90,055	183,922	238,944
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 56,369	\$ 90,055	\$ 184,142	\$ 1,014,412

CITY OF SPRINGBORO, OHIO

		South Tech		Law		DARE Trust		Total Nonmajor Special Revenue Funds	
		Public Improvement		Enforcement Trust					
Austin JEDD		TIF		Trust		DARE Trust			
\$	853	\$	4,280	\$	39,346	\$	58,323	\$	2,053,695
	0		0		0		0		536,400
	0		0		0		0		319
	0		0		0		0		484,284
	0		0		0		0		128,003
	0		0		0		0		35,057
\$	853	\$	4,280	\$	39,346	\$	58,323	\$	3,237,758
\$	0	\$	0	\$	0	\$	0	\$	2,797
	0		0		0		0		15,588
	0		0		0		811		249,818
	0		0		0		811		268,203
	0		0		0		0		536,400
	0		0		0		0		315,189
	0		0		0		0		851,589
	0		0		0		0		163,060
	853		4,280		39,346		57,512		1,954,906
	853		4,280		39,346		57,512		2,117,966
\$	853	\$	4,280	\$	39,346	\$	58,323	\$	3,237,758

CITY OF SPRINGBORO, OHIO

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2018

	Street Maintenance and Repair	State Highway	Permissive Use Tax	Motor Vehicle License Tax
Revenues:				
Payment in Lieu of Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	701,120	57,515	200,000	219,994
Fines, Licenses and Permits	0	0	0	0
Investment Earnings	6,316	2,800	45	1,652
Donations	0	0	0	0
All Other Revenue	10,808	0	0	0
Total Revenue	718,244	60,315	200,045	221,646
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	0
Transportation	999,031	27,729	0	0
General Government	0	0	0	0
Total Expenditures	999,031	27,729	0	0
Excess (Deficiency) of Revenues Over Expenditures	(280,787)	32,586	200,045	221,646
Other Financing Sources (Uses):				
Transfers In	300,000	0	0	0
Transfers Out	0	0	(200,000)	(200,000)
Total Other Financing Sources (Uses)	300,000	0	(200,000)	(200,000)
Net Change in Fund Balances	19,213	32,586	45	21,646
Fund Balance at Beginning of Year	1,000,636	234,298	3,958	131,718
Change in Inventory Reserve	4,358	0	0	0
Fund Balance End of Year	\$ 1,024,207	\$ 266,884	\$ 4,003	\$ 153,364

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	\$ 536,457	\$ 0	\$ 0
0	0	0	0	185,103	0
0	38,640	14,867	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>46,832</u>	<u>0</u>	<u>13</u>	<u>0</u>	<u>0</u>	<u>8,559</u>
<u>46,832</u>	<u>38,640</u>	<u>14,880</u>	<u>536,457</u>	<u>185,103</u>	<u>8,559</u>
91,686	8,646	0	0	0	0
0	0	0	0	0	0
0	0	30,705	254,055	0	0
<u>91,686</u>	<u>8,646</u>	<u>30,705</u>	<u>254,055</u>	<u>0</u>	<u>0</u>
(44,854)	29,994	(15,825)	282,402	185,103	8,559
50,000	0	0	0	0	147,682
0	0	0	(291,402)	(184,250)	(166,262)
<u>50,000</u>	<u>0</u>	<u>0</u>	<u>(291,402)</u>	<u>(184,250)</u>	<u>(18,580)</u>
5,146	29,994	(15,825)	(9,000)	853	(10,021)
49,450	60,061	199,747	247,944	0	14,301
0	0	0	0	0	0
<u>\$ 54,596</u>	<u>\$ 90,055</u>	<u>\$ 183,922</u>	<u>\$ 238,944</u>	<u>\$ 853</u>	<u>\$ 4,280</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, 2018

	Law Enforcement Trust	DARE Trust	Total Nonmajor Special Revenue Funds
Revenues:			
Payment in Lieu of Taxes	\$ 0	\$ 0	\$ 536,457
Intergovernmental Revenues	0	48,415	1,412,147
Fines, Licenses and Permits	0	0	53,507
Investment Earnings	0	0	10,813
Donations	0	1,785	1,785
All Other Revenue	12,806	985	80,003
Total Revenue	12,806	51,185	2,094,712
Expenditures:			
Current:			
Security of Persons and Property	0	61,660	161,992
Transportation	0	0	1,026,760
General Government	0	0	284,760
Total Expenditures	0	61,660	1,473,512
Excess (Deficiency) of Revenues Over Expenditures	12,806	(10,475)	621,200
Other Financing Sources (Uses):			
Transfers In	0	0	497,682
Transfers Out	0	0	(1,041,914)
Total Other Financing Sources (Uses)	0	0	(544,232)
Net Change in Fund Balances	12,806	(10,475)	76,968
Fund Balance at Beginning of Year	26,540	67,987	2,036,640
Change in Inventory Reserve	0	0	4,358
Fund Balance End of Year	\$ 39,346	\$ 57,512	\$ 2,117,966

CITY OF SPRINGBORO, OHIO

Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2018

	Permanent Improvement	Land Acquisition	Total Nonmajor Capital Projects Funds
Assets:			
Cash and Cash Equivalents	\$ 477,027	\$ 7,538	\$ 484,565
Prepaid Items	85,599	0	85,599
Assets Held for Resale	0	2,312,473	2,312,473
Total Assets	\$ 562,626	\$ 2,320,011	\$ 2,882,637
Liabilities:			
Total Liabilities	\$ 0	\$ 0	\$ 0
Fund Balances:			
Nonspendable	85,599	0	85,599
Restricted	477,027	2,320,011	2,797,038
Total Fund Balances	562,626	2,320,011	2,882,637
Total Liabilities and Fund Balances	\$ 562,626	\$ 2,320,011	\$ 2,882,637

CITY OF SPRINGBORO, OHIO

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2018

	Permanent Improvement	Land Acquisition	Total Nonmajor Capital Projects Funds
Revenues:			
Property and Other Taxes	\$ 139,340	\$ 0	\$ 139,340
Intergovernmental Revenues	14,552	0	14,552
Fines, Licenses and Permits	91,018	0	91,018
All Other Revenue	216,704	2,000	218,704
Total Revenue	461,614	2,000	463,614
Expenditures:			
Current:			
General Government	1,500	0	1,500
Capital Outlay	722,802	194,462	917,264
Total Expenditures	724,302	194,462	918,764
Excess (Deficiency) of Revenues			
Over Expenditures	(262,688)	(192,462)	(455,150)
Other Financing Sources (Uses):			
Transfers In	142,234	200,000	342,234
Total Other Financing Sources (Uses)	142,234	200,000	342,234
Net change in Fund Balances	(120,454)	7,538	(112,916)
Fund Balances at Beginning of Year	683,080	2,312,473	2,995,553
Fund Balances End of Year	\$ 562,626	\$ 2,320,011	\$ 2,882,637

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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal Income Taxes	\$ 8,843,400	\$ 8,843,400	\$ 9,216,731	\$ 373,331
Property and Other Taxes	796,996	796,996	691,865	(105,131)
Intergovernmental Revenues	225,500	225,500	255,006	29,506
Fines, Licenses and Permits	654,400	654,400	530,175	(124,225)
Investment Earnings	125,000	125,000	249,620	124,620
Special Assessments	35,000	35,000	35,853	853
All Other Revenues	246,000	245,981	286,824	40,843
Total Revenues	<u>10,926,296</u>	<u>10,926,277</u>	<u>11,266,074</u>	<u>339,797</u>
Expenditures:				
Security of Persons and Property:				
Police Department:				
Personal Services	2,733,365	2,818,743	2,780,354	38,389
Materials and Supplies	176,345	173,240	130,257	42,983
Contractual Services	178,059	195,777	164,076	31,701
Total Police Department	<u>3,087,769</u>	<u>3,187,760</u>	<u>3,074,687</u>	<u>113,073</u>
Police Dispatcher:				
Personal Services	212,636	223,636	210,688	12,948
Materials and Supplies	4,530	4,530	3,733	797
Contractual Services	10,442	10,442	1,520	8,922
Total Police Dispatcher	<u>227,608</u>	<u>238,608</u>	<u>215,941</u>	<u>22,667</u>
Street Lighting:				
Contractual Services	151,000	163,483	163,212	271
Total Street Lighting	<u>151,000</u>	<u>163,483</u>	<u>163,212</u>	<u>271</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>
Prisoner Care:				
Contractual Services	5,000	5,000	3,404	1,596
Total Prisoner Care	<u>5,000</u>	<u>5,000</u>	<u>3,404</u>	<u>1,596</u>
Total Security of Persons and Property	<u>3,473,977</u>	<u>3,597,451</u>	<u>3,459,835</u>	<u>137,616</u>
Public Health and Welfare:				
Health Board:				
Contractual Services	16,460	16,460	16,460	0
Total Public Health and Welfare	<u>16,460</u>	<u>16,460</u>	<u>16,460</u>	<u>0</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, 2018***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Leisure Time Activities:				
Park Maintenance:				
Personal Services	527,462	500,962	478,428	22,534
Contractual Services	126,928	126,928	93,891	33,037
Materials and Supplies	117,360	117,360	89,535	27,825
Total Park Maintenance	771,750	745,250	661,854	83,396
Library Services:				
Contractual Services	45,735	45,735	23,459	22,276
Materials and Supplies	2,000	2,000	855	1,145
Total Library Services	47,735	47,735	24,314	23,421
Total Leisure Time Activities	819,485	792,985	686,168	106,817
Community Environment:				
Planning and Zoning:				
Personal Services	113,500	111,486	103,496	7,990
Contractual Services	65,702	80,216	69,180	11,036
Materials and Supplies	2,000	2,000	1,379	621
Total Planning and Zoning	181,202	193,702	174,055	19,647
Engineering:				
Personal Services	117,425	114,933	108,404	6,529
Contractual Services	291,300	96,170	69,066	27,104
Materials and Supplies	10,500	11,122	5,561	5,561
Total Engineering	419,225	222,225	183,031	39,194
Economic Development:				
Personal Services	69,750	70,750	62,848	7,902
Contractual Services	133,408	150,408	91,291	59,117
Materials and Supplies	300	300	0	300
Total Economic Development	203,458	221,458	154,139	67,319
Building Inspection:				
Personal Services	333,500	333,500	328,441	5,059
Contractual Services	85,835	85,585	46,948	38,637
Materials and Supplies	9,500	9,750	5,647	4,103
Total Building Inspection	428,835	428,835	381,036	47,799
Total Community Environment	1,232,720	1,066,220	892,261	173,959

(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, 2018***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
General Government:				
City Council:				
Personal Services	227,363	220,863	205,551	15,312
Contractual Services	101,878	101,878	79,508	22,370
Materials and Supplies	6,375	10,375	8,289	2,086
Total City Council	335,616	333,116	293,348	39,768
City Manager:				
Personal Services	159,537	153,537	142,394	11,143
Contractual Services	53,000	52,850	45,373	7,477
Materials and Supplies	300	450	450	0
Total City Manager	212,837	206,837	188,217	18,620
Assistant City Manager:				
Personal Services	85,550	97,800	94,056	3,744
Contractual Services	121,300	131,301	112,327	18,974
Materials and Supplies	6,399	6,399	399	6,000
Total Assistant City Manager	213,249	235,500	206,782	28,718
Computer Administration:				
Personal Services	100,750	100,636	96,465	4,171
Contractual Services	129,560	145,954	140,089	5,865
Materials and Supplies	61,461	65,781	62,831	2,950
Total Computer Adminstration	291,771	312,371	299,385	12,986
Finance Department:				
Personal Services	204,700	197,150	191,395	5,755
Contractual Services	77,400	77,400	52,512	24,888
Materials and Supplies	1,500	3,000	2,258	742
Total Finance Department	283,600	277,550	246,165	31,385
Mayor's Court:				
Personal Services	111,450	108,677	104,907	3,770
Contractual Services	67,900	66,973	65,368	1,605
Materials and Supplies	500	500	416	84
Total Mayor's Court	179,850	176,150	170,691	5,459

(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, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Income Tax:				
Personal Services	220,550	225,550	212,234	13,316
Contractual Services	778,206	528,206	466,938	61,268
Materials and Supplies	1,500	1,500	1,365	135
Total Income Tax	1,000,256	755,256	680,537	74,719
Legal Administration:				
Contractual Services	18,062	28,062	15,618	12,444
Total Legal Administration	18,062	28,062	15,618	12,444
Volunteer Services:				
Contractual Services	7,500	7,500	4,059	3,441
Total Volunteer Services	7,500	7,500	4,059	3,441
Building and Land:				
Personal Services	1,052,721	984,521	974,519	10,002
Contractual Services	1,057,171	948,096	764,143	183,953
Materials and Supplies	113,823	119,023	102,591	16,432
Total Building and Land	2,223,715	2,051,640	1,841,253	210,387
Miscellaneous:				
Contractual Services	96,314	103,314	72,958	30,356
Materials and Supplies	17,758	17,758	14,965	2,793
Total Miscellaneous	114,072	121,072	87,923	33,149
Total General Government	4,880,528	4,505,054	4,033,978	471,076
Total Expenditures	10,423,170	9,978,170	9,088,702	889,468
Excess (Deficiency) of Revenues Over (Under) Expenditures	503,126	948,107	2,177,372	1,229,265
Other Financing Sources (Uses):				
Transfers In	185,000	185,000	184,250	(750)
Transfers Out	(1,878,674)	(2,108,889)	(1,778,175)	330,714
Total Other Financing Sources (Uses)	(1,693,674)	(1,923,889)	(1,593,925)	329,964
Net Change in Fund Balance	(1,190,548)	(975,782)	583,447	1,559,229
Fund Balance at Beginning of Year	6,857,751	6,857,751	6,857,751	0
Prior Year Encumbrances	432,686	432,686	432,686	0
Fund Balance at End of Year	\$ 6,099,889	\$ 6,314,655	\$ 7,873,884	\$ 1,559,229

CITY OF SPRINGBORO, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Special Revenue Funds – Urban Redevelopment TIF Fund
For the Year Ended December 31, 2018***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
All Other Revenues	\$ 0	\$ 0	\$ 25,780	\$ 25,780
Total Revenues	<u>0</u>	<u>0</u>	<u>25,780</u>	<u>25,780</u>
Expenditures:				
Current:				
General Government	0	4,500,000	4,500,000	0
Total Expenditures	<u>0</u>	<u>4,500,000</u>	<u>4,500,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(4,500,000)	(4,474,220)	25,780
Other Financing Sources (Uses):				
General Obligation Notes Issued	0	4,500,000	4,500,000	0
Total Other Financing Sources (Uses):	<u>0</u>	<u>4,500,000</u>	<u>4,500,000</u>	<u>0</u>
Net Change in Fund Balance	0	0	25,780	25,780
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 25,780</u>	<u>\$ 25,780</u>

See accompanying notes to the basic financial statements

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, 2018***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 50,000	\$ 3,208,223	\$ 3,158,223
Special Assessments	25,753	18,529	(7,224)
All Other Revenues	<u>60,000</u>	<u>362,637</u>	<u>302,637</u>
Total Revenues	<u>135,753</u>	<u>3,589,389</u>	<u>3,453,636</u>
Expenditures:			
General Government:			
Contractual Services	59,958	59,198	760
Total General Government	<u>59,958</u>	<u>59,198</u>	<u>760</u>
Capital Outlay	6,920,725	6,951,911	(31,186)
Total Expenditures	<u>6,980,683</u>	<u>7,011,109</u>	<u>(30,426)</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(6,844,930)	(3,421,720)	3,423,210
Other Financing Sources (Uses):			
General Obligation Bonds Issued	6,050,000	6,050,000	0
Transfers In	7,294,047	5,575,337	(1,718,710)
Transfers Out	<u>(7,090,800)</u>	<u>(7,055,045)</u>	<u>35,755</u>
Total Other Financing Sources (Uses)	<u>6,253,247</u>	<u>4,570,292</u>	<u>(1,682,955)</u>
Net Change in Fund Balance	(591,683)	1,148,572	1,740,255
Fund Balance at Beginning of Year	914,677	914,677	0
Prior Year Encumbrances	691,667	691,667	0
Fund Balance at End of Year	<u>\$ 1,014,661</u>	<u>\$ 2,754,916</u>	<u>\$ 1,740,255</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, 2018***

			Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Municipal Income Taxes	\$ 4,437,000	\$ 4,607,673	\$ 170,673
Total Revenues	<u>4,437,000</u>	<u>4,607,673</u>	<u>170,673</u>
Expenditures:			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,437,000	4,607,673	170,673
Other Financing Sources (Uses):			
Transfers Out	(5,828,192)	(5,465,535)	362,657
Total Other Financing Sources (Uses)	<u>(5,828,192)</u>	<u>(5,465,535)</u>	<u>362,657</u>
Net Change in Fund Balance	(1,391,192)	(857,862)	533,330
Fund Balance at Beginning of Year	1,608,830	1,608,830	0
Fund Balance at End of Year	<u>\$ 217,638</u>	<u>\$ 750,968</u>	<u>\$ 533,330</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, 2018

STREET MAINTENANCE AND REPAIR FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 677,000	\$ 702,249	\$ 25,249
Investment Earnings	3,000	6,316	3,316
All Other Revenues	1,000	15,092	14,092
Total Revenues	681,000	723,657	42,657
Expenditures:			
Transportation:			
Personal Services	616,991	553,534	63,457
Materials and Supplies	429,251	319,036	110,215
Contractual Services	236,632	207,181	29,451
Total Expenditures	1,282,874	1,079,751	203,123
Excess (Deficiency) of Revenues Over (Under) Expenditures	(601,874)	(356,094)	245,780
Other Financing Sources (Uses):			
Transfers In	332,000	300,000	(32,000)
Total Other Financing Sources (Uses)	332,000	300,000	(32,000)
Net Change in Fund Balance	(269,874)	(56,094)	213,780
Fund Balance at Beginning of Year	627,357	627,357	0
Prior Year Encumbrances	145,090	145,090	0
Fund Balance at End of Year	\$ 502,573	\$ 716,353	\$ 213,780

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, 2018***

STATE HIGHWAY FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 55,500	\$ 56,939	\$ 1,439
Investment Earnings	1,200	2,800	1,600
Total Revenues	<u>56,700</u>	<u>59,739</u>	<u>3,039</u>
Expenditures:			
Transportation:			
Contractual Services	42,000	25,188	16,812
Capital Outlay	80,000	2,640	77,360
Total Expenditures	<u>122,000</u>	<u>27,828</u>	<u>94,172</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(65,300)	31,911	97,211
Fund Balance at Beginning of Year	225,972	225,972	0
Fund Balance at End of Year	<u>\$ 160,672</u>	<u>\$ 257,883</u>	<u>\$ 97,211</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, 2018***

PERMISSIVE USE TAX FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 200,000	\$ 200,000	\$ 0
Investment Earnings	20	45	25
Total Revenues	<u>200,020</u>	<u>200,045</u>	<u>25</u>
Expenditures:			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	200,020	200,045	25
Other Financing Sources (Uses):			
Transfers Out	(200,000)	(200,000)	0
Total Other Financing Sources (Uses)	<u>(200,000)</u>	<u>(200,000)</u>	<u>0</u>
Net Change in Fund Balance	20	45	25
Fund Balance at Beginning of Year	3,958	3,958	0
Fund Balance at End of Year	<u>\$ 3,978</u>	<u>\$ 4,003</u>	<u>\$ 25</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, 2018*

MOTOR VEHICLE LICENSE TAX FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 217,000	\$ 221,932	\$ 4,932
Investment Earnings	500	1,652	1,152
Total Revenues	<u>217,500</u>	<u>223,584</u>	<u>6,084</u>
Expenditures:			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	217,500	223,584	6,084
Other Financing Sources (Uses):			
Transfers Out	(200,000)	(200,000)	0
Total Other Financing Sources (Uses)	<u>(200,000)</u>	<u>(200,000)</u>	<u>0</u>
Net Change in Fund Balance	17,500	23,584	6,084
Fund Balance at Beginning of Year	94,685	94,685	0
Fund Balance at End of Year	<u>\$ 112,185</u>	<u>\$ 118,269</u>	<u>\$ 6,084</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, 2018***

COPS GRANT FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
All Other Revenues	\$ 35,000	\$ 35,348	\$ 348
Total Revenues	<u>35,000</u>	<u>35,348</u>	<u>348</u>
Expenditures:			
Security of Persons and Property:			
Personal Services	109,801	91,832	17,969
Materials and Supplies	500	0	500
Contractual Services	950	759	191
Total Expenditures	<u>111,251</u>	<u>92,591</u>	<u>18,660</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(76,251)	(57,243)	19,008
Other Financing Sources (Uses):			
Transfers In	50,000	50,000	0
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>50,000</u>	<u>0</u>
Net Change in Fund Balance	(26,251)	(7,243)	19,008
Fund Balance at Beginning of Year	50,738	50,738	0
Fund Balance at End of Year	<u>\$ 24,487</u>	<u>\$ 43,495</u>	<u>\$ 19,008</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, 2018

DRUG LAW ENFORCEMENT FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$ 0	\$ 38,640	\$ 38,640
Total Revenues	<u>0</u>	<u>38,640</u>	<u>38,640</u>
Expenditures:			
Security of Persons and Property:			
Contractual Services	500	0	500
Capital Outlay	20,858	18,664	2,194
Total Expenditures	<u>21,358</u>	<u>18,664</u>	<u>2,694</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(21,358)	19,976	41,334
Fund Balance at Beginning of Year	60,061	60,061	0
Prior Year Encumbrances	5,358	5,358	0
Fund Balance at End of Year	<u>\$ 44,061</u>	<u>\$ 85,395</u>	<u>\$ 41,334</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, 2018***

MAYOR'S COURT IMPROVEMENT FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$ 14,500	\$ 14,516	\$ 16
All Other Revenues	0	13	13
Total Revenues	<u>14,500</u>	<u>14,529</u>	<u>29</u>
Expenditures:			
General Government:			
Personal Services	11,025	9,450	1,575
Materials and Supplies	1,500	0	1,500
Contractual Services	6,621	6,299	322
Capital Outlay	42,000	14,877	27,123
Total Expenditures	<u>61,146</u>	<u>30,626</u>	<u>30,520</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(46,646)	(16,097)	30,549
Fund Balance at Beginning of Year	198,785	198,785	0
Fund Balance at End of Year	<u>\$ 152,139</u>	<u>\$ 182,688</u>	<u>\$ 30,549</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, 2018***

AUSTIN CENTER MUNICIPAL PUBLIC IMPROVEMENT TIF FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Payment in Lieu of Taxes	\$ 257,000	\$ 536,457	\$ 279,457
All Other Revenues	160,000	0	(160,000)
Total Revenues	417,000	536,457	119,457
Expenditures:			
General Government:			
Contractual Services	372,797	368,784	4,013
Total Expenditures	372,797	368,784	4,013
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	44,203	167,673	123,470
Other Financing Sources (Uses):			
Transfers Out	(291,402)	(291,402)	0
Total Other Financing Sources (Uses)	(291,402)	(291,402)	0
Net Change in Fund Balance	(247,199)	(123,729)	123,470
Fund Balance at Beginning of Year	130,310	130,310	0
Prior Year Encumbrances	117,634	117,634	0
Fund Balance at End of Year	\$ 745	\$ 124,215	\$ 123,470

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, 2018***

AUSTIN JEDD FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 185,103	\$ 185,103	\$ 0
Total Revenues	<u>185,103</u>	<u>185,103</u>	<u>0</u>
Expenditures:			
General Government:			
Contractual Services	750	0	750
Total Expenditures	<u>750</u>	<u>0</u>	<u>750</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	184,353	185,103	750
Other Financing Sources (Uses):			
Transfers Out	(184,250)	(184,250)	0
Total Other Financing Sources (Uses)	<u>(184,250)</u>	<u>(184,250)</u>	<u>0</u>
Net Change in Fund Balance	103	853	750
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	<u>\$ 103</u>	<u>\$ 853</u>	<u>\$ 750</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, 2018***

SOUTH TECH PUBLIC IMPROVEMENT TIF FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
All Other Revenues	\$ 8,560	\$ 8,559	\$ (1)
Total Revenues	<u>8,560</u>	<u>8,559</u>	<u>(1)</u>
Expenditures:			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,560	8,559	(1)
Other Financing Sources (Uses):			
Transfers In	147,440	147,682	242
Transfers Out	<u>(166,262)</u>	<u>(166,262)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(18,822)</u>	<u>(18,580)</u>	<u>242</u>
Net Change in Fund Balance	(10,262)	(10,021)	241
Fund Balance at Beginning of Year	14,301	14,301	0
Fund Balance at End of Year	<u>\$ 4,039</u>	<u>\$ 4,280</u>	<u>\$ 241</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, 2018

LAW ENFORCEMENT TRUST FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
All Other Revenues	\$ 500	\$ 12,806	\$ 12,306
Total Revenues	<u>500</u>	<u>12,806</u>	<u>12,306</u>
Expenditures:			
Security of Persons and Property:			
Personal Services	1,000	0	1,000
Materials and Supplies	5,000	0	5,000
Contractual Services	<u>1,000</u>	<u>0</u>	<u>1,000</u>
Total Expenditures	<u>7,000</u>	<u>0</u>	<u>7,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,500)	12,806	19,306
Fund Balance at Beginning of Year	26,540	26,540	0
Fund Balance at End of Year	<u>\$ 20,040</u>	<u>\$ 39,346</u>	<u>\$ 19,306</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, 2018***

DARE TRUST FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 43,000	\$ 48,415	\$ 5,415
Donations	700	1,760	1,060
All Other Revenues	1,000	985	(15)
Total Revenues	<u>44,700</u>	<u>51,160</u>	<u>6,460</u>
Expenditures:			
Security of Persons and Property:			
Personal Services	63,000	59,716	3,284
Materials and Supplies	11,996	3,043	8,953
Contractual Services	600	0	600
Total Expenditures	<u>75,596</u>	<u>62,759</u>	<u>12,837</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(30,896)	(11,599)	19,297
Other Financing Sources (Uses):			
Transfers In	6,400	0	(6,400)
Total Other Financing Sources (Uses)	<u>6,400</u>	<u>0</u>	<u>(6,400)</u>
Net Change in Fund Balance	(24,496)	(11,599)	12,897
Fund Balance at Beginning of Year	67,847	67,847	0
Prior Year Encumbrances	2,000	2,000	0
Fund Balance at End of Year	<u>\$ 45,351</u>	<u>\$ 58,248</u>	<u>\$ 12,897</u>

CITY OF SPRINGBORO, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Funds
For the Year Ended December 31, 2018***

DEBT SERVICE FUND

				Variance with Final Budget
		Final Budget	Actual	Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 777,164	\$ 777,164	
Special Assessments	135,700	141,309	5,609	
All Other Revenues	0	1,001	1,001	
Total Revenues	<u>135,700</u>	<u>919,474</u>	<u>783,774</u>	
Expenditures:				
Debt Service:				
Principal Retirement	7,310,000	7,310,000	0	
Interest and Fiscal Charges	444,514	444,514	0	
Total Expenditures	<u>7,754,514</u>	<u>7,754,514</u>	<u>0</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,618,814)	(6,835,040)	783,774	
Other Financing Sources (Uses):				
Premium on Sale of General Obligation Bonds	0	102,497	102,497	
Transfers In	<u>7,578,959</u>	<u>7,578,959</u>	<u>0</u>	
Total Other Financing Sources (Uses)	<u>7,578,959</u>	<u>7,681,456</u>	<u>102,497</u>	
Net Change in Fund Balance	(39,855)	846,416	886,271	
Fund Balance at Beginning of Year	<u>278,412</u>	<u>278,412</u>	<u>0</u>	
Fund Balance at End of Year	<u>\$ 238,557</u>	<u>\$ 1,124,828</u>	<u>\$ 886,271</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, 2018***

PERMANENT IMPROVEMENT FUND

				Variance with Final Budget
				Positive (Negative)
	Final Budget	Actual		
Revenues:				
Property and Other Taxes	\$ 120,000	\$ 139,340	\$ 19,340	
Intergovernmental Revenues	0	14,552	14,552	
Fines, Licenses and Permits	33,600	91,018	57,418	
All Other Revenues	44,000	216,704	172,704	
Total Revenues	<u>197,600</u>	<u>461,614</u>	<u>264,014</u>	
Expenditures:				
General Government:				
Contractual Services	7,500	7,500	0	
Total General Government	<u>7,500</u>	<u>7,500</u>	<u>0</u>	
Capital Outlay	1,019,698	1,016,028	3,670	
Total Expenditures	<u>1,027,198</u>	<u>1,023,528</u>	<u>3,670</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(829,598)	(561,914)	267,684	
Other Financing Sources (Uses):				
Transfers In	405,400	142,234	(263,166)	
Total Other Financing Sources (Uses)	<u>405,400</u>	<u>142,234</u>	<u>(263,166)</u>	
Net Change in Fund Balance	(424,198)	(419,680)	4,518	
Fund Balance at Beginning of Year	449,507	449,507	0	
Prior Year Encumbrances	233,573	233,573	0	
Fund Balance at End of Year	<u>\$ 258,882</u>	<u>\$ 263,400</u>	<u>\$ 4,518</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, 2018***

LAND ACQUISITION FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
All Other Revenues	\$ 0	\$ 2,000	\$ 2,000
Total Revenues	<u>0</u>	<u>2,000</u>	<u>2,000</u>
Expenditures:			
Capital Outlay	200,000	194,462	5,538
Total Expenditures	<u>200,000</u>	<u>194,462</u>	<u>5,538</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(200,000)	(192,462)	7,538
Other Financing Sources (Uses):			
Transfers In	200,000	200,000	0
Total Other Financing Sources (Uses)	<u>200,000</u>	<u>200,000</u>	<u>0</u>
Net Change in Fund Balance	0	7,538	7,538
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 7,538</u>	<u>\$ 7,538</u>

CITY OF SPRINGBORO, OHIO

Fiduciary Funds

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

Agency Funds

Library Donation Fund

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

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, 2018

	Balance December 31, 2017	Additions	Deductions	Balance December 31, 2018
Library Donation Fund				
Assets:				
Cash and Cash Equivalents	\$5,410	\$4,499	(\$4,647)	\$5,262
Total Assets	<u>\$5,410</u>	<u>\$4,499</u>	<u>(\$4,647)</u>	<u>\$5,262</u>
Liabilities:				
Due to Others	\$5,410	\$4,499	(\$4,647)	\$5,262
Total Liabilities	<u>\$5,410</u>	<u>\$4,499</u>	<u>(\$4,647)</u>	<u>\$5,262</u>
Lytle Five Points JEDD Fund				
Assets:				
Cash and Cash Equivalents	\$62,336	\$67,380	(\$63,086)	\$66,630
Total Assets	<u>\$62,336</u>	<u>\$67,380</u>	<u>(\$63,086)</u>	<u>\$66,630</u>
Liabilities:				
Due to Others	\$62,336	\$67,380	(\$63,086)	\$66,630
Total Liabilities	<u>\$62,336</u>	<u>\$67,380</u>	<u>(\$63,086)</u>	<u>\$66,630</u>
Mayor's Court Fund				
Assets:				
Cash and Cash Equivalents	\$2,072	\$238,787	(\$237,682)	\$3,177
Total Assets	<u>\$2,072</u>	<u>\$238,787</u>	<u>(\$237,682)</u>	<u>\$3,177</u>
Liabilities:				
Undistributed Monies	\$2,072	\$238,787	(\$237,682)	\$3,177
Total Liabilities	<u>\$2,072</u>	<u>\$238,787</u>	<u>(\$237,682)</u>	<u>\$3,177</u>
Special Assessment Fund				
Assets:				
Special Assessments Receivable	\$830,029	\$0	(\$104,414)	\$725,615
Total Assets	<u>\$830,029</u>	<u>\$0</u>	<u>(\$104,414)</u>	<u>\$725,615</u>
Liabilities:				
Due to Others	\$830,029	\$0	(\$104,414)	\$725,615
Total Liabilities	<u>\$830,029</u>	<u>\$0</u>	<u>(\$104,414)</u>	<u>\$725,615</u>
Total Agency Funds:				
Assets:				
Cash and Cash Equivalents	\$69,818	\$310,666	(\$305,415)	\$75,069
Special Assessments Receivable	830,029	0	(104,414)	725,615
Total Assets	<u>\$899,847</u>	<u>\$310,666</u>	<u>(\$409,829)</u>	<u>\$800,684</u>
Liabilities:				
Due to Others	\$897,775	\$71,879	(\$172,147)	\$797,507
Undistributed Monies	2,072	238,787	(237,682)	3,177
Total Liabilities	<u>\$899,847</u>	<u>\$310,666</u>	<u>(\$409,829)</u>	<u>\$800,684</u>

STATISTICAL SECTION



STATISTICAL TABLES

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

Contents

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

City of Springboro, Ohio

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

	2009	2010	2011	2012
Governmental Activities:				
Net Investment in Capital Assets	\$33,359,772	\$35,279,823	\$36,427,139	\$39,980,429
Restricted	11,179,852	11,019,862	10,242,352	10,047,132
Unrestricted	5,717,437	7,290,300	7,448,349	4,747,303
Total Governmental Activities Net Position	<u><u>\$50,257,061</u></u>	<u><u>\$53,589,985</u></u>	<u><u>\$54,117,840</u></u>	<u><u>\$54,774,864</u></u>
Business-type Activities:				
Net Investment in Capital Assets	\$49,189,885	\$49,691,654	\$50,089,838	\$50,576,992
Restricted	2,491,880	2,504,293	2,356,441	2,416,605
Unrestricted	7,476,070	6,663,660	8,034,076	9,633,876
Total Business-type Activities Net Position	<u><u>\$59,157,835</u></u>	<u><u>\$58,859,607</u></u>	<u><u>\$60,480,355</u></u>	<u><u>\$62,627,473</u></u>
Primary Government:				
Net Investment in Capital Assets	\$82,549,657	\$84,971,477	\$86,516,977	\$90,557,421
Restricted	13,671,732	13,524,155	12,598,793	12,463,737
Unrestricted	13,193,507	13,953,960	15,482,425	14,381,179
Total Primary Government Net Position	<u><u>\$109,414,896</u></u>	<u><u>\$112,449,592</u></u>	<u><u>\$114,598,195</u></u>	<u><u>\$117,402,337</u></u>

Source: Finance Director's Office

* Restated

City of Springboro, Ohio

2013	2014	2015	2016	2017	2018
\$41,524,086	\$43,618,251	\$46,648,334	\$47,661,162	\$48,013,645	\$54,582,898
10,672,787	10,366,896	14,312,206	14,603,501	14,376,740	16,017,516
5,121,940	661,307	(1,403,800)	(1,523,402)	(6,602,138)	(6,463,345)
<u>\$57,318,813</u>	<u>\$54,646,454</u>	<u>\$59,556,740</u>	<u>\$60,741,261</u>	<u>\$55,788,247</u>	<u>\$64,137,069</u>
				*	
\$51,515,909	\$54,601,283	\$56,633,201	\$62,763,659	\$63,777,140	\$66,408,488
2,371,790	2,386,606	2,398,893	830,181	724,349	468,042
12,417,118	12,793,561	15,446,817	14,799,177	16,164,328	18,475,267
<u>\$66,304,817</u>	<u>\$69,781,450</u>	<u>\$74,478,911</u>	<u>\$78,393,017</u>	<u>\$80,665,817</u>	<u>\$85,351,797</u>
\$93,039,995	\$98,219,534	\$103,281,535	\$110,424,821	\$111,790,785	\$120,991,386
13,044,577	12,753,502	16,711,099	15,433,682	15,101,089	16,485,558
17,539,058	13,454,868	14,043,017	13,275,775	9,562,190	12,011,922
<u>\$123,623,630</u>	<u>\$124,427,904</u>	<u>\$134,035,651</u>	<u>\$139,134,278</u>	<u>\$136,454,064</u>	<u>\$149,488,866</u>

City of Springboro, Ohio

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

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

City of Springboro, Ohio

2012	2013	2014	2015	2016	2017	2018
\$3,632,041	\$2,954,087	\$3,377,387	\$3,333,613	\$3,726,152	\$3,875,186	\$4,360,669
14,723	14,651	16,704	16,677	16,685	16,480	16,460
742,999	694,736	769,354	735,563	828,342	930,498	915,240
686,964	666,822	682,355	738,231	1,665,239	894,046	926,636
2,439,903	3,798,401	3,159,853	2,680,481	3,501,098	5,708,785	2,691,945
4,760,638	3,685,441	3,815,946	3,871,054	4,222,777	4,496,267	4,197,195
617,827	542,335	484,875	433,760	432,103	338,394	402,182
<u>12,895,095</u>	<u>12,356,473</u>	<u>12,306,474</u>	<u>11,809,379</u>	<u>14,392,396</u>	<u>16,259,656</u>	<u>13,510,327</u>
2,671,202	2,237,071	2,368,968	2,275,754	2,970,701	2,744,386	2,260,020
3,670,617	3,140,275	3,037,234	3,078,773	3,242,720	3,634,171	3,294,517
2,921,396	2,920,507	2,971,336	3,010,001	2,992,339	3,139,008	2,934,574
964,704	1,012,007	1,168,721	1,103,164	1,153,549	1,174,847	1,396,694
502,364	284,940	317,896	336,791	333,538	407,877	850,463
<u>10,730,283</u>	<u>9,594,800</u>	<u>9,864,155</u>	<u>9,804,483</u>	<u>10,692,847</u>	<u>11,100,289</u>	<u>10,736,268</u>
<u>\$23,625,378</u>	<u>\$21,951,273</u>	<u>\$22,170,629</u>	<u>\$21,613,862</u>	<u>\$25,085,243</u>	<u>\$27,359,945</u>	<u>\$24,246,595</u>
\$16,979	\$19,027	\$18,976	\$69,982	\$36,202	\$87,773	\$101,048
293,221	138,999	160,027	117,480	140,250	109,780	307,722
200,293	210,534	269,250	314,172	449,613	331,005	358,358
291,661	344,208	422,147	285,917	175,042	136,981	276,265
271,683	252,163	236,608	217,723	218,199	242,596	227,191
726,537	1,181,004	979,678	1,017,011	1,072,047	1,209,464	1,407,169
35,347	355,511	108,708	857,004	59,071	79,145	3,495,542
<u>1,835,721</u>	<u>2,501,446</u>	<u>2,195,394</u>	<u>2,879,289</u>	<u>2,150,424</u>	<u>2,196,744</u>	<u>6,173,295</u>

(continued)

City of Springboro, Ohio

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

	2009	2010	2011	2012
Business-type Activities:				
Charges for Services				
Golf Course	1,759,451	1,923,208	1,815,148	1,974,536
Water	2,879,239	3,090,718	3,703,654	4,892,729
Sewer	2,403,702	2,640,345	3,184,400	3,847,960
Trash	889,922	945,873	919,731	931,295
Storm Water	240,027	253,925	93,911	190,946
Capital Grants and Contributions	282,629	485,025	360,540	694,590
<i>Total Business-type Activities Program Revenues</i>	<u>8,454,970</u>	<u>9,339,094</u>	<u>10,077,384</u>	<u>12,532,056</u>
<i>Total Primary Government Program Revenues</i>	<u>12,464,210</u>	<u>13,508,479</u>	<u>12,902,149</u>	<u>14,367,777</u>
Net (Expense)/Revenue				
Governmental Activities	(12,251,641)	(8,247,521)	(8,686,540)	(11,059,374)
Business-type Activities	(2,317,668)	(1,685,433)	4,773	1,801,773
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$14,569,309)</u>	<u>(\$9,932,954)</u>	<u>(\$8,681,767)</u>	<u>(\$9,257,601)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Income Taxes	\$9,640,943	\$10,481,235	\$9,595,447	\$11,234,399
Property Taxes	720,042	702,808	636,375	624,866
Other Local Taxes	70,232	56,322	67,699	57,355
Payment in Lieu of Taxes	538,388	550,819	217,620	111,074
Intergovernmental, unrestricted	646,503	505,227	506,161	426,267
Investment Earnings	309,102	169,589	108,369	58,757
Miscellaneous	503,598	385,479	296,839	233,235
Gain (Loss) on Sale of Assets Held for Resale	0	93,974	(59,560)	65,954
Transfers	(630,200)	(1,365,008)	(1,585,560)	(942,176)
<i>Total Governmental Activities</i>	<u>11,798,608</u>	<u>11,580,445</u>	<u>9,783,390</u>	<u>11,869,731</u>
Business-type Activities:				
Investment Earnings	35,340	22,197	30,415	27,245
Transfers	630,200	1,365,008	1,585,560	942,176
<i>Total Business-type Activities</i>	<u>665,540</u>	<u>1,387,205</u>	<u>1,615,975</u>	<u>969,421</u>
<i>Total Primary Government</i>	<u>\$12,464,148</u>	<u>\$12,967,650</u>	<u>\$11,399,365</u>	<u>\$12,839,152</u>
Change in Net Position				
Governmental Activities	(\$453,033)	\$3,332,924	\$1,096,850	\$810,357
Business-type Activities	(1,652,128)	(298,228)	1,620,748	2,771,194
<i>Total Primary Government Change in Net Position</i>	<u>(\$2,105,161)</u>	<u>\$3,034,696</u>	<u>\$2,717,598</u>	<u>\$3,581,551</u>

Source: Finance Director's Office

City of Springboro, Ohio

2013	2014	2015	2016	2017	2018
1,621,898	1,713,411	1,688,183	1,828,392	1,897,763	1,981,923
4,475,509	4,630,118	4,589,298	4,768,013	4,731,894	4,832,675
3,963,098	4,146,437	4,247,656	4,337,885	4,430,069	4,535,924
1,030,615	1,069,469	1,108,436	1,143,061	1,177,890	1,212,273
264,150	269,083	272,996	275,873	279,642	283,565
794,448	1,060,632	1,502,175	1,247,132	909,511	1,230,151
<u>12,149,718</u>	<u>12,889,150</u>	<u>13,408,744</u>	<u>13,600,356</u>	<u>13,426,769</u>	<u>14,076,511</u>
14,651,164	15,084,544	16,288,033	15,750,780	15,623,513	20,249,806
(9,855,027)	(10,111,080)	(8,930,090)	(12,241,972)	(14,062,912)	(7,337,032)
2,554,918	3,024,995	3,604,261	2,907,509	2,326,480	3,340,243
<u>(\$7,300,109)</u>	<u>(\$7,086,085)</u>	<u>(\$5,325,829)</u>	<u>(\$9,334,463)</u>	<u>(\$11,736,432)</u>	<u>(\$3,996,789)</u>
\$11,755,014	\$11,925,126	\$13,274,634	\$12,476,441	\$13,272,536	\$13,899,458
828,996	870,963	768,398	856,208	871,019	745,854
70,427	69,690	73,476	83,300	78,581	71,793
147,717	96,645	103,114	264,735	175,264	536,457
441,753	253,287	259,602	244,861	289,115	1,024,272
67,201	77,679	77,545	104,955	109,278	252,894
195,995	258,713	332,784	356,905	508,430	317,333
0	2,305	0	0	66,152	0
<u>(1,108,127)</u>	<u>(1,263,069)</u>	<u>(1,049,177)</u>	<u>(960,912)</u>	<u>(1,010,454)</u>	<u>(1,162,207)</u>
<u>12,398,976</u>	<u>12,291,339</u>	<u>13,840,376</u>	<u>13,426,493</u>	<u>14,359,921</u>	<u>15,685,854</u>
14,299	42,366	44,023	45,685	63,530	183,530
1,108,127	1,263,069	1,049,177	960,912	1,010,454	1,162,207
1,122,426	1,305,435	1,093,200	1,006,597	1,073,984	1,345,737
<u>\$13,521,402</u>	<u>\$13,596,774</u>	<u>\$14,933,576</u>	<u>\$14,433,090</u>	<u>\$15,433,905</u>	<u>\$17,031,591</u>
\$2,543,949	\$2,180,259	\$4,910,286	\$1,184,521	\$297,009	\$8,348,822
3,677,344	4,330,430	4,697,461	3,914,106	3,400,464	4,685,980
<u>\$6,221,293</u>	<u>\$6,510,689</u>	<u>\$9,607,747</u>	<u>\$5,098,627</u>	<u>\$3,697,473</u>	<u>\$13,034,802</u>

City of Springboro, Ohio

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

	2009	2010	2011	2012
General Fund				
Nonspendable	\$0	\$0	\$118,633	\$141,708
Assigned	0	0	356,126	328,242
Unassigned	0	0	8,809,769	7,524,414
Reserved	458,766	452,474	0	0
Unreserved	<u>5,967,265</u>	<u>7,488,980</u>	<u>0</u>	<u>0</u>
<i>Total General Fund</i>	<u>6,426,031</u>	<u>7,941,454</u>	<u>9,284,528</u>	<u>7,994,364</u>
All Other Governmental Funds				
Nonspendable	\$0	\$0	\$105,578	\$115,026
Restricted	0	0	6,058,316	6,947,280
Unassigned	0	0	(298,460)	(1,012,535)
Reserved	7,300,879	5,710,045	0	0
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	(2,663,656)	1,259,760	0	0
Capital Projects Funds	<u>(1,259,533)</u>	<u>(10,441)</u>	<u>0</u>	<u>0</u>
<i>Total All Other Governmental Funds</i>	<u>3,377,690</u>	<u>6,959,364</u>	<u>5,865,434</u>	<u>6,049,771</u>
<i>Total Governmental Funds</i>	<u><u>\$9,803,721</u></u>	<u><u>\$14,900,818</u></u>	<u><u>\$15,149,962</u></u>	<u><u>\$14,044,135</u></u>

Source: Finance Director's Office

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

City of Springboro, Ohio

2013	2014	2015	2016	2017	2018
\$193,739	\$218,291	\$241,847	\$302,572	\$275,099	\$303,055
1,007,606	1,402,360	749,159	1,766,114	1,438,163	1,661,535
6,746,464	7,031,255	5,399,772	4,966,533	6,419,752	6,929,507
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>7,947,809</u>	<u>8,651,906</u>	<u>6,390,778</u>	<u>7,035,219</u>	<u>8,133,014</u>	<u>8,894,097</u>
<hr/>					
\$105,942	\$107,944	\$136,487	\$144,919	\$154,834	\$248,659
7,797,447	7,861,782	11,867,883	12,553,690	12,237,148	13,987,435
(1,275,608)	0	0	0	0	(10,501)
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>6,627,781</u>	<u>7,969,726</u>	<u>12,004,370</u>	<u>12,698,609</u>	<u>12,391,982</u>	<u>14,225,593</u>
<u>\$14,575,590</u>	<u>\$16,621,632</u>	<u>\$18,395,148</u>	<u>\$19,733,828</u>	<u>\$20,524,996</u>	<u>\$23,119,690</u>

City of Springboro, Ohio

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Revenues:				
Municipal Income Taxes	\$9,388,476	\$9,710,970	\$10,362,125	\$11,029,649
Property Tax	808,536	741,189	702,381	686,985
Payment in Lieu of Taxes	538,388	550,819	217,620	111,074
Intergovernmental Revenues	1,970,660	2,490,006	2,026,299	2,031,769
Charges for Services	1,231,045	1,325,282	0	0
Fines, Licenses and Permits	391,751	507,841	406,845	540,093
Investment Earnings	222,636	149,940	150,895	122,346
Special Assessments	411,661	384,934	402,343	407,512
Donations	7,588	6,673	770	965
All Other Revenue	502,665	364,291	572,759	721,702
Total Revenue	<u>15,473,406</u>	<u>16,231,945</u>	<u>14,842,037</u>	<u>15,652,095</u>
Expenditures:				
Current:				
Security of Persons and Property	2,902,211	2,855,621	2,879,485	2,935,104
Public Health and Welfare Services	15,274	15,066	14,697	14,723
Leisure Time Activities	463,693	463,880	500,822	565,858
Community Environment	629,695	608,100	531,565	587,997
Transportation	1,032,978	996,012	802,889	798,160
General Government	8,552,889	4,421,751	3,914,962	4,026,518
Capital Outlay	10,288,484	2,812,497	2,499,123	4,975,287
Debt Service:				
Principal Retirement	1,146,115	1,180,000	1,115,000	1,375,000
Interest and Fiscal Charges	766,936	737,543	680,895	618,544
Total Expenditures	<u>25,798,275</u>	<u>14,090,470</u>	<u>12,939,438</u>	<u>15,897,191</u>
Excess (Deficiency) of Revenues Over Expenditures	(10,324,869)	2,141,475	1,902,599	(245,096)

City of Springboro, Ohio

2013	2014	2015	2016	2017	2018
\$11,576,805	\$11,627,659	\$13,067,114	\$13,082,097	\$13,380,200	\$13,762,046
903,357	951,075	843,022	938,153	948,201	823,329
147,717	96,645	103,114	264,735	175,264	536,457
1,944,528	1,348,059	1,298,239	1,304,187	1,487,662	5,688,056
0	0	0	0	0	0
540,991	573,421	657,868	764,413	670,335	678,855
67,201	77,679	77,545	104,955	109,278	252,894
370,615	400,731	255,278	249,288	259,067	195,691
1,020	800	6,825	1,200	1,200	1,785
549,190	681,417	640,878	575,623	711,010	871,424
<u>16,101,424</u>	<u>15,757,486</u>	<u>16,949,883</u>	<u>17,284,651</u>	<u>17,742,217</u>	<u>22,810,537</u>
2,888,617	3,042,822	3,054,604	3,165,959	3,310,877	3,605,984
14,651	16,704	16,677	16,685	16,480	16,460
581,460	589,217	580,393	642,794	636,392	688,336
631,873	644,956	719,559	1,642,089	783,064	830,915
975,291	1,368,605	925,913	906,513	913,025	1,026,760
3,429,879	3,546,195	3,667,354	3,814,706	3,999,710	4,216,438
4,222,106	3,044,966	3,639,098	9,116,981	4,952,458	7,047,055
1,150,000	1,190,000	2,590,000	2,630,000	8,535,000	7,310,000
567,797	499,621	458,607	367,933	400,109	378,298
<u>14,461,674</u>	<u>13,943,086</u>	<u>15,652,205</u>	<u>22,303,660</u>	<u>23,547,115</u>	<u>25,120,246</u>
1,639,750	1,814,400	1,297,678	(5,019,009)	(5,804,898)	(2,309,709)

(Continued)

City of Springboro, Ohio

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

	2009	2010	2011	2012
Other Financing Sources (Uses):				
Gain (Loss) on Sale of Assets Held for Resale	0	93,974	(59,560)	65,954
Issuance of General Obligation Notes	0	0	0	0
Issuance of General Obligation Bonds	0	4,235,000	0	0
Refunding General Obligation Bonds	0	0	0	0
Premium on General Obligation Bonds	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0
Transfers In	4,816,392	2,589,995	5,036,406	8,258,341
Transfers Out	<u>(5,446,592)</u>	<u>(3,955,003)</u>	<u>(6,621,966)</u>	<u>(9,200,517)</u>
Total Other Financing Sources (Uses)	<u>(630,200)</u>	<u>2,963,966</u>	<u>(1,645,120)</u>	<u>(876,222)</u>
Net Change in Fund Balance	<u>(\$10,955,069)</u>	<u>\$5,105,441</u>	<u>\$257,479</u>	<u>(\$1,121,318)</u>

Debt Service as a Percentage of Noncapital Expenditures	12.33%	16.43%	16.70%	16.33%
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Source: Finance Director's Office

City of Springboro, Ohio

2013	2014	2015	2016	2017	2018
0	2,305	0	0	66,152	0
0	1,500,000	1,500,000	7,300,000	6,050,000	6,050,000
0	0	0	0	1,370,000	0
0	0	0	0	2,835,000	0
0	0	0	0	281,517	0
0	0	0	0	(2,995,367)	0
6,659,391	5,798,965	9,256,027	4,756,696	9,783,918	8,007,462
(7,767,518)	(7,062,034)	(10,305,204)	(5,717,608)	(10,794,372)	(9,169,669)
(1,108,127)	239,236	450,823	6,339,088	6,596,848	4,887,793
\$531,623	\$2,053,636	\$1,748,501	\$1,320,079	\$791,950	\$2,578,084

14.85% 15.25% 25.38% 21.51% 41.85% 45.15%

City of Springboro, Ohio

Income Tax Revenues by Source, Governmental Funds Last Ten Years

Tax year	2009	2010	2011	2012
Income Tax Rate	1.50%	1.50%	1.50%	1.50%
Estimated Personal Income	\$628,251,333	\$644,179,933	\$693,039,667	\$736,575,600
Total Tax Collected	\$9,423,770	\$9,662,699	\$10,395,595	\$11,048,634
Income Tax Receipts				
Withholding	5,955,246	5,991,024	6,497,945	6,806,365
Percentage	64%	62%	63%	61%
Corporate	690,695	818,146	979,952	1,180,319
Percentage	7%	8%	9%	11%
Individuals	2,777,829	2,853,529	2,917,698	3,061,950
Percentage	29%	30%	28%	28%
Income Tax by Business Type				
Industrial	\$1,264,935	\$1,402,155	\$1,453,710	\$1,554,758
Education/Government	473,948	425,921	477,010	471,988
Service	991,385	1,033,557	1,083,425	1,106,856
Retail	445,666	412,095	485,974	506,473
Medical	455,691	346,705	605,814	711,101
Construction	36,375	50,283	41,463	60,934
Financial	66,987	112,378	70,622	68,846
Restaurants	216,565	205,686	218,327	212,341
Miscellaneous	51,767	41,521	53,562	52,443
Total Tax	<u><u>\$4,003,319</u></u>	<u><u>\$4,030,301</u></u>	<u><u>\$4,489,907</u></u>	<u><u>\$4,745,740</u></u>

Source: City Income Tax Department

City of Springboro, Ohio

2013	2014	2015	2016	2017	2018
1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
\$783,695,333	\$785,480,333	\$871,974,733	\$889,483,000	\$896,913,411	\$930,904,133
\$11,755,430	\$11,782,205	\$13,079,621	\$13,342,245	\$13,453,701	\$13,963,562
7,193,224	7,230,191	7,823,634	8,190,693	8,524,849	9,164,882
60%	61%	60%	61%	63%	65%
1,336,470	1,297,990	1,667,142	1,492,084	1,586,724	1,327,274
11%	11%	13%	11%	12%	10%
3,225,736	3,254,024	3,588,845	3,659,468	3,342,128	3,471,406
27%	28%	27%	27%	25%	25%
\$1,584,384	\$1,650,806	\$1,338,009	\$1,808,422	\$1,598,410	\$1,572,631
474,856	473,461	503,690	567,521	594,880	627,300
1,069,197	1,021,450	1,042,193	1,185,310	1,726,385	1,790,579
509,623	541,549	577,193	594,789	482,570	433,672
835,690	859,599	892,091	952,579	1,026,144	836,998
71,349	132,315	143,715	209,099	282,007	253,745
78,547	78,268	84,375	88,990	100,869	97,217
243,657	280,816	288,359	299,355	260,038	360,140
66,008	86,090	90,104	85,586	94,000	88,471
<u>\$4,933,310</u>	<u>\$5,124,354</u>	<u>\$4,959,729</u>	<u>\$5,791,651</u>	<u>\$6,165,302</u>	<u>\$6,060,753</u>

City of Springboro, Ohio



City of Springboro

Income Tax Statistics Current Year and Nine Years Ago

Income Level	Calendar Year 2018			
	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	4,645	45.21%	\$18,514,917	2.84%
20,000 - 49,999	1,373	13.36%	46,930,324	7.19%
50,000 - 74,999	912	8.88%	56,940,865	8.72%
75,000 - 99,999	793	7.72%	68,735,210	10.53%
Over 100,000	2,551	24.83%	461,935,233	70.72%
Total	10,274	100.00%	\$653,056,549	100.00%

Local Taxes Paid by Residents	Tax Dollars
Taxes Paid to Springboro	\$3,471,406
Taxes Credited to Other Municipalities	3,156,458
	\$6,627,864

Income Level	Calendar Year 2009			
	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	2,789	37.61%	\$11,972,853	2.44%
20,000 - 49,999	1,080	14.56%	37,270,718	7.61%
50,000 - 74,999	847	11.42%	52,955,935	10.81%
75,000 - 99,999	840	11.33%	73,430,150	14.99%
Over 100,000	1,860	25.08%	314,110,833	64.15%
Total	7,416	100.00%	\$489,740,489	100.00%

Local Taxes Paid by Residents	Tax Dollars
Taxes Paid to Springboro	\$4,682,342
Taxes Credited to Other Municipalities	2,663,765
	\$7,346,107

Source: City Income Tax Department

City of Springboro, Ohio

Ratio of Outstanding Debt By Type Last Ten Years

	2009	2010	2011	2012
Governmental Activities (1)				
Special Assessment Bonds Payable	\$2,595,000	\$2,360,000	\$2,100,000	\$1,705,000
Unvoted General Obligation Bonds Payable	9,729,208	13,001,555	12,128,902	11,153,477
General Obligation Notes Payable	0	0	0	0
Business-type Activities (1)				
Mortgage Revenue Bonds Payable	\$21,329,439	\$20,329,998	\$19,165,557	\$19,042,376
General Obligation Bonds Payable	12,834,107	11,855,661	11,886,815	11,043,330
Capital Leases	282,030	223,708	161,792	96,063
Total Primary Government	<u>\$46,769,784</u>	<u>\$47,770,922</u>	<u>\$45,443,066</u>	<u>\$43,040,246</u>
Population (2)				
City of Springboro	17,871	17,409	17,409	17,409
Outstanding Debt Per Capita	\$2,617	\$2,744	\$2,610	\$2,472
Income (3)				
Personal (in thousands)	749,474	745,802	786,103	819,633
Percentage of Personal Income	6.24%	6.41%	5.78%	5.25%

Sources:

(1) Source: Finance Director's Office

(2) US Bureau of Census, Population Division

(3) US Department of Commerce, Bureau of Economic Analysis

(a) Per Capita Income is only available by County, Total Personal Income is a calculation

City of Springboro, Ohio

2013	2014	2015	2016	2017	2018
\$1,445,000	\$1,170,000	\$1,035,000	\$895,000	\$794,842	\$672,368
10,242,506	9,306,535	8,330,564	7,319,597	7,727,538	6,541,410
0	1,500,000	1,500,000	7,300,000	6,050,000	6,050,000
\$17,830,566	\$16,578,756	\$15,291,946	\$10,989,602	\$9,907,366	\$8,800,130
10,179,845	9,296,360	8,382,875	7,439,390	6,598,911	5,551,593
0	0	0	0	0	0
<u>\$39,697,917</u>	<u>\$37,851,651</u>	<u>\$34,540,385</u>	<u>\$33,943,589</u>	<u>\$31,078,657</u>	<u>\$27,615,501</u>
17,409	17,409	17,409	17,409	17,409	17,409
\$2,280	\$2,174	\$1,984	\$1,950	\$1,785	\$1,586
835,667	870,537	904,311	956,468	988,970	988,970
4.75%	4.35%	3.82%	3.55%	3.14%	2.79%

City of Springboro, Ohio

Ratios of General Bonded Debt Outstanding Last Ten Years

Year	2009	2010	2011	2012
Population (1)	17,871	17,409	17,409	17,409
Assessed Value (2)	\$455,700,530	\$461,465,512	\$464,866,000	\$450,215,740
General Bonded Debt (3)				
General Obligation Bonds	\$22,563,315	\$24,857,216	\$24,015,717	\$22,196,807
Resources Available to Pay Principal (4)	\$957,269	\$1,084,280	\$160,734	\$165,952
Net General Bonded Debt	\$21,606,046	\$23,772,936	\$23,854,983	\$22,030,855
Ratio of Net Bonded Debt to Estimated Actual Value	4.74%	5.15%	5.13%	4.89%
Net Bonded Debt per Capita	\$1,209.00	\$1,365.55	\$1,370.27	\$1,265.49

Source:

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

City of Springboro, Ohio

2013	2014	2015	2016	2017	2018
17,409	17,409	17,409	17,409	17,409	17,409
\$453,795,120	\$487,025,000	\$522,384,960	\$534,920,670	\$552,457,420	\$626,320,880
\$20,422,351	\$18,602,895	\$16,713,439	\$14,758,987	\$14,326,449	\$12,093,003
\$149,414	\$140,602	\$156,654	\$225,749	\$278,412	\$1,124,828
\$20,272,937	\$18,462,293	\$16,556,785	\$14,533,238	\$14,048,037	\$10,968,175
4.47%	3.79%	3.17%	2.72%	2.54%	1.75%
\$1,164.51	\$1,060.50	\$951.05	\$834.81	\$806.94	\$630.03

City of Springboro, Ohio



City of Springboro, Ohio

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2018*

Jurisdiction	Gross Debt Outstanding	Percentage Applicable to the City of Springboro	Amount Applicable to the City of Springboro
Direct:			
City of Springboro	\$13,263,778 (1)	100.00%	\$13,263,778
Overlapping:			
Warren County	12,835,355	8.01%	<u>1,028,112</u>
		Subtotal	<u>1,028,112</u>
		Total	<u><u>\$14,291,890</u></u>

Source: Warren County Auditor's Office

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

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

City of Springboro, Ohio

<i>Debt Limitations Last Ten Years</i>				
	2009	2010	2011	2012
Total Debt				
Net Assessed Valuation	\$455,700,530	\$461,465,512	\$464,866,000	\$450,215,740
Legal Debt Limitation (%) ⁽¹⁾	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) ⁽¹⁾	47,848,556	48,453,879	48,810,930	47,272,653
City Debt Outstanding ⁽²⁾	16,372,208	15,501,555	12,128,902	11,153,477
Less: Applicable Debt Service Fund Amounts	<u>(957,269)</u>	<u>(1,084,280)</u>	<u>(160,734)</u>	<u>(165,952)</u>
Net Indebtedness Subject to Limitation	<u>15,414,939</u>	<u>14,417,275</u>	<u>11,968,168</u>	<u>10,987,525</u>
Overall Legal Debt Margin	<u><u>\$32,433,617</u></u>	<u><u>\$34,036,604</u></u>	<u><u>\$36,842,762</u></u>	<u><u>\$36,285,128</u></u>
Unvoted Debt				
Net Assessed Valuation	\$455,700,530	\$461,465,512	\$464,866,000	\$450,215,740
Legal Debt Limitation (%) ⁽¹⁾	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) ⁽¹⁾	25,063,529	25,380,603	25,567,630	24,761,866
City Debt Outstanding ⁽²⁾	16,372,208	15,501,555	12,128,902	11,153,477
Less: Applicable Debt Service Fund Amounts	<u>(957,269)</u>	<u>(1,084,280)</u>	<u>(160,734)</u>	<u>(165,952)</u>
Net Indebtedness Subject to Limitation	<u>15,414,939</u>	<u>14,417,275</u>	<u>11,968,168</u>	<u>10,987,525</u>
Overall Legal Debt Margin	<u><u>\$9,648,590</u></u>	<u><u>\$10,963,328</u></u>	<u><u>\$13,599,462</u></u>	<u><u>\$13,774,341</u></u>

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

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

Source: Finance Director's Office

City of Springboro, Ohio

2013	2014	2015	2016	2017	2018
\$453,795,120	\$487,025,000	\$522,384,960	\$534,920,670	\$552,457,420	\$626,320,880
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
47,648,488	51,137,625	54,850,421	56,166,670	58,008,029	65,763,692
10,242,506	9,306,535	8,330,564	7,319,597	7,727,538	6,541,410
(149,414)	(140,602)	(156,654)	(225,749)	(278,412)	(1,124,828)
<u>10,093,092</u>	<u>9,165,933</u>	<u>8,173,910</u>	<u>7,093,848</u>	<u>7,449,126</u>	<u>5,416,582</u>
<u>\$37,555,396</u>	<u>\$41,971,692</u>	<u>\$46,676,511</u>	<u>\$49,072,822</u>	<u>\$50,558,903</u>	<u>\$60,347,110</u>
\$453,795,120	\$487,025,000	\$522,384,960	\$534,920,670	\$552,457,420	\$626,320,880
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
24,958,732	26,786,375	28,731,173	29,420,637	30,385,158	34,447,648
10,242,506	9,306,535	8,330,564	7,319,597	7,727,538	6,541,410
(149,414)	(140,602)	(156,654)	(225,749)	(278,412)	(1,124,828)
<u>10,093,092</u>	<u>9,165,933</u>	<u>8,173,910</u>	<u>7,093,848</u>	<u>7,449,126</u>	<u>5,416,582</u>
<u>\$14,865,640</u>	<u>\$17,620,442</u>	<u>\$20,557,263</u>	<u>\$22,326,789</u>	<u>\$22,936,032</u>	<u>\$29,031,066</u>

City of Springboro, Ohio

Pledged Revenue Coverage Last Ten Years

	2009	2010	2011	2012
Water System Bonds (1 a)				
Gross Revenues (2)	\$2,897,513	\$3,100,393	\$3,716,585	\$4,902,949
Direct Operating Expenses (3)	2,390,341	2,460,853	2,121,551	2,571,976
Net Revenue Available for Debt Service	507,172	639,540	1,595,034	2,330,973
Annual Debt Service Requirement	294,272	298,601	294,801	298,051
Coverage	1.72	2.14	5.41	7.82
Sewer System Bonds (1 b)				
Gross Revenues (2)	\$2,423,160	\$2,654,117	\$3,202,051	\$3,864,985
Direct Operating Expenses (3)	1,659,795	1,750,014	1,644,881	1,849,513
Net Revenue Available for Debt Service	763,365	904,103	1,557,170	2,015,472
Annual Debt Service Requirement	1,627,332	1,619,455	1,631,378	1,328,452
Coverage	0.47	0.56	0.95	1.52
Special Assessment Bonds (4)				
Special Assessment Collections	\$411,661	\$384,934	\$402,343	\$407,512
Debt Service				
Principal	238,000	235,000	260,000	265,000
Interest	148,330	135,728	123,295	109,318
Coverage	1.07	1.04	1.05	1.09

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

Source: City Finance Director's Office

City of Springboro, Ohio

2013	2014	2015	2016	2017	2018
\$4,478,496	\$4,649,905	\$4,610,395	\$4,788,553	\$0	\$0
2,081,257	2,021,365	2,078,527	2,283,596	0	0
2,397,239	2,628,540	2,531,868	2,504,957	0	0
295,708	297,908	294,470	855,545	0	0
8.11	8.82	8.60	2.93	N/A	N/A
\$3,964,822	\$4,169,016	\$4,270,582	\$4,363,030	\$4,462,191	\$4,629,646
1,695,235	1,764,117	1,796,455	1,891,237	2,046,382	1,868,078
2,269,587	2,404,899	2,474,127	2,471,793	2,415,809	2,761,568
1,507,344	1,510,100	1,511,038	3,857,363	1,410,200	1,406,875
1.51	1.59	1.64	0.64	1.71	1.96
\$370,615	\$400,731	\$255,278	\$249,288	\$259,067	\$195,691
260,000	275,000	135,000	140,000	125,000	115,000
88,268	73,868	60,650	53,660	42,217	24,800
1.06	1.15	1.30	1.29	1.55	1.40

City of Springboro, Ohio

Demographic and Economic Statistics Last Ten Years

Calendar Year	2009	2010	2011	2012
Population (1)				
City of Springboro (a)	17,871	17,409	17,409	17,409
Warren County	196,622	212,693	212,693	212,693
Income (2) (a)				
Total Personal (in thousands)	749,474	745,802	786,103	819,633
County Per Capita	41,938	42,840	45,155	47,081
Unemployment Rate (3)				
Federal	9.3%	9.6%	8.9%	8.1%
State	10.2%	10.1%	8.6%	7.2%
Warren County	8.8%	8.9%	7.6%	6.3%
Civilian Work Force Estimates (3)				
State	5,970,200	5,897,600	5,806,000	5,747,900
Warren County	109,300	108,300	109,200	109,100
Employment Distribution by Occupation (4)				
Industrial	2,314	2,312	2,390	2,386
Education/Government	1,195	1,100	1,122	1,096
Service	3,869	2,295	2,270	2,317
Retail	1,919	1,528	1,448	1,409
Medical	1,023	1,235	1,499	1,534
Construction	119	127	110	212
Financial	274	157	176	170
Restaurants	2,534	1,991	1,828	1,917
Miscellaneous	390	355	332	339

Sources:

- (1) US Bureau of Census of Population
 - (a) City of Springboro Community Development Department
- (2) US Department of Commerce, Bureau of Economic Analysis information is only available through 2012
for the presentation of 2014-15 statistics, the City is using the latest information available.
 - (a) Total Personal Income is a calculation based on the County's Per Capita Income, which is the only information available.
- (3) State Department of Labor Statistics
- (4) Source: City Income Tax Department

City of Springboro, Ohio

2013	2014	2015	2016	2017	2018
17,409 212,693	17,409 212,693	17,409 212,693	17,409 212,693	17,409 212,693	17,409 212,693
835,667 48,002	870,537 50,005	904,311 51,945	956,468 54,941	988,970 56,808	988,970 56,808
7.4% 7.4% 6.3%	5.4% 4.7% 3.9%	5.0% 4.6% 3.9%	4.9% 4.9% 4.1%	4.4% 5.0% 4.1%	3.9% 4.6% 3.9%
5,698,900 110,200	5,697,000 110,500	5,669,200 110,100	5,713,100 113,300	5,780,000 116,400	5,754,900 116,800
2,137 1,109 2,174 1,615 1,741 190 172 2,384 356	2,015 1,053 2,125 1,771 1,773 222 153 2,375 350	1,873 1,256 2,124 1,506 1,861 397 162 2,480 397	1,979 1,201 2,419 1,726 2,203 450 147 2,382 391	1,971 1,208 2,897 1,517 2,302 593 161 2,201 445	1,994 1,205 2,908 2,635 1,830 673 145 1,520 440

City of Springboro, Ohio



City of Springboro

*Principal Employers
Current Year and Nine Years Ago*

Employer	Nature of Business	2018		
		Number of Employees	Rank	Percentage of Total Employment
Springboro Community Schools	Education	869	1	6.51%
Dayton Childrens Hospital	Medical	659	2	4.94%
DLM Springboro, LLC	Grocery Store	370	3	2.77%
Kelchner Inc	Construction	367	4	2.75%
Hillsprings	Nursing Home	321	5	2.40%
Dayton Metro	YMCA	264	6	1.98%
Kroger	Retail	264	7	1.98%
Victory Wholesale	Industry	278	8	2.08%
City of Springboro	Government	216	9	1.62%
Hearth Grains Bakery	Industry	201	10	1.51%
Total		3,809		
Total Employment within the City		<u><u>13,350</u></u>		

Employer	Nature of Business	2009		
		Number of Employees	Rank	Percentage of Total Employment
Springboro Community Schools	Education	758	1	5.56%
Gayston Corp	Industrial	567	2	4.16%
Sourcelink Ohio, LLC	Industrial	340	3	2.49%
DLM Springboro, LLC	Grocery Store	290	4	2.13%
Hillspring Rehabilitation Center	Nursing Home	273	5	2.00%
Pioneer Automtovie Tech, Inc	Industrial	265	6	1.94%
Dayton Metro YMCA	YMCA Center	243	7	1.78%
Kroger Limited Partnership	Grocery Store	217	8	1.59%
High Concrete Group	Industrial	137	9	1.00%
Thomas and King, Inc	Restaurant	124	10	0.91%
Total		3,214		
Total Employment within the City		<u><u>13,636</u></u>		

Source: City Income Tax Department

City of Springboro, Ohio

Full Time Equivalent Employees by Function Last Ten Years

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental Activities					
General Government					
Finance	6.00	6.00	6.00	6.00	5.50
Income Tax	2.50	3.00	3.00	3.00	3.00
Mayor's Court	2.00	2.50	2.50	1.50	2.00
City Manager's Office	3.00	3.00	3.00	3.00	3.00
Computer Administration	1.00	1.50	1.00	1.00	1.00
Council/Clerk of Council	1.50	4.50	4.50	4.50	4.50
Security of Persons and Property					
Police	26.00	26.00	26.00	26.00	26.00
Dispatch	5.00	4.00	4.00	4.00	4.00
Transportation					
Street	6.50	7.75	7.25	7.25	9.50
Leisure Time Activities					
Parks and Recreation	6.25	7.25	9.50	11.00	10.00
Community Environment					
Economic Development	0.00	0.00	0.00	0.00	0.00
Engineering	2.00	3.50	3.50	3.50	2.50
Building and Zoning	5.00	2.50	2.50	2.50	3.50
Business-Type Activities					
Utilities					
Water	4.50	5.00	5.00	5.00	2.00
Sewer	1.50	1.00	1.00	1.00	1.00
Trash	1.00	0.00	0.00	0.00	0.00
Golf Operations	0.00	0.00	0.00	0.00	0.00
Golf Maintenance	11.00	10.00	8.75	9.25	9.00
<i>Total Employees</i>	<u>84.75</u>	<u>87.50</u>	<u>87.50</u>	<u>88.50</u>	<u>86.50</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, Ohio

2014	2015	2016	2017	2018
5.00	5.00	5.00	6.00	6.00
3.00	3.00	3.00	3.00	3.00
2.00	2.00	2.00	2.00	2.00
3.00	3.00	3.00	3.00	3.00
1.00	1.00	1.00	1.00	1.00
4.50	4.50	4.50	4.50	4.50
24.00	24.00	25.00	25.00	26.00
4.00	4.00	4.00	4.00	4.00
9.50	9.50	9.50	9.50	9.50
10.00	10.00	10.00	10.00	10.00
0.00	0.00	0.00	0.00	0.00
2.00	2.00	2.00	2.00	2.00
3.50	3.50	3.50	4.50	4.50
2.00	2.00	2.00	2.00	2.00
1.00	1.00	1.00	1.00	1.00
0.00	0.00	0.00	0.00	0.00
0.00	26.75	26.75	26.75	26.75
9.00	9.00	9.00	9.00	9.00
83.50	110.25	111.25	113.25	114.25

City of Springboro, Ohio

Operating Indicators by Function *Last Ten Years*

	2009	2010	2011	2012	2013
Governmental Activities					
General Government					
Court					
Number of Criminal Cases	389	424	425	364	445
Number of Traffic Cases	2,245	2,384	1,605	1,729	1,631
Number of Citations	2,376	2,773	1,943	2,005	1,915
Number of Offenses	2,612	3,037	2,170	2,253	2,178
Number of Open Cases	568	679	655	704	771
Licenses and Permits					
Number of Residential Building Permits	19	25	24	67	95
Number of Commercial Building Permits	2	3	8	6	4
Number of Residential Building Inspections	979	1,106	1,218	2,226	2,650
Number of Commercial Building Inspections	465	745	594	747	579
Security of Persons and Property					
Police					
Number of Calls for Service	18,215	18,622	17,311	18,597	16,458
Number of Criminal Arrests	747	1,104	917	807	677
Number of DUI Arrests	106	110	113	105	129
Number of Traffic Accidents	217	303	296	250	265
Transportation					
Street					
Number of Streets Resurfaced	25	4	15	5	12
Community Environment					
Number of New Jobs	97	104	121	94	115
Business-Type Activities					
Golf Course					
Number of Rounds	39,722	38,124	32,301	37,522	31,308
Water					
Number of Service Connections	7,382	7,412	7,506	7,713	7,743
Daily Average Consumption (MGD)	1.960	2.250	2.300	2,420	2,525
Peak Daily Consumption (MGD)	3.620	4.350	4.400	4,450	4,520
Sewer					
Number of Service Connections	7,566	7,608	7,734	8,211	8,241
Daily Average Sewage Treatment (MGD)	2.000	2.380	2.400	2,120	2,350
Trash					
Number of Customers Served	5,603	5,686	5,672	5,743	5,822

Source: Finance Director's Office

City of Springboro, Ohio

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
726	984	1,527	962	1,490
1,386	1,326	1,269	1,192	892
1,608	1,489	1,496	1,644	1,051
1,817	1,691	1,716	2,404	2,563
1,068	1,489	2,239	2,099	2,321
65	67	61	70	54
2	1	51	35	45
2,369	2,265	1,714	2,175	N/A
455	904	1,360	1,284	N/A
15,447	15,278	15,478	16,244	15,918
535	521	563	743	533
85	88	122	160	103
296	262	243	214	229
1	15	13	13	14
126	97	165	217	212
30,033	33,040	33,436	33,752	32,150
7,780	7,912	8,022	8,100	8,185
2,400	2,450	2,250	2,200	2,200
4,570	4,580	4,600	4,500	4,400
8,278	8,300	8,348	8,478	8,564
2,600	2,750	2,720	2,600	2,700
5,931	6,015	6,118	6,193	6,398

City of Springboro, Ohio

Capital Asset Statistics by Function *Last Ten Years*

	2009	2010	2011	2012	2013
Governmental Activities					
General Government					
Public Land and Buildings					
Land (acres)	613	610	608	594	594
Buildings	14	14	14	14	15
Licensed Vehicles	7	7	9	7	8
Library	1	1	1	1	1
Security of Persons and Property					
Police					
Stations	1	1	1	1	1
Vehicles	20	20	20	21	25
Transportation					
Street					
Number of Paved Streets	366	366	366	366	368
Total Paved Miles	91	91	91	91	91
Street Lights	117	117	117	118	118
Signal Controlled Intersections	16	16	16	17	17
Licensed Vehicles	16	16	16	18	16
Leisure Time Activities					
Parks and Recreation					
Land (acres)	232	232	232	387	495
Buildings	11	11	11	11	11
Parks	4	4	4	4	5
Playgrounds	4	4	4	4	5
Tennis Courts	4	4	4	4	4
Skate Board Park	1	1	0	0	0
Baseball/Softball Diamonds	9	9	10	10	10
Basketball Courts	2	2	2	2	2
Soccer Fields	6	6	8	8	8
Licensed Vehicles	6	6	6	4	4

City of Springboro, Ohio

	2014	2015	2016	2017	2018
592	599	600	600	619	
15	21	17	17	17	
8	8	8	8	8	
1	1	1	1	1	
1	1	1	1	1	
25	25	22	22	21	
368	371	371	371	371	
91	85	85	85	85	
118	118	118	118	118	
18	16	16	16	16	
17	17	17	18	21	
495	495	495	495	501	
11	11	11	11	11	
5	5	5	5	6	
5	5	5	5	5	
4	4	4	4	4	
0	0	0	0	0	
10	10	10	10	10	
2	2	2	2	2	
8	8	8	8	8	
4	4	3	3	3	

(Continued)

City of Springboro, Ohio

Capital Asset Statistics by Function Last Ten Years

	2009	2010	2011	2012	2013
Business-Type Activities					
Golf Course / Clubhouse					
Land (acres)	188	188	188	188	188
Buildings	11	11	11	11	11
Golf Carts	84	84	84	78	78
Licensed Vehicles	1	1	1	1	1
Utilities					
Water					
Water Towers	4	4	4	4	4
Water Treatment Plant	1	1	1	1	1
Buildings	3	3	3	3	3
Licensed Vehicles	12	12	12	12	12
Pump Stations	4	4	4	4	4
Storage Capacity (thousands of gallons)	5,100,000	5,100,000	5,100,000	5,100,000	5,100,000
Sewer					
Sewage Treatment Plant	1	1	1	1	1
Buildings	7	7	7	7	7
Licensed Vehicles	2	3	4	4	4
Lift Stations	8	8	8	8	8

Source: Finance Director's Office

City of Springboro, Ohio

2014	2015	2016	2017	2018
188	188	188	188	188
11	11	11	11	11
78	78	78	78	78
1	1	1	1	1
4	4	4	4	4
1	1	1	1	1
3	3	3	3	3
9	9	9	9	8
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
6	6	7	7	8
8	8	8	8	8

City of Springboro, Ohio

