



Dave Yost • Auditor of State

**CITY OF SPRINGBORO
WARREN COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

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

To the City Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Springboro, Warren County, Ohio (the City), as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 27, 2012, wherein we noted the City adopted the provisions of Governmental Accounting Standards Board No. 54, *Fund Balance Reporting and governmental Fund Type Definitions*. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the City's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider finding 2011-001 described in the accompanying schedule of findings to be a material weakness.

Compliance and Other Matters

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

We did note certain matters not requiring inclusion in this report that we reported to the City's management in a separate letter dated June 27, 2012.

The City's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the City's response and, accordingly, we express no opinion on it.

We intend this report solely for the information and use of management, the audit committee, city council, and others within the City. We intend it for no one other than these specified parties.

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

Dave Yost
Auditor of State

June 27, 2012

**CITY OF SPRINGBORO
WARREN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2011**

FINDING NUMBER 2011-001

Material Weakness

When designing the public office's system of internal control and the specific control activities, management should consider ensuring that accounting records are properly designed, verifying the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records, and performing analytical procedures to determine the reasonableness of financial data. The following conditions existed during 2011:

- The City used an internal agency fund to account for health insurance charges, withholdings, and payments. GAAP required the City to eliminate the internal agency fund for financial reporting purposes by allocating the assets to the appropriate funds in the basic financial statements. However, the City allocated all receipts and disbursement of the internal agency fund to the General fund, which resulted in a \$1,303,682 overstatement of the General fund *Charges For Services* revenue line item, a \$1,079,256 overstatement of the *General Government* expenditure line item, and a \$224,426 overstatement of the General fund *Fund Balance*. The City should have allocated the remaining internal agency fund balance to several governmental and business type funds that paid into the internal agency fund during the year. The adjustment to properly allocate the internal agency fund balance resulted in a \$288,176 decrease in Governmental Type Activities *Net Assets* and a \$288,176 increase in Business Type Activities *Net Assets*.
- The City incorrectly recorded prior year corrections for capital assets categories and funds as current year additions and deletions. This resulted in the transfer of an asset between two major business type funds being recorded as a \$122,600 loss on the disposal of a capital asset in the Storm Water fund. Capital asset note disclosures were also in error.

Failure to accurately report financial activity can result in inaccurate financial statements. The lack of proper management oversight could result in material misstatement relating to financial data being undetected. To improve record keeping and accountability of financial activity we recommend that the City accurately report all financial activity and develop review procedures over the reporting of City financial activity.

The City has recorded audit adjustments in the financial records and the accompanying financial statements.

Officials' Response:

The City has used an internal agency fund to account for health insurance charges, withholdings and payments, since at least 1998. For GAAP financial reporting purposes, the City has allocated all receipts and disbursements of the internal agency fund to the General Fund since 1998. The City feels that a recommendation rather than a finding would be more appropriate as this has never been addressed in any audit including previous audits performed by the Auditor of the State of Ohio's office.

The City finds it discouraging that a finding would be issued when the City chose to make corrections to prior year capital assets categories and funds when the City found they were posted incorrectly. If the City had chosen not to correct the asset category in order to have accurate records in our system, this would not be an issue. Again, the City feels that a recommendation rather than a finding would be more appropriate.

The City understands the Auditor of the State of Ohio's position, but strongly disagrees with findings issued based on adjustments made during the audit review of GAAP financial statements that have not been finalized.

**FINDING NUMBER 2011-001
(Continued)**

The City of Springboro prides itself on sound and prudent financial recordkeeping. This is evidenced by the City's cash records and management's efforts to incorporate previous audit recommendations into our processes. Your consideration of our position on this draft audit finding is appreciated.

Auditor of State's Conclusion:

The Auditor of State acknowledges the City's willingness and ability to take timely action to correct the financial statements for audit adjustments identified by the auditors. However U.S. Auditing Standards section AU Section 325.6 describe a material weakness as "a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis." In this situation, the adjustments required to avoid a material misstatement of the City's financial statement were material. Therefore we are required to classify this as a material weakness. Furthermore, AU Section 325.17 states that "Deficiencies identified during the audit that upon evaluation are considered significant deficiencies or material weaknesses . . . should be communicated, in writing, to management and those charged with governance as a part of each audit . . ."

CITY OF SPRINGBORO, OHIO

Comprehensive Annual Financial Report

For the Year Ended December 31, 2011





THE CITY OF SPRINGBORO, OHIO

WARREN COUNTY

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FOR THE YEAR ENDED
December 31, 2011

Prepared by:
Department of Finance

Robyn L. Brown
Director of Finance



CITY OF SPRINGBORO
320 West Central Avenue
Springboro, Ohio 45066
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INTRODUCTORY SECTION





CITY OF SPRINGBORO

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

phone (937) 748-4343

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June 27, 2012

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

We are pleased to present the City of Springboro (the City) Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2011. The responsibility for both the accuracy of the presented data, and the completeness and fairness of presentation, including all disclosures, rests with the management of the City, particularly the office of the Director of Finance. This report is prepared in conformance with accounting principles generally accepted in the United States of America as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources. We believe the data is fairly presented in all material aspects and that it is presented in a manner designed to set forth the financial position and results of operations of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain a reasonable understanding of the City's financial affairs have been included.

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

THE CITY

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

***Letter of Transmittal
For the Year Ended December 31, 2011***

REPORTING ENTITY AND SERVICES

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

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

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

ECONOMIC OUTLOOK

Growth and development within the City of Springboro is expected to exceed the national and state average due to the City's physical location along Interstate 75 between Cincinnati and Dayton. The United States Census Bureau officially counted population in the City of Springboro on April 1, 2010 as 17,409, an increase of 5,029 from the 2000 United States Census Bureau count. The main factor contributing to this growth over a sustained period was an abundance of available building sites offering appealing terrain, location, amenities, small town atmosphere and a low crime rate. In 2011, 24 single-family residential construction permits were issued. Projections that residential build-out would occur by now have been stalled by economic factors, but population at build-out is still projected at the 23,000 figure.

***Letter of Transmittal
For the Year Ended December 31, 2011***

Since the City annexed the SouthTechBusinessPark in 1997 and began marketing the StolzIndustrial Park and CommercialWayIndustrial Park, industrial growth in Springboro has blossomed. The City has witnessed the addition of over 682 new jobs and an additional payroll worth an estimated \$28.1 million over the past five years. With the new Austin Road Interchange at I-75 and Austin Pike opened on July 2, 2010, the City anticipates retail, commercial and office growth to occur consistently and substantially within the South Tech Business Park over many years. The addition of companies such as Renegade Materials and Dayton Children's Medical Center have already occurred and will lead the way for other opportunities in the Business Park. Mills Morgan Development Company also has plans to create a 10-12 building office development of over 400,000 sf on City owned property at the end of West Tech Blvd. in South Tech. The City has begun construction on the extension of West Tech Blvd. to accommodate the future office development.

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

MAJOR INITIATIVES

For the Year (2011):

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

Street Capital Improvements:

The City has an annual resurfacing and miscellaneous street repair program that is completed each year. Sidewalks were installed in various areas of the City as per the Mobility Master Plan. Interchange improvements continued on SR73 at I-75 which includes widening of the I-75 Bridge by ODOT to accommodate future widening of SR73. The total improvements to this interchange will be done over several years. Improvements to E Central Avenue, Gilpin Drive and South Street were completed in 2011. Improvements to Pennyroyal Road East End were completed in 2011. West Tech Roadway improvements began in 2011 and will be completed in 2012. Improvements to Factory Road began in 2011 and will be completed in 2012. Installation of a traffic signal on SR741 at the Junior High School began in 2011 and will be completed in 2012. In conjunction with an ODOT bridge widening project on South Main Street, the City began installation of a sidewalk along South Main Street, to connect the downtown area with the Junior High and High School and allow for safer pedestrian traffic. This project will be completed in 2012.

***Letter of Transmittal
For the Year Ended December 31, 2011***

Park Improvements:

Improvements to Clearcreek Park continued in 2011 due to the extensive use of the park. There were additional ball diamonds installed and the parking lot was expanded. Improvements at Gardner Park continued in 2011, which is a passive park. State grant funds were obtained for a solar project at the parks and was completed in 2011. The project allowed for solar panels to be installed on the restrooms and concession stands at the parks and is a revenue source for the City. Some improvements were also completed at North Park, installing safety surface at the playground.

Water Capital Improvements:

Water main replacement, to coincide with the street improvements on E Central Avenue, Gilpin Drive and South Street were completed in 2011. Water main replacement, in conjunction with the road improvements to Pennyroyal Road East End was completed in 2011.

Sewer Capital Improvements:

There were no sewer improvements required in 2011.

Storm Water Utility Capital Improvements:

A Stream Bank Restoration project began in 2011. This project will stabilize the bank on Clearcreek at Heatherwoode Golf Course. The erosion of this bank had become a safety issue and will be completed in 2012.

Golf Course Improvements:

Improvements at the clubhouse continued in 2011 to maintain quality standards. These improvements included replacement of kitchen equipment and purchase of new patio and deck furniture. The irrigation expansion project was completed in 2011. Bunker and tee renovations were completed in 2011.

For the Future (2012):

Street Capital Improvements:

The Mobility Master Plan was completed in 2001, which analyzed both motorized and non-motorized transportation needs and developed a capital improvement plan. The 2012 budget includes funding for \$2,778,345 of street capital improvements in various areas: \$712,875 for improvements to the west end of Pennyroyal Road, which is an Issue II project; \$814,220 is appropriated for the resurfacing of State Route 741 from State Route 73 north to the Montgomery County line, in conjunction with the Ohio Department of Transportation; \$726,250 is designated for Red Lion Five Points Road Improvements; \$500,000 for the State Route 73 / I-75 Interchange improvements; and \$25,000 for the installation of various sidewalks.

Park Improvements:

The 2012 budget includes \$30,000 designated for installation of brick pavers at the North Park Amphitheater and \$350,000 for improvements to Clearcreek Park. The improvements to Clearcreek Park include two new football/lacrosse/soccer fields, irrigation of new and existing fields and an additional playground.

***Letter of Transmittal
For the Year Ended December 31, 2011***

Water Capital Improvements:

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

Sewer Capital Improvements:

The City has developed a Sanitary Sewer Master Plan to address the sewer collection system and treatment plant needs for the next 20-years. This plan includes an analysis of the system and a Capital Improvement Program (CIP) to address these needs. No capital improvements were required in the 2012 budget.

Golf Course Improvements:

Heatherwoode Golf Course improvements for 2012 include: \$30,000 for emergency repairs; \$40,000 for the installation of greens fans; and \$40,000 for clubhouse improvements.

FINANCIAL INFORMATION

Internal Control, Budgetary Control and the Accounting System

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

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

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

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

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

***Letter of Transmittal
For the Year Ended December 31, 2011***

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

OTHER INFORMATION

Independent Audit:

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

Certificate of Achievement:

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Springboro, Ohio, for its Comprehensive Annual Financial Report for the year ended December 31, 2010. This was the twenty-second year that the government has achieved this prestigious award.

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

Acknowledgment:

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

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



Christine A. Thompson
City Manager



Robyn L. Brown
Director of Finance

CITY OF SPRINGBORO, OHIO

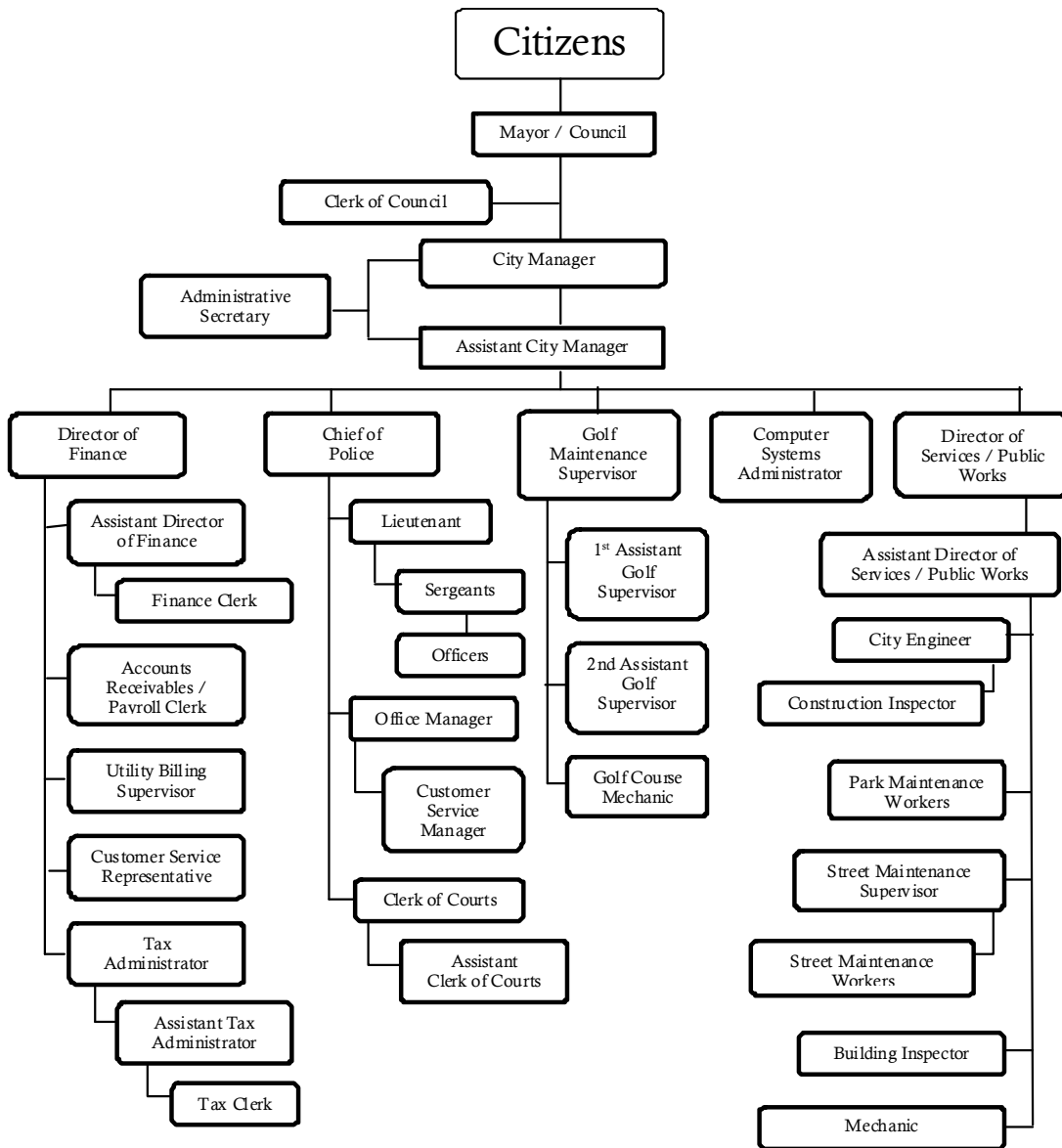
***List of Principal Officials
For the Year Ended December 31, 2011***

<i>Council</i>	<i>Title</i>	<i>Years of Service *</i>	<i>Term expires</i>
John Agenbroad	Mayor	16	December 2011
Bruce Moore	Councilman Ward I	2	December 2013
Jim Chmiel	Councilman Ward II	10	December 2013
David Vomacka	Councilman Ward III	4	December 2013
Sheila Lairson	Councilman Ward IV	6	December 2013
Marie Belpulsi	Councilman at Large	18	December 2011
Tom LaDu	Councilman at Large	8	December 2011

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

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

**City Organizational Chart
For the Year Ended December 31, 2011**



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

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, 2010

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



Linda C. Danison

President

Jeffrey R. Enner

Executive Director



FINANCIAL SECTION





Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Springboro, Warren County, Ohio (the City), as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Springboro, Warren County, Ohio, as of December 31, 2011, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparison for the General fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

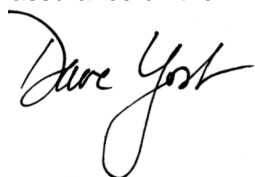
As described in Note 2, during 2011, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2012, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion* as 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 have applied certain limited procedures to

the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise 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 provide additional analysis and are not a required part of the basic financial statements. The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject 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. 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.



Dave Yost
Auditor of State

June 27, 2012

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, 2011. 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 2011 are as follows:

- ❑ In total, net assets increased \$2.7 million. Net assets of governmental activities increased \$1,096,850 which represents a 2.1% increase from 2010. Net assets of business-type activities increased \$1,620,748 or 2.8 % from 2010.
- ❑ General revenues accounted for \$11.4 million in revenue or 46.9% of all revenues. Program specific revenues in the form of charges for services and sales and grants and contributions accounted for 53.1% of total revenues of \$24.3 million.
- ❑ Total net assets of governmental activities increased by \$1,096,850 in total. This increase is primarily in increased income tax revenue and a decrease in expenses.
- ❑ The City had \$11.5 million in expenses related to governmental activities; \$2.8 million of these expenses were offset by program specific charges for services and sales, grants or contributions. General revenues (primarily taxes) of \$11.37 million were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$9.2 million in revenues and other sources and \$7.9 million in expenditures and other financing uses. The general fund's fund balance increased \$1,343,074 to \$9.3 million.
- ❑ Net assets for enterprise funds increased by \$1,620,748. This increase resulted primarily from revenues for charges for services and a decrease in expenses.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

These statements are as follows:

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

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

Government-wide Statements

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

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

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

***Management's Discussion and Analysis
For the Year Ended December 31, 2011***

Unaudited

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

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

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following table provides a summary of the City's net assets for 2011 compared to 2010:

	Governmental Activities		Business-type Activities		Total	
	2011	Restated 2010	2011	2010	2011	Restated 2010
Current and other assets	\$24,971,189	\$24,479,628	\$11,677,673	\$10,872,194	\$36,648,862	\$35,351,822
Capital assets, Net	48,493,833	48,178,373	79,893,211	81,386,808	128,387,044	129,565,181
Total assets	<u>73,465,022</u>	<u>72,658,001</u>	<u>91,570,884</u>	<u>92,259,002</u>	<u>165,035,906</u>	<u>164,917,003</u>
Long-term debt outstanding	14,504,774	15,627,330	30,540,491	32,504,554	45,045,265	48,131,884
Other liabilities	4,842,408	4,009,681	550,038	894,841	5,392,446	4,904,522
Total liabilities	<u>19,347,182</u>	<u>19,637,011</u>	<u>31,090,529</u>	<u>33,399,395</u>	<u>50,437,711</u>	<u>53,036,406</u>
Net assets						
Invested in capital assets, net of related debt	36,427,139	34,717,929	50,089,838	49,691,654	86,516,977	84,409,583
Restricted	10,242,352	11,012,761	2,356,441	2,504,293	12,598,793	13,517,054
Unrestricted	7,448,349	7,290,300	8,034,076	6,663,660	15,482,425	13,953,960
Total net assets	<u>\$54,117,840</u>	<u>\$53,020,990</u>	<u>\$60,480,355</u>	<u>\$58,859,607</u>	<u>\$114,598,195</u>	<u>\$111,880,597</u>

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CITY OF SPRINGBORO, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2011**

Unaudited

Changes in Net Assets – The following table shows the changes in net assets for 2011 compared to 2010:

	Governmental Activities		Business-type Activities		Total	
	2011	Restated 2010	2011	2010	2011	Restated 2010
Revenues						
Program Revenues:						
Charges for Services and Sales	\$739,547	\$1,883,867	\$9,716,844	\$8,854,069	\$10,456,391	\$10,737,936
Operating Grants and Contributions	938,552	991,710	0	0	938,552	991,710
Capital Grants and Contributions	1,146,666	1,293,808	360,540	485,025	1,507,206	1,778,833
Total Program Revenues	2,824,765	4,169,385	10,077,384	9,339,094	12,902,149	13,508,479
General revenues:						
Income Taxes	9,595,447	10,481,235	0	0	9,595,447	10,481,235
Property Taxes	636,375	702,808	0	0	636,375	702,808
Other Local Taxes	67,699	56,322	0	0	67,699	56,322
Payment in Lieu of Taxes	217,620	550,819	0	0	217,620	550,819
Intergovernmental, unrestricted	506,161	505,227	0	0	506,161	505,227
Investment Earnings	108,369	169,589	30,415	22,197	138,784	191,786
Miscellaneous	296,839	385,479	0	0	296,839	385,479
Gain (Loss) on Sale of Assets						
Held for Resale	(59,560)	93,974	0	0	(59,560)	93,974
Total General Revenues	11,368,950	12,945,453	30,415	22,197	11,399,365	12,967,650
Total Revenues	14,193,715	17,114,838	10,107,799	9,361,291	24,301,514	26,476,129
Program Expenses						
Security of Persons and Property	3,084,811	3,103,506	0	0	3,084,811	3,103,506
Public Health and Welfare Services	14,697	15,066	0	0	14,697	15,066
Leisure Time Activities	610,141	571,511	0	0	610,141	571,511
Community Environment	550,746	649,925	0	0	550,746	649,925
Transportation	2,269,438	2,375,477	0	0	2,269,438	2,375,477
General Government	4,309,581	4,960,892	0	0	4,309,581	4,960,892
Interest and Fiscal Charges	671,891	740,529	0	0	671,891	740,529
Golf Course	0	0	2,450,840	2,638,443	2,450,840	2,638,443
Water	0	0	3,296,748	3,641,434	3,296,748	3,641,434
Sewer	0	0	3,056,852	3,279,192	3,056,852	3,279,192
Trash	0	0	959,687	1,227,847	959,687	1,227,847
Storm Water	0	0	308,484	237,611	308,484	237,611
Total Expenses	11,511,305	12,416,906	10,072,611	11,024,527	21,583,916	23,441,433
Change in Net Assets before transfers	2,682,410	4,697,932	35,188	(1,663,236)	2,717,598	3,034,696
Transfers	(1,585,560)	(1,365,008)	1,585,560	1,365,008	0	0
Total Change in Net Assets	1,096,850	3,332,924	1,620,748	(298,228)	2,717,598	3,034,696
Beginning Net Assets, Restated	53,020,990	49,688,066	58,859,607	59,157,835	111,880,597	108,845,901
Ending Net Assets	\$54,117,840	\$53,020,990	\$60,480,355	\$58,859,607	\$114,598,195	\$111,880,597

***Management's Discussion and Analysis
For the Year Ended December 31, 2011***

Unaudited

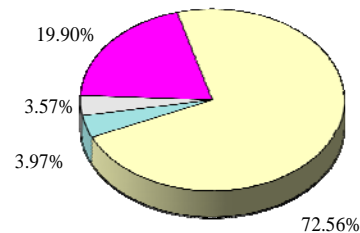
Governmental Activities

Net assets of the City's governmental activities increased by \$1,096,850. Although Net assets increased, revenues decreased by \$2.9 million in 2011 compared to 2010 and expenses and transfers decreased by \$685,049. The large decrease in revenue and the associated decrease in expense can be attributed to the elimination of insurance activity within the General Fund. Charges for services and general government expenses reflect this change. The increase was decidedly smaller than last year's \$3.3 million. Income taxes decreased on the entity wide basis due to a large delinquent balance that was accrued last year and reversed in the current year.

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

Property taxes and income taxes made up 4.5% and 67.6% respectively of revenues for governmental activities for the City in 2011. The City's reliance upon tax revenues is demonstrated by the following graph indicating 72.56% of total revenues from general tax revenues:

Revenue Sources	2011	Percent of Total
Intergovernmental, unrestricted	\$506,161	3.57%
Program Revenues	2,824,765	19.90%
General Tax Revenues	10,299,521	72.56%
General Other	563,268	3.97%
Total Revenue	\$14,193,715	100.00%



Business-Type Activities

Net assets of the business-type activities increased by \$1,620,748. This increase was the result of higher revenue collections and decreased expenses. In 2011 City Council passed legislation to increase water and sewer rates, above the annual increase, over a three year period. All funds except the Sewer and Storm Water Funds reflected lower expenses in 2011.

***Management's Discussion and Analysis
For the Year Ended December 31, 2011***

Unaudited

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$15,149,962, which is an increase from last year's restated balance of \$14,893,717. The schedule below indicates the fund balance and the total change in fund balance by fund type as of December 31, 2011 and 2010:

	Fund Balance December 31, 2011	Restated Fund Balance December 31, 2010	Increase (Decrease)
General	\$9,284,528	\$7,941,454	\$1,343,074
Debt Service	160,734	1,084,280	(923,546)
Construction (Capital Project)	1,643,710	1,837,948	(194,238)
Income Tax Capital Improvement (Capital Project)	1,230,520	1,335,116	(104,596)
Other Governmental	2,830,470	2,694,919	135,551
Total	\$15,149,962	\$14,893,717	\$256,245

General Fund – The City's General Fund balance increase is due mainly to management's efforts to maintain expenditures at a level below the amount of revenue being collected. The City saw an increase in revenue (after factoring out the change in accounting for the insurance activity, all of the charges for services) from the prior year and a decrease in expenditures from the prior year. The tables that follow assist in illustrating the financial activities and balance of the General Fund:

	2011 Revenues	2010 Revenues	Increase (Decrease)
Municipal Income Taxes	\$6,908,427	\$6,474,300	\$434,127
Property and Other Taxes	627,381	666,189	(38,808)
Intergovernmental Revenue	498,544	545,535	(46,991)
Charges for Services	0	1,325,282	(1,325,282)
Fines, Licenses and Permits	362,906	430,597	(67,691)
Investment Earnings	142,297	149,948	(7,651)
Special Assessments	28,985	39,761	(10,776)
All Other Revenue	129,778	224,547	(94,769)
Total	\$8,698,318	\$9,856,159	(\$1,157,841)

General Fund revenues increased (after factoring out the change in accounting for the insurance activity, all of the charges for services) compared with revenues in 2010. The increase is solely attributed to increased income tax collections which offset decreases in all of the other revenue categories.

CITY OF SPRINGBORO, OHIO

***Management's Discussion and Analysis
For the Year Ended December 31, 2011***

Unaudited

	2011	2010	Increase
	Expenditures	Expenditures	(Decrease)
Security of Persons and Property	\$2,735,606	\$2,786,721	(\$51,115)
Public Health and Welfare Services	14,697	15,066	(369)
Leisure Time Activities	500,822	463,880	36,942
Community Environment	531,565	608,100	(76,535)
General Government	3,116,865	4,184,041	(1,067,176)
Total	<u>\$6,899,555</u>	<u>\$8,057,808</u>	<u>(\$1,158,253)</u>

General Fund expenditures decreased by \$1,158,253 or 14.4% under the prior year mostly due to decreased costs across all functions except Leisure Time Activities. The large decrease in General Government expenditures is related the change in accounting for the City's insurance activities. City Council and staff worked together to reduce expenditures, without cutting services, because of the uncertainty of the economy during the current year.

Debt Service Fund – The Debt Service Fund balance decreased this year by \$923,546 due primarily to disbursement of funds related to a TIF project that expired in 2010.

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

Income Tax Capital Improvement Fund - The fund balance decreased \$104,596 to a balance of \$1,230,520. Higher transfer amounts were made to fund capital projects.

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

During the course of 2011 the City amended its General Fund budget several times, none significant.

For the General Fund, final budget basis revenue of \$7.85 million did not change compared to the original budget estimates. The General Fund had an adequate fund balance to cover expenditures.

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

**Management's Discussion and Analysis
For the Year Ended December 31, 2011**

Unaudited

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2011 the City had \$128,387,044 net of accumulated depreciation invested in land, improvements, infrastructure, buildings, machinery and equipment and construction in progress. Of this total, \$48,493,833 was related to governmental activities and \$79,893,211 to the business-type activities. The following table shows 2011 and 2010 balances:

	Governmental Activities		Increase (Decrease)
	2011	Restated 2010	
Land	\$15,824,213	\$15,824,213	\$0
Construction in Progress	1,183,891	1,055,504	128,387
Total Non-Depreciable Capital Assets	17,008,104	16,879,717	128,387
Improvements	1,268,432	1,160,195	108,237
Infrastructure	39,509,861	38,171,929	1,337,932
Buildings	11,311,595	11,303,595	8,000
Machinery and Equipment	3,077,574	2,888,769	188,805
Less: Accumulated Depreciation	(23,681,733)	(22,225,832)	(1,455,901)
Total Depreciable Capital Assets, Net	31,485,729	31,298,656	187,073
Totals	\$48,493,833	\$48,178,373	\$315,460

	Business-Type Activities		Increase (Decrease)
	2011	2010	
Land	\$8,685,240	\$8,685,240	\$0
Construction in Progress	18,461	476,778	(458,317)
Total Non-Depreciable Capital Assets	8,703,701	9,162,018	(458,317)
Buildings	3,693,138	3,668,638	24,500
Land Improvements	1,496,741	1,566,859	(70,118)
Infrastructure	83,578,311	82,900,648	677,663
Machinery and Equipment	2,235,742	2,231,143	4,599
Less: Accumulated Depreciation	(19,814,422)	(18,142,498)	(1,671,924)
Total Depreciable Capital Assets, Net	71,189,510	72,224,790	(1,035,280)
Totals	\$79,893,211	\$81,386,808	(\$1,493,597)

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

***Management's Discussion and Analysis
For the Year Ended December 31, 2011***

Unaudited

As of December 31, 2011, the City has contractual commitments of \$4,753,561 for various projects. Included in these projects are the E. Milo Beck Park, Pennyroyal Rd. widening and the W. Factory Roadway Improvements. Additional information on the City's capital assets can be found in Note 9.

Debt

At December 31, 2011, the City had \$44.5 million in bonds outstanding, \$3,037,655 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Governmental Activities:		
Special Assessment Bonds	\$2,100,000	\$2,360,000
General Obligation Bonds	12,128,902	13,001,555
Compensated Absences	275,872	265,775
Total Governmental Activities	<u>14,504,774</u>	<u>15,627,330</u>
Business-Type Activities:		
General Obligation Bonds	\$11,100,100	\$11,855,661
Mortgage Revenue Bonds	19,165,557	20,329,998
Capital Leases Payable	161,792	223,708
Compensated Absences	113,042	95,187
Total Business-Type Activities	<u>30,540,491</u>	<u>32,504,554</u>
Totals	<u>\$45,045,265</u>	<u>\$48,131,884</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, 2011, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 14.

ECONOMIC FACTORS

The City's budget for 2012 is very conservative. The economic conditions over the past couple years has not had a dramatic impact on the City of Springboro. We have been fortunate to have a good residential and business base and our income tax revenue has increased. The reductions in expenditures that were put into place during 2011 because of the uncertainty of the economic impact on Springboro will continue into 2012. Those reductions consisted of merit increases for employees being eliminated, as well as uniform and travel expenses being decreased. City Council wants to continue to maintain current service levels to the residents of the City, which required pursuing a way to increase revenues and/or reduce expenditures. City Council will continue to monitor the revenue stream for 2012 and if necessary, adjust expenditures accordingly.

REQUESTS FOR INFORMATION

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



CITY OF SPRINGBORO, OHIO

Statement of Net Assets
December 31, 2011

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and Cash Equivalents	\$ 2,915,588	\$ 2,096,134	\$ 5,011,722
Investments	11,203,347	5,205,268	16,408,615
Receivables:			
Taxes	863,459	0	863,459
Accounts	0	1,142,733	1,142,733
Intergovernmental	1,462,239	0	1,462,239
Interest	63,589	0	63,589
Income Taxes	1,920,193	0	1,920,193
Special Assessments	2,800,069	0	2,800,069
Inventory of Supplies at Cost	112,870	34,251	147,121
Inventory Held for Resale	0	41,630	41,630
Prepaid Items	111,341	37,743	149,084
Restricted Assets:			
Cash and Cash Equivalents	0	139,397	139,397
Cash and Cash Equivalents with Fiscal Agent	0	2,356,441	2,356,441
Assets Held for Resale	3,365,161	0	3,365,161
Non-Depreciable Capital Assets	17,008,104	8,703,701	25,711,805
Depreciable Capital Assets, Net	31,485,729	71,189,510	102,675,239
Unamortized Bond Issuance Costs	153,333	624,076	777,409
Total Assets	73,465,022	91,570,884	165,035,906
Liabilities:			
Accounts Payable	323,431	140,467	463,898
Accrued Wages and Benefits	186,567	57,366	243,933
Intergovernmental Payable	221,479	109,375	330,854
Refundable Deposits	0	139,397	139,397
Unearned Revenue	832,721	0	832,721
Accrued Interest Payable	78,210	103,433	181,643
General Obligation Notes Payable	3,200,000	0	3,200,000
Long Term Liabilities:			
Amounts Due within one year	1,192,574	1,955,602	3,148,176
Amounts Due in More Than One Year	13,312,200	28,584,889	41,897,089
Total Liabilities	19,347,182	31,090,529	50,437,711

CITY OF SPRINGBORO, OHIO

	Governmental Activities	Business-Type Activities	Total
Net Assets:			
Invested in Capital Assets, Net of Related Debt	36,427,139	50,089,838	86,516,977
Restricted For:			
Capital Projects	5,536,170	0	5,536,170
Debt Service	2,907,193	2,356,441	5,263,634
Security of Persons	241,367	0	241,367
Transportation	1,064,360	0	1,064,360
General Government	493,262	0	493,262
Unrestricted	7,448,349	8,034,076	15,482,425
Total Net Assets	<u>\$ 54,117,840</u>	<u>\$ 60,480,355</u>	<u>\$ 114,598,195</u>

See accompanying notes to the basic financial statements

CITY OF SPRINGBORO, OHIO

**Statement of Activities
For the Year Ended December 31, 2011**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Security of Persons and Property	\$ 3,084,811	\$ 49,435	\$ 53,599	\$ 0
Public Health and Welfare Services	14,697	0	0	0
Leisure Time Activities	610,141	32,481	0	77,328
Community Environment	550,746	105,801	0	0
Transportation	2,269,438	274,693	884,953	1,069,338
General Government	4,309,581	277,137	0	0
Interest and Fiscal Charges	671,891	0	0	0
Total Governmental Activities	11,511,305	739,547	938,552	1,146,666
Business-Type Activities:				
Golf Course	2,450,840	1,815,148	0	0
Water	3,296,748	3,703,654	0	134,417
Sewer	3,056,852	3,184,400	0	226,123
Trash	959,687	919,731	0	0
Storm Water	308,484	93,911	0	0
Total Business-Type Activities	10,072,611	9,716,844	0	360,540
Totals	\$ 21,583,916	\$ 10,456,391	\$ 938,552	\$ 1,507,206

General Revenues:

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

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year, Restated (See Note 2)

Net Assets End of Year

See accompanying notes to the basic financial statements

CITY OF SPRINGBORO, OHIO

Net (Expense) Revenue
and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (2,981,777)	\$ 0	\$ (2,981,777)
(14,697)	0	(14,697)
(500,332)	0	(500,332)
(444,945)	0	(444,945)
(40,454)	0	(40,454)
(4,032,444)	0	(4,032,444)
(671,891)	0	(671,891)
<u>(8,686,540)</u>	<u>0</u>	<u>(8,686,540)</u>
0	(635,692)	(635,692)
0	541,323	541,323
0	353,671	353,671
0	(39,956)	(39,956)
0	(214,573)	(214,573)
<u>0</u>	<u>4,773</u>	<u>4,773</u>
<u>(8,686,540)</u>	<u>4,773</u>	<u>(8,681,767)</u>
9,595,447	0	9,595,447
636,375	0	636,375
67,699	0	67,699
217,620	0	217,620
506,161	0	506,161
108,369	30,415	138,784
296,839	0	296,839
(59,560)	0	(59,560)
<u>(1,585,560)</u>	<u>1,585,560</u>	<u>0</u>
<u>9,783,390</u>	<u>1,615,975</u>	<u>11,399,365</u>
1,096,850	1,620,748	2,717,598
<u>53,020,990</u>	<u>58,859,607</u>	<u>111,880,597</u>
<u>\$ 54,117,840</u>	<u>\$ 60,480,355</u>	<u>\$ 114,598,195</u>

CITY OF SPRINGBORO, OHIO

**Balance Sheet
Governmental Funds
December 31, 2011**

	General	Debt Service	Construction	Income Tax Capital Improvement
Assets:				
Cash and Cash Equivalents	\$ 684,436	\$ 160,734	\$ 174,793	\$ 90,711
Investments	8,092,349	0	1,430,997	742,634
Receivables:				
Taxes	682,459	0	0	0
Intergovernmental	194,246	0	829,124	0
Interest	63,589	0	0	0
Income Taxes	1,280,129	0	0	640,064
Special Assessments	0	2,800,069	0	0
Inventory of Supplies, at Cost	13,057	0	0	0
Prepaid Items	105,576	0	0	0
Assets Held for Resale	0	0	123,229	0
Total Assets	\$ 11,115,841	\$ 2,960,803	\$ 2,558,143	\$ 1,473,409
Liabilities:				
Accounts Payable	\$ 87,676	\$ 0	\$ 85,309	\$ 0
Accrued Wages and Benefits Payable	168,821	0	0	0
Intergovernmental Payable	208,280	0	0	0
Deferred Revenue	1,366,536	2,800,069	829,124	242,889
Accrued Interest Payable	0	0	0	0
General Obligation Notes Payable	0	0	0	0
Total Liabilities	1,831,313	2,800,069	914,433	242,889
Fund Balances:				
Nonspendable	118,633	0	0	0
Restricted	0	160,734	1,643,710	1,230,520
Assigned	356,126	0	0	0
Unassigned	8,809,769	0	0	0
Total Fund Balances	9,284,528	160,734	1,643,710	1,230,520
Total Liabilities and Fund Balances	\$ 11,115,841	\$ 2,960,803	\$ 2,558,143	\$ 1,473,409

See accompanying notes to the basic financial statements

CITY OF SPRINGBORO, OHIO

Other Governmental Funds	Total Governmental Funds
\$ 1,804,914	\$ 2,915,588
937,367	11,203,347
181,000	863,459
438,869	1,462,239
0	63,589
0	1,920,193
0	2,800,069
99,813	112,870
5,765	111,341
3,241,932	3,365,161
<u>\$ 6,709,660</u>	<u>\$ 24,817,856</u>
\$ 150,446	\$ 323,431
17,746	186,567
13,199	221,479
473,199	5,711,817
24,600	24,600
3,200,000	3,200,000
<u>3,879,190</u>	<u>9,667,894</u>
105,578	224,211
3,023,352	6,058,316
0	356,126
(298,460)	8,511,309
<u>2,830,470</u>	<u>15,149,962</u>
<u>\$ 6,709,660</u>	<u>\$ 24,817,856</u>

CITY OF SPRINGBORO, OHIO

***Reconciliation Of Total Governmental Fund Balances
To Net Assets Of Governmental Activities
December 31, 2011***

Total Governmental Fund Balances \$ 15,149,962

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

Capital Assets used in governmental activities are not
resources and therefore are not reported in the funds. 48,493,833

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

Income Taxes Receivable - accrual basis	728,668
Property Taxes Receivable - accrual basis	30,738
Special Assessments Receivable - accrual basis	2,800,069
Interest Receivable - accrual basis	63,589
Grants Receivable - accrual basis	1,256,032

Total 4,879,096

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

Amounts Due Within One Year	(1,192,574)
Amounts Due in More Than One Year	(13,312,200)
Accrued Interest on Long-Term Debt	(53,610)
Bond Issuance Costs	153,333

Total (14,405,051)

Net Assets of Governmental Activities \$ 54,117,840



CITY OF SPRINGBORO, OHIO

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2011**

	General	Debt Service	Construction	Income Tax Capital Improvement
Revenues:				
Municipal Income Tax	\$ 6,908,427	\$ 0	\$ 0	\$ 3,453,698
Property and Other Taxes	627,381	0	0	0
Payment in Lieu of Taxes	0	36,681	0	0
Intergovernmental Revenues	498,544	0	509,926	0
Fines, Licenses and Permits	362,906	0	0	0
Investment Earnings	142,297	(201)	1,735	878
Special Assessments	28,985	346,331	27,027	0
Donations	0	0	0	0
All Other Revenue	129,778	0	113,105	0
Total Revenue	8,698,318	382,811	651,793	3,454,576
Expenditures:				
Current:				
Security of Persons and Property	2,735,606	0	0	0
Public Health and Welfare Services	14,697	0	0	0
Leisure Time Activities	500,822	0	0	0
Community Environment	531,565	0	0	0
Transportation	0	0	0	0
General Government	3,116,865	447,287	34,519	0
Capital Outlay	0	0	2,097,529	0
Debt Service:				
Principal Retirement	0	1,115,000	0	0
Interest and Fiscal Charges	0	653,012	0	0
Total Expenditures	6,899,555	2,215,299	2,132,048	0
Excess (Deficiency) of Revenues Over Expenditures	1,798,763	(1,832,488)	(1,480,255)	3,454,576
Other Financing Sources (Uses):				
Loss on Sale of Assets Held for Resale	0	0	0	0
Transfers In	502,926	1,411,868	2,301,612	0
Transfers Out	(957,972)	(502,926)	(1,015,595)	(3,559,172)
Total Other Financing Sources (Uses)	(455,046)	908,942	1,286,017	(3,559,172)
Net Change in Fund Balances	1,343,717	(923,546)	(194,238)	(104,596)
Fund Balances at Beginning of Year - Restated (See Note 2)				
Decrease in Inventory Reserve	7,941,454	1,084,280	1,837,948	1,335,116
	(643)	0	0	0
Fund Balances End of Year	\$ 9,284,528	\$ 160,734	\$ 1,643,710	\$ 1,230,520

See accompanying notes to the basic financial statements

CITY OF SPRINGBORO, OHIO

Other Governmental Funds	Total Governmental Funds
\$ 0	\$ 10,362,125
75,000	702,381
180,939	217,620
1,017,829	2,026,299
43,939	406,845
6,186	150,895
0	402,343
770	770
<u>329,876</u>	<u>572,759</u>
<u>1,654,539</u>	<u>14,842,037</u>
143,879	2,879,485
0	14,697
0	500,822
0	531,565
802,889	802,889
316,291	3,914,962
401,594	2,499,123
0	1,115,000
<u>27,883</u>	<u>680,895</u>
<u>1,692,536</u>	<u>12,939,438</u>
(37,997)	1,902,599
(59,560)	(59,560)
820,000	5,036,406
<u>(586,301)</u>	<u>(6,621,966)</u>
<u>174,139</u>	<u>(1,645,120)</u>
136,142	257,479
2,694,919	14,893,717
<u>(591)</u>	<u>(1,234)</u>
<u>\$ 2,830,470</u>	<u>\$ 15,149,962</u>

CITY OF SPRINGBORO, OHIO

***Reconciliation Of The Statement Of Revenues, Expenditures
And Changes In Fund Balances Of Governmental Funds
To The Statement Of Activities
For The Year Ended December 31, 2011***

Net Change in Fund Balances - Total Governmental Funds	\$ 257,479
<i>Amounts reported for governmental activities in the statement of activities are different because</i>	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	414,900
The net effect of various miscellaneous transactions involving capital assets (i.e. disposals and donations) is to increase net assets.	(99,440)
Revenues and transfers in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(588,762)
The repayment of principal of long-term debt consumes current financial resources of governmental funds, however does not have any effect on net assets.	1,119,875
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	4,129
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(11,331)</u>
<i>Change in Net Assets of Governmental Activities</i>	<u>\$ 1,096,850</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)
General Fund
For the Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal Income Tax	\$ 6,111,000	\$ 6,111,000	\$ 6,885,606	\$ 774,606
Property and Other Taxes	710,050	710,050	627,381	(82,669)
Intergovernmental Revenue	310,900	310,900	499,916	189,016
Fines, Licenses and Permits	314,237	314,237	365,468	51,231
Investment Earnings	167,660	167,660	132,192	(35,468)
Special Assessments	25,000	25,000	28,985	3,985
All Other Revenues	211,500	211,500	128,065	(83,435)
Total Revenues	<u>7,850,347</u>	<u>7,850,347</u>	<u>8,667,613</u>	<u>817,266</u>
Expenditures:				
Current:				
Security of Persons and Property	2,991,662	2,998,630	2,806,852	191,778
Public Health and Welfare Services	14,700	14,700	14,697	3
Leisure Time Activities	563,300	568,300	506,902	61,398
Community Environment	737,520	738,144	579,188	158,956
General Government	4,257,128	3,806,553	3,401,473	405,080
Total Expenditures	<u>8,564,310</u>	<u>8,126,327</u>	<u>7,309,112</u>	<u>817,215</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(713,963)	(275,980)	1,358,501	1,634,481
Other Financing Sources (Uses):				
Transfers In	135	135	502,926	502,791
Transfers Out	(643,108)	(1,308,308)	(957,972)	350,336
Total Other Financing Sources (Uses):	<u>(642,973)</u>	<u>(1,308,173)</u>	<u>(455,046)</u>	<u>853,127</u>
Net Change in Fund Balance	(1,356,936)	(1,584,153)	903,455	2,487,608
Fund Balance at Beginning of Year	7,056,630	7,056,630	7,056,630	0
Prior Year Encumbrances	381,954	381,954	381,954	0
Fund Balance at End of Year	<u>\$ 6,081,648</u>	<u>\$ 5,854,431</u>	<u>\$ 8,342,039</u>	<u>\$ 2,487,608</u>

See accompanying notes to the basic financial statements

CITY OF SPRINGBORO, OHIO

**Statement of Net Assets
Proprietary Funds
December 31, 2011**

	Business-Type Activities		
	Enterprise Funds		
	Golf Course	Water	Sewer
Assets:			
<i>Current Assets:</i>			
Cash and Cash Equivalents	\$ 276,952	\$ 305,055	\$ 452,389
Investments	0	2,356,455	2,848,813
Receivables:			
Accounts	3,281	516,622	489,357
Inventory of Supplies at Cost	34,251	0	0
Inventory Held for Resale	41,630	0	0
Prepaid Items	5,116	21,144	9,960
<i>Total Current Assets</i>	<u>361,230</u>	<u>3,199,276</u>	<u>3,800,519</u>
<i>Non Current Assets:</i>			
Restricted Assets:			
Cash and Cash Equivalents	0	139,397	0
Cash and Cash Equivalents with Fiscal Agent	0	322,944	2,033,497
Non-Depreciable Capital Assets	7,755,718	706,872	222,650
Depreciable Capital Assets, Net	2,592,500	27,612,419	33,355,170
Unamortized Bond Issuance Cost	0	134,932	489,144
<i>Total Noncurrent Assets</i>	<u>10,348,218</u>	<u>28,916,564</u>	<u>36,100,461</u>
Total Assets	<u>10,709,448</u>	<u>32,115,840</u>	<u>39,900,980</u>
Liabilities:			
<i>Current Liabilities:</i>			
Accounts Payable	26,139	13,442	28,009
Accrued Wages and Benefits	12,847	25,712	14,300
Intergovernmental Payable	12,194	83,120	10,688
Refundable Deposits	0	139,397	0
Accrued Interest Payable	6,476	36,206	60,751
Compensated Absences Payable - Current	2,556	6,275	4,982
Capital Leases - Current	65,729	0	0
General Obligation Bonds - Current	196,622	578,939	0
Mortgage Revenue Bonds - Current	0	233,993	865,448
<i>Total Current Liabilities</i>	<u>322,563</u>	<u>1,117,084</u>	<u>984,178</u>

CITY OF SPRINGBORO, OHIO

Trash	Storm Water	Total
\$ 545,080	\$ 516,658	\$ 2,096,134
0	0	5,205,268
126,161	7,312	1,142,733
0	0	34,251
0	0	41,630
1,090	433	37,743
<u>672,331</u>	<u>524,403</u>	<u>8,557,759</u>
0	0	139,397
0	0	2,356,441
0	18,461	8,703,701
0	7,629,421	71,189,510
<u>0</u>	<u>0</u>	<u>624,076</u>
<u>0</u>	<u>7,647,882</u>	<u>83,013,125</u>
<u>672,331</u>	<u>8,172,285</u>	<u>91,570,884</u>
70,318	2,559	140,467
2,366	2,141	57,366
1,815	1,558	109,375
0	0	139,397
0	0	103,433
764	294	14,871
0	0	65,729
0	0	775,561
<u>0</u>	<u>0</u>	<u>1,099,441</u>
<u>75,263</u>	<u>6,552</u>	<u>2,505,640</u>

(Continued)

CITY OF SPRINGBORO, OHIO

***Statement of Net Assets
Proprietary Funds
December 31, 2011***

	Business-Type Activities		
	Enterprise Funds		
	Golf Course	Water	Sewer
<i>Noncurrent Liabilities:</i>			
Compensated Absences Payable	14,026	46,115	29,308
Capital Leases Payable	96,063	0	0
General Obligation Bonds Payable	2,231,221	8,093,318	0
Mortgage Revenue Bonds Payable	0	1,563,953	16,502,163
<i>Total Noncurrent Liabilities</i>	<u>2,341,310</u>	<u>9,703,386</u>	<u>16,531,471</u>
Total Liabilities	<u>2,663,873</u>	<u>10,820,470</u>	<u>17,515,649</u>
Net Assets:			
Invested in Capital Assets, Net of Related Debt	7,758,583	17,984,020	16,699,353
Restricted for:			
Debt Service	0	322,944	2,033,497
Unrestricted	286,992	2,988,406	3,652,481
Total Net Assets	<u>\$ 8,045,575</u>	<u>\$ 21,295,370</u>	<u>\$ 22,385,331</u>

See accompanying notes to the basic financial statements

CITY OF SPRINGBORO, OHIO

<u>Trash</u>	<u>Storm Water</u>	<u>Total</u>
5,012	3,710	98,171
0	0	96,063
0	0	10,324,539
0	0	18,066,116
<u>5,012</u>	<u>3,710</u>	<u>28,584,889</u>
<u>80,275</u>	<u>10,262</u>	<u>31,090,529</u>
0	7,647,882	50,089,838
0	0	2,356,441
<u>592,056</u>	<u>514,141</u>	<u>8,034,076</u>
<u>\$ 592,056</u>	<u>\$ 8,162,023</u>	<u>\$ 60,480,355</u>

CITY OF SPRINGBORO, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2011**

	Business-Type Activities		
	Enterprise Funds		
	Golf Course	Water	Sewer
Operating Revenues:			
Charges for Services	\$ 1,625,870	\$ 3,691,958	\$ 3,080,119
Sales	126,268	0	0
Other Operating Revenue	63,010	11,696	104,281
Total Operating Revenues	1,815,148	3,703,654	3,184,400
Operating Expenses:			
Personal Services	985,947	747,994	413,196
Contractual Services	598,569	1,247,286	1,174,143
Materials and Supplies	193,320	126,271	57,542
Cost of Goods Sold	265,177	0	0
Depreciation	286,509	628,169	637,485
Total Operating Expenses	2,329,522	2,749,720	2,282,366
Operating Income (Loss)	(514,374)	953,934	902,034
Nonoperating Revenue (Expenses):			
Investment Earnings	0	12,931	17,651
Interest and Fiscal Charges	(121,318)	(547,028)	(774,486)
Total Nonoperating Revenues (Expenses)	(121,318)	(534,097)	(756,835)
Income (Loss) Before Transfers and Contributions	(635,692)	419,837	145,199
Transfers In	635,560	250,000	500,000
Capital Contributions - Tap in Fees	0	134,417	226,123
Change in Net Assets	(132)	804,254	871,322
Net Assets Beginning of Year, Restated (See Note 2)	8,045,707	20,491,116	21,514,009
Net Assets End of Year	\$ 8,045,575	\$ 21,295,370	\$ 22,385,331

See accompanying notes to the basic financial statements

CITY OF SPRINGBORO, OHIO

Trash	Storm Water	Total
\$ 919,711	\$ 92,774	\$ 9,410,432
0	0	126,268
20	1,137	180,144
<u>919,731</u>	<u>93,911</u>	<u>9,716,844</u>
75,580	65,840	2,288,557
868,933	89,022	3,977,953
15,174	5,992	398,299
0	0	265,177
0	147,630	1,699,793
<u>959,687</u>	<u>308,484</u>	<u>8,629,779</u>
(39,956)	(214,573)	1,087,065
(167)	0	30,415
<u>0</u>	<u>0</u>	<u>(1,442,832)</u>
<u>(167)</u>	<u>0</u>	<u>(1,412,417)</u>
(40,123)	(214,573)	(325,352)
0	200,000	1,585,560
0	0	360,540
(40,123)	(14,573)	1,620,748
<u>632,179</u>	<u>8,176,596</u>	<u>58,859,607</u>
<u>\$ 592,056</u>	<u>\$ 8,162,023</u>	<u>\$ 60,480,355</u>

CITY OF SPRINGBORO, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2011**

	Business-Type Activities		
	Enterprise Funds		
	Golf Course	Water	Sewer
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$1,752,138	\$3,566,682	\$2,970,707
Other Operating Receipts	60,147	57,657	104,281
Cash Payments for Goods and Services	(1,052,555)	(1,448,490)	(1,221,651)
Cash Payments to Employees	(982,657)	(742,851)	(411,851)
Net Cash Provided (Used) by Operating Activities	(222,927)	1,432,998	1,441,486
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers In from Other Funds	635,560	250,000	500,000
Net Cash Provided for Noncapital Financing Activities	635,560	250,000	500,000
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Cash Received from Tap-in Fees in Excess of Cost	0	134,417	226,123
Issuance of Refunding Bonds	0	0	2,040,000
Premium on Refunding Bonds	0	0	37,390
Payment to Refunded Bond Escrow Agent	0	0	(2,210,108)
Acquisition and Construction of Assets	(8,063)	(112,209)	(9,440)
Principal Paid on General Obligation Bonds	(220,000)	(585,000)	0
Principal Paid on Capital Lease	(61,916)	0	0
Principal Paid on Mortgage Revenue Bonds	0	(225,000)	(795,000)
Interest Paid on All Debt	(93,261)	(458,776)	(774,865)
Net Cash Used by Capital and Related Financing Activities	(383,240)	(1,246,568)	(1,485,900)
<u>Cash Flows from Investing Activities:</u>			
Receipt of Interest	0	9,997	14,105
Purchase of Investments	0	(251,730)	(297,948)
Sale of Investments	0	0	0
Net Cash Provided (Used) by Investing Activities	0	(241,733)	(283,843)
Net Increase in Cash and Cash Equivalents	29,393	194,697	171,743
Cash and Cash Equivalents at Beginning of Year	247,559	572,699	2,314,143
Cash and Cash Equivalents at End of Year	\$276,952	\$767,396	\$2,485,886
<u>Reconciliation of Cash and Cash Equivalents per the Balance Sheet:</u>			
Cash and Cash Equivalents	\$276,952	\$305,055	\$452,389
Restricted Cash and Cash Equivalents	0	139,397	0
Restricted Cash and Cash Equivalents with Fiscal Agent	0	322,944	2,033,497
Cash and Cash Equivalents at End of Year	\$276,952	\$767,396	\$2,485,886

CITY OF SPRINGBORO, OHIO

<u>Trash</u>	<u>Storm Water</u>	<u>Totals</u>
\$923,052	\$113,398	\$9,325,977
20	1,137	223,242
(1,203,529)	(99,913)	(5,026,138)
(74,053)	(63,455)	(2,274,867)
<u>(354,510)</u>	<u>(48,833)</u>	<u>2,248,214</u>
0	200,000	1,585,560
0	200,000	1,585,560
0	0	360,540
0	0	2,040,000
0	0	37,390
0	0	(2,210,108)
0	(58,693)	(188,405)
0	0	(805,000)
0	0	(61,916)
0	0	(1,020,000)
<u>0</u>	<u>0</u>	<u>(1,326,902)</u>
0	(58,693)	(3,174,401)
0	0	24,102
0	0	(549,678)
854,831	0	854,831
<u>854,831</u>	<u>0</u>	<u>329,255</u>
500,321	92,474	988,628
44,759	424,184	3,603,344
<u>\$545,080</u>	<u>\$516,658</u>	<u>\$4,591,972</u>
\$545,080	\$516,658	\$2,096,134
0	0	139,397
0	0	2,356,441
<u>\$545,080</u>	<u>\$516,658</u>	<u>\$4,591,972</u>

(Continued)

CITY OF SPRINGBORO, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2011**

	Business-Type Activities		
	Enterprise Funds		
	Golf Course	Water	Sewer
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	(\$514,374)	\$953,934	\$902,034
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	286,509	628,169	637,485
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	(2,863)	(125,276)	(109,412)
Decrease in Inventory	647	0	0
Increase in Inventory Held for Resale	(341)	0	0
(Increase) Decrease in Prepaid Items	2,412	3,676	607
Increase (Decrease) in Accounts Payable	1,942	(22,984)	9,363
Increase (Decrease) in Accrued Wages and Benefits	(175)	(2,768)	492
Increase (Decrease) in Intergovernmental Payable	151	(11,732)	(292)
Increase in Refundable Deposits	0	231	0
Increase in Compensated Absences	3,165	9,748	1,209
Total Adjustments	291,447	479,064	539,452
Net Cash Provided (Used) by Operating Activities	(\$222,927)	\$1,432,998	\$1,441,486

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2011, the Golf Course and Water Funds had outstanding liabilities of \$3,552 and \$26,119 respectively, for the purchase of certain capital assets.

During 2011, the fair value of investments increased by \$2,934 and \$3,546 in the Water, and Sewer Funds, respectively.

See accompanying notes to the basic financial statements

CITY OF SPRINGBORO, OHIO

<u>Trash</u>	<u>Storm Water</u>	<u>Totals</u>
(\$39,956)	(\$214,573)	\$1,087,065
0	147,630	1,699,793
3,341	20,624	(213,586)
0	0	647
0	0	(341)
772	(15)	7,452
(320,197)	(4,884)	(336,760)
72	83	(2,296)
(115)	142	(11,846)
0	0	231
1,573	2,160	17,855
<u>(314,554)</u>	<u>165,740</u>	<u>1,161,149</u>
<u>(\$354,510)</u>	<u>(\$48,833)</u>	<u>\$2,248,214</u>

CITY OF SPRINGBORO, OHIO

***Statement of Assets and Liabilities
Fiduciary Funds
December 31, 2011***

	<u>Agency Funds</u>
Assets:	
Cash and Cash Equivalents	\$ 27,238
Receivables:	
Special Assessments	<u>115,248</u>
Total Assets	<u>142,486</u>
Liabilities:	
Due to Others	121,513
Undistributed Monies	<u>20,973</u>
Total Liabilities	<u>\$ 142,486</u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

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, 2010. 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, 2011 and for the year then ended and have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

A. Reporting Entity

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting

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

Governmental Funds

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

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

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

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

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

Proprietary Funds

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

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

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

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

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

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

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

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

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

Fiduciary Funds

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements

Government-wide Financial Statements – The statement of net assets 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 Assets. These eliminations minimize the duplicating effect on assets and liabilities within the governmental and business-type activities total column. Interfund services provided and used are not eliminated in the process of consolidation.

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

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

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

D. Basis of Accounting

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

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, 2011 but which are not intended to finance 2011 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred revenue.

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.

Pursuant to GASB Statement No. 20, *"Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting,"* the City follows GASB guidance as applicable to proprietary funds, as included in business-type activities and proprietary fund statements, and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements. The City has elected not to apply FASB statements and interpretations issued after November 30, 1989 to its business-type activities and enterprise funds.

E. Budgetary Process

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

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 2011.

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 2011, several supplemental appropriations measures were necessary to budget the use of contingency funds and capital improvement projects. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual (Non-GAAP Budgetary Basis) for the General Fund is presented on the budgetary basis to provide a comparison of actual results to the final budget, including all amendments and modifications.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2011**

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 the major special revenue fund:

<u>Net Change in Fund Balance</u>	
	<u>General Fund</u>
GAAP Basis (as reported)	\$1,343,717
Increase (Decrease):	
Accrued Revenues at December 31, 2011 received during 2012	(883,671)
Accrued Revenues at December 31, 2010 received during 2011	852,966
Accrued Expenditures at December 31, 2011 paid during 2012	464,777
Accrued Expenditures at December 31, 2010 paid during 2011	(481,212)
2011 Prepays for 2012	(105,576)
2010 Prepays for 2011	117,416
Outstanding Encumbrances	(404,962)
Budget Basis	<u><u>\$903,455</u></u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Cash Equivalents

During 2011, cash and cash equivalents included amounts in demand deposits, certificates of deposit, and in U.S. Treasury Money Market accounts in US Bank and Huntington investment accounts with original maturities of less than three months.

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

G. Investments

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

H. Restricted Assets

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

I. Inventory

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

J. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2011, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Capital Assets and Depreciation

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

1. Property, Plant and Equipment - Governmental Activities

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

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

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

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

3. Depreciation

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Long-Term Obligations

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

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

M. Bond Discounts/Issuance Costs

Bond discounts and issuance costs for proprietary fund types are deferred and 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, whereas issuance costs are recorded as deferred charges.

N. Compensated Absences

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Compensated Absences (Continued)

For governmental funds, if a portion of unpaid compensated absences has matured as of year end, it is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account "Compensated Absences Payable." In the government wide statement of net assets, "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 Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. As disclosed in Note 19, the City is participating in a jointly governed organization related to the Austin Road Interchange. Once this project is completed the City will not be responsible for maintaining any infrastructure improvements, therefore any debt associated with this project is excluded from invested in capital assets net of related debt. Any unspent capital debt proceeds at year end does not reduce the City's invested in capital assets, net of debt. Net assets 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 assets are available.

P. Pensions

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

Q. Interfund Activity

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Interfund Assets/Liabilities

The City reports cash overdrafts from pooled cash and cash equivalents as an interfund loan payable in the fund with the overdraft and as an interfund loan receivable in the fund(s) designated by management. The interfund loans receivable are equally offset by a fund balance reserve account which indicates that they do not constitute available expendable resources since they are not a component of net current assets. Receivables and payables resulting from transactions between funds for services provided or goods received are classified as “due from other funds” or “due to other funds” on the balance sheet. Long-term interfund loans are classified as “advances to/from other funds.” There were no outstanding interfund loans at December 31, 2011.

S. Fund Balance

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

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

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S. Fund Balance (Continued)

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

T. Assets Held for Resale

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

U. Estimates

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

V. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Council and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2011.

**NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE – RESTATEMENT OF FUND
BALANCE/NET ASSETS**

For 2011 the City implemented GASB Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*".

Statement No. 54 provides more clearly defined categories to make the nature and extent of the constraints placed on a governments fund balances more transparent. It also clarifies the existing governmental fund type definitions. While the application of this new standard did not have an effect on total prior year fund balances, it did result in the reclassification of a special revenue fund to an agency fund. The result of the reclassification is reflected below.

CITY OF SPRINGBORO, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2011**

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE – RESTATEMENT OF FUND BALANCE/NET ASSETS (Continued)

The City also restated Governmental Activities and enterprise fund capital asset balances to correct an accounting change made in the previous year.

	Other			
	Governmental Funds	Governmental Activities	Sewer Fund	Storm Water Fund
Fund Balance/Net Assets at December 31, 2010	\$2,702,020	\$53,589,985	\$21,636,609	\$8,053,996
Fund Reclassification	(7,101)	(7,101)	0	0
Restatement of Error	0	(561,894)	(122,600)	122,600
Fund Balance/ Net Assets as Restated	<u>\$2,694,919</u>	<u>\$53,020,990</u>	<u>\$21,514,009</u>	<u>\$8,176,596</u>

NOTE 3 – FUND BALANCE CLASSIFICATION

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

Fund Balances	General	Debt Service	Construction	Income Tax Capital Improvement	Other Governmental Funds	Total Governmental Funds
Nonspendable:						
Prepaid Items	\$105,576	\$0	\$0	\$0	\$5,765	\$111,341
Supplies Inventory	13,057	0	0	0	99,813	112,870
Total Nonspendable	<u>118,633</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>105,578</u>	<u>224,211</u>
Restricted:						
Transportation Projects	0	0	0	0	695,614	695,614
Court Projects	0	0	0	0	178,064	178,064
Law Enforcement	0	0	0	0	241,367	241,367
TIF Project	0	0	0	0	318,380	318,380
Debt Service	0	160,734	0	0	0	160,734
Capital Improvements	0	0	1,643,710	1,230,520	1,589,927	4,464,157
Total Restricted	<u>0</u>	<u>160,734</u>	<u>1,643,710</u>	<u>1,230,520</u>	<u>3,023,352</u>	<u>6,058,316</u>
Assigned:						
Encumbrances	356,126	0	0	0	0	356,126
Total Assigned	<u>356,126</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>356,126</u>
Unassigned	8,809,769	0	0	0	(298,460)	8,511,309
Total Fund Balances	<u>\$9,284,528</u>	<u>\$160,734</u>	<u>\$1,643,710</u>	<u>\$1,230,520</u>	<u>\$2,830,470</u>	<u>\$15,149,962</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

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 assets of governmental activities as reported in the government – wide statement of activities. The following is a detailed listing of those reconciling items that are net adjustments or a combination of several transactions:

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

Capital Outlay	\$2,184,269
Depreciation Expense	<u>(1,769,369)</u>
	\$414,900

Net effect of capital asset transactions:

Loss on Disposal of Capital Asset	(\$99,440)
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Governmental revenues not reported in the funds:

Decrease in Delinquent Income Tax Revenue	(\$766,678)
Increase in Delinquent Property Tax	1,693
Increase in Intergovernmental, unrestricted	543,698
Decrease in Investment Earnings	(42,526)
Decrease in Special Assessment Revenue	<u>(324,949)</u>
	(\$588,762)

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

General Obligation Bond Principal Payment	\$855,000
Special Assessment Bond Principal Payment	260,000
Amortization of Premium on Refunding Bonds	20,971
Amortization of Deferred Loss on Defeasance	(3,318)
Amortization of Bond Issuance Costs	<u>(12,778)</u>
	\$1,119,875

Expenses not requiring the use of current financial resources:

Increase in Compensated Absences Payable	(\$10,097)
Decrease in supplies inventory	<u>(1,234)</u>
	(\$11,331)

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2011**

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

A. Deposits

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

At year end the carrying amount of the City's deposits was \$7,828,355 and the bank balance was \$8,656,236. Federal deposit insurance covered \$6,186,938 of the bank balance and \$2,469,298 was uninsured. Of the remaining uninsured bank balance, the City was exposed to custodial risk as follows:

	<u>Balance</u>
Uninsured and collateralized with securities held by the pledging institution's trust department not in the City's name	<u>\$2,469,298</u>
Total Balance	<u><u>\$2,469,298</u></u>

B. Investments

The City's investments at December 31, 2011 were as follows:

	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Investment Maturities (in Years)</u>	
			<u>less than 1</u>	<u>1-3</u>
FHLB	\$3,651,310	Aaa, AA+	\$1,002,082	\$2,649,228
FHLMC	2,545,826	Aaa, AA+	452,660	2,093,166
FNMA	4,959,600	Aaa, AA+	577,241	4,382,359
FFCB	1,064,927	Aaa, AA+	799,871	265,056
FHLB Discount Notes	1,084,953	Aaa, AA+	1,084,953	0
US Treasury Notes	451,999	P-1, A-1+	451,999	0
Total Investments	<u><u>\$13,758,615</u></u>		<u><u>\$4,368,806</u></u>	<u><u>\$9,389,809</u></u>

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

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

B. Investments (Continued)

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

Concentration of Credit Risk – The City places no limit on the amount the City may invest in one issuer. Of the City's total investments 26.6% are FHLB, 18.5% are FHLMC, 36% are FNMA, 7.7% are FFCB, 7.9% are FHLB Discount Notes and 3.3% are US Treasury Notes.

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

NOTE 6 - TAXES

A. Property Taxes

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Property tax revenue received during 2011 for real and public utility property taxes represents collections of 2010 taxes. Property tax payments received during 2011 for tangible personal property (other than public utility property) is for 2011 taxes.

2011 real property taxes are levied after October 1, 2011, on assessed value as of January 1, 2011, the lien date. Assessed values are established by State law at 35 percent of the appraised value. 2011 real property taxes are collected in and intended to finance 2011.

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. 2011 public utility property taxes became a lien December 31, 2010, are levied after October 1, 2011, and are collected in 2011 with real property taxes.

Tangible personal property tax revenue received during 2011 (other than public utility property tax) represents the collection of 2011 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 2011 were levied after October 1, 2010, on the value as of December 31, 2010.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 6 – TAXES (Continued)

A. Property Taxes (Continued)

The full tax rate for all City operations for the year ended December 31, 2011, was \$1.11 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2011 property tax receipts were based are as follows: \$456,996,510 in real property assessed value and \$7,869,490 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 2011, the due dates were February 19 and July 15.

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

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

Property taxes receivable represents real property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2011 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 revenue since the current taxes were not levied to finance 2011 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.

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 2011 was \$9,595,447.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 7 - RECEIVABLES

Receivables at December 31, 2011 consisted of income taxes, property taxes, accounts, interest, special assessments and intergovernmental receivables arising from shared revenues. All receivables are considered collectible in full.

NOTE 8 - TRANSFERS

Following is a summary of transfers in and out for all funds for 2011:

Fund	Transfer In	Transfer Out
General Fund	\$502,926	\$957,972
Debt Service Fund	1,411,868	502,926
Construction Fund	2,301,612	1,015,595
Income Tax Capital Improvement Fund	0	3,559,172
Other Governmental Funds	820,000	586,301
Total Governmental Funds	<u>5,036,406</u>	<u>6,621,966</u>
Golf Course Fund	635,560	0
Water Fund	250,000	0
Sewer Fund	500,000	0
Storm Water Fund	200,000	0
Total Proprietary Funds	<u>1,585,560</u>	<u>0</u>
Totals	<u>\$6,621,966</u>	<u>\$6,621,966</u>

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

Transfers out of the Income Tax Capital Improvement Fund to the Construction Fund, Golf Course Fund, Water and Sewer Funds were for capital improvements and/or debt service on capital improvements within each of those funds. Transfers out of the General Fund: to the Other Governmental Funds was to cover street maintenance and the DARE program; to Debt Service Funds was for the General Fund's share of the debt service for outstanding debt; and to the Land Acquisition Fund for services related to debt service for that fund. The transfer from the Debt Service Fund to the General Fund was made to return monies from an expiring TIF project.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2011**

NOTE 9 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2011:

<i>Historical Cost:</i>	Restated Balance at December 31, 2010	Additions	Deletions	Balance at December 31, 2011
Class				
<i>Non-depreciable Capital assets:</i>				
Land	\$15,824,213	\$0	\$0	\$15,824,213
Construction in Progress	1,055,504	136,387	(8,000)	1,183,891
Total Non-depreciable Capital assets	<u>16,879,717</u>	<u>136,387</u>	<u>(8,000)</u>	<u>17,008,104</u>
<i>Capital assets being depreciated:</i>				
Improvements	1,160,195	162,125	(53,888)	1,268,432
Infrastructure	38,171,929	1,526,086	(188,154)	39,509,861
Buildings	11,303,595	8,000	0	11,311,595
Machinery and Equipment	2,888,769	359,671	(170,866)	3,077,574
Total Depreciable Capital assets	<u>53,524,488</u>	<u>2,055,882</u>	<u>(412,908)</u>	<u>55,167,462</u>
Total Cost	<u>\$70,404,205</u>	<u>\$2,192,269</u>	<u>(\$420,908)</u>	<u>\$72,175,566</u>
<i>Accumulated Depreciation:</i>				
Class	Balance at December 31, 2010	Additions	Deletions	Balance at December 31, 2011
Improvements	(\$392,865)	(\$19,118)	\$53,888	(\$358,095)
Infrastructure	(18,511,777)	(1,361,549)	123,475	(19,749,851)
Buildings	(1,223,842)	(163,688)	0	(1,387,530)
Machinery and Equipment	(2,097,348)	(225,014)	136,105	(2,186,257)
Total Depreciation	<u>(\$22,225,832)</u>	<u>(\$1,769,369) *</u>	<u>\$313,468</u>	<u>(\$23,681,733)</u>
<i>Net Value:</i>	<u>\$48,178,373</u>			<u>\$48,493,833</u>

* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	(\$120,365)
Leisure Time Activities	(85,854)
Community Environment	(8,809)
Transportation	(1,434,431)
General Government	<u>(119,910)</u>
Total Depreciation Expense	<u>(\$1,769,369)</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2011**

NOTE 9 - CAPITAL ASSETS (Continued)

B. Business-Type Activities Capital Assets

Summary by Category at December 31, 2011:

<i>Historical Cost:</i>	Balance at December 31, 2010	Additions	Deletions	Balance at December 31, 2011
Class				
<i>Non-depreciable Capital assets:</i>				
Land	\$8,685,240	\$0	\$0	\$8,685,240
Construction in Progress	476,778	0	(458,317)	18,461
Total Non-depreciable Capital Assets	<u>9,162,018</u>	<u>0</u>	<u>(458,317)</u>	<u>8,703,701</u>
<i>Capital assets being depreciated:</i>				
Buildings	3,668,638	24,500	0	3,693,138
Land Improvements	1,566,859	0	(70,118)	1,496,741
Infrastructure	82,900,648	689,663	(12,000)	83,578,311
Machinery and Equipment	2,231,143	28,684	(24,085)	2,235,742
Total Depreciable Capital assets	<u>90,367,288</u>	<u>742,847</u>	<u>(106,203)</u>	<u>91,003,932</u>
Total Cost	<u>\$99,529,306</u>	<u>\$742,847</u>	<u>(\$564,520)</u>	<u>\$99,707,633</u>
<i>Accumulated Depreciation:</i>				
Class	Balance at December 31, 2010	Additions	Deletions	Balance at December 31, 2011
Buildings	(\$1,529,089)	(\$107,864)	\$0	(\$1,636,953)
Land Improvements	(1,001,722)	(95,756)	0	(1,097,478)
Infrastructure	(14,008,571)	(1,309,542)	5,293	(15,312,820)
Machinery and Equipment	(1,603,116)	(186,631)	22,576	(1,767,171)
Total Depreciation	<u>(\$18,142,498)</u>	<u>(\$1,699,793)</u>	<u>\$27,869</u>	<u>(\$19,814,422)</u>
<i>Net Value:</i>	<u>\$81,386,808</u>			<u>\$79,893,211</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 10 – DEFINED BENEFIT PENSION PLANS

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

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

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

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

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

The ORC provides statutory authority for employee and employer contributions. For 2011, employee and employer contribution rates were consistent across all three plans (TP, MD and CO). The employee contribution rate is 10.0%. The 2011 employer contribution rate for local government employer units was 14.00%, of covered payroll which is the maximum contribution rate set by State statutes. Employer contribution rates are actuarially determined. A portion of the City’s contribution is used to fund pension obligations with the remainder being used to fund health care benefits. The portion of employer contributions allocated to pension obligations for members in the Traditional Plan was 10.0% for calendar year 2011. The portion of employer contributions allocated to pension obligations for members in the Combined Plan was 7.95% for calendar year 2011. The contribution requirements of plan members and the City are established and may be amended by the OPERS Board. The City’s required contributions for pension obligations to OPERS for the years ending December 31, 2011, 2010, and 2009 were \$286,013, \$242,739 and \$218,071, respectively, which were equal to the required contributions for each year.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% for police officers. A portion of the City’s contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for 2011, 12.75% of annual covered salary for police were the portions used to fund pension obligations. The City's contributions for pension obligations to the OP&F Fund for the years ending December 31, 2011, 2010, and 2009 were \$205,571, \$193,323 and \$187,338 for police, respectively, which were equal to the required contributions for each year.

NOTE 11 - POSTEMPLOYMENT BENEFITS

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

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)

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

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to OPERS, Attention: Finance Director, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

Funding Policy – The ORC provides the statutory authority requiring public employers to fund post retirement health care coverage through their contributions to OPERS. A portion of each employer’s contribution to OPERS is set aside for the funding of post retirement health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2011, local government employers contributed at a rate of 14.00% of covered payroll. The ORC currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for local government employers. Active members do not make contributions to the OPEB plan.

The OPERS Postemployment Health Care plan was established under, and is administered in accordance with Internal Revenue Code 401(h). Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of postemployment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.0% for calendar year 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05% for calendar year 2011. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions for health care to the OPERS for the years ending December 31, 2011, 2010, and 2009 were \$114,405, \$138,384 and \$157,702, respectively, which were equal to the required contributions for each year.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates for state and local employers increased on January 1 of each year from 2006 to 2008. Rates for law and public safety employers increased over a six year period beginning on January 1, 2006 with a final rate increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)

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

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

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2011, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees’ primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h). The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions for health care to the OP&F for the years ending December 31, 2011, 2010, and 2009 were \$108,831, \$102,347 and \$99,179 for police, respectively, which were equal to the required contributions for each year.

CITY OF SPRINGBORO, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2011**

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, 2011, the City's accumulated, unpaid compensated absences amounted to \$388,914, of which \$275,872 is recorded as a liability of the Governmental Activities and \$113,042 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 Assets.

NOTE 13 - NOTES PAYABLE

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

General Obligation Notes:	Balance December 31, 2010	Issued	(Retired)	Balance December 31, 2011
Land Acquisition Fund:				
1.50% Real Estate Acquisition	\$2,500,000	\$0	(\$2,500,000)	\$0
2.00% Real Estate Acquisition	0	2,000,000	0	2,000,000
South Tech Public				
Improvement TIF Fund:				
2.00% Street Improvement B.A.N.	0	1,200,000	0	1,200,000
Total General Obligation Notes	\$2,500,000	\$3,200,000	(\$2,500,000)	\$3,200,000

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CITY OF SPRINGBORO, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2011**

NOTE 14 - LONG-TERM OBLIGATIONS

Long-term debt and other long-term obligations of the City at December 31, 2011 were as follows:

		Balance December 31, 2010	Issued	(Retired)	Balance December 31, 2011	Amount Due Within One Year
Business Type-Activities:						
General Obligation Bonds:						
1.0 - 3.65% Golf Course Refunding	2010	\$2,960,000	\$0	(\$220,000)	\$2,740,000	\$225,000
Deferred Loss on Defeasance	2010	(340,535)	0	28,378	(312,157)	(28,378)
3.0 - 5.0% Water Capital Refunding Bond	2008	9,510,000	0	(585,000)	8,925,000	600,000
Premium on Refunding Bond	2008	240,300	0	(18,485)	221,815	18,485
Deferred Loss on Defeasance	2008	(514,104)	0	39,546	(474,558)	(39,546)
Total General Obligation Bonds		<u>11,855,661</u>	<u>0</u>	<u>(755,561)</u>	<u>11,100,100</u>	<u>775,561</u>
Mortgage Revenue Bonds:						
2.00 - 4.00% Waterworks Improvement Refunding	2004	2,030,000	0	(225,000)	1,805,000	235,000
2.00 - 4.00% Discount on Waterworks Refunding	2004	(8,061)	0	1,007	(7,054)	(1,007)
4.00 - 5.70% Sewer Refunding	1997	2,415,000	0	(2,415,000)	0	0
1.50 - 2.50% Sewer Refunding - 1997 Issue	2011	0	2,040,000	0	2,040,000	280,000
2.00 - 5.00% Sewer	2004	15,525,000	0	(545,000)	14,980,000	565,000
2.00 - 5.00% Premium on Sewer Bond	2004	368,059	0	(20,448)	347,611	20,448
Total Mortgage Revenue Bonds		<u>20,329,998</u>	<u>2,040,000</u>	<u>(3,204,441)</u>	<u>19,165,557</u>	<u>1,099,441</u>
Compensated Absences Payable		95,187	113,042	(95,187)	113,042	14,871
Capital Leases Payable		<u>223,708</u>	<u>0</u>	<u>(61,916)</u>	<u>161,792</u>	<u>65,729</u>
Total Business-Type Activity Long-Term Liabilities		<u>\$32,504,554</u>	<u>\$2,153,042</u>	<u>(\$4,117,105)</u>	<u>\$30,540,491</u>	<u>\$1,955,602</u>

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CITY OF SPRINGBORO, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2011**

NOTE 14 - LONG-TERM OBLIGATIONS (Continued)

		Balance December 31, 2010	Issued	(Retired)	Balance December 31, 2011	Amount Due Within One Year
Governmental Activities:						
Special Assessment Bonds:						
5.500% Various Purpose	1993	\$280,000	\$0	(\$65,000)	\$215,000	\$70,000
5.500% Various Purpose	1994	110,000	0	(25,000)	85,000	25,000
4.200 - 6.350% Pioneer Blvd. North	1994	150,000	0	(35,000)	115,000	35,000
4.200 - 5.600% Commercial Way	1997	270,000	0	(35,000)	235,000	35,000
6.750% N. Pioneer Blvd.	1998	170,000	0	(20,000)	150,000	20,000
1.500 - 5.350% Various Purpose	2003	1,380,000	0	(80,000)	1,300,000	80,000
Total Special Assessment Bonds (with Governmental Commitment)		<u>2,360,000</u>	<u>0</u>	<u>(260,000)</u>	<u>2,100,000</u>	<u>265,000</u>
Unvoted General Obligation Bonds:						
4.500 - 6.000% South Main St. Improvement	1997	110,000	0	(15,000)	95,000	15,000
3.900 - 5.375% Various Purpose	1999	120,000	0	(10,000)	110,000	10,000
3.000 - 5.000% Street Paving Projects	2008	815,000	0	(90,000)	725,000	95,000
3.000 - 5.000% Street Reconstruction	2008	2,450,000	0	(275,000)	2,175,000	280,000
3.000 - 5.000% Municipal Building	2008	4,420,000	0	(270,000)	4,150,000	280,000
3.000 - 5.000% Refunding Bonds	2008	670,000	0	(75,000)	595,000	80,000
2.000 - 5.000% Austin Road Interchange Bonds	2010	4,235,000	0	(120,000)	4,115,000	120,000
Premium on Bonds		210,419	0	(20,971)	189,448	20,971
Deferred Loss on Defeasance		(28,864)	0	3,318	(25,546)	(3,318)
Total General Obligation Bonds		<u>13,001,555</u>	<u>0</u>	<u>(872,653)</u>	<u>12,128,902</u>	<u>897,653</u>
Compensated Absences Payable		<u>265,775</u>	<u>275,872</u>	<u>(265,775)</u>	<u>275,872</u>	<u>29,921</u>
Total Governmental Activity Long-Term Liabilities		<u>\$15,627,330</u>	<u>\$275,872</u>	<u>(\$1,398,428)</u>	<u>\$14,504,774</u>	<u>\$1,192,574</u>

The principal amount of the City's special assessment bonds outstanding at December 31, 2011, \$2,100,000, 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 \$32,406.

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2011**

NOTE 14 - LONG-TERM OBLIGATIONS (Continued)

A. Future Long-Term Financing Requirements

The City's future long-term obligation funding requirements, including principal and interest payments as of December 31, 2011, follow:

Years	General Obligation Bonds			
	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2012	\$880,000	\$485,386	\$825,000	\$449,135
2013	905,000	459,518	845,000	427,198
2014	925,000	430,322	865,000	403,110
2015	970,000	397,455	895,000	378,372
2016	1,005,000	360,827	925,000	349,938
2017-2021	3,750,000	1,215,303	5,200,000	1,169,070
2022-2026	1,805,000	565,855	2,110,000	134,378
2027-2031	1,175,000	286,875	0	0
2032-2033	550,000	37,350	0	0
Totals	\$11,965,000	\$4,238,891	\$11,665,000	\$3,311,201

Years	Special Assessment Bonds		Mortgage Revenue Bonds	
	Principal	Interest	Principal	Interest
2012	\$265,000	\$109,318	\$1,080,000	\$777,951
2013	280,000	95,032	1,105,000	744,202
2014	295,000	79,613	1,140,000	709,858
2015	155,000	65,365	1,175,000	673,257
2016	160,000	57,335	1,210,000	632,020
2017-2021	670,000	170,958	4,920,000	2,471,323
2022-2026	275,000	22,203	4,750,000	1,405,063
2027-2031	0	0	3,445,000	234,094
Totals	\$2,100,000	\$599,824	\$18,825,000	\$7,647,768

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, 2011, \$4,055,000 of bonds outstanding are considered defeased.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 14 - LONG-TERM OBLIGATIONS (Continued)

B. Defeased Debt (Continued)

In September 2008, the City partially refunded \$515,000 of General Obligation Bonds for Various Purpose 1999, through the issuance of \$535,000 of General Obligation Bonds. The refunded bonds, which have an outstanding balance of \$430,000 at December 31, 2011, are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

In September 2008, the City refunded \$235,000 of General Obligation Bonds for St. Rte. 741 Improvements 1996, through the issuance of \$240,000 of General Obligation Bonds. The refunded bonds, which have an outstanding balance of \$160,000 at December 31, 2011, 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 \$9,000,000 at December 31, 2011, are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

In March 2010, the City refunded \$3,060,000 of General Obligation Bonds for Golf Course Refunding 1999, through the issuance of \$3,200,000 of General Obligation Bonds. The net proceeds of the 2010 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States Government and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$2,710,000 at December 31, 2011, are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2011**

NOTE 15 - CAPITAL LEASE COMMITMENTS

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

The following is a schedule of the future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of December 31, 2011.

Year Ending December 31,	Business Type
2012	\$73,617
2013	97,423
Minimum Lease Payments	171,040
Less: Amount representing interest at the City's incremental borrowing rate of interest	(9,248)
Present value of minimum lease payments	<u>\$161,792</u>

NOTE 16 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. During 2011 the City contracted with several different insurance providers for various insurance coverages, as follows:

Type of Coverage	Liability Limits	Deductible
Property	\$74,034,533	\$1,000
Crime	250,000	1,000
Inland Marine	3,209,665	1,000
General Liability	10,000,000	0
Employee Benefits Liability	10,000,000	0
Employers Liability	10,000,000	0
Automobile Liability	10,000,000	0
Public Officials Liability	10,000,000	2,500
Police Liability	10,000,000	2,500
Employment Practices Liability	10,000,000	2,500

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 16 - RISK MANAGEMENT (Continued)

For the year 2011, the City participated in the Ohio Municipal League of Ohio Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (see Note 18). The intent of the GRP is to achieve the benefit of a reduced premium for the City by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating cities is calculated as one experience and a common premium rate is applied to all cities in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to cities that can meet the GRP's selection criteria. The firm of Comp. Management, Inc. provides administrative, cost control and actuarial services to the GRP.

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

NOTE 17 - CONTRACTUAL COMMITMENTS

As of December 31, 2011, the City had the following significant contractual commitments:

<u>Project</u>	<u>Remaining Contractual Commitment</u>
E. Milo Beck Park	\$1,103,755
W. Factory Rd. Roadway Improvements	1,020,775
Pennyroyal Rd. Widening/Improvements	795,720
West Tech Road Extension	718,647
Tamarack Hills Water Main Replacement	543,070
SR 73/I-75 Interchange Improvements	243,800
Gardner Park Improvements	192,044
Heston Dr. Water Main Replacement	135,750
Total	<u><u>\$4,753,561</u></u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 18 – GROUP PURCHASING POOL

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

NOTE 19 – JOINTLY GOVERNED ORGANIZATIONS

During 2011, the City participated in the Warren County General Health District, the Greater Warren Drug Task Force, Miami Valley Regional Planning Commission and the Montgomery County Transportation Improvement District, jointly governed organizations. The following describes the relationship between these organizations and the City:

Warren County General Health District

The Warren County General Health District (the District) provides health services to the citizens within the County. The District, which consists of a representative from each of the participating governments, including the City, oversees the operation of the District. The amount the City contributed during 2011 for the operation of the District was minimal. The City does not have any financial interest in or responsibility for the District. The County Commissioners serve as the taxing authority, and the County Auditor and County Treasurer serve as the fiscal officers. Financial information may be obtained from Kathy Stephenson at the Warren County General Health District, 416 S. East Street, Lebanon, Ohio 45036.

The Greater Warren County Drug Task Force

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 19 – JOINTLY GOVERNED ORGANIZATIONS (Continued)

Miami Valley Regional Planning Commission

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

Montgomery County Transportation Improvement District

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2011***

NOTE 20 – RELATED ORGANIZATION

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

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

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

NOTE 21 – FUND DEFICIT

The fund deficit at December 31, 2011 of \$298,460 in the South Tech Public Improvement TIF Fund (special revenue fund), is the result of recording notes payable and accruals in the individual fund balance sheet. The General Fund provides transfers, upon City Council's approval when cash is required not when accruals occur.



*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Street Maintenance and Repair Fund

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

State Highway Fund

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

Permissive Use Tax Fund

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

Motor Vehicle License Tax Fund

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

Community Oriented Policing Service (COPS) Grant Fund

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

Drug Law Enforcement Fund

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

Mayor's Court Improvement Fund

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

Special Revenue Funds

Austin Center Municipal Public Improvement TIF Fund

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

South Tech Public Improvement TIF Fund

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

Law Enforcement Trust Fund

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

D.A.R.E. Trust Fund

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

Capital Projects Fund

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

Permanent Improvement Fund

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

Land Acquisition Fund

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

CITY OF SPRINGBORO, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2011**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:			
Cash and Cash Equivalents	\$ 1,409,307	\$ 361,455	\$ 1,770,762
Investments	937,367	0	937,367
Receivables:			
Taxes	181,000	0	181,000
Intergovernmental	438,869	0	438,869
Inventory of Supplies, at Cost	99,813	0	99,813
Prepaid Items	5,765	0	5,765
Assets Held for Resale	0	3,241,932	3,241,932
Total Assets	\$ 3,072,121	\$ 3,603,387	\$ 6,675,508
Liabilities:			
Accounts Payable	\$ 143,986	\$ 6,460	\$ 150,446
Accrued Wages and Benefits Payable	17,746	0	17,746
Intergovernmental Payable	13,199	0	13,199
Deferred Revenue	473,199	0	473,199
Accrued Interest Payable	17,600	7,000	24,600
General Obligation Notes Payable	1,200,000	2,000,000	3,200,000
Total Liabilities	1,865,730	2,013,460	3,879,190
Fund Balances:			
Nonspendable	105,578	0	105,578
Restricted	1,399,273	1,589,927	2,989,200
Unassigned	(298,460)	0	(298,460)
Total Fund Balances	1,206,391	1,589,927	2,796,318
Total Liabilities and Fund Balances	\$ 3,072,121	\$ 3,603,387	\$ 6,675,508

CITY OF SPRINGBORO, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2011***

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Property and Other Taxes	\$ 0	\$ 75,000	\$ 75,000
Payment in Lieu of Taxes	180,939	0	180,939
Intergovernmental Revenues	940,501	77,328	1,017,829
Fines, Licenses and Permits	20,927	23,012	43,939
Investment Earnings	6,186	0	6,186
Donations	770	0	770
All Other Revenue	320,407	9,469	329,876
Total Revenue	<u>1,469,730</u>	<u>184,809</u>	<u>1,654,539</u>
Expenditures:			
Current:			
Security of Persons and Property	151,928	0	151,928
Transportation	828,992	0	828,992
General Government	316,033	258	316,291
Capital Outlay	0	401,594	401,594
Debt Service:			
Interest and Fiscal Charges	11,685	16,198	27,883
Total Expenditures	<u>1,308,638</u>	<u>418,050</u>	<u>1,726,688</u>
Excess (Deficiency) of Revenues Over Expenditures	161,092	(233,241)	(72,149)
Other Financing Sources (Uses):			
Loss on Sale of Assets Held for Resale	0	(59,560)	(59,560)
Transfers In	100,000	720,000	820,000
Transfers Out	(586,301)	0	(586,301)
Total Other Financing Sources (Uses)	<u>(486,301)</u>	<u>660,440</u>	<u>174,139</u>
Net Change in Fund Balances	(325,209)	427,199	101,990
Fund Balances at Beginning of Year	1,532,191	1,162,728	2,694,919
Decrease in Inventory Reserve	(591)	0	(591)
Fund Balances End of Year	<u>\$ 1,206,391</u>	<u>\$ 1,589,927</u>	<u>\$ 2,796,318</u>

CITY OF SPRINGBORO, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2011**

	Street Maintenance and Repair	State Highway	Permissive Use Tax	Motor Vehicle License Tax	COPS Grant
Assets:					
Cash and Cash Equivalents	\$ 250,436	\$ 256,256	\$ 3,806	\$ 54,452	\$ 164,319
Investments	0	0	0	0	0
Receivables:					
Taxes	0	0	0	0	0
Intergovernmental	313,602	25,427	0	99,755	0
Inventory of Supplies, at Cost	99,813	0	0	0	0
Prepaid Items	4,362	0	0	0	0
Total Assets	<u>\$ 668,213</u>	<u>\$ 281,683</u>	<u>\$ 3,806</u>	<u>\$ 154,207</u>	<u>\$ 164,319</u>
Liabilities:					
Accounts Payable	\$ 9,832	\$ 1,430	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	17,746	0	0	0	0
Intergovernmental Payable	13,016	0	0	0	183
Deferred Revenue	209,068	16,951	0	66,180	0
Accrued Interest Payable	0	0	0	0	0
General Obligation Notes Payable	0	0	0	0	0
Total Liabilities	<u>249,662</u>	<u>18,381</u>	<u>0</u>	<u>66,180</u>	<u>183</u>
Fund Balances:					
Nonspendable	104,175	0	0	0	0
Restricted	314,376	263,302	3,806	88,027	164,136
Unassigned	0	0	0	0	0
Total Fund Balances	<u>418,551</u>	<u>263,302</u>	<u>3,806</u>	<u>88,027</u>	<u>164,136</u>
Total Liabilities and Fund Balances	<u>\$ 668,213</u>	<u>\$ 281,683</u>	<u>\$ 3,806</u>	<u>\$ 154,207</u>	<u>\$ 164,319</u>

CITY OF SPRINGBORO, OHIO

Drug Law Enforcement	Mayor's Court Improvement	Austin Center Municipal Public Improvement TIF	South Tech Public Improvement TIF	Law Enforcement Trust	DARE Trust	Total Nonmajor Special Revenue Funds
\$ 45,079	\$ 178,064	\$ 318,380	\$ 114,497	\$ 9,225	\$ 14,793	\$ 1,409,307
0	0	0	937,367	0	0	937,367
0	0	181,000	0	0	0	181,000
0	0	0	0	85	0	438,869
0	0	0	0	0	0	99,813
0	1,403	0	0	0	0	5,765
<u>\$ 45,079</u>	<u>\$ 179,467</u>	<u>\$ 499,380</u>	<u>\$ 1,051,864</u>	<u>\$ 9,310</u>	<u>\$ 14,793</u>	<u>\$ 3,072,121</u>
\$ 0	\$ 0	\$ 0	\$ 132,724	\$ 0	\$ 0	\$ 143,986
0	0	0	0	0	0	17,746
0	0	0	0	0	0	13,199
0	0	181,000	0	0	0	473,199
0	0	0	17,600	0	0	17,600
0	0	0	1,200,000	0	0	1,200,000
0	0	181,000	1,350,324	0	0	1,865,730
0	1,403	0	0	0	0	105,578
45,079	178,064	318,380	0	9,310	14,793	1,399,273
0	0	0	(298,460)	0	0	(298,460)
<u>45,079</u>	<u>179,467</u>	<u>318,380</u>	<u>(298,460)</u>	<u>9,310</u>	<u>14,793</u>	<u>1,206,391</u>
<u>\$ 45,079</u>	<u>\$ 179,467</u>	<u>\$ 499,380</u>	<u>\$ 1,051,864</u>	<u>\$ 9,310</u>	<u>\$ 14,793</u>	<u>\$ 3,072,121</u>

CITY OF SPRINGBORO, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011***

	Street Maintenance and Repair	State Highway	Permissive Use Tax	Motor Vehicle License Tax	COPS Grant
Revenues:					
Payment in Lieu of Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	635,116	51,495	0	200,291	33,720
Fines, Licenses and Permits	0	0	0	0	0
Investment Earnings	1,749	1,827	478	802	0
Donations	0	0	0	0	0
All Other Revenue	1,858	181	0	0	44,369
Total Revenue	638,723	53,503	478	201,093	78,089
Expenditures:					
Current:					
Security of Persons and Property	0	0	0	0	94,555
Transportation	802,393	26,599	0	0	0
General Government	0	0	0	0	0
Debt Service:					
Interest and Fiscal Charges	0	0	0	0	0
Total Expenditures	802,393	26,599	0	0	94,555
Excess (Deficiency) of Revenues Over Expenditures	(163,670)	26,904	478	201,093	(16,466)
Other Financing Sources (Uses):					
Transfers In	75,000	0	0	0	0
Transfers Out	0	0	(75,000)	(200,000)	0
Total Other Financing Sources (Uses)	75,000	0	(75,000)	(200,000)	0
Net Change in Fund Balances	(88,670)	26,904	(74,522)	1,093	(16,466)
Fund Balance at Beginning of Year	507,812	236,398	78,328	86,934	180,602
Decrease in Inventory Reserve	(591)	0	0	0	0
Fund Balance End of Year	\$ 418,551	\$ 263,302	\$ 3,806	\$ 88,027	\$ 164,136

CITY OF SPRINGBORO, OHIO

<u>Drug Law Enforcement</u>	<u>Mayor's Court Improvement</u>	<u>Austin Center Municipal Public Improvement TIF</u>	<u>South Tech Public Improvement TIF</u>	<u>Law Enforcement Trust</u>	<u>DARE Trust</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 0	\$ 0	\$ 180,939	\$ 0	\$ 0	\$ 0	\$ 180,939
0	0	0	0	0	19,879	940,501
2,931	17,996	0	0	0	0	20,927
0	0	0	1,330	0	0	6,186
0	0	0	0	0	770	770
0	0	272,654	0	695	650	320,407
<u>2,931</u>	<u>17,996</u>	<u>453,593</u>	<u>1,330</u>	<u>695</u>	<u>21,299</u>	<u>1,469,730</u>
17,793	0	0	0	101	39,479	151,928
0	0	0	0	0	0	828,992
0	17,418	10,510	288,105	0	0	316,033
<u>0</u>	<u>0</u>	<u>0</u>	<u>11,685</u>	<u>0</u>	<u>0</u>	<u>11,685</u>
<u>17,793</u>	<u>17,418</u>	<u>10,510</u>	<u>299,790</u>	<u>101</u>	<u>39,479</u>	<u>1,308,638</u>
(14,862)	578	443,083	(298,460)	594	(18,180)	161,092
0	0	0	0	0	25,000	100,000
0	0	(311,301)	0	0	0	(586,301)
<u>0</u>	<u>0</u>	<u>(311,301)</u>	<u>0</u>	<u>0</u>	<u>25,000</u>	<u>(486,301)</u>
(14,862)	578	131,782	(298,460)	594	6,820	(325,209)
59,941	178,889	186,598	0	8,716	7,973	1,532,191
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(591)</u>
<u>\$ 45,079</u>	<u>\$ 179,467</u>	<u>\$ 318,380</u>	<u>\$ (298,460)</u>	<u>\$ 9,310</u>	<u>\$ 14,793</u>	<u>\$ 1,206,391</u>

CITY OF SPRINGBORO, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2011**

	<u>Permanent Improvement</u>	<u>Land Acquisition</u>	<u>Total Nonmajor Capital Projects Funds</u>
Assets:			
Cash and Cash Equivalents	\$ 66,772	\$ 294,683	\$ 361,455
Assets Held for Resale	0	3,241,932	3,241,932
Total Assets	<u>\$ 66,772</u>	<u>\$ 3,536,615</u>	<u>\$ 3,603,387</u>
Liabilities:			
Accounts Payable	4,860	1,600	6,460
Accrued Interest Payable	0	7,000	7,000
General Obligation Notes Payable	0	2,000,000	2,000,000
Total Liabilities	<u>4,860</u>	<u>2,008,600</u>	<u>2,013,460</u>
Fund Balances:			
Restricted	61,912	1,528,015	1,589,927
Total Fund Balances	<u>61,912</u>	<u>1,528,015</u>	<u>1,589,927</u>
Total Liabilities and Fund Balances	<u>\$ 66,772</u>	<u>\$ 3,536,615</u>	<u>\$ 3,603,387</u>

CITY OF SPRINGBORO, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2011***

	Permanent Improvement	Land Acquisition	Total Nonmajor Capital Projects Funds
Revenues:			
Property and Other Taxes	\$ 75,000	\$ 0	\$ 75,000
Intergovernmental Revenues	77,328	0	77,328
Fines, Licenses and Permits	23,012	0	23,012
All Other Revenue	9,469	0	9,469
Total Revenue	<u>184,809</u>	<u>0</u>	<u>184,809</u>
Expenditures:			
Current:			
General Government	258	0	258
Capital Outlay	398,994	2,600	401,594
Debt Service:			
Interest and Fiscal Charges	0	16,198	16,198
Total Expenditures	<u>399,252</u>	<u>18,798</u>	<u>418,050</u>
Excess (Deficiency) of Revenues Over Expenditures	(214,443)	(18,798)	(233,241)
Other Financing Sources (Uses):			
Loss on Sale of Assets Held for Resale	0	(59,560)	(59,560)
Transfers In	35,000	685,000	720,000
Total Other Financing Sources (Uses)	<u>35,000</u>	<u>625,440</u>	<u>660,440</u>
Net change in Fund Balances	(179,443)	606,642	427,199
Fund Balances at Beginning of Year	<u>241,355</u>	<u>921,373</u>	<u>1,162,728</u>
Fund Balances End of Year	<u>\$ 61,912</u>	<u>\$ 1,528,015</u>	<u>\$ 1,589,927</u>

CITY OF SPRINGBORO, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal Income Taxes	\$ 6,111,000	\$ 6,111,000	\$ 6,885,606	\$ 774,606
Property and Other Taxes	710,050	710,050	627,381	(82,669)
Intergovernmental Revenues	310,900	310,900	499,916	189,016
Fines, Licenses and Permits	314,237	314,237	365,468	51,231
Investment Earnings	167,660	167,660	132,192	(35,468)
Special Assessments	25,000	25,000	28,985	3,985
All Other Revenues	211,500	211,500	128,065	(83,435)
Total Revenues	<u>7,850,347</u>	<u>7,850,347</u>	<u>8,667,613</u>	<u>817,266</u>
Expenditures:				
Security of Persons and Property:				
Police Department:				
Personal Services	2,278,855	2,262,231	2,155,768	106,463
Materials and Supplies	171,611	206,150	193,113	13,037
Contractual Services	173,946	162,408	150,580	11,828
Capital Outlay	5,363	5,363	3,426	1,937
Total Police Department	<u>2,629,775</u>	<u>2,636,152</u>	<u>2,502,887</u>	<u>133,265</u>
Police Dispatcher:				
Personal Services	216,975	216,975	176,461	40,514
Materials and Supplies	2,066	2,066	1,082	984
Contractual Services	12,706	12,706	6,737	5,969
Total Police Dispatcher	<u>231,747</u>	<u>231,747</u>	<u>184,280</u>	<u>47,467</u>
Street Lighting:				
Contractual Services	119,469	119,469	108,659	10,810
Total Street Lighting	<u>119,469</u>	<u>119,469</u>	<u>108,659</u>	<u>10,810</u>
Civil Defense:				
Contractual Services	2,000	2,591	2,591	0
Total Civil Defense	<u>2,000</u>	<u>2,591</u>	<u>2,591</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, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Prisoner Care:				
Contractual Services	8,671	8,671	8,435	236
Total Prisoner Care	8,671	8,671	8,435	236
Total Security of Persons and Property	2,991,662	2,998,630	2,806,852	191,778
Public Health and Welfare:				
Health Board:				
Contractual Services	14,700	14,700	14,697	3
Total Public Health and Welfare	14,700	14,700	14,697	3
Leisure Time Activities:				
Park Maintenance:				
Personal Services	362,118	367,118	345,842	21,276
Contractual Services	83,755	83,755	62,560	21,195
Materials and Supplies	76,427	76,427	61,649	14,778
Total Park Maintenance	522,300	527,300	470,051	57,249
Library Services:				
Contractual Services	41,000	41,000	36,851	4,149
Total Library Services	41,000	41,000	36,851	4,149
Total Leisure Time Activities	563,300	568,300	506,902	61,398
Community Environment:				
Planning and Zoning:				
Personal Services	10,775	11,061	9,874	1,187
Contractual Services	105,684	105,684	85,385	20,299
Materials and Supplies	200	200	0	200
Total Planning and Zoning	116,659	116,945	95,259	21,686
Engineering:				
Personal Services	107,130	107,130	94,032	13,098
Contractual Services	69,247	69,247	61,999	7,248
Materials and Supplies	8,150	8,150	6,280	1,870
Total Engineering	184,527	184,527	162,311	22,216

(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, 2011***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Economic Development:				
Personal Services	1,800	2,138	1,291	847
Contractual Services	169,796	169,796	102,257	67,539
Materials and Supplies	300	300	0	300
Total Economic Development	171,896	172,234	103,548	68,686
Building Inspection:				
Personal Services	164,354	164,354	152,993	11,361
Contractual Services	93,084	93,184	61,308	31,876
Materials and Supplies	7,000	6,900	3,769	3,131
Total Building Inspection	264,438	264,438	218,070	46,368
Total Community Environment	737,520	738,144	579,188	158,956
General Government:				
City Council:				
Personal Services	159,249	158,249	135,458	22,791
Contractual Services	79,614	80,614	51,999	28,615
Materials and Supplies	6,000	6,000	3,808	2,192
Total City Council	244,863	244,863	191,265	53,598
City Manager:				
Personal Services	123,050	123,700	111,880	11,820
Contractual Services	100,020	74,370	44,420	29,950
Materials and Supplies	2,000	27,000	24,875	2,125
Total City Manager	225,070	225,070	181,175	43,895
Assistant City Manager:				
Personal Services	75,315	73,646	67,783	5,863
Contractual Services	62,895	64,864	45,816	19,048
Materials and Supplies	1,000	700	700	0
Total Assistant City Manager	139,210	139,210	114,299	24,911
Computer Administration:				
Personal Services	108,975	108,925	88,559	20,366
Contractual Services	39,550	37,600	34,321	3,279
Materials and Supplies	38,642	40,642	38,119	2,523
Total Computer Administration	187,167	187,167	160,999	26,168

(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, 2011***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Finance Department:				
Personal Services	161,950	159,050	148,391	10,659
Contractual Services	69,030	68,930	63,520	5,410
Materials and Supplies	2,000	5,000	4,200	800
Total Finance Department	232,980	232,980	216,111	16,869
Mayor's Court:				
Personal Services	100,350	100,350	85,728	14,622
Contractual Services	87,388	87,388	75,392	11,996
Materials and Supplies	600	600	201	399
Total Mayor's Court	188,338	188,338	161,321	27,017
Income Tax:				
Personal Services	165,375	165,075	146,717	18,358
Contractual Services	867,748	718,048	671,740	46,308
Materials and Supplies	1,000	1,000	948	52
Total Income Tax	1,034,123	884,123	819,405	64,718
Legal Administration:				
Contractual Services	116,968	116,968	101,636	15,332
Total Legal Administration	116,968	116,968	101,636	15,332
Volunteer Services:				
Contractual Services	3,000	3,000	0	3,000
Total Volunteer Services	3,000	3,000	0	3,000
Building and Land:				
Personal Services	632,136	318,902	318,842	60
Contractual Services	672,768	638,432	548,389	90,043
Materials and Supplies	85,869	108,114	96,494	11,620
Total Building and Land	1,390,773	1,065,448	963,725	101,723
Miscellaneous:				
Contractual Services	73,500	98,250	71,322	26,928
Materials and Supplies	10,000	10,000	9,079	921
Total Miscellaneous	83,500	108,250	80,401	27,849

(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, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Health Insurance:				
Contractual Services	411,136	411,136	411,136	0
Total Health Insurance	411,136	411,136	411,136	0
Total General Government	4,257,128	3,806,553	3,401,473	405,080
Total Expenditures	8,564,310	8,126,327	7,309,112	817,215
Excess (Deficiency) of Revenues Over (Under) Expenditures	(713,963)	(275,980)	1,358,501	1,634,481
Other Financing Sources (Uses):				
Transfers In	135	135	502,926	502,791
Transfers Out	(643,108)	(1,308,308)	(957,972)	350,336
Total Other Financing Sources (Uses)	(642,973)	(1,308,173)	(455,046)	853,127
Net Change in Fund Balance	(1,356,936)	(1,584,153)	903,455	2,487,608
Fund Balance at Beginning of Year	7,056,630	7,056,630	7,056,630	0
Prior Year Encumbrances	381,954	381,954	381,954	0
Fund Balance at End of Year	\$ 6,081,648	\$ 5,854,431	\$ 8,342,039	\$ 2,487,608

CITY OF SPRINGBORO, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Debt Service Fund
For the Year Ended December 31, 2011***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Payment in Lieu of Taxes	\$ 28,700	\$ 36,681	\$ 7,981
Special Assessments	291,590	346,331	54,741
Total Revenues	<u>320,290</u>	<u>383,012</u>	<u>62,722</u>
Expenditures:			
General Government:			
Contractual Services	447,287	447,287	0
Total General Government	<u>447,287</u>	<u>447,287</u>	<u>0</u>
Debt Service:			
Principal Retirement	3,615,000	3,615,000	0
Interest and Fiscal Charges	693,790	690,408	3,382
Total Expenditures	<u>4,756,077</u>	<u>4,752,695</u>	<u>3,382</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,435,787)	(4,369,683)	66,104
Other Financing Sources (Uses):			
Transfers In	3,949,264	3,949,264	0
Transfers Out	(502,926)	(502,926)	0
Total Other Financing Sources (Uses)	<u>3,446,338</u>	<u>3,446,338</u>	<u>0</u>
Net Change in Fund Balance	(989,449)	(923,345)	66,104
Fund Balance at Beginning of Year	1,084,079	1,084,079	0
Fund Balance at End of Year	<u>\$ 94,630</u>	<u>\$ 160,734</u>	<u>\$ 66,104</u>

CITY OF SPRINGBORO, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Project Fund
For the Year Ended December 31, 2011**

CONSTRUCTION FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 562,050	\$ 673,321	\$ 111,271
Special Assessments	20,000	27,027	7,027
All Other Revenues	103,000	113,105	10,105
Total Revenues	<u>685,050</u>	<u>813,453</u>	<u>128,403</u>
Expenditures:			
General Government:			
Contractual Services	39,271	35,519	3,752
Total General Government	<u>39,271</u>	<u>35,519</u>	<u>3,752</u>
Capital Outlay	3,487,474	3,301,406	186,068
Total Expenditures	<u>3,526,745</u>	<u>3,336,925</u>	<u>189,820</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,841,695)	(2,523,472)	318,223
Other Financing Sources (Uses):			
Transfers In	2,424,440	2,301,612	(122,828)
Transfers Out	(1,015,595)	(1,015,595)	0
Total Other Financing Sources (Uses)	<u>1,408,845</u>	<u>1,286,017</u>	<u>(122,828)</u>
Net Change in Fund Balance	(1,432,850)	(1,237,455)	195,395
Fund Balance at Beginning of Year	810,693	810,693	0
Prior Year Encumbrances	782,550	782,550	0
Fund Balance at End of Year	<u>\$ 160,393</u>	<u>\$ 355,788</u>	<u>\$ 195,395</u>

CITY OF SPRINGBORO, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Project Fund
For the Year Ended December 31, 2011***

INCOME TAX CAPITAL IMPROVEMENT FUND			
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Municipal Income Taxes	\$ 3,105,800	\$ 3,442,288	\$ 336,488
Total Revenues	<u>3,105,800</u>	<u>3,442,288</u>	<u>336,488</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,105,800	3,442,288	336,488
Other Financing Sources (Uses):			
Transfers In	2,307,000	0	(2,307,000)
Transfers Out	<u>(6,014,000)</u>	<u>(3,559,172)</u>	<u>2,454,828</u>
Total Other Financing Sources (Uses)	<u>(3,707,000)</u>	<u>(3,559,172)</u>	<u>147,828</u>
Net Change in Fund Balance	(601,200)	(116,884)	484,316
Fund Balance at Beginning of Year	<u>949,175</u>	<u>949,175</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 347,975</u>	<u>\$ 832,291</u>	<u>\$ 484,316</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, 2011**

STREET MAINTENANCE AND REPAIR FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 600,170	\$ 637,063	\$ 36,893
Investment Earnings	1,830	1,749	(81)
All Other Revenues	<u>0</u>	<u>1,858</u>	<u>1,858</u>
Total Revenues	<u>602,000</u>	<u>640,670</u>	<u>38,670</u>
Expenditures:			
Transportation:			
Personal Services	485,487	429,330	56,157
Materials and Supplies	406,876	401,710	5,166
Contractual Services	<u>110,037</u>	<u>104,315</u>	<u>5,722</u>
Total Expenditures	<u>1,002,400</u>	<u>935,355</u>	<u>67,045</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(400,400)	(294,685)	105,715
Other Financing Sources (Uses):			
Transfers In	<u>75,000</u>	<u>75,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>75,000</u>	<u>75,000</u>	<u>0</u>
Net Change in Fund Balance	(325,400)	(219,685)	105,715
Fund Balance at Beginning of Year	268,710	268,710	0
Prior Year Encumbrances	<u>97,502</u>	<u>97,502</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 40,812</u>	<u>\$ 146,527</u>	<u>\$ 105,715</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, 2011***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 48,485	\$ 51,653	\$ 3,168
Investment Earnings	1,515	1,827	312
All Other Revenues	0	181	181
Total Revenues	<u>50,000</u>	<u>53,661</u>	<u>3,661</u>
Expenditures:			
Transportation:			
Contractual Services	35,736	27,366	8,370
Capital Outlay	100,000	100,000	0
Total Expenditures	<u>135,736</u>	<u>127,366</u>	<u>8,370</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(85,736)	(73,705)	12,031
Fund Balance at Beginning of Year	129,212	129,212	0
Prior Year Encumbrances	100,036	100,036	0
Fund Balance at End of Year	<u>\$ 143,512</u>	<u>\$ 155,543</u>	<u>\$ 12,031</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, 2011***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment Earnings	\$ 0	\$ 478	\$ 478
Total Revenues	<u>0</u>	<u>478</u>	<u>478</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	478	478
Other Financing Sources (Uses):			
Transfers Out	(75,000)	(75,000)	0
Total Other Financing Sources (Uses)	<u>(75,000)</u>	<u>(75,000)</u>	<u>0</u>
Net Change in Fund Balance	(75,000)	(74,522)	478
Fund Balance at Beginning of Year	<u>78,328</u>	<u>78,328</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 3,328</u>	<u>\$ 3,806</u>	<u>\$ 478</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, 2011***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 191,900	\$ 198,676	\$ 6,776
Investment Earnings	1,010	802	(208)
Total Revenues	<u>192,910</u>	<u>199,478</u>	<u>6,568</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	192,910	199,478	6,568
Other Financing Sources (Uses):			
Transfers Out	<u>(200,000)</u>	<u>(200,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(200,000)</u>	<u>(200,000)</u>	<u>0</u>
Net Change in Fund Balance	(7,090)	(522)	6,568
Fund Balance at Beginning of Year	<u>54,974</u>	<u>54,974</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 47,884</u>	<u>\$ 54,452</u>	<u>\$ 6,568</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, 2011***

COPS GRANT FUND			
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 33,720	\$ 33,720	\$ 0
All Other Revenues	<u>50,680</u>	<u>50,694</u>	<u>14</u>
Total Revenues	<u>84,400</u>	<u>84,414</u>	<u>14</u>
Expenditures:			
Security of Persons and Property:			
Personal Services	51,351	18,739	32,612
Materials and Supplies	600	0	600
Contractual Services	1,110	775	335
Capital Outlay	<u>67,440</u>	<u>67,440</u>	<u>0</u>
Total Expenditures	<u>120,501</u>	<u>86,954</u>	<u>33,547</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(36,101)	(2,540)	33,561
Fund Balance at Beginning of Year	<u>174,908</u>	<u>174,908</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 138,807</u>	<u>\$ 172,368</u>	<u>\$ 33,561</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, 2011***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$ 0	\$ 2,931	\$ 2,931
Total Revenues	<u>0</u>	<u>2,931</u>	<u>2,931</u>
Expenditures:			
Security of Persons and Property:			
Contractual Services	10,000	7,950	2,050
Capital Outlay	12,000	9,843	2,157
Total Expenditures	<u>22,000</u>	<u>17,793</u>	<u>4,207</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(22,000)	(14,862)	7,138
Fund Balance at Beginning of Year	59,941	59,941	0
Fund Balance at End of Year	<u>\$ 37,941</u>	<u>\$ 45,079</u>	<u>\$ 7,138</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, 2011***

MAYOR'S COURT IMPROVEMENT FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	<u>\$ 18,000</u>	<u>\$ 18,259</u>	<u>\$ 259</u>
Total Revenues	<u>18,000</u>	<u>18,259</u>	<u>259</u>
Expenditures:			
General Government:			
Materials and Supplies	1,500	1,386	114
Contractual Services	32,841	16,988	15,853
Capital Outlay	<u>3,500</u>	<u>2,783</u>	<u>717</u>
Total Expenditures	<u>37,841</u>	<u>21,157</u>	<u>16,684</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,841)	(2,898)	16,943
Fund Balance at Beginning of Year	176,725	176,725	0
Prior Year Encumbrances	<u>1,281</u>	<u>1,281</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 158,165</u>	<u>\$ 175,108</u>	<u>\$ 16,943</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, 2011**

AUSTIN CENTER MUNICIPAL PUBLIC IMPROVEMENT TIF FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Payment in Lieu of Taxes	\$ 149,000	\$ 180,939	\$ 31,939
All Other Revenues	<u>304,000</u>	<u>272,654</u>	<u>(31,346)</u>
Total Revenues	<u>453,000</u>	<u>453,593</u>	<u>593</u>
Expenditures:			
General Government:			
Contractual Services	<u>64,500</u>	<u>26,336</u>	<u>38,164</u>
Total Expenditures	<u>64,500</u>	<u>26,336</u>	<u>38,164</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	388,500	427,257	38,757
Other Financing Sources (Uses):			
Transfers Out	<u>(311,378)</u>	<u>(311,301)</u>	<u>77</u>
Total Other Financing Sources (Uses)	<u>(311,378)</u>	<u>(311,301)</u>	<u>77</u>
Net Change in Fund Balance	77,122	115,956	38,834
Fund Balance at Beginning of Year	<u>202,424</u>	<u>202,424</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 279,546</u>	<u>\$ 318,380</u>	<u>\$ 38,834</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, 2011***

SOUTH TECH PUBLIC IMPROVEMENT TIF FUND			
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
General Government:			
Contractual Services	14,055	13,878	177
Capital Outlay	1,185,945	1,101,933	84,012
Total Expenditures	<u>1,200,000</u>	<u>1,115,811</u>	<u>84,189</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,200,000)	(1,115,811)	84,189
Other Financing Sources (Uses):			
General Obligation Notes Issued	1,205,000	1,205,915	915
Total Other Financing Sources (Uses)	<u>1,205,000</u>	<u>1,205,915</u>	<u>915</u>
Net Change in Fund Balance	5,000	90,104	85,104
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	<u>\$ 5,000</u>	<u>\$ 90,104</u>	<u>\$ 85,104</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, 2011***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
All Other Revenues	\$ 300	\$ 745	\$ 445
Total Revenues	<u>300</u>	<u>745</u>	<u>445</u>
Expenditures:			
Security of Persons and Property:			
Materials and Supplies	5,000	101	4,899
Contractual Services	1,500	0	1,500
Total Expenditures	<u>6,500</u>	<u>101</u>	<u>6,399</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,200)	644	6,844
Fund Balance at Beginning of Year	8,581	8,581	0
Fund Balance at End of Year	<u>\$ 2,381</u>	<u>\$ 9,225</u>	<u>\$ 6,844</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, 2011***

DARE TRUST FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 39,660	\$ 19,879	\$ (19,781)
Donations	300	745	445
All Other Revenues	0	650	650
Total Revenues	<u>39,960</u>	<u>21,274</u>	<u>(18,686)</u>
Expenditures:			
Security of Persons and Property:			
Personal Services	50,220	37,232	12,988
Materials and Supplies	3,980	3,602	378
Contractual Services	75	0	75
Total Expenditures	<u>54,275</u>	<u>40,834</u>	<u>13,441</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,315)	(19,560)	(5,245)
Other Financing Sources (Uses):			
Transfers In	5,000	25,000	20,000
Total Other Financing Sources (Uses)	<u>5,000</u>	<u>25,000</u>	<u>20,000</u>
Net Change in Fund Balance	(9,315)	5,440	14,755
Fund Balance at Beginning of Year	9,328	9,328	0
Fund Balance at End of Year	<u>\$ 13</u>	<u>\$ 14,768</u>	<u>\$ 14,755</u>

CITY OF SPRINGBORO, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Fund
For the Year Ended December 31, 2011**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
PERMANENT IMPROVEMENT FUND			
Revenues:			
Property and Other Taxes	\$ 75,000	\$ 75,000	\$ 0
Intergovernmental Revenues	77,328	77,328	0
Fines, Licenses and Permits	7,000	23,012	16,012
All Other Revenues	28,000	9,469	(18,531)
Total Revenues	<u>187,328</u>	<u>184,809</u>	<u>(2,519)</u>
Expenditures:			
General Government:			
Contractual Services	500	258	242
Total General Government	<u>500</u>	<u>258</u>	<u>242</u>
Capital Outlay	448,701	424,038	24,663
Total Expenditures	<u>449,201</u>	<u>424,296</u>	<u>24,905</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(261,873)	(239,487)	22,386
Other Financing Sources (Uses):			
Transfers In	0	35,000	35,000
Total Other Financing Sources (Uses)	<u>0</u>	<u>35,000</u>	<u>35,000</u>
Net Change in Fund Balance	(261,873)	(204,487)	57,386
Fund Balance at Beginning of Year	145,852	145,852	0
Prior Year Encumbrances	116,480	116,480	0
Fund Balance at End of Year	<u>\$ 459</u>	<u>\$ 57,845</u>	<u>\$ 57,386</u>

CITY OF SPRINGBORO, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Fund
For the Year Ended December 31, 2011**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
All Other Revenues	\$ 0	\$ 70,464	\$ 70,464
Total Revenues	0	70,464	70,464
Expenditures:			
General Government:			
Contractual Services	1,600	1,600	0
Total General Government	1,600	1,600	0
Capital Outlay	183,400	183,400	0
Total Expenditures	185,000	185,000	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(185,000)	(114,536)	70,464
Other Financing Sources (Uses):			
General Obligation Notes Issued	2,627,000	2,021,740	(605,260)
Transfers In	150,000	685,000	535,000
Transfers Out	(2,537,396)	(2,537,396)	0
Total Other Financing Sources (Uses)	239,604	169,344	(70,260)
Net Change in Fund Balance	54,604	54,808	204
Fund Balance at Beginning of Year	55,875	55,875	0
Fund Balance at End of Year	\$ 110,479	\$ 110,683	\$ 204

Fiduciary Funds

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

Agency Funds

Library Donation Fund

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

Mayor's Court Fund

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

Special Assessment Fund

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

CITY OF SPRINGBORO, OHIO

***Statement Of Changes In Assets And Liabilities
Agency Funds
For the Year Ended December 31, 2011***

	Balance December 31, 2010	Additions	Deductions	Balance December 31, 2011
<u>Library Donation Fund</u>				
Assets:				
Cash and Cash Equivalents	\$7,101	\$5,502	(\$6,338)	\$6,265
Total Assets	<u>\$7,101</u>	<u>\$5,502</u>	<u>(\$6,338)</u>	<u>\$6,265</u>
Liabilities:				
Due to Others	\$7,101	\$5,502	(\$6,338)	\$6,265
Total Liabilities	<u>\$7,101</u>	<u>\$5,502</u>	<u>(\$6,338)</u>	<u>\$6,265</u>
<u>Mayor's Court Fund</u>				
Assets:				
Cash and Cash Equivalents	\$21,086	\$356,830	(\$356,943)	\$20,973
Total Assets	<u>\$21,086</u>	<u>\$356,830</u>	<u>(\$356,943)</u>	<u>\$20,973</u>
Liabilities:				
Undistributed Monies	\$21,086	\$356,830	(\$356,943)	\$20,973
Total Liabilities	<u>\$21,086</u>	<u>\$356,830</u>	<u>(\$356,943)</u>	<u>\$20,973</u>
<u>Special Assessment Fund</u>				
Assets:				
Special Assessments Receivable	\$191,961	\$0	(\$76,713)	\$115,248
Total Assets	<u>\$191,961</u>	<u>\$0</u>	<u>(\$76,713)</u>	<u>\$115,248</u>
Liabilities:				
Due to Others	\$191,961	\$0	(\$76,713)	\$115,248
Total Liabilities	<u>\$191,961</u>	<u>\$0</u>	<u>(\$76,713)</u>	<u>\$115,248</u>
<u>Total Agency Funds:</u>				
Assets:				
Cash and Cash Equivalents	\$28,187	\$362,332	(\$363,281)	\$27,238
Special Assessments Receivable	191,961	0	(76,713)	115,248
Total Assets	<u>\$220,148</u>	<u>\$362,332</u>	<u>(\$439,994)</u>	<u>\$142,486</u>
Liabilities:				
Due to Others	\$199,062	\$5,502	(\$83,051)	\$121,513
Undistributed Monies	21,086	356,830	(356,943)	20,973
Total Liabilities	<u>\$220,148</u>	<u>\$362,332</u>	<u>(\$439,994)</u>	<u>\$142,486</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’s 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

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Governmental Activities:				
Invested in Capital Assets, Net of Related Debt	\$26,620,573	\$26,568,831	\$26,779,476	\$26,884,114
Restricted	507,667	8,191,414	5,917,872	10,161,903
Unrestricted	3,627,300	2,904,963	7,560,929	8,593,613
Total Governmental Activities Net Assets	<u>\$30,755,540</u>	<u>\$37,665,208</u>	<u>\$40,258,277</u>	<u>\$45,639,630</u>
Business-type Activities:				
Invested in Capital Assets, Net of Related Debt	\$35,142,066	\$38,353,625	\$41,799,090	\$48,700,584
Restricted	2,507,436	2,524,224	2,465,210	1,988,424
Unrestricted	9,143,921	11,331,271	10,390,664	6,795,398
Total Business-type Activities Net Assets	<u>\$46,793,423</u>	<u>\$52,209,120</u>	<u>\$54,654,964</u>	<u>\$57,484,406</u>
Primary Government:				
Invested in Capital Assets, Net of Related Debt	\$61,762,639	\$64,922,456	\$68,578,566	\$75,584,698
Restricted	3,015,103	10,715,638	8,383,082	12,150,327
Unrestricted	12,771,221	14,236,234	17,951,593	15,389,011
Total Primary Government Net Assets	<u>\$77,548,963</u>	<u>\$89,874,328</u>	<u>\$94,913,241</u>	<u>\$103,124,036</u>

Source: Finance Director's Office

City of Springboro

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$27,213,897	\$29,738,654	\$28,928,245	\$33,359,772	\$35,279,823	\$36,427,139
10,981,263	11,542,608	12,587,110	11,179,852	11,019,862	10,242,352
9,523,096	8,809,701	9,194,739	5,717,437	7,290,300	7,448,349
<u>\$47,718,256</u>	<u>\$50,090,963</u>	<u>\$50,710,094</u>	<u>\$50,257,061</u>	<u>\$53,589,985</u>	<u>\$54,117,840</u>
\$46,543,923	\$48,566,261	\$49,184,865	\$49,189,885	\$49,691,654	\$50,089,838
2,080,999	2,186,063	2,525,520	2,491,880	2,504,293	2,356,441
7,879,343	8,746,907	9,099,578	7,476,070	6,663,660	8,034,076
<u>\$56,504,265</u>	<u>\$59,499,231</u>	<u>\$60,809,963</u>	<u>\$59,157,835</u>	<u>\$58,859,607</u>	<u>\$60,480,355</u>
\$73,757,820	\$78,304,915	\$78,113,110	\$82,549,657	\$84,971,477	\$86,516,977
13,062,262	13,728,671	15,112,630	13,671,732	13,524,155	12,598,793
17,402,439	17,556,608	18,294,317	13,193,507	13,953,960	15,482,425
<u>\$104,222,521</u>	<u>\$109,590,194</u>	<u>\$111,520,057</u>	<u>\$109,414,896</u>	<u>\$112,449,592</u>	<u>\$114,598,195</u>

City of Springboro

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

	2002	2003	2004	2005
Expenses				
Governmental Activities:				
Security of Persons and Property	\$2,357,149	\$2,509,238	\$2,514,444	\$2,640,056
Public Health and Welfare Services	1,866	6,950	8,965	8,780
Leisure Time Activities	448,763	451,964	453,041	509,990
Community Environment	1,045,933	820,106	607,037	768,207
Transportation	1,949,497	1,829,937	1,848,412	1,878,604
General Government	3,462,461	3,758,165	3,470,693	4,174,898
Interest and Fiscal Charges	461,402	438,662	410,280	505,312
<i>Total Governmental Activities Expenses</i>	<u>9,727,071</u>	<u>9,815,022</u>	<u>9,312,872</u>	<u>10,485,847</u>
Business-type Activities:				
Golf Course	1,829,780	2,153,667	2,357,184	2,136,737
Water	2,778,871	2,754,140	3,026,472	3,108,710
Sewer	1,790,854	2,462,129	2,451,894	3,410,660
Trash	507,351	545,247	591,690	777,021
Storm Water	0	0	14,092	198,394
<i>Total Business-type Activities Expenses</i>	<u>6,906,856</u>	<u>7,915,183</u>	<u>8,441,332</u>	<u>9,631,522</u>
<i>Total Primary Government Expenses</i>	<u>\$16,633,927</u>	<u>\$17,730,205</u>	<u>\$17,754,204</u>	<u>\$20,117,369</u>
Program Revenues				
Governmental Activities:				
Charges for Services				
Security of Persons and Property	\$14,480	\$29,809	\$4,572	\$56,722
Leisure Time Activities	212,217	232,856	210,156	162,396
Community Environment	457,132	372,617	367,699	363,826
Transportation	3,839	95	9,276	11,465
General Government	881,652	951,148	1,055,041	1,185,351
Operating Grants and Contributions	55,999	137,084	761,155	931,375
Capital Grants and Contributions	102,191	6,088,874	368,056	2,021,941
<i>Total Governmental Activities Program Revenues</i>	<u>1,727,510</u>	<u>7,812,483</u>	<u>2,775,955</u>	<u>4,733,076</u>

City of Springboro

2006	2007	2008	2009	2010	2011
\$2,630,222	\$2,697,240	\$2,982,330	\$3,020,400	\$3,103,506	\$3,084,811
10,647	11,518	14,060	15,274	15,066	14,697
507,364	534,363	626,883	557,517	571,511	610,141
693,745	736,720	582,985	629,165	649,925	550,746
1,922,942	2,194,691	2,492,616	2,350,862	2,375,477	2,269,438
4,087,878	4,076,554	5,399,004	8,932,219	4,960,892	4,309,581
492,472	466,493	433,470	755,444	740,529	671,891
<u>10,345,270</u>	<u>10,717,579</u>	<u>12,531,348</u>	<u>16,260,881</u>	<u>12,416,906</u>	<u>11,511,305</u>
2,503,701	2,641,012	3,250,865	2,544,726	2,638,443	2,450,840
3,463,779	3,349,609	3,437,672	3,575,866	3,641,434	3,296,748
3,202,723	3,000,301	3,371,521	3,347,830	3,279,192	3,056,852
768,894	796,749	806,723	963,583	1,227,847	959,687
216,285	182,234	305,909	340,633	237,611	308,484
<u>10,155,382</u>	<u>9,969,905</u>	<u>11,172,690</u>	<u>10,772,638</u>	<u>11,024,527</u>	<u>10,072,611</u>
<u>\$20,500,652</u>	<u>\$20,687,484</u>	<u>\$23,704,038</u>	<u>\$27,033,519</u>	<u>\$23,441,433</u>	<u>\$21,583,916</u>
\$51,861	\$32,256	\$37,942	\$45,540	\$58,947	\$49,435
84,870	46,106	22,687	35,404	34,264	32,481
207,017	190,536	85,520	83,011	113,003	105,801
5,392	0	291	35,075	2,725	274,693
1,205,212	1,275,011	1,373,883	1,520,630	1,674,928	277,137
800,017	950,410	1,072,511	942,623	991,710	938,552
301,873	587,717	1,124,572	1,346,957	1,293,808	1,146,666
<u>2,656,242</u>	<u>3,082,036</u>	<u>3,717,406</u>	<u>4,009,240</u>	<u>4,169,385</u>	<u>2,824,765</u>

(continued)

City of Springboro

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

	2002	2003	2004	2005
Business-type Activities:				
Charges for Services				
Golf Course	2,092,199	2,197,741	2,256,350	2,181,616
Water	2,555,439	2,697,118	2,737,202	3,197,131
Sewer	1,590,251	1,904,284	1,752,509	2,239,458
Trash	606,102	752,780	686,131	828,675
Storm Water	0	0	189,852	235,912
Capital Grants and Contributions	3,567,977	5,242,698	2,638,394	2,515,267
<i>Total Business-type Activities Program Revenues</i>	<u>10,411,968</u>	<u>12,794,621</u>	<u>10,260,438</u>	<u>11,198,059</u>
<i>Total Primary Government Program Revenues</i>	<u>12,139,478</u>	<u>20,607,104</u>	<u>13,036,393</u>	<u>15,931,135</u>
Net (Expense)/Revenue				
Governmental Activities	(7,999,561)	(2,002,539)	(6,536,917)	(5,752,771)
Business-type Activities	3,505,112	4,879,438	1,819,106	1,566,537
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$4,494,449)</u>	<u>\$2,876,899</u>	<u>(\$4,717,811)</u>	<u>(\$4,186,234)</u>
General Revenues and Other Changes in Net Assets				
Governmental Activities:				
Income Taxes	\$6,617,829	\$6,577,076	\$7,280,875	\$9,341,580
Property Taxes	494,394	613,347	585,395	605,193
Other Local Taxes	26,030	53,455	59,379	80,126
Payment in Lieu of Taxes	0	0	0	157,646
Intergovernmental, unrestricted	954,235	1,233,182	761,646	558,942
Investment Earnings	379,252	204,171	398,038	317,708
Miscellaneous	271,427	380,568	744,882	416,746
Loss on Disposal of Capital Assets	(130,045)	0	0	0
Gain (Loss) on Sale of Assets Held for Resale	0	0	0	0
Transfers	(180,123)	(509,592)	(590,874)	(743,817)
<i>Total Governmental Activities</i>	<u>8,432,999</u>	<u>8,552,207</u>	<u>9,239,341</u>	<u>10,734,124</u>
Business-type Activities:				
Property Taxes	62,672	0	0	0
Investment Earnings	0	26,667	35,864	627,827
Loss on Disposal of Capital Assets	(458,182)	0	0	0
Transfers	180,123	509,592	590,874	743,817
<i>Total Business-type Activities</i>	<u>(215,387)</u>	<u>536,259</u>	<u>626,738</u>	<u>1,371,644</u>
<i>Total Primary Government</i>	<u>\$8,217,612</u>	<u>\$9,088,466</u>	<u>\$9,866,079</u>	<u>\$12,105,768</u>
Change in Net Assets				
Governmental Activities	\$433,438	\$6,549,668	\$2,702,424	\$4,981,353
Business-type Activities	3,289,725	5,415,697	2,445,844	2,938,181
<i>Total Primary Government Change in Net Assets</i>	<u>\$3,723,163</u>	<u>\$11,965,365</u>	<u>\$5,148,268</u>	<u>\$7,919,534</u>

Source: Finance Director's Office

City of Springboro

2006	2007	2008	2009	2010	2011
1,749,643	1,719,244	2,081,195	1,759,451	1,923,208	1,815,148
2,897,468	3,244,071	3,084,379	2,879,239	3,090,718	3,703,654
2,118,810	2,243,482	2,494,398	2,403,702	2,640,345	3,184,400
831,763	840,248	922,152	889,922	945,873	919,731
222,619	225,774	242,065	240,027	253,925	93,911
3,576,737	1,171,053	523,074	282,629	485,025	360,540
<u>11,397,040</u>	<u>9,443,872</u>	<u>9,347,263</u>	<u>8,454,970</u>	<u>9,339,094</u>	<u>10,077,384</u>
<u>14,053,282</u>	<u>12,525,908</u>	<u>13,064,669</u>	<u>12,464,210</u>	<u>13,508,479</u>	<u>12,902,149</u>
(7,689,028)	(7,635,543)	(8,813,942)	(12,251,641)	(8,247,521)	(8,686,540)
1,241,658	(526,033)	(1,825,427)	(2,317,668)	(1,685,433)	4,773
<u>(\$6,447,370)</u>	<u>(\$8,161,576)</u>	<u>(\$10,639,369)</u>	<u>(\$14,569,309)</u>	<u>(\$9,932,954)</u>	<u>(\$8,681,767)</u>
\$9,008,615	\$9,654,160	\$9,678,509	\$9,640,943	\$10,481,235	\$9,595,447
629,933	763,912	691,809	720,042	702,808	636,375
79,746	87,807	83,684	70,232	56,322	67,699
473,153	384,014	381,409	538,388	550,819	217,620
566,082	564,359	453,943	646,503	505,227	506,161
478,662	770,851	625,240	309,102	169,589	108,369
326,437	357,341	366,047	503,598	385,479	296,839
0	0	0	0	0	0
0	437,706	0	0	93,974	(59,560)
<u>(1,586,000)</u>	<u>(3,011,900)</u>	<u>(2,847,568)</u>	<u>(630,200)</u>	<u>(1,365,008)</u>	<u>(1,585,560)</u>
<u>9,976,628</u>	<u>10,008,250</u>	<u>9,433,073</u>	<u>11,798,608</u>	<u>11,580,445</u>	<u>9,783,390</u>
0	0	0	0	0	0
607,060	509,099	288,591	35,340	22,197	30,415
0	0	0	0	0	0
<u>1,586,000</u>	<u>3,011,900</u>	<u>2,847,568</u>	<u>630,200</u>	<u>1,365,008</u>	<u>1,585,560</u>
<u>2,193,060</u>	<u>3,520,999</u>	<u>3,136,159</u>	<u>665,540</u>	<u>1,387,205</u>	<u>1,615,975</u>
<u>\$12,169,688</u>	<u>\$13,529,249</u>	<u>\$12,569,232</u>	<u>\$12,464,148</u>	<u>\$12,967,650</u>	<u>\$11,399,365</u>
\$2,287,600	\$2,372,707	\$619,131	(\$453,033)	\$3,332,924	\$1,096,850
3,434,718	2,994,966	1,310,732	(1,652,128)	(298,228)	1,620,748
<u>\$5,722,318</u>	<u>\$5,367,673</u>	<u>\$1,929,863</u>	<u>(\$2,105,161)</u>	<u>\$3,034,696</u>	<u>\$2,717,598</u>

City of Springboro

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
General Fund				
Nonspendable	\$0	\$0	\$0	\$0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Reserved	1,852,314	1,491,541	451,350	256,689
Unreserved	<u>434,530</u>	<u>1,145,044</u>	<u>3,178,124</u>	<u>4,106,407</u>
<i>Total General Fund</i>	<u>2,286,844</u>	<u>2,636,585</u>	<u>3,629,474</u>	<u>4,363,096</u>
All Other Governmental Funds				
Nonspendable	\$0	\$0	\$0	\$0
Restricted	0	0	0	0
Unassigned	0	0	0	0
Reserved	1,019,737	1,448,737	932,104	5,232,418
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	475,110	636,736	547,372	822,349
Debt Service Funds	0	(67,752)	0	0
Capital Projects Funds	<u>(2,661,803)</u>	<u>568,707</u>	<u>(3,859,964)</u>	<u>(1,784,381)</u>
<i>Total All Other Governmental Funds</i>	<u>(1,166,956)</u>	<u>2,586,428</u>	<u>(2,380,488)</u>	<u>4,270,386</u>
<i>Total Governmental Funds</i>	<u><u>\$1,119,888</u></u>	<u><u>\$5,223,013</u></u>	<u><u>\$1,248,986</u></u>	<u><u>\$8,633,482</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

2006	2007	2008	2009	2010	2011
\$0	\$0	\$0	\$0	\$0	\$118,633
0	0	0	0	0	356,126
0	0	0	0	0	8,809,769
307,002	304,124	467,125	458,766	452,474	0
4,595,923	5,432,893	5,724,981	5,967,265	7,488,980	0
<u>4,902,925</u>	<u>5,737,017</u>	<u>6,192,106</u>	<u>6,426,031</u>	<u>7,941,454</u>	<u>9,284,528</u>
\$0	\$0	\$0	\$0	\$0	\$105,578
0	0	0	0	0	6,058,316
0	0	0	0	0	(298,460)
5,302,224	5,091,688	6,520,184	7,300,879	5,710,045	0
1,277,471	983,802	1,115,267	(2,663,656)	1,259,760	0
0	0	0	0	0	0
(232,619)	909,425	6,898,355	(1,259,533)	(10,441)	0
<u>6,347,076</u>	<u>6,984,915</u>	<u>14,533,806</u>	<u>3,377,690</u>	<u>6,959,364</u>	<u>5,865,434</u>
<u>\$11,250,001</u>	<u>\$12,721,932</u>	<u>\$20,725,912</u>	<u>\$9,803,721</u>	<u>\$14,900,818</u>	<u>\$15,149,962</u>

City of Springboro

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

	2002	2003	2004	2005
Revenues:				
Municipal Income Taxes	\$6,500,632	\$6,540,059	\$7,312,583	\$9,119,941
Property Tax	527,192	666,802	644,774	682,471
Payment in Lieu of Taxes	0	0	0	157,646
Intergovernmental Revenues	1,306,729	2,033,354	1,450,786	2,035,269
Charges for Services	675,520	749,372	825,777	924,184
Fines, Licenses and Permits	768,071	801,176	802,255	806,742
Investment Earnings	379,252	204,171	398,038	317,708
Special Assessments	265,319	299,856	432,914	382,752
Donations	37,148	8,588	7,873	8,209
Payments from Developers	0	0	0	0
All Other Revenue	360,008	407,957	691,314	423,325
Total Revenue	10,819,871	11,711,335	12,566,314	14,858,247
Expenditures:				
Current:				
Security of Persons and Property	2,170,837	2,192,558	2,474,163	2,516,280
Public Health and Welfare Services	1,829	6,343	8,965	8,780
Leisure Time Activities	360,850	320,075	342,388	387,963
Community Environment	978,325	739,251	589,764	750,053
Transportation	489,743	628,947	646,669	623,135
General Government	2,950,063	3,343,835	3,383,311	4,032,228
Capital Outlay	3,587,564	1,179,323	7,466,196	1,833,003
Debt Service:				
Principal Retirement	461,732	479,553	562,513	605,986
Interest and Fiscal Charges	465,437	416,250	436,819	509,976
Total Expenditures	11,466,380	9,306,135	15,910,788	11,267,404
Excess (Deficiency) of Revenues Over Expenditures	(646,509)	2,405,200	(3,344,474)	3,590,843

City of Springboro

2006	2007	2008	2009	2010	2011
\$8,951,015	\$9,706,915	\$9,729,065	\$9,388,476	\$9,710,970	\$10,362,125
716,356	802,737	800,270	808,536	741,189	702,381
473,153	384,014	381,409	538,388	550,819	217,620
1,445,957	1,268,711	1,632,075	1,970,660	2,490,006	2,026,299
890,655	961,574	980,683	1,231,045	1,325,282	0
627,877	542,849	366,726	391,751	507,841	406,845
478,662	770,851	625,240	222,636	149,940	150,895
477,898	350,886	509,359	411,661	384,934	402,343
8,787	9,434	7,032	7,588	6,673	770
0	0	972,412	0	0	0
298,314	330,195	703,199	502,665	364,291	572,759
<u>14,368,674</u>	<u>15,128,166</u>	<u>16,707,470</u>	<u>15,473,406</u>	<u>16,231,945</u>	<u>14,842,037</u>
2,508,433	2,613,876	2,818,460	2,902,211	2,855,621	2,879,485
10,647	11,518	14,060	15,274	15,066	14,697
380,019	418,201	434,357	463,693	463,880	500,822
679,947	725,553	583,002	629,695	608,100	531,565
561,958	813,735	883,759	1,032,978	996,012	802,889
3,532,737	3,943,581	4,435,165	8,552,889	4,421,751	3,914,962
1,925,812	1,524,581	4,615,996	10,288,484	2,812,497	2,499,123
543,625	569,708	599,817	1,146,115	1,180,000	1,115,000
498,708	472,490	608,577	766,936	737,543	680,895
<u>10,641,886</u>	<u>11,093,243</u>	<u>14,993,193</u>	<u>25,798,275</u>	<u>14,090,470</u>	<u>12,939,438</u>
3,726,788	4,034,923	1,714,277	(10,324,869)	2,141,475	1,902,599

(Continued)

City of Springboro

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

	2002	2003	2004	2005
Other Financing Sources (Uses):				
Gain (Loss) on Sale of Assets Held for Resale	0	0	0	0
Other Financing Sources - Capital Leases	0	0	73,827	0
Issuance of Special Assessment Bonds	0	1,840,000	0	0
Issuance of General Obligation Bonds	0	0	0	0
Refunding General Obligation Bonds	0	0	0	0
Premium on General Obligation Bonds	0	0	0	0
Premium on Refunding Bonds	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0
Transfers In	4,801,853	2,546,960	2,713,152	3,911,840
Transfers Out	(4,993,782)	(3,056,888)	(3,319,127)	(4,655,657)
Total Other Financing Sources (Uses)	<u>(191,929)</u>	<u>1,330,072</u>	<u>(532,148)</u>	<u>(743,817)</u>
Net Change in Fund Balance	<u>(\$838,438)</u>	<u>\$3,735,272</u>	<u>(\$3,876,622)</u>	<u>\$2,847,026</u>
Debt Service as a Percentage of Noncapital Expenditures	13.34%	12.39%	13.42%	13.42%

Source: Finance Director's Office

NOTE: Year 2001 Does not include the Civic Center Fund which was classified as a Fiduciary Fund prior to implementing GASB 34 in 2002.

City of Springboro

2006	2007	2008	2009	2010	2011
315,000	437,706	0	0	93,974	(59,560)
0	0	0	0	0	0
0	0	0	0	0	0
0	0	8,900,000	0	4,235,000	0
0	0	775,000	0	0	0
0	0	232,146	0	0	0
0	0	20,215	0	0	0
0	0	(785,500)	0	0	0
3,907,388	2,761,928	2,497,919	4,816,392	2,589,995	5,036,406
(5,333,388)	(5,773,828)	(5,345,487)	(5,446,592)	(3,955,003)	(6,621,966)
(1,111,000)	(2,574,194)	6,294,293	(630,200)	2,963,966	(1,645,120)
<u>\$2,615,788</u>	<u>\$1,460,729</u>	<u>\$8,008,570</u>	<u>(\$10,955,069)</u>	<u>\$5,105,441</u>	<u>\$257,479</u>
13.58%	12.22%	13.18%	12.33%	16.43%	16.70%

City of Springboro

Income Tax Revenues by Source, Governmental Funds Last Ten Years

Tax year	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Income Tax Rate	1.50%	1.50%	1.50%	1.50%
Estimated Personal Income	\$456,533,000	\$494,378,000	\$546,416,000	\$567,729,000
Total Tax Collected	\$6,058,816	\$6,683,821	\$7,086,005	\$9,300,710
Income Tax Receipts				
Withholding	4,071,301	4,412,779	4,752,968	5,419,613
Percentage	67%	66%	67%	58%
Corporate	702,910	875,184	777,214	720,866
Percentage	12%	13%	11%	8%
Individuals	1,284,605	1,395,858	1,555,823	3,160,231
Percentage	21%	21%	22%	34%
Income Tax by Business Type				
Industrial	\$1,148,899	\$1,276,266	\$1,435,267	\$1,463,903
Education/Government	290,922	330,251	364,682	367,225
Service	751,948	836,480	889,236	833,096
Retail	412,348	392,535	403,940	370,263
Medical	146,706	213,987	206,807	245,175
Construction	26,559	30,986	45,306	54,523
Financial	83,886	80,980	96,354	111,192
Restaurants	138,667	154,644	180,124	189,199
Miscellaneous	30,324	27,418	28,343	31,913
Total Tax	<u>\$3,030,258</u>	<u>\$3,343,549</u>	<u>\$3,650,060</u>	<u>\$3,666,489</u>

Source: City Income Tax Department

City of Springboro

2006	2007	2008	2009	2010	2011
1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
\$602,762,000	\$620,374,000	\$654,241,733	\$628,251,333	\$644,179,933	\$693,039,667
\$8,193,357	\$9,960,281	\$9,813,626	\$9,423,770	\$9,662,699	\$10,395,595
5,086,290	5,935,297	6,118,077	5,955,246	5,991,024	6,497,945
62%	60%	62%	64%	62%	63%
749,040	1,039,162	955,291	690,695	818,146	979,952
9%	10%	10%	7%	8%	9%
2,358,027	2,985,822	2,740,258	2,777,829	2,853,529	2,917,698
29%	30%	28%	29%	30%	28%
\$1,449,585	\$1,447,450	\$1,494,079	\$1,264,935	\$1,402,155	\$1,453,710
365,954	380,932	422,883	473,948	425,921	477,010
861,166	992,999	1,116,287	991,385	1,033,557	1,083,425
387,102	392,700	397,920	445,666	412,095	485,974
225,991	262,250	322,173	455,691	346,705	605,814
49,915	55,556	58,918	36,375	50,283	41,463
103,773	127,922	142,226	66,987	112,378	70,622
184,661	192,051	208,443	216,565	205,686	218,327
30,128	31,396	41,401	51,767	41,521	53,562
<u>\$3,658,275</u>	<u>\$3,883,256</u>	<u>\$4,204,330</u>	<u>\$4,003,319</u>	<u>\$4,030,301</u>	<u>\$4,489,907</u>



City of Springboro

Income Tax Statistics Current Year and Nine Years Ago

Calendar Year 2011				
Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	3,127	45.86%	\$12,174,639	2.45%
20,000 - 49,999	1,049	15.39%	36,172,963	7.27%
50,000 - 74,999	823	12.07%	51,633,391	10.38%
75,000 - 99,999	740	10.85%	64,377,043	12.94%
Over 100,000	1,079	15.83%	333,200,797	66.96%
Total	6,818	100.00%	\$497,558,834	100.00%

Local Taxes Paid by Residents

Taxes Paid to Springboro

Taxes Credited to Other Municipalities

Tax Dollars

\$2,917,698

2,526,633

\$5,444,331

Calendar Year 2002				
Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	1,769	29.15%	\$10,791,439	2.67%
20,000 - 49,999	1,139	18.77%	39,403,207	9.73%
50,000 - 74,999	891	14.68%	55,578,702	13.73%
75,000 - 99,999	879	14.48%	74,949,648	18.52%
Over 100,000	1,391	22.92%	224,050,584	55.35%
Total	6,069	100.00%	\$404,773,579	100.00%

Local Taxes Paid by Residents

Taxes Paid to Springboro

Taxes Credited to Other Municipalities

Tax Dollars

\$2,606,259

3,465,344

\$6,071,604

Source: City Income Tax Department

City of Springboro

Ratio of Outstanding Debt By Type Last Ten Years

	2002	2003	2004	2005
Governmental Activities ⁽¹⁾				
Special Assessment Bonds Payable	\$2,194,000	\$3,907,000	\$3,724,000	\$3,515,000
Unvoted General Obligation Bonds Payable	3,356,200	3,082,900	2,791,150	2,490,950
Capital Leases	243,290	164,037	150,100	53,314
Business-type Activities ⁽¹⁾				
Mortgage Revenue Bonds Payable	\$20,620,000	\$19,910,000	\$38,096,644	\$37,012,203
General Obligation Bonds Payable	4,273,800	4,112,100	3,928,577	3,759,626
Capital Leases	185,392	223,502	296,712	200,210
Total Primary Government	<u>\$30,872,682</u>	<u>\$31,399,539</u>	<u>\$48,987,183</u>	<u>\$47,031,303</u>
Population ⁽²⁾				
City of Springboro	14,483	15,596	16,687	16,935
Outstanding Debt Per Capita	\$2,132	\$2,013	\$2,936	\$2,777
Income ⁽³⁾				
Personal (in thousands)	456,533	494,378	546,416	589,338
Percentage of Personal Income	6.76%	6.35%	8.97%	7.98%

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

2006	2007	2008	2009	2010	2011
\$3,296,000	\$3,070,000	\$2,833,000	\$2,595,000	\$2,360,000	\$2,100,000
2,180,750	1,852,100	10,646,861	9,729,208	13,001,555	12,128,902
38,890	23,832	8,115	0	0	0
\$35,672,762	\$34,293,321	\$22,298,880	\$21,329,439	\$20,329,998	\$19,165,557
3,585,675	3,400,174	13,522,197	12,834,107	11,855,661	11,100,100
120,279	57,809	340,600	282,030	223,708	161,792
<u>\$44,894,356</u>	<u>\$42,697,236</u>	<u>\$49,649,653</u>	<u>\$46,769,784</u>	<u>\$47,770,922</u>	<u>\$44,656,351</u>
17,980	18,094	18,121	17,871	17,409	17,409
\$2,497	\$2,360	\$2,740	\$2,617	\$2,744	\$2,565
665,979	696,782	709,546	694,592	676,636	705,691
6.74%	6.13%	7.00%	6.73%	7.06%	6.33%

City of Springboro

Ratios of General Bonded Debt Outstanding Last Ten Years

Year	2002	2003	2004	2005
Population ⁽¹⁾	14,483	15,596	16,687	16,935
Assessed Value ⁽²⁾	\$359,871,190	\$393,984,760	\$421,610,140	\$436,014,232
General Bonded Debt ⁽³⁾				
General Obligation Bonds	\$7,630,000	\$7,195,000	\$6,719,727	\$6,250,576
Resources Available to Pay Principal ⁽⁴⁾	\$26,767	\$0	\$16,181	\$126,482
Net General Bonded Debt	\$7,603,233	\$7,195,000	\$6,703,546	\$6,124,094
Ratio of Net Bonded Debt to Estimated Actual Value	2.11%	1.83%	1.59%	1.40%
Net Bonded Debt per Capita	\$524.98	\$461.34	\$401.72	\$361.62

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

2006	2007	2008	2009	2010	2011
17,980	18,094	18,121	17,871	17,409	17,409
\$502,197,960	\$504,055,570	\$502,452,780	\$455,700,530	\$461,465,512	\$464,866,000
\$5,766,425	\$5,252,274	\$24,169,058	\$22,563,315	\$24,857,216	\$23,229,002
\$401,568	\$463,997	\$690,035	\$957,269	\$1,084,280	\$160,734
\$5,364,857	\$4,788,277	\$23,479,023	\$21,606,046	\$23,772,936	\$23,068,268
1.07%	0.95%	4.67%	4.74%	5.15%	4.96%
\$298.38	\$264.63	\$1,295.68	\$1,209.00	\$1,365.55	\$1,325.08



City of Springboro

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2011*

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to the City of Springboro</u>	<u>Amount Applicable to the City of Springboro</u>
Direct:			
City of Springboro	\$15,328,902 (1)	100.00%	\$15,328,902
Overlapping:			
Warren County	6,861,844	8.95%	<u>614,135</u>
		Subtotal	<u>614,135</u>
		Total	<u><u>\$15,943,037</u></u>

Source: Warren County Auditor's Office

(1) Includes General Obligation Bonds and Notes Payable

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

City of Springboro

Debt Limitations Last Ten Years

	2002	2003	2004	2005
Total Debt				
Net Assessed Valuation	\$359,871,190	\$393,984,760	\$421,610,140	\$436,014,232
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	37,786,475	41,368,400	44,269,065	45,781,494
City Debt Outstanding (2)	7,356,200	5,322,900	9,341,150	7,220,950
Less: Applicable Debt Service Fund Amounts	(26,767)	0	(16,181)	(126,482)
Net Indebtedness Subject to Limitation	<u>7,329,433</u>	<u>5,322,900</u>	<u>9,324,969</u>	<u>7,094,468</u>
Overall Legal Debt Margin	<u>\$30,457,042</u>	<u>\$36,045,500</u>	<u>\$34,944,096</u>	<u>\$38,687,026</u>
Unvoted Debt				
Net Assessed Valuation	\$359,871,190	\$393,984,760	\$421,610,140	\$436,014,232
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	19,792,915	21,669,162	23,188,558	23,980,783
City Debt Outstanding (2)	7,356,200	5,322,900	9,341,150	7,220,950
Less: Applicable Debt Service Fund Amounts	(26,767)	0	(16,181)	(126,482)
Net Indebtedness Subject to Limitation	<u>7,329,433</u>	<u>5,322,900</u>	<u>9,324,969</u>	<u>7,094,468</u>
Overall Legal Debt Margin	<u>\$12,463,482</u>	<u>\$16,346,262</u>	<u>\$13,863,589</u>	<u>\$16,886,315</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

2006	2007	2008	2009	2010	2011
\$502,197,960	\$504,055,570	\$502,452,780	\$455,700,530	\$461,465,512	\$464,866,000
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
52,730,786	52,925,835	52,757,542	47,848,556	48,453,879	48,810,930
6,460,750	4,552,100	13,346,861	16,372,208	15,501,555	12,128,902
(401,568)	(463,997)	(690,035)	(957,269)	(1,084,280)	(160,734)
6,059,182	4,088,103	12,656,826	15,414,939	14,417,275	11,968,168
\$46,671,604	\$48,837,732	\$40,100,716	\$32,433,617	\$34,036,604	\$36,842,762
\$502,197,960	\$504,055,570	\$502,452,780	\$455,700,530	\$461,465,512	\$464,866,000
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
27,620,888	27,723,056	27,634,903	25,063,529	25,380,603	25,567,630
6,460,750	4,552,100	13,346,861	16,372,208	15,501,555	12,128,902
(401,568)	(463,997)	(690,035)	(957,269)	(1,084,280)	(160,734)
6,059,182	4,088,103	12,656,826	15,414,939	14,417,275	11,968,168
\$21,561,706	\$23,634,953	\$14,978,077	\$9,648,590	\$10,963,328	\$13,599,462

City of Springboro

Pledged Revenue Coverage Last Ten Years

	2002	2003	2004	2005
Water System Bonds (1 a)				
Gross Revenues (2)	\$2,555,439	\$2,706,927	\$2,741,352	\$3,334,461
Direct Operating Expenses (3)	1,467,476	1,455,464	1,722,922	1,840,597
Net Revenue Available for Debt Service	1,087,963	1,251,463	1,018,430	1,493,864
Annual Debt Service Requirement	1,325,674	1,330,874	1,329,476	1,298,390
Coverage	0.82	0.94	0.77	1.15
Sewer System Bonds (1 b)				
Gross Revenues (2)	\$1,590,251	\$1,904,125	\$1,751,800	\$2,684,569
Direct Operating Expenses (3)	1,113,824	1,774,868	1,617,297	2,025,640
Net Revenue Available for Debt Service	476,427	129,257	134,503	658,929
Annual Debt Service Requirement	381,495	378,775	380,528	1,512,549
Coverage	1.25	0.34	0.35	0.44
Special Assessment Bonds (4)				
Special Assessment Collections	\$265,319	\$299,856	\$432,914	\$382,752
Debt Service				
Principal	127,000	127,000	183,000	209,000
Interest	130,494	123,188	220,314	191,359
Coverage	1.03	1.20	1.07	0.96

- (1) The Mortgage Revenue Bonds were issued as follows:
- (a) The Water system Mortgage Revenue Bonds were issued in 1998, in the amount of \$14,675,000 - Defeased in 2008
 - (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 1997, in the amount of \$4,730,000. Defeased in 2011.
 - (b) The Sewer system Mortgage Revenue Bonds were issued in 2004, in the amount of \$18,310,000
 - (b) The Sewer system Mortgage Revenue Bonds were issued in 2011, in the amount of \$2,040,000.
- (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

2006	2007	2008	2009	2010	2011
\$3,071,933	\$3,489,537	\$3,252,627	\$2,897,513	\$3,100,393	\$3,716,585
2,181,422	2,092,356	2,189,111	2,390,341	2,460,853	2,121,551
890,511	1,397,181	1,063,516	507,172	639,540	1,595,034
1,326,057	1,301,242	1,301,142	294,272	298,601	294,801
0.67	1.07	0.82	1.72	2.14	5.41
\$2,483,615	\$2,493,083	\$2,612,246	\$2,423,160	\$2,654,117	\$3,202,051
1,880,995	1,545,645	1,683,534	1,659,795	1,750,014	1,644,881
602,620	947,438	928,712	763,365	904,103	1,557,170
1,644,532	1,627,008	1,625,816	1,627,332	1,619,455	1,631,378
0.37	0.58	0.57	0.47	0.56	0.95
\$477,898	\$350,886	\$509,359	\$411,661	\$384,934	\$402,343
219,000	226,000	237,000	238,000	235,000	260,000
181,963	171,571	160,339	148,330	135,728	123,295
1.19	0.88	1.28	1.07	1.04	1.05

City of Springboro

Demographic and Economic Statistics Last Ten Years

Calendar Year	2002	2003	2004	2005
Population (1)				
City of Springboro (a)	14,483	15,596	16,687	16,935
Warren County	158,383	158,383	158,383	196,622
Income (2) (a)				
Total Personal (in thousands)	456,533	494,378	546,416	589,338
County Per Capita	31,522	31,699	32,745	34,800
Unemployment Rate (3)				
Federal	4.8%	5.8%	6.0%	5.5%
State	4.3%	5.7%	6.1%	6.0%
Warren County	4.0%	4.4%	4.5%	4.4%
Civilian Work Force Estimates (3)				
State	5,828,000	5,915,000	5,875,300	5,900,400
Warren County	89,500	93,900	99,200	100,200
Employment Distribution by Occupation (4)				
Industrial	2,205	2,424	2,743	2,333
Education/Government	811	853	905	926
Service	2,423	3,054	3,249	3,768
Retail	1,524	1,850	1,899	1,974
Medical	591	598	671	767
Construction	79	118	152	143
Financial	156	177	244	266
Restaurants	1,979	2,071	2,246	2,426
Miscellaneous	310	247	315	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 2009 for the presentation of 2010 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

2006	2007	2008	2009	2010	2011
17,980	18,094	18,121	17,871	17,409	17,409
196,622	196,622	196,622	196,622	212,693	212,693
665,979	696,782	709,546	694,592	676,636	705,691
37,040	38,509	39,156	38,867	38,867	40,536
4.6%	4.6%	5.8%	9.3%	9.6%	8.9%
5.5%	5.6%	6.6%	10.2%	10.1%	8.6%
4.9%	4.6%	5.5%	8.8%	8.9%	7.6%
5,934,000	5,976,500	5,986,400	5,970,200	5,897,600	5,806,000
105,600	107,800	108,500	109,300	108,300	109,200
1,889	2,360	2,259	2,314	2,312	2,390
1,120	987	1,099	1,195	1,100	1,122
3,358	3,711	3,963	3,869	2,295	2,270
1,868	1,956	1,961	1,919	1,528	1,448
799	792	913	1,023	1,235	1,499
96	141	128	119	127	110
260	259	271	274	157	176
2,749	2,514	2,569	2,534	1,991	1,828
391	353	376	390	355	332



City of Springboro

Principal Employers Current Year and Nine Years Ago

Employer	Nature of Business	2011		
		Number of Employees	Rank	Percentage of Total Employment
Springboro Schools	Education	885	1	7.92%
Gayston Corp	Industry	466	2	4.17%
Sourcelink Ohio, LLC	Industry	372	3	3.33%
DLM Springboro, LLC	Grocery Store	305	4	2.73%
Hillspring Rehabilitation Center	Nursing Home	272	5	2.43%
Pioneer Automotive Tech, Inc	Industry	271	6	2.43%
Dayton Metro YMCA	YMCA Center	242	7	2.17%
Kroger Limited Partnership	Grocery Store	213	8	1.91%
Victory Wholesale Grocers	Industry	162	9	1.45%
High Concrete Group	Industry	138	10	1.23%
Total		<u>3,326</u>		
Total Employment within the City		<u>11,175</u>		

Employer	Nature of Business	2002		
		Number of Employees	Rank	Percentage of Total Employment
Springboro Community Schools	Education	662	1	5.48%
Gayston Corp	Industry	338	2	2.80%
Pioneer Automotive Tech, Inc	Industry	321	3	2.66%
Miami Valley Dinner Theatre	Dinner Theatre	316	4	2.62%
DLM Springboro, LLC	Grocery Store	281	5	2.33%
Kmart	Retail	270	6	2.24%
Hillspring Rehabilitation Center	Nursing Home	267	7	2.21%
Dayton Metro YMCA	YMCA Center	239	8	1.98%
Bob Evans Farms, Inc	Restaurant	206	9	1.71%
Continental Transport, Inc	Industry	194	10	1.61%
Total		<u>3,094</u>		
Total Employment within the City		<u>12,080</u>		

Sources:

Source: City Income Tax Department

City of Springboro

Full Time Equivalent Employees by Function Last Ten Years

	2002	2003	2004	2005	2006
Governmental Activities					
General Government					
Finance	5.50	5.50	5.50	5.50	5.50
Income Tax	2.50	2.50	2.50	2.50	2.50
Mayor's Court	2.00	2.00	2.00	2.00	2.00
City Manager's Office	3.00	3.00	3.00	3.00	3.00
Computer Administration	1.00	1.00	1.00	1.00	1.00
Council/Clerk of Council	1.50	1.50	1.50	1.50	1.50
Security of Persons and Property					
Police	22.00	23.00	23.00	23.00	23.00
Dispatch	7.00	7.00	7.00	7.00	7.00
Transportation					
Street	7.00	7.00	7.00	7.00	7.00
Leisure Time Activities					
Parks and Recreation	5.25	5.25	5.25	5.25	6.25
Community Environment					
Economic Development	1.00	1.00	0.00	0.00	0.00
Engineering	2.00	2.00	2.00	2.00	2.00
Building and Zoning	5.00	5.00	7.00	7.00	6.00
Business-Type Activities					
Utilities					
Water	5.50	5.50	5.50	5.50	5.50
Sewer	1.50	1.50	1.50	1.50	1.50
Trash	1.00	1.00	1.00	1.00	1.00
Golf Maintenance	0.00	0.00	0.00	0.00	0.00
<i>Total Employees</i>	<u>72.75</u>	<u>73.75</u>	<u>74.75</u>	<u>74.75</u>	<u>74.75</u>

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

Source: Finance Director's Office

City of Springboro

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
6.00	6.00	6.00	6.00	6.00
2.50	2.50	2.50	3.00	3.00
2.00	2.00	2.00	2.50	2.50
3.00	3.00	3.00	3.00	3.00
1.00	1.00	1.00	1.50	1.00
1.50	1.50	1.50	4.50	4.50
25.00	26.00	26.00	26.00	26.00
6.00	5.00	5.00	4.00	4.00
6.50	6.50	6.50	7.75	7.25
6.25	6.25	6.25	7.25	9.50
0.00	0.00	0.00	0.00	0.00
2.00	2.00	2.00	3.50	3.50
6.00	5.00	5.00	2.50	2.50
4.50	4.50	4.50	5.00	5.00
1.50	1.50	1.50	1.00	1.00
1.00	1.00	1.00	0.00	0.00
<u>11.00</u>	<u>11.00</u>	<u>11.00</u>	<u>10.00</u>	<u>8.75</u>
<u>85.75</u>	<u>84.75</u>	<u>84.75</u>	<u>87.50</u>	<u>87.50</u>

City of Springboro

Operating Indicators by Function Last Ten Years

	2002	2003	2004	2005	2006
Governmental Activities					
General Government					
Court					
Number of Criminal Cases	266	185	260	372	329
Number of Traffic Cases	1,769	1,595	1,596	1,678	2,014
Number of Citations	1,984	1,975	1,836	1,841	2,121
Number of Offenses	2,242	2,039	2,027	2,160	2,460
Number of Open Cases	985	398	459	562	526
Licenses and Permits					
Number of Residential Building Permits	277	283	210	140	80
Number of Commercial Building Permits	41	36	94	127	25
Number of Residential Building Inspections	7,581	9,124	7,504	4,639	3,369
Number of Commercial Building Inspections	1,275	1,669	1,797	2,420	1,442
Security of Persons and Property					
Police					
Number of Calls for Service	8,953	9,574	9,830	13,512	15,569
Number of Criminal Arrests	638	532	628	704	776
Number of DUI Arrests	133	92	103	154	112
Number of Traffic Accidents	379	373	357	372	381
Transportation					
Street					
Number of Streets Resurfaced	7	15	7	17	11
Community Environment					
Number of New Jobs	712	700	550	690	495
Business-Type Activities					
Golf Course					
Number of Rounds	38,625	36,773	37,189	35,412	34,554
Water					
Number of Service Connections	5,728	5,821	6,423	6,994	7,104
Daily Average Consumption (MGD)	1.925	1.865	1.976	2.050	1.920
Peak Daily Consumption (MGD)	4.114	4.003	4.118	4.630	4.124
Sewer					
Number of Service Connections	5,596	5,798	6,327	6,951	6,992
Daily Average Sewage Treatment (MGD)	2.105	2.165	2.171	2.226	2.406
Trash					
Number of Customers Served	5,562	5,683	5,266	6,814	6,928

Source: Finance Director's Office

City of Springboro

2007	2008	2009	2010	2011
101	425	389	424	425
1,895	1,900	2,245	2,384	1,605
1,996	1,872	2,376	2,773	1,943
2,364	2,072	2,612	3,037	2,170
522	569	568	679	655
42	14	19	25	24
16	14	2	3	8
1,934	956	979	1,106	1,218
1,176	667	465	745	594
15,345	14,470	18,215	18,622	17,311
910	696	747	1,104	917
120	88	106	110	113
318	346	217	303	296
7	24	25	4	15
422	215	97	104	121
33,380	38,606	39,722	38,124	32,301
7,452	7,457	7,382	7,412	7,506
2,270	2,270	1,960	2,250	2,300
4,300	4,300	3,620	4,350	4,400
7,012	7,047	7,566	7,608	7,734
2,310	2,310	2,000	2,380	2,400
6,950	6,985	5,603	5,686	5,672

City of Springboro

Capital Asset Statistics by Function Last Ten Years

	2002	2003	2004	2005	2006
Governmental Activities					
General Government					
Public Land and Buildings					
Land (acres)	573	556	637	650	645
Buildings	10	11	13	15	15
Licensed Vehicles	6	6	7	6	8
Library	1	1	1	1	1
Security of Persons and Property					
Police					
Stations	1	1	1	1	1
Vehicles	16	18	15	19	21
Transportation					
Street					
Number of Paved Streets	328	337	345	357	360
Total Paved Miles	82	84	86	88	89
Street Lights	117	117	117	117	117
Signal Controlled Intersections	13	13	13	13	13
Licensed Vehicles	15	16	16	14	16
Leisure Time Activities					
Parks and Recreation					
Land (acres)	131	131	212	228	228
Buildings	8	8	8	9	10
Parks	3	3	4	4	4
Playgrounds	2	2	2	3	3
Tennis Courts	4	4	4	4	4
Skate Board Park	1	1	1	1	1
Baseball/Softball Diamonds	7	7	7	8	8
Basketball Courts	2	2	2	2	2
Soccer Fields	6	6	6	6	6
Licensed Vehicles	3	3	3	3	6

City of Springboro

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
619	613	613	610	608
14	14	14	14	14
7	7	7	7	9
1	1	1	1	1
1	1	1	1	1
18	21	20	20	20
364	365	366	366	366
90	90	91	91	91
117	117	117	117	117
14	15	16	16	16
16	16	16	16	16
228	232	232	232	232
11	11	11	11	11
4	4	4	4	4
4	4	4	4	4
4	4	4	4	4
1	1	1	1	0
8	8	9	9	10
2	2	2	2	2
6	6	6	6	8
6	6	6	6	6

(Continued)

City of Springboro

Capital Asset Statistics by Function Last Ten Years

	2002	2003	2004	2005	2006
Business-Type Activities					
Golf Course / Clubhouse					
Land (acres)	188	188	188	188	188
Buildings	9	10	10	11	11
Golf Carts	80	80	80	80	80
Licensed Vehicles	1	1	1	1	1
Utilities					
Water					
Water Towers	3	3	3	3	4
Waterlines (Miles)	76	81	83	86	89
Water Treatment Plant	1	1	1	1	1
Buildings	3	3	3	3	3
Licensed Vehicles	5	5	5	9	10
Pump Stations	5	5	5	5	5
Storage Capacity (thousands of gallons)	4,100,000	4,100,000	4,100,000	4,100,000	5,100,000
Sewer					
Sewage Treatment Plant	1	1	1	1	1
Buildings	3	3	3	3	7
Licensed Vehicles	0	0	0	0	1
Sewerlines (Miles)	63	66	71	74	76
Lift Stations	10	10	10	10	10

Source: Finance Director's Office

City of Springboro

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
188	188	188	188	188
11	11	11	11	11
84	84	84	84	84
1	1	1	1	1
4	4	4	4	4
0	0	0	0	0
1	1	1	1	1
3	3	3	3	3
9	9	12	12	12
5	0	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
5	2	2	3	4
0	0	0	0	0
9	8	8	8	8





Dave Yost • Auditor of State

CITY OF SPRINGBORO

WARREN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 28, 2012**