

CITY OF SPRINGBORO
WARREN COUNTY
REGULAR AUDIT
JANUARY 1, 2019 – DECEMBER 31, 2019



OHIO AUDITOR OF STATE
KEITH FABER



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City Council
City of Springboro
320 W. Central Ave
Springboro, OH 45066

We have reviewed the *Independent Auditor's Report* of the City of Springboro, Warren County, prepared by Wilson, Shannon & Snow, Inc., for the audit period January 1, 2019 through December 31, 2019. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads 'Keith Faber'.

Keith Faber
Auditor of State
Columbus, Ohio

August 21, 2020

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**CITY OF SPRINGBORO
WARREN COUNTY**

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

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

To the City Council and Management:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Springboro, Warren County, (the City) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated July 17, 2020, wherein we noted the City considered the financial impact of COVID-19 as disclosed in Note 20.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Wilson, Shuman & Snow, Inc.

Newark, Ohio
July 17, 2020



City of Springboro
COMPREHENSIVE ANNUAL FINANCIAL
REPORT
Fiscal Year Ended December 31, 2019





THE CITY OF SPRINGBORO, OHIO

WARREN COUNTY

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FOR THE YEAR ENDED
December 31, 2019

Prepared by:
Department of Finance

Jonathan Hudson
Director of Finance



CITY OF SPRINGBORO
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WARREN COUNTY, OHIO

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INTRODUCTORY SECTION





CITY OF SPRINGBORO

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

phone (937) 748-4343

fax (937) 748-6859

July 17, 2020

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, 2019. The responsibility for both the accuracy of the presented data, and the completeness and fairness of presentation, including all disclosures, rests with the management of the City, particularly the office of the Director of Finance. This report is prepared in conformance with accounting principles generally accepted in the United States of America as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources. We believe the data is fairly presented in all material aspects and that it is presented in a manner designed to set forth the financial position and results of operations of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain a reasonable understanding of the City's financial affairs have been included.

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

THE CITY

We became a chartered municipality forty-one years ago, a City twenty-eight years ago and have earned the reputation as being a model 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, 2019***

REPORTING ENTITY AND SERVICES

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

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

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

ECONOMIC OUTLOOK

Growth and development within the City of Springboro is expected to exceed the national and state average due to the City's physical location along Interstate 75 between Cincinnati and Dayton. The United States Census Bureau officially counted population in the City of Springboro on April 1, 2010 as 17,409, an increase of 5,029 from the 2000 United States Census Bureau count. The estimated population from the US Census Bureau in 2019 was 18,213. The main factor contributing to this growth over a sustained period was an abundance of available building sites offering appealing terrain, location, amenities, small town atmosphere and a low crime rate. In 2019, 56 single-family residential construction permits were issued.

Springboro is an important center for manufacturing and service industries. Metal fabrication, electronics assembly, distribution and aerospace comprise a substantial portion of the economic base in this region. Pioneer Industrial Components assembles audio components for the automobile industry. Advanced Engineering designs solutions for interiors of domestic and foreign vehicles. Thaler Machine designs and manufactures parts for the aerospace and defense industries. These few companies alone generate over 700 jobs.

***Letter of Transmittal
For the Year Ended December 31, 2019***

Add to that Victory Wholesale Grocers, a national grocery distributor and Klosterman Bakery, a bread distributor, Springboro's prominence as a distribution center becomes evident.

Over 700 businesses call Springboro home, including corporate headquarters, branch offices and bustling distribution and retail/service establishments.

Since the City annexed the South Tech Business Park in 1997 and began marketing the Stolz Industrial Park and Commercial Way Industrial Park, industrial growth in Springboro has blossomed. In November 2004, the City of Springboro purchased the remaining 89 acres of land at the South Tech Business Park on the northern edge of the City and, in conjunction with other local governments, redeveloped the surrounding infrastructure to create Austin Landing, a mixed-use development along Interstate 75. Development plans are still being finalized for the area.

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

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

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

Growth and development in the City are expected to continue to be strong through 2020. Medical office development and business retention are high on the City's Economic Development priority list. Work continues at the Wright Station Development which is home to the new state of the art Performing Arts Center and Warped Wing Brewery. Dayton Children's Medical Center has recently opened a new 16-bed Emergency Care Unit at their current facility in South Tech Business Park and they have completed a new surgery center at the same site in late 2018. In all, Dayton Children's has invested over \$40 million in a 110,000 square foot medical facility in Springboro and they have plans to expand beyond that in the near future.

***Letter of Transmittal
For the Year Ended December 31, 2019***

MAJOR INITIATIVES

For the Year (2019):

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

General Capital Improvements:

In 2019, a new digital sign was installed at the City Gateway and building continued on the property the City purchased at the corner of SR 73 and SR 741.

Street Capital Improvements:

The City has an annual resurfacing and miscellaneous street repair program that is completed each year. Sidewalks were installed in various areas of the City as per the Mobility Master Plan. Improvements to the intersection of SR 73 and SR 741 began in 2014 and was completed in 2019. Concrete improvements were made on South Main Street. Major improvements were also made on South Pioneer during 2019.

Park Improvements:

Improvements continued in 2019 on Hazel Woods Park with the installation of more soccer and lacrosse fields. Construction was completed on Phase 1 of Kacie Jane Splash Park. This is a new park for the City consisting of multiple playgrounds and Splash Pads including picnic and other shelter areas.

Water Capital Improvements:

The Tamarack Hills Water Main Replacement program and the Royal Oaks Water Main Replacement program continued in 2019, replacing 6" water mains with 8" water mains and will be done over several years. Improvements began on the Wellfield and Pump House Improvements.

Sewer Capital Improvements:

Work began on the Waste Water Treatment Plant Pump Improvements. Improvements are anticipated to be completed over several years.

Storm Water Utility Capital Improvements:

Several catch basin repairs/replacements occurred in various subdivisions in conjunction with the concrete work going on in those area.

Golf Course Improvements:

Improvements at the clubhouse continued in 2019 to maintain quality standards. These improvements included window replacements and other cosmetic facelifts.

***Letter of Transmittal
For the Year Ended December 31, 2019***

For the Future (2020):

General Capital Improvements:

2020 budget of \$713,700 includes: \$100,000 for a roof at the Service Garage; \$95,000 for Municipal Building Improvements; and \$100,000 for a fiber project.

Street Capital Improvements:

Mobility Master Plan was completed in 2001, which analyzed both motorized and non-motorized transportation needs and developed a capital improvement plan. The 2020 budget includes funding for \$2,380,000 of street capital improvements in various areas including \$1,230,000 for street resurfacing; \$379,000 for Clearcreek Park Bike Trail Connection; and \$25,000 for the installation of various sidewalks.

Park Improvements:

The 2020 budget includes: \$543,000 for improvements to Hazel Woods Park that includes new soccer/lacrosse fields; and \$700,000 for Phase 2 of Kacie Jane Park at the corner of Lytle Five Points and Crosley Rd. Kacie Jane will be the new home of a community splashpad and bath house. The City will receive \$1 million in donations to offset the cost of construction.

Water Capital Improvements:

In 1995, the City commissioned the development of a Water Master Plan study in conjunction with the strategic planning process. This plan was updated in 1998, 2001 and 2008 to evaluate how the City's growth and development had compared to that projected in the earlier study and was updated again in 2009. The 2020 budget includes funding for \$2,185,000 water capital improvements as follows: \$325,000 for the replacement of a 6" water main with an 8" water main in the Tamarack Hills Subdivision; \$325,000 for replacement of a 6" water main with an 8" water main in the Royal Oaks Subdivision; and \$1,500,000 for Wellfield #1 Generator & Pump House Improvements.

Sewer Capital Improvements:

The City has developed a Sanitary Sewer Master Plan to address the sewer collection system and treatment plant needs for the next 20-years. This plan includes an analysis of the system and a Capital Improvement Program (CIP) to address these needs. In 2020 the budget includes \$175,000 to extend the sanitary sewer to the Villages of Creekside subdivision, which will eliminate that lift station and \$300,000 for Glenridge Force Main Improvements.

Storm Water Utility Capital Improvements:

The 2020 budget includes: \$75,000 to catch basin replacement program; and \$38,000 for storm water projects in conjunction with street capital projects.

Golf Course Improvements:

Heatherwoode Golf Course improvements for 2020 include: \$50,000 for emergency repairs; \$91,000 for Clubhouse Improvements and \$35,000 for exterior range and starter house improvements.

***Letter of Transmittal
For the Year Ended December 31, 2019***

FINANCIAL INFORMATION

Internal Control, Budgetary Control and the Accounting System

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

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

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

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

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

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

***Letter of Transmittal
For the Year Ended December 31, 2019***

OTHER INFORMATION

Independent Audit:

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

Certificate of Achievement:

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Springboro, Ohio, for its Comprehensive Annual Financial Report for the year ended December 31, 2018. This was the thirtieth year that the government has achieved this prestigious award.

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

Acknowledgment:

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

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



Christopher Pozzuto
City Manager



Jonathan Hudson
Director of Finance

CITY OF SPRINGBORO, OHIO

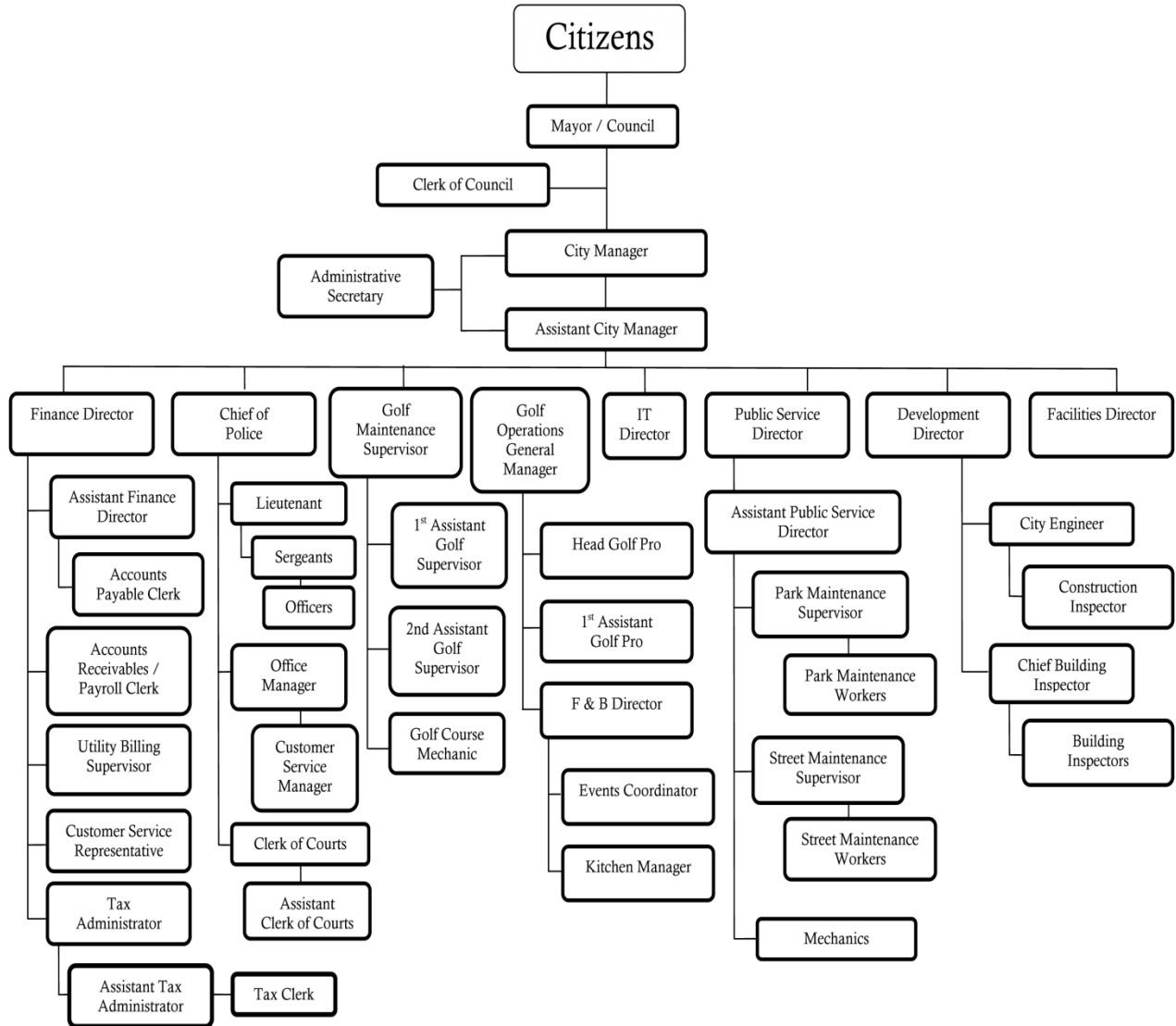
***List of Principal Officials
For the Year Ended December 31, 2019***

<u><i>Council</i></u>	<u><i>Title</i></u>	<u><i>Years of Service *</i></u>	<u><i>Term expires</i></u>
John Agenbroad	Mayor	24	December 2023
Janie Ridd	Council Member Ward 1	5	December 2021
Dale Brunner	Council Member Ward 2	4	December 2021
Jack Hanson	Council Member Ward 3	1	December 2021
Jim Chmiel	Council Member Ward 4	18	December 2021
Becky Iverson	Council Member at Large	8	December 2023
Steve Harding	Council Member at Large	4	December 2023

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

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

**City Organizational Chart
For the Year Ended December 31, 2019**



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



Government Finance Officers Association

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

Presented to

**City of Springboro
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



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

INDEPENDENT AUDITOR'S REPORT

To the City Council and Management:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Springboro, Warren County, Ohio (the City), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Springboro, Warren County, Ohio, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparisons for the General and Urban Redevelopment TIF Funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 20 to the financial statements, during 2019, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

City of Springboro
Warren County
Independent Auditor's Report

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 17, 2020 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Wilson, Shannon & Sons, Inc.

Newark, Ohio
July 17, 2020



***Management's Discussion and Analysis
For the Year Ended December 31, 2019***

Unaudited

Management's discussion and analysis of the City of Springboro's (the City) financial performance provides an overall review of the City's financial activities for the year ended December 31, 2019. 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 2019 are as follows:

- ❑ In total, net position increased \$8.7 million. Net position of governmental activities increased \$6.4 million which represents a 10% increase from 2018. Net position of business-type activities increased \$2.3 million or 2.7 % from 2018.
- ❑ General revenues accounted for \$17.9 million in revenue or 51.2% of all revenues. Program specific revenues in the form of charges for services and sales and grants and contributions accounted for 48.8% of total revenues of \$34.9 million.
- ❑ Total net position of governmental activities increased by \$6.4 million in total. Both revenues and expenses decreased from 2018. The increase in income taxes and investment earnings helped to reduce the effect of decreased capital grants and contributions.
- ❑ The City had \$13.4 million in expenses related to governmental activities; \$3 million of these expenses were offset by program specific charges for services and sales, grants or contributions. General revenues (primarily taxes) of \$17.5 million were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$12.2 million in revenues and other financing sources and \$11.8 million in expenditures and other financing uses. The general fund's fund balance increased \$462,428.
- ❑ Net position for enterprise funds increased by \$2.3 million. Revenues were slightly higher than 2018 while expenses increased in the current year. Transfers from governmental activities and the surplus of revenues over expenses accounted for the increase in 2019.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

These statements are as follows:

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

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

Government-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

***Management’s Discussion and Analysis
For the Year Ended December 31, 2019***

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

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

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following table provides a summary of the City’s net position for 2019 compared to 2018:

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$26,917,319	\$32,407,796	\$24,227,346	\$22,660,632	\$51,144,665	\$55,068,428
Capital assets, Net	73,933,588	64,570,909	80,186,139	79,775,147	154,119,727	144,346,056
Total assets	100,850,907	96,978,705	104,413,485	102,435,779	205,264,392	199,414,484
Deferred Outflows of Resources	3,786,771	1,910,721	2,087,983	1,496,135	5,874,754	3,406,856
Net Pension Liability	10,719,489	7,159,645	3,307,768	1,721,857	14,027,257	8,881,502
Net OPEB Liability	2,846,392	6,078,149	1,586,903	1,210,153	4,433,295	7,288,302
Long-term debt outstanding	12,033,586	13,889,006	12,634,856	14,534,002	24,668,442	28,423,008
Other liabilities	6,722,017	5,339,841	1,254,677	604,330	7,976,694	5,944,171
Total liabilities	32,321,484	32,466,641	18,784,204	18,070,342	51,105,688	50,536,983
Deferred Inflows of Resources	1,758,594	2,285,716	55,949	509,775	1,814,543	2,795,491
Net investment in capital assets	61,193,691	54,582,898	68,586,546	66,408,488	129,780,237	120,991,386
Restricted	12,828,382	16,017,516	487,066	468,042	13,315,448	16,485,558
Unrestricted	(3,464,473)	(6,463,345)	18,587,703	18,475,267	15,123,230	12,011,922
Total net position	\$70,557,600	\$64,137,069	\$87,661,315	\$85,351,797	\$158,218,915	\$149,488,866

The net pension liability (NPL) is reported by the City pursuant to GASB Statement 68, “Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27.” The net OPEB liability (NOL) is reported by the City pursuant to GASB Statement 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,” which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City’s actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

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

***Management's Discussion and Analysis
For the Year Ended December 31, 2019***

Unaudited

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

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

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

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

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

In accordance with GASB 68 and GASB 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows. As a result of implementing GASB 75, the City is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting.

CITY OF SPRINGBORO, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2019**

Unaudited

Changes in Net Position – The following table shows the changes in net position for 2019 compared to 2018:

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program Revenues:						
Charges for Services and Sales	\$1,344,741	\$1,270,584	\$13,130,732	\$12,846,360	\$14,475,473	\$14,116,944
Operating Grants and Contributions	1,529,386	1,407,169	0	0	1,529,386	1,407,169
Capital Grants and Contributions	118,986	3,495,542	919,427	1,230,151	1,038,413	4,725,693
Total Program Revenues	2,993,113	6,173,295	14,050,159	14,076,511	17,043,272	20,249,806
General revenues:						
Income Taxes	14,297,708	13,899,458	0	0	14,297,708	13,899,458
Property Taxes	1,018,540	745,854	0	0	1,018,540	745,854
Other Local Taxes	78,623	71,793	0	0	78,623	71,793
Payment in Lieu of Taxes	564,331	536,457	0	0	564,331	536,457
Intergovernmental, unrestricted	330,020	1,024,272	0	0	330,020	1,024,272
Investment Earnings	649,776	252,894	335,509	183,530	985,285	436,424
Miscellaneous	578,377	317,333	0	0	578,377	317,333
Gain (Loss) on Sale of Assets						
Held for Resale	0	0	0	0	0	0
Total General Revenues	17,517,375	16,848,061	335,509	183,530	17,852,884	17,031,591
Total Revenues	20,510,488	23,021,356	14,385,668	14,260,041	34,896,156	37,281,397
Program Expenses						
Security of Persons and Property	1,220,689	4,360,669	0	0	1,220,689	4,360,669
Public Health and Welfare Services	16,532	16,460	0	0	16,532	16,460
Leisure Time Activities	1,427,099	915,240	0	0	1,427,099	915,240
Community Environment	1,292,447	926,636	0	0	1,292,447	926,636
Transportation	3,502,736	2,691,945	0	0	3,502,736	2,691,945
General Government	5,420,982	4,197,195	0	0	5,420,982	4,197,195
Interest and Fiscal Charges	471,279	402,182	0	0	471,279	402,182
Golf Course	0	0	3,000,185	2,260,020	3,000,185	2,260,020
Water	0	0	4,234,747	3,294,517	4,234,747	3,294,517
Sewer	0	0	3,476,853	2,934,574	3,476,853	2,934,574
Trash	0	0	1,269,780	1,396,694	1,269,780	1,396,694
Storm Water	0	0	832,778	850,463	832,778	850,463
Total Expenses	13,351,764	13,510,327	12,814,343	10,736,268	26,166,107	24,246,595
Change in Net Position before transfers	7,158,724	9,511,029	1,571,325	3,523,773	8,730,049	13,034,802
Transfers	(738,193)	(1,162,207)	738,193	1,162,207	0	0
Total Change in Net Position	6,420,531	8,348,822	2,309,518	4,685,980	8,730,049	13,034,802
Beginning Net Position	64,137,069	55,788,247	85,351,797	80,665,817	149,488,866	136,454,064
Ending Net Position	\$70,557,600	\$64,137,069	\$87,661,315	\$85,351,797	\$158,218,915	\$149,488,866

CITY OF SPRINGBORO, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2019**

Unaudited

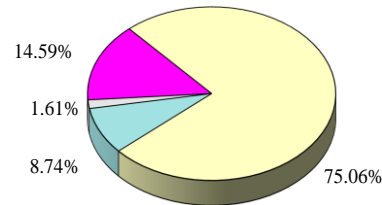
Governmental Activities

Net position of the City's governmental activities increased by \$6,420,531. Revenues decreased by \$2,510,868 in 2019 compared to 2018 and expenses and transfers decreased by \$582,577. A \$3.7 million refund from the Warren County TID related to the reconstruction of the SR 73/741 intersection was accounted for in 2018 revenues. Income tax increases are mostly due to business net profits and withholdings. Security of Persons and Property expenses dropped by \$3,139,980 accounting for the majority of the decrease in overall expenses.

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

Property taxes and income taxes made up 5% and 69.7% respectively of revenues for governmental activities for the City in 2019. The City's reliance upon tax revenues is demonstrated by the following graph indicating 75.06% of total revenues from general tax revenues:

Revenue Sources	2019	Percent of Total
Intergovernmental, unrestricted	\$330,020	1.61%
Program Revenues	2,993,113	14.59%
General Tax Revenues	15,394,871	75.06%
General Other	1,792,484	8.74%
Total Revenue	\$20,510,488	100.00%



Business-Type Activities

Net position of the business-type activities increased by \$2,309,518. This increase was the result of revenues outpacing expenses.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$15,368,960, which is a decrease from last year's balance of \$23,119,690. The schedule below indicates the fund balance and the total change in fund balance by fund type as of December 31, 2019 and 2018:

	Fund Balance December 31, 2019	Fund Balance December 31, 2018	Increase (Decrease)
General	\$9,356,525	\$8,894,097	\$462,428
Urban Redevelopment TIF	(4,499,945)	(10,501)	(4,489,444)
Construction (Capital Project)	1,551,977	6,959,414	(5,407,437)
Income Tax Capital Improvement (Capital Project)	2,718,315	1,151,249	1,567,066
Other Governmental	6,242,088	6,125,431	116,657
Total	\$15,368,960	\$23,119,690	(\$7,750,730)

CITY OF SPRINGBORO, OHIO

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

	2019 Revenues	2018 Revenues	Increase (Decrease)
Municipal Income Taxes	\$9,265,763	\$9,175,159	\$90,604
Property and Other Taxes	783,337	683,989	99,348
Intergovernmental Revenue	297,171	252,153	45,018
Fines, Licenses and Permits	569,058	534,330	34,728
Investment Earnings	609,491	265,826	343,665
Special Assessments	37,278	35,853	1,425
All Other Revenue	522,260	280,479	241,781
Total	<u>\$12,084,358</u>	<u>\$11,227,789</u>	<u>\$856,569</u>

General Fund revenues increased compared with revenues in 2018. The majority of the increase is attributed to higher collections of income taxes and investment earnings.

	2019 Expenditures	2018 Expenditures	Increase (Decrease)
Security of Persons and Property	\$3,685,160	\$3,443,992	\$241,168
Public Health and Welfare Services	16,532	16,460	72
Leisure Time Activities	914,916	688,336	226,580
Community Environment	1,094,412	830,915	263,497
General Government	4,446,096	3,905,330	540,766
Total	<u>\$10,157,116</u>	<u>\$8,885,033</u>	<u>\$1,272,083</u>

General Fund expenditures increased by \$1,272,083 or 14.3% over the prior year mostly due to increased costs in the general government function.

Urban Redevelopment TIF Fund – This fund will be utilized to redevelop areas around the City. Construction activity and interest expenditures related to the outstanding note payable accounted for the majority of the activity of this fund in 2019.

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

Income Tax Capital Improvement Fund - The fund balance increased \$1,567,066 to a balance of \$2,718,315. Decreased transfers out accounted for the majority of the increase, which will also vary year to year, depending on the capital projects slated for that year.

CITY OF SPRINGBORO, OHIO

***Management's Discussion and Analysis
For the Year Ended December 31, 2019***

Unaudited

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 2019 the City amended its General Fund budget several times, none significant.

For the General Fund, final budget basis revenue of \$11.4 million did not change from the original budget estimates. The General Fund had an adequate fund balance to cover expenditures.

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2019 the City had \$154,119,727 net of accumulated depreciation invested in land, improvements, infrastructure, buildings, machinery and equipment and construction in progress. Of this total, \$73,933,588 was related to governmental activities and \$80,186,139 to the business-type activities. The following table shows 2019 and 2018 balances:

	Governmental Activities		Changes
	2019	2018	
Land	\$26,008,189	\$25,927,375	\$80,814
Construction in Progress	3,143,976	464,257	2,679,719
Total Non-Depreciable Capital Assets	29,152,165	26,391,632	2,760,533
Improvements	8,885,532	5,953,669	2,931,863
Infrastructure	51,691,186	50,454,254	1,236,932
Buildings	18,177,824	13,279,704	4,898,120
Machinery and Equipment	6,600,361	6,366,961	233,400
Less: Accumulated Depreciation	(40,573,480)	(37,875,311)	(2,698,169)
Total Depreciable Capital Assets, Net	44,781,423	38,179,277	6,602,146
Totals	\$73,933,588	\$64,570,909	\$9,362,679

	Business-Type Activities		Changes
	2019	2018	
Land	\$8,685,240	\$8,685,240	\$0
Construction in Progress	705,481	66,891	638,590
Total Non-Depreciable Capital Assets	9,390,721	8,752,131	638,590
Buildings	4,271,435	3,999,397	272,038
Land Improvements	2,103,009	2,049,885	53,124
Infrastructure	92,948,955	91,922,093	1,026,862
Machinery and Equipment	3,979,555	3,756,042	223,513
Less: Accumulated Depreciation	(32,507,536)	(30,704,401)	(1,803,135)
Total Depreciable Capital Assets, Net	70,795,418	71,023,016	(227,598)
Totals	\$80,186,139	\$79,775,147	\$410,992

***Management's Discussion and Analysis
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The primary increases occurred in buildings, improvements and construction in progress in the governmental activities. The largest changes in the business-type activities capital assets (other than accumulated depreciation) occurred primarily in infrastructure (i.e. replacement of small water and sewer mains to larger sizes). This is a result of the commitment made by City Council and management to revitalize some of the older neighborhoods within the City.

As of December 31, 2019, the City has contractual commitments of \$3.2 million for various projects. Additional information on the City's capital assets can be found in Note 9.

Debt

At December 31, 2019, the City had \$18.8 million in bonds outstanding, \$2,851,556 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Governmental Activities:		
Special Assessment Bonds	\$544,894	\$672,368
General Obligation Bonds	5,790,617	6,541,410
General Obligation Notes	5,000,000	6,050,000
Compensated Absences	698,075	625,228
Total Governmental Activities	<u>12,033,586</u>	<u>13,889,006</u>
Business-Type Activities:		
General Obligation Bonds	4,459,275	5,551,593
Mortgage Revenue Bonds	7,972,894	8,800,130
Compensated Absences	202,687	182,279
Total Business-Type Activities	<u>12,634,856</u>	<u>14,534,002</u>
Totals	<u><u>\$24,668,442</u></u>	<u><u>\$28,423,008</u></u>

State statutes limit the amount of unvoted general obligation debt the City may issue. The aggregate amount of the City's unvoted debt is also subject to overlapping debt restrictions with other political subdivisions. The actual aggregate amount of the City's unvoted debt, when added to that of other political subdivisions within the respective counties in which Springboro lies, is limited to ten mills. At December 31, 2019, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 13.

ECONOMIC FACTORS

The City's budget for 2020 is very conservative. The City of Springboro has been fortunate to sustain and thrive over the past several years despite economic conditions during that time. We have a solid residential and business base, which continues to grow and expand, and our income tax revenue has increased and is projected to increase in 2020. The 2020 expenditures were increased from 2020 levels due to an increase in capital projects and debt retirement. City Council wants to continue to maintain current service levels to the residents of the City and they will continue to monitor the revenue stream for 2020 and if necessary, adjust expenditures accordingly.

REQUESTS FOR INFORMATION

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



CITY OF SPRINGBORO, OHIO

**Statement of Net Position
December 31, 2019**

	Governmental Activities	Business-Type Activities	Total	Component Unit Community Improvement Corporation of Springboro
Assets:				
Cash and Cash Equivalents	\$ 10,360,599	\$ 4,650,046	\$ 15,010,645	\$ 22,567
Investments	7,327,370	17,180,016	24,507,386	
Receivables:				
Taxes	1,385,212	0	1,385,212	0
Accounts	20,595	1,437,394	1,457,989	0
Intergovernmental	1,163,161	32,575	1,195,736	0
Income Taxes	2,487,195	0	2,487,195	0
Special Assessments	1,273,634	0	1,273,634	0
Inventory of Supplies at Cost	187,296	40,639	227,935	0
Inventory Held for Resale	0	96,207	96,207	0
Prepaid Items	276,555	302,880	579,435	0
Restricted Assets:				
Cash and Cash Equivalents	0	523	523	0
Cash and Cash Equivalents with Fiscal Agent	0	487,066	487,066	0
Assets Held for Resale	2,435,702	0	2,435,702	0
Non-Depreciable Capital Assets	29,152,165	9,390,721	38,542,886	0
Depreciable Capital Assets, Net	44,781,423	70,795,418	115,576,841	0
Total Assets	100,850,907	104,413,485	205,264,392	22,567
Deferred Outflows of Resources:				
Deferred Charge on Debt Refunding	80,614	832,576	913,190	0
Pension	3,061,973	1,071,729	4,133,702	0
OPEB	644,184	183,678	827,862	0
Total Deferred Outflows of Resources	3,786,771	2,087,983	5,874,754	0
Liabilities:				
Accounts Payable	1,648,499	1,005,504	2,654,003	0
Accrued Wages and Benefits	276,561	88,448	365,009	0
Intergovernmental Payable	109,949	121,812	231,761	0
Refundable Deposits	0	523	523	0
Accrued Interest Payable	187,008	38,390	225,398	0
General Obligation Notes Payable	4,500,000	0	4,500,000	0
Long Term Liabilities:				
Due within one year	5,902,877	2,024,655	7,927,532	0
Due in More Than One Year:				
Net Pension Liability	10,719,489	3,307,768	14,027,257	0
Net OPEB Liability	2,846,392	1,586,903	4,433,295	0
Other Amounts Due in More Than One Year	6,130,709	10,610,201	16,740,910	0
Total Liabilities	32,321,484	18,784,204	51,105,688	0
Deferred Inflows of Resources:				
Property Tax Levy for Next Fiscal Year	1,366,130	0	1,366,130	0
Pension	119,581	45,707	165,288	0
OPEB	272,883	10,242	283,125	0
Total Deferred Inflows of Resources	1,758,594	55,949	1,814,543	0

CITY OF SPRINGBORO, OHIO

	Governmental Activities	Business-Type Activities	Total	Component Unit Community Improvement Corporation of Springboro
Net Position:				
Net Investment in Capital Assets	61,193,691	68,586,546	129,780,237	0
Restricted For:				
Capital Projects	7,971,971	0	7,971,971	0
Debt Service	2,556,228	487,066	3,043,294	0
Security of Persons	178,270	0	178,270	0
Transportation	1,654,667	0	1,654,667	0
General Government	467,246	0	467,246	0
Unrestricted	(3,464,473)	18,587,703	15,123,230	22,567
Total Net Position	\$ 70,557,600	\$ 87,661,315	\$ 158,218,915	\$ 22,567

See accompanying notes to the basic financial statements

CITY OF SPRINGBORO, OHIO

**Statement of Activities
For the Year Ended December 31, 2019**

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Security of Persons and Property	\$ 1,220,689	\$ 67,387	\$ 32,955	\$ 12,000
Public Health and Welfare Services	16,532	0	0	0
Leisure Time Activities	1,427,099	295,173	0	0
Community Environment	1,292,447	354,036	0	0
Transportation	3,502,736	195,080	1,486,892	106,986
General Government	5,420,982	433,065	9,539	0
Interest and Fiscal Charges	471,279	0	0	0
Total Governmental Activities	13,351,764	1,344,741	1,529,386	118,986
Business-Type Activities:				
Golf Course	3,000,185	2,029,644	0	41,117
Water	4,234,747	5,063,956	0	477,715
Sewer	3,476,853	4,534,193	0	360,151
Trash	1,269,780	1,217,038	0	0
Storm Water	832,778	285,901	0	40,444
Total Business-Type Activities	12,814,343	13,130,732	0	919,427
Totals	\$ 26,166,107	\$ 14,475,473	\$ 1,529,386	\$ 1,038,413
Component Unit:				
Community Improvement Corporation of Springboro	\$ 61,980	\$ 0	\$ 75,000	\$ 0

General Revenues:

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

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

CITY OF SPRINGBORO, OHIO

Net (Expense) Revenue and Changes in Net Position			Component Unit
Governmental Activities	Business-Type Activities	Total	Community Improvement Corporation of Springboro
\$ (1,108,347)	\$ 0	\$ (1,108,347)	
(16,532)	0	(16,532)	
(1,131,926)	0	(1,131,926)	
(938,411)	0	(938,411)	
(1,713,778)	0	(1,713,778)	
(4,978,378)	0	(4,978,378)	
(471,279)	0	(471,279)	
<u>(10,358,651)</u>	<u>0</u>	<u>(10,358,651)</u>	
0	(929,424)	(929,424)	
0	1,306,924	1,306,924	
0	1,417,491	1,417,491	
0	(52,742)	(52,742)	
0	(506,433)	(506,433)	
0	1,235,816	1,235,816	
<u>(10,358,651)</u>	<u>1,235,816</u>	<u>(9,122,835)</u>	
			\$ 13,020
14,297,708	0	14,297,708	0
1,018,540	0	1,018,540	0
78,623	0	78,623	0
564,331	0	564,331	0
330,020	0	330,020	0
649,776	335,509	985,285	2
578,377	0	578,377	0
(738,193)	738,193	0	0
<u>16,779,182</u>	<u>1,073,702</u>	<u>17,852,884</u>	<u>2</u>
6,420,531	2,309,518	8,730,049	13,022
64,137,069	85,351,797	149,488,866	9,545
<u>\$ 70,557,600</u>	<u>\$ 87,661,315</u>	<u>\$ 158,218,915</u>	<u>\$ 22,567</u>

CITY OF SPRINGBORO, OHIO

**Balance Sheet
Governmental Funds
December 31, 2019**

	General	Urban Redevelopment TIF	Construction	Income Tax Capital Improvement
Assets:				
Cash and Cash Equivalents	\$ 1,399,411	\$ 128,164	\$ 2,879,891	\$ 2,369,449
Investments	7,327,370	0	0	0
Receivables:				
Taxes	845,212	0	0	0
Accounts	17,855	2,740	0	0
Intergovernmental	153,989	0	0	0
Income Taxes	1,658,479	0	0	828,716
Special Assessments	0	0	0	0
Inventory of Supplies, at Cost	46,015	0	0	0
Prepaid Items	240,804	0	0	0
Assets Held for Resale	0	0	123,229	0
Total Assets	\$ 11,689,135	\$ 130,904	\$ 3,003,120	\$ 3,198,165
Liabilities:				
Accounts Payable	\$ 58,462	\$ 102,030	\$ 1,451,143	\$ 0
Accrued Wages and Benefits Payable	247,733	0	0	0
Intergovernmental Payable	96,735	0	0	0
Accrued Interest Payable	0	28,819	0	0
General Obligation Notes Payable	0	4,500,000	0	0
Total Liabilities	402,930	4,630,849	1,451,143	0
Deferred Inflows of Resources:				
Property Tax Levy for Next Fiscal Year	826,130	0	0	0
Unavailable Amounts	1,103,550	0	0	479,850
Total Deferred Inflows of Resources	1,929,680	0	0	479,850
Fund Balances:				
Nonspendable	286,819	0	0	0
Restricted	0	0	1,551,977	2,718,315
Assigned	2,556,105	0	0	0
Unassigned	6,513,601	(4,499,945)	0	0
Total Fund Balances	9,356,525	(4,499,945)	1,551,977	2,718,315
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 11,689,135	\$ 130,904	\$ 3,003,120	\$ 3,198,165

See accompanying notes to the basic financial statements

CITY OF SPRINGBORO, OHIO

Other Governmental Funds	Total Governmental Funds
\$ 3,583,684	\$ 10,360,599
0	7,327,370
540,000	1,385,212
0	20,595
1,009,172	1,163,161
0	2,487,195
1,273,634	1,273,634
141,281	187,296
35,751	276,555
2,312,473	2,435,702
<u>\$ 8,895,995</u>	<u>\$ 26,917,319</u>
\$ 36,864	\$ 1,648,499
28,828	276,561
13,214	109,949
0	28,819
0	4,500,000
<u>78,906</u>	<u>6,563,828</u>
540,000	1,366,130
<u>2,035,001</u>	<u>3,618,401</u>
<u>2,575,001</u>	<u>4,984,531</u>
177,032	463,851
6,065,056	10,335,348
0	2,556,105
0	2,013,656
<u>6,242,088</u>	<u>15,368,960</u>
<u>\$ 8,895,995</u>	<u>\$ 26,917,319</u>

CITY OF SPRINGBORO, OHIO

***Reconciliation Of Total Governmental Fund Balances
To Net Position Of Governmental Activities
December 31, 2019***

Total Governmental Fund Balances \$ 15,368,960

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

Capital Assets used in governmental activities are not resources and therefore are not reported in the funds. 73,933,588

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

Income Taxes Receivable - accrual basis	1,439,549	
Property Taxes Receivable - accrual basis	321,368	
Special Assessments Receivable - accrual basis	1,273,634	
Miscellaneous Receivable - accrual basis	17,840	
Grants Receivable - accrual basis	566,010	
Total		3,618,401

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

Deferred Outflows - Pension	3,061,973	
Deferred Outflows - OPEB	644,184	
Deferred Inflows - Pension	(119,581)	
Deferred Inflows - OPEB	(272,883)	
Net Pension Liability	(10,719,489)	
Net OPEB Liability	(2,846,392)	
Total		(10,252,188)

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	(5,902,877)	
Amounts Due in More Than One Year	(6,130,709)	
Accrued Interest on Long-Term Debt	(158,189)	
Deferred Charge on Debt Refunding	80,614	
Total		(12,111,161)

Net Position of Governmental Activities \$ 70,557,600

See accompanying notes to the basic financial statements



CITY OF SPRINGBORO, OHIO

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2019**

	General	Urban Redevelopment TIF	Construction	Income Tax Capital Improvement
Revenues:				
Municipal Income Tax	\$ 9,265,763	\$ 0	\$ 0	\$ 4,633,102
Property and Other Taxes	783,337	0	0	0
Payment in Lieu of Taxes	0	0	0	0
Intergovernmental Revenues	297,171	0	0	0
Fines, Licenses and Permits	569,058	0	0	0
Investment Earnings	609,491	0	23,750	87
Special Assessments	37,278	0	26,667	0
Donations	0	0	0	0
All Other Revenue	522,260	199,642	176,346	0
Total Revenue	12,084,358	199,642	226,763	4,633,189
Expenditures:				
Current:				
Security of Persons and Property	3,685,160	0	0	0
Public Health and Welfare Services	16,532	0	0	0
Leisure Time Activities	914,916	0	0	0
Community Environment	1,094,412	0	0	0
Transportation	0	0	0	0
General Government	4,446,096	4,569,883	1,336	0
Capital Outlay	0	0	6,063,063	0
Debt Service:				
Principal Retirement	0	0	6,050,000	0
Interest and Fiscal Charges	0	119,203	181,500	0
Total Expenditures	10,157,116	4,689,086	12,295,899	0
Excess (Deficiency) of Revenues				
Over Expenditures	1,927,242	(4,489,444)	(12,069,136)	4,633,189
Other Financing Sources (Uses):				
General Obligation Notes Issued	0	0	5,000,000	0
Transfers In	164,536	0	2,341,450	0
Transfers Out	(1,623,325)	0	(679,751)	(3,066,123)
Total Other Financing Sources (Uses)	(1,458,789)	0	6,661,699	(3,066,123)
Net Change in Fund Balances	468,453	(4,489,444)	(5,407,437)	1,567,066
Fund Balances at Beginning of Year	8,894,097	(10,501)	6,959,414	1,151,249
Change in Inventory Reserve	(6,025)	0	0	0
Fund Balances End of Year	\$ 9,356,525	\$ (4,499,945)	\$ 1,551,977	\$ 2,718,315

See accompanying notes to the basic financial statements

CITY OF SPRINGBORO, OHIO

Other Governmental Funds	Total Governmental Funds
\$ 0	\$ 13,898,865
0	783,337
564,331	564,331
1,392,635	1,689,806
114,473	683,531
16,448	649,776
166,008	229,953
955	955
285,266	1,183,514
<u>2,540,116</u>	<u>19,684,068</u>
163,581	3,848,741
0	16,532
0	914,916
0	1,094,412
1,140,490	1,140,490
249,142	9,266,457
1,946,825	8,009,888
840,000	6,890,000
221,719	522,422
<u>4,561,757</u>	<u>31,703,858</u>
(2,021,641)	(12,019,790)
0	5,000,000
3,052,222	5,558,208
(927,202)	(6,296,401)
<u>2,125,020</u>	<u>4,261,807</u>
103,379	(7,757,983)
6,125,431	23,119,690
13,278	7,253
<u>\$ 6,242,088</u>	<u>\$ 15,368,960</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, 2019***

Net Change in Fund Balances - Total Governmental Funds \$ (7,757,983)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. 9,376,950

The net effect of various miscellaneous transactions involving capital assets (i.e. disposals and donations) is to change net position. (14,271)

Revenues and transfers in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 814,420

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 746,150

Except for amounts reported as deferred inflows/outflows, changes in the net pension and OPEB liabilities are reported as pension expense in the statement of activities. 1,379,716

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

General Obligation Notes Issued	(5,000,000)
Principal Retirement	6,890,000
Total	<u>1,890,000</u>

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 51,143

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. (65,594)

Change in Net Position of Governmental Activities \$ 6,420,531

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, 2019**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal Income Tax	\$ 9,180,000	\$ 9,180,000	\$ 9,367,535	\$ 187,535
Property and Other Taxes	809,102	809,102	776,196	(32,906)
Intergovernmental Revenue	227,252	227,252	283,056	55,804
Fines, Licenses and Permits	517,661	517,661	578,732	61,071
Investment Earnings	217,500	217,500	518,175	300,675
Special Assessments	37,162	37,162	37,278	116
All Other Revenues	255,500	255,500	523,071	267,571
Total Revenues	<u>11,244,177</u>	<u>11,244,177</u>	<u>12,084,043</u>	<u>839,866</u>
Expenditures:				
Current:				
Security of Persons and Property	3,753,247	3,830,436	3,661,848	168,588
Public Health and Welfare Services	16,535	16,535	16,532	3
Leisure Time Activities	992,504	1,086,154	927,822	158,332
Community Environment	1,350,331	1,359,430	1,159,931	199,499
General Government	5,215,420	5,425,141	4,994,005	431,136
Total Expenditures	<u>11,328,037</u>	<u>11,717,696</u>	<u>10,760,138</u>	<u>957,558</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(83,860)	(473,519)	1,323,905	1,797,424
Other Financing Sources (Uses):				
Transfers In	179,536	179,536	164,536	(15,000)
Transfers Out	(1,750,966)	(1,750,990)	(1,623,325)	127,665
Total Other Financing Sources (Uses):	<u>(1,571,430)</u>	<u>(1,571,454)</u>	<u>(1,458,789)</u>	<u>112,665</u>
Net Change in Fund Balance	(1,655,290)	(2,044,973)	(134,884)	1,910,089
Fund Balance at Beginning of Year	7,873,884	7,873,884	7,873,884	0
Prior Year Encumbrances	251,058	251,058	251,058	0
Fund Balance at End of Year	<u>\$ 6,469,652</u>	<u>\$ 6,079,969</u>	<u>\$ 7,990,058</u>	<u>\$ 1,910,089</u>

See accompanying notes to the basic financial statements

CITY OF SPRINGBORO, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Special Revenue Fund – Urban Redevelopment TIF Fund
For the Year Ended December 31, 2019**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
All Other Revenues	\$ 176,000	\$ 221,000	\$ 196,902	\$ (24,098)
Total Revenues	<u>176,000</u>	<u>221,000</u>	<u>196,902</u>	<u>(24,098)</u>
Expenditures:				
Current:				
General Government	4,700,000	4,735,000	4,586,560	148,440
Total Expenditures	<u>4,700,000</u>	<u>4,735,000</u>	<u>4,586,560</u>	<u>148,440</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,524,000)	(4,514,000)	(4,389,658)	124,342
Other Financing Sources (Uses):				
General Obligation Notes Issued	4,500,000	4,500,000	4,500,000	0
Transfers In	127,665	127,665	0	(127,665)
Transfers Out	<u>(4,626,665)</u>	<u>(4,626,665)</u>	<u>(4,626,665)</u>	<u>0</u>
Total Other Financing Sources (Uses):	<u>1,000</u>	<u>1,000</u>	<u>(126,665)</u>	<u>(127,665)</u>
Net Change in Fund Balance	(4,523,000)	(4,513,000)	(4,516,323)	(3,323)
Fund Balance at Beginning of Year	25,780	25,780	25,780	0
Prior Year Encumbrances	<u>4,500,000</u>	<u>4,500,000</u>	<u>4,500,000</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 2,780</u>	<u>\$ 12,780</u>	<u>\$ 9,457</u>	<u>\$ (3,323)</u>

See accompanying notes to the basic financial statements



CITY OF SPRINGBORO, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2019**

	Business-Type Activities		
	Enterprise Funds		
	Golf Course	Water	Sewer
Assets:			
<i>Current Assets:</i>			
Cash and Cash Equivalents	\$ 482,271	\$ 1,560,089	\$ 1,702,290
Investments	0	8,217,026	8,962,990
Receivables:			
Accounts	0	599,294	629,557
Intergovernmental	310	32,038	99
Inventory of Supplies at Cost	40,639	0	0
Inventory Held for Resale	96,207	0	0
Prepaid Items	21,525	127,099	143,090
<i>Total Current Assets</i>	<u>640,952</u>	<u>10,535,546</u>	<u>11,438,026</u>
<i>Non Current Assets:</i>			
Restricted Assets:			
Cash and Cash Equivalents	0	523	0
Cash and Cash Equivalents with Fiscal Agent	0	0	487,066
Non-Depreciable Capital Assets	7,755,718	830,648	804,355
Depreciable Capital Assets, Net	2,937,977	29,695,738	29,728,337
<i>Total Noncurrent Assets</i>	<u>10,693,695</u>	<u>30,526,909</u>	<u>31,019,758</u>
Total Assets	<u>11,334,647</u>	<u>41,062,455</u>	<u>42,457,784</u>
Deferred Outflows of Resources:			
Deferred Charge on Debt Refunding	85,133	245,436	502,007
Pension	454,589	310,979	190,266
OPEB	77,910	53,297	32,609
Total Deferred Outflows of Resources	<u>617,632</u>	<u>609,712</u>	<u>724,882</u>

CITY OF SPRINGBORO, OHIO

<u>Trash</u>	<u>Storm Water</u>	<u>Total</u>
\$ 369,637	\$ 535,759	\$ 4,650,046
0	0	17,180,016
167,204	41,339	1,437,394
99	29	32,575
0	0	40,639
0	0	96,207
5,511	5,655	302,880
<u>542,451</u>	<u>582,782</u>	<u>23,739,757</u>
0	0	523
0	0	487,066
0	0	9,390,721
0	8,433,366	70,795,418
<u>0</u>	<u>8,433,366</u>	<u>80,673,728</u>
<u>542,451</u>	<u>9,016,148</u>	<u>104,413,485</u>
0	0	832,576
50,868	65,027	1,071,729
8,718	11,144	183,678
<u>59,586</u>	<u>76,171</u>	<u>2,087,983</u>

(Continued)

CITY OF SPRINGBORO, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2019**

	Business-Type Activities		
	Enterprise Funds		
	Golf Course	Water	Sewer
Liabilities:			
<i>Current Liabilities:</i>			
Accounts Payable	9,397	796,471	83,645
Accrued Wages and Benefits	36,185	27,127	15,977
Intergovernmental Payable	18,597	89,875	8,179
Refundable Deposits	0	523	0
Accrued Interest Payable	2,460	9,172	26,758
Compensated Absences Payable - Current	8,235	5,287	3,956
General Obligation Bonds - Current	270,000	872,318	0
Mortgage Revenue Bonds - Current	0	0	862,236
Total Current Liabilities	344,874	1,800,773	1,000,751
<i>Noncurrent Liabilities:</i>			
Compensated Absences Payable	43,534	61,878	48,075
General Obligation Bonds Payable	565,000	2,751,957	0
Mortgage Revenue Bonds Payable	0	0	7,110,658
Net Pension Liability	1,403,034	959,803	587,235
Net OPEB Liability	673,106	460,467	281,726
Total Noncurrent Liabilities	2,684,674	4,234,105	8,027,694
Total Liabilities	3,029,548	6,034,878	9,028,445
Deferred Inflows of Resources:			
Pension	19,419	13,257	8,097
OPEB	4,429	2,955	1,776
Total Deferred Inflows of Resources	23,848	16,212	9,873
Net Position:			
Net Investment in Capital Assets	9,943,828	27,147,547	23,061,805
Restricted for:			
Debt Service	0	0	487,066
Unrestricted	(1,044,945)	8,473,530	10,595,477
Total Net Position	\$ 8,898,883	\$ 35,621,077	\$ 34,144,348

See accompanying notes to the basic financial statements

CITY OF SPRINGBORO, OHIO

<u>Trash</u>	<u>Storm Water</u>	<u>Total</u>
94,784	21,207	1,005,504
3,950	5,209	88,448
2,312	2,849	121,812
0	0	523
0	0	38,390
1,165	1,458	20,101
0	0	1,142,318
0	0	862,236
<u>102,211</u>	<u>30,723</u>	<u>3,279,332</u>
12,073	17,026	182,586
0	0	3,316,957
0	0	7,110,658
156,999	200,697	3,307,768
75,320	96,284	1,586,903
<u>244,392</u>	<u>314,007</u>	<u>15,504,872</u>
<u>346,603</u>	<u>344,730</u>	<u>18,784,204</u>
2,165	2,769	45,707
473	609	10,242
<u>2,638</u>	<u>3,378</u>	<u>55,949</u>
0	8,433,366	68,586,546
0	0	487,066
252,796	310,845	18,587,703
<u>\$ 252,796</u>	<u>\$ 8,744,211</u>	<u>\$ 87,661,315</u>

CITY OF SPRINGBORO, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2019**

	Business-Type Activities		
	Enterprise Funds		
	Golf Course	Water	Sewer
Operating Revenues:			
Charges for Services	\$ 1,750,863	\$ 5,056,371	\$ 4,396,010
Sales	210,212	0	0
Other Operating Revenue	68,569	7,585	138,183
Total Operating Revenues	<u>2,029,644</u>	<u>5,063,956</u>	<u>4,534,193</u>
Operating Expenses:			
Personal Services	1,546,267	1,029,545	648,412
Contractual Services	496,341	2,196,750	1,757,862
Materials and Supplies	588,854	158,465	26,179
Depreciation	296,490	679,469	722,160
Total Operating Expenses	<u>2,927,952</u>	<u>4,064,229</u>	<u>3,154,613</u>
Operating Income (Loss)	(898,308)	999,727	1,379,580
Nonoperating Revenue (Expenses):			
Investment Earnings	0	161,636	173,873
Interest and Fiscal Charges	(65,646)	(160,082)	(322,240)
Loss on Disposal of Capital Assets	(6,587)	(10,436)	0
Total Nonoperating Revenues (Expenses)	<u>(72,233)</u>	<u>(8,882)</u>	<u>(148,367)</u>
Income (Loss) Before Transfers and Contributions	(970,541)	990,845	1,231,213
Transfers In	811,973	0	0
Transfers Out	0	(86,890)	(86,890)
Capital Contributions - Tap in Fees	0	397,665	261,165
Capital Contributions	41,117	80,050	98,986
Change in Net Position	(117,451)	1,381,670	1,504,474
Net Position Beginning of Year	9,016,334	34,239,407	32,639,874
Net Position End of Year	<u>\$ 8,898,883</u>	<u>\$ 35,621,077</u>	<u>\$ 34,144,348</u>

See accompanying notes to the basic financial statements

CITY OF SPRINGBORO, OHIO

<u>Trash</u>	<u>Storm Water</u>	<u>Total</u>
\$ 1,216,087	\$ 284,901	\$ 12,704,232
0	0	210,212
951	1,000	216,288
<u>1,217,038</u>	<u>285,901</u>	<u>13,130,732</u>
172,319	213,122	3,609,665
1,083,128	423,279	5,957,360
14,333	2,189	790,020
0	194,188	1,892,307
<u>1,269,780</u>	<u>832,778</u>	<u>12,249,352</u>
(52,742)	(546,877)	881,380
0	0	335,509
0	0	(547,968)
0	0	(17,023)
<u>0</u>	<u>0</u>	<u>(229,482)</u>
(52,742)	(546,877)	651,898
0	100,000	911,973
0	0	(173,780)
0	0	658,830
0	40,444	260,597
<u>(52,742)</u>	<u>(406,433)</u>	<u>2,309,518</u>
305,538	9,150,644	85,351,797
<u>\$ 252,796</u>	<u>\$ 8,744,211</u>	<u>\$ 87,661,315</u>

CITY OF SPRINGBORO, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2019**

	Business-Type Activities		
	Enterprise Funds		
	Golf Course	Water	Sewer
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$1,967,229	\$5,018,829	\$4,401,535
Other Operating Receipts	68,513	7,564	138,173
Cash Payments for Goods and Services	(1,099,383)	(2,434,867)	(1,750,798)
Cash Payments to Employees	(1,238,884)	(793,982)	(483,477)
Net Cash Provided (Used) by Operating Activities	<u>(302,525)</u>	<u>1,797,544</u>	<u>2,305,433</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers In from Other Funds	811,973	0	0
Transfers Out to Other Funds	0	(86,890)	(86,890)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>811,973</u>	<u>(86,890)</u>	<u>(86,890)</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Cash Received from Tap-in Fees in Excess of Cost	0	397,665	261,165
Acquisition and Construction of Assets	(409,230)	(74,993)	(686,139)
Principal Paid on General Obligation Bonds	(260,000)	(785,000)	0
Principal Paid on Mortgage Revenue Bonds	0	0	(750,000)
Interest Paid on All Debt	(37,972)	(149,312)	(339,850)
Net Cash Used by Capital and Related Financing Activities	<u>(707,202)</u>	<u>(611,640)</u>	<u>(1,514,824)</u>
<u>Cash Flows from Investing Activities:</u>			
Receipt of Interest	0	61,195	62,512
Purchase of Investments	0	(2,282,583)	(2,134,186)
Net Cash Provided (Used) by Investing Activities	<u>0</u>	<u>(2,221,388)</u>	<u>(2,071,674)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(197,754)	(1,122,374)	(1,367,955)
Cash and Cash Equivalents at Beginning of Year	680,025	2,682,986	3,557,311
Cash and Cash Equivalents at End of Year	<u>\$482,271</u>	<u>\$1,560,612</u>	<u>\$2,189,356</u>
<u>Reconciliation of Cash and Cash Equivalents per the Balance Sheet:</u>			
Cash and Cash Equivalents	\$482,271	\$1,560,089	\$1,702,290
Restricted Cash and Cash Equivalents	0	523	0
Restricted Cash and Cash Equivalents with Fiscal Agent	0	0	487,066
Cash and Cash Equivalents at End of Year	<u>\$482,271</u>	<u>\$1,560,612</u>	<u>\$2,189,356</u>

CITY OF SPRINGBORO, OHIO

Trash	Storm Water	Totals
\$1,215,870	\$284,900	\$12,888,363
852	1,018	216,120
(1,088,179)	(425,092)	(6,798,319)
(127,373)	(160,804)	(2,804,520)
1,170	(299,978)	3,501,644
0	100,000	911,973
0	0	(173,780)
0	100,000	738,193
0	0	658,830
0	(227,145)	(1,397,507)
0	0	(1,045,000)
0	0	(750,000)
0	0	(527,134)
0	(227,145)	(3,060,811)
0	0	123,707
0	0	(4,416,769)
0	0	(4,293,062)
1,170	(427,123)	(3,114,036)
368,467	962,882	8,251,671
<u>\$369,637</u>	<u>\$535,759</u>	<u>\$5,137,635</u>
\$369,637	\$535,759	\$4,650,046
0	0	523
0	0	487,066
<u>\$369,637</u>	<u>\$535,759</u>	<u>\$5,137,635</u>

(Continued)

CITY OF SPRINGBORO, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2019**

	Business-Type Activities		
	Enterprise Funds		
	Golf Course	Water	Sewer
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>			
<u>Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	(\$898,308)	\$999,727	\$1,379,580
Adjustments to Reconcile Operating Income (Loss) to			
Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	296,490	679,469	722,160
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	0	(8,239)	5,525
(Increase) Decrease in Intergovernmental Receivable	(56)	(29,324)	(10)
Decrease in Due from Other Funds	6,154	0	0
(Increase) in Inventory	(1,920)	0	0
(Increase) in Inventory Held for Resale	(11,677)	0	0
(Increase) Decrease in Prepaid Items	(5,425)	(3,544)	(4,858)
(Increase) in Deferred Outflows - Pension	(269,648)	(189,709)	(118,400)
(Increase) in Deferred Outflows - OPEB	(38,883)	(27,706)	(17,444)
Increase (Decrease) in Accounts Payable	5,413	19,042	37,768
Increase (Decrease) in Accrued Wages and Benefits	9,529	4,144	1,957
Increase (Decrease) in Intergovernmental Payable	4,269	15,257	446
(Decrease) in Refundable Deposits	0	(108,896)	0
Increase (Decrease) in Compensated Absences	9,850	(131)	5,983
(Decrease) in Deferred Inflows - Pension	(159,488)	(104,057)	(61,424)
(Decrease) in Deferred Inflows - OPEB	(40,063)	(26,219)	(15,514)
Increase in Net Pension Liability	648,460	465,012	294,017
Increase in Net OPEB Liability	142,778	112,718	75,647
Total Adjustments	595,783	797,817	925,853
Net Cash Provided (Used) by Operating Activities	(\$302,525)	\$1,797,544	\$2,305,433

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2019, the Water, Sewer and Storm Water Funds had an outstanding liabilities of \$768,704, \$41,950 and of \$16,510 for the purchase of certain capital assets. During 2019, the fair value of investments increased by \$100,441 and of \$ 111,361 in the Water and Sewer Funds, respectively. During 2019, all funds except the Trash Fund received contributed capital assets valued at \$41,117, \$80,050, \$98,986 and \$40,444, respectively.

See accompanying notes to the basic financial statements

CITY OF SPRINGBORO, OHIO

Trash	Storm Water	Totals
(\$52,742)	(\$546,877)	\$881,380
0	194,188	1,892,307
(217)	(1)	(2,932)
(99)	18	(29,471)
0	0	6,154
0	0	(1,920)
0	0	(11,677)
813	681	(12,333)
(31,733)	(40,223)	(649,713)
(4,680)	(5,910)	(94,623)
8,595	(315)	70,503
(576)	(438)	14,616
(349)	(617)	19,006
0	0	(108,896)
3,259	1,447	20,408
(16,347)	(21,226)	(362,542)
(4,131)	(5,357)	(91,284)
78,927	99,495	1,585,911
20,450	25,157	376,750
53,912	246,899	2,620,264
\$1,170	(\$299,978)	\$3,501,644

CITY OF SPRINGBORO, OHIO

**Statement of Net Position
Fiduciary Funds
December 31, 2019**

	<u>Agency Funds</u>
Assets:	
Cash and Cash Equivalents	\$ 70,823
Receivables:	
Special Assessments	<u>604,140</u>
Total Assets	<u><u>\$ 674,963</u></u>
Liabilities:	
Due to Others	\$ 672,068
Undistributed Monies	<u>2,895</u>
Total Liabilities	<u><u>\$ 674,963</u></u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements are presented as of December 31, 2019 and for the year then ended and have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

A. Reporting Entity

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

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

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

B. Basis of Presentation - Fund Accounting

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

Governmental Funds

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

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

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

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

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

Proprietary Funds

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

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

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

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

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

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

Fiduciary Funds

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

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements

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

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

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

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

D. Basis of Accounting

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

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, 2019 but which are not intended to finance 2019 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred inflows of resources.

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

E. Budgetary Process

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

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 2019.

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 2019, several supplemental appropriations measures were necessary to budget the use of contingency funds and capital improvement projects. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual (Non-GAAP Budgetary Basis) for the General Fund and major special revenue fund are presented on the budgetary basis to provide a comparison of actual results to the final budget, including all amendments and modifications.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

4. Lapsing of Appropriations

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

5. Budgetary Basis of Accounting

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

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund and major special revenue fund:

Net Change in Fund Balance		
	General Fund	Urban Redevelopment TIF
GAAP Basis (as reported)	\$468,453	(\$4,489,444)
Increase (Decrease):		
Accrued Revenues at December 31, 2019 received during 2020	(816,708)	(2,740)
Accrued Revenues at December 31, 2018 received during 2019	816,393	0
Accrued Expenditures at December 31, 2019 paid during 2020	402,930	4,630,849
Accrued Expenditures at December 31, 2018 paid during 2019	(350,293)	(4,536,281)
2019 Prepays for 2020	(240,804)	0
2018 Prepays for 2019	251,015	0
Outstanding Encumbrances	(665,870)	(118,707)
Budget Basis	<u>(\$134,884)</u>	<u>(\$4,516,323)</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Cash Equivalents

During 2019, cash and cash equivalents included amounts in demand deposits, the State Treasury Asset Reserve (STAR Ohio) and in U.S. Treasury Money Market accounts in US Bank and Charles Schwab investment accounts with original maturities of less than three months.

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

G. Investments

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

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

The City's investment in the State Treasury Asset Reserve of Ohio (STAR Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company and is recognized as an external investment pool by the City. The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value. For fiscal year 2019, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Restricted Assets

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

I. Inventory

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

J. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2019, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

K. Capital Assets and Depreciation

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

1. Property, Plant and Equipment - Governmental Activities

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

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Capital Assets and Depreciation (Continued)

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

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

3. Depreciation

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

<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

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,
Net Pension Liability	Golf Course Fund, Water Fund, Sewer Fund, Trash
Net OPEB Liability	Fund and Storm Water Fund
Mortgage Revenue Bonds	Sewer Fund

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Bond Discounts/Premiums

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

N. Compensated Absences

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

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

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

O. Net position

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Pension/OPEB

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

Q. Interfund Activity

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

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

R. Interfund Assets/Liabilities

The City reports cash overdrafts from pooled cash and cash equivalents as an interfund loan payable in the fund with the overdraft and as an interfund loan receivable in the fund(s) designated by management. The interfund loans receivable are equally offset by a fund balance reserve account which indicates that they do not constitute available expendable resources since they are not a component of net current assets. Receivables and payables resulting from transactions between funds for services provided or goods received are classified as “due from other funds” or “due to other funds” on the balance sheet. Long-term interfund loans are classified as “advances to/from other funds.” There were no outstanding interfund loans at December 31, 2019.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S. Fund Balance

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

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

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

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

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

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

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

T. Assets Held for Resale

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

U. Estimates

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

V. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Council and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2019.

W. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. On the government-wide statement of net position and governmental funds balance sheet, property taxes that are intended to finance future fiscal periods are reported as deferred inflows.

In addition, the governmental funds balance sheet reports deferred inflows which arise only under a modified accrual basis of accounting. Accordingly, the item, *unavailable amounts*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable amounts for property taxes, income taxes, special assessments, and state levied shared taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources related to pension/OPEB are reported on the government-wide and proprietary funds statement of net position. See Notes 10 and 11.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

NOTE 2 – ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principle

For 2019, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 83, “Certain Asset Retirement Obligations,” Statement No. 88, “Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements,” and Statement No. 90, “Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61.”

GASB Statement No. 83 establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations.

GASB Statement No. 88 revises the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements.

GASB Statement No. 90 establishes criteria for reporting a government’s majority equity interest in a legally separate organization.

These changes were incorporated in the City’s 2019 financial statements; however, there was no effect on beginning net position/fund balance.

B. Compliance

The fund deficit at December 31, 2019 in the Urban Redevelopment TIF fund of \$4,499,945 arises from the recognition of certain liabilities under the modified accrual basis of accounting. Under the budgetary basis of accounting this deficit does not exist. The General Fund provides transfers when cash is required, not when accruals occur.

CITY OF SPRINGBORO, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2019**

NOTE 3 – FUND BALANCE CLASSIFICATION

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

Fund Balances	General	Urban Redevelopment	Construction	Income Tax Capital Improvement	Other Governmental Funds	Total Governmental Funds
Nonspendable:						
Prepaid Items	\$240,804	\$0	\$0	\$0	\$35,751	\$276,555
Supplies Inventory	46,015	0	0	0	141,281	187,296
Total Nonspendable	<u>286,819</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>177,032</u>	<u>463,851</u>
Restricted:						
Transportation Projects	0	0	0	0	1,066,277	1,066,277
Court Projects	0	0	0	0	183,147	183,147
Law Enforcement	0	0	0	0	177,117	177,117
TIF Projects	0	0	0	0	285,330	285,330
Debt Service	0	0	0	0	1,440,783	1,440,783
Capital Improvements	0	0	1,551,977	2,718,315	2,912,402	7,182,694
Total Restricted	<u>0</u>	<u>0</u>	<u>1,551,977</u>	<u>2,718,315</u>	<u>6,065,056</u>	<u>10,335,348</u>
Assigned:						
Projected budgetary deficit	1,907,350	0	0	0	0	1,907,350
Goods and Services	648,755	0	0	0	0	648,755
Total Assigned	<u>2,556,105</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,556,105</u>
Unassigned	<u>6,513,601</u>	<u>(4,499,945)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,013,656</u>
Total Fund Balances	<u>\$9,356,525</u>	<u>(\$4,499,945)</u>	<u>\$1,551,977</u>	<u>\$2,718,315</u>	<u>\$6,242,088</u>	<u>\$15,368,960</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2019**

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

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

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

Capital Outlay	\$12,454,514
Depreciation Expense	<u>(3,077,564)</u>
	\$9,376,950

Net effect of capital asset transactions:

Loss on Disposal of Capital Asset	(\$14,271)
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Governmental revenues not reported in the funds:

Increase in Delinquent Income Tax Revenue	\$398,843
Increase in Delinquent Property Tax	313,826
Increase in Intergovernmental, unrestricted	169,600
Increase in Miscellaneous Revenues	17,840
Decrease in Special Assessment Revenue	<u>(85,689)</u>
	\$814,420

Contractually required contributions reported as deferred outflows:

Pension	\$735,108
OPEB	<u>11,042</u>
	\$746,150

Pension and OPEB expense:

Pension	(\$1,848,837)
OPEB	<u>3,228,553</u>
	\$1,379,716

Expenses not requiring the use of current financial resources:

Increase in Compensated Absences Payable	(\$72,847)
Decrease in supplies inventory	<u>7,253</u>
	(\$65,594)

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

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

CITY OF SPRINGBORO, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2019**

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

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

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

A. Deposits

At year end the carrying amount of the City’s deposits was \$15,569,057 and the bank balance was \$15,916,435. Federal depository insurance covered \$1,000,000 of the bank balance and \$14,916,435 was uninsured and collateralized with securities held in the Ohio Pooled Collateral System.

B. Investments

The City’s investments at December 31, 2019 were as follows:

	Measurement Amount	Credit Rating	Fair Value Hierarchy	Concentration of Credit Risk	Investment Maturities (in Years)		
					less than 1	1-3	3-5
Negotiable C/D's	\$6,464,053	AAA	Level 2	26.38%	\$2,221,333	\$4,242,720	\$0
FHLB	2,277,196	AA+	Level 2	9.29%	1,722,999	554,197	0
FHLMC	1,857,033	AA+	Level 2	7.58%	953,913	0	903,120
FNMA	4,666,391	AA+	Level 2	19.03%	2,818,733	1,847,658	0
FFCB	2,323,811	AA+	Level 2	9.48%	518,562	1,083,401	721,848
Freddie Mac	1,106,707	AA+	Level 2	4.52%	1,106,707	0	0
US Treasury Notes	5,812,195	A-1+	Level 2	23.72%	2,022,639	3,789,556	0
Total Investments	<u>\$24,507,386</u>			<u>100.00%</u>	<u>\$11,364,886</u>	<u>\$11,517,532</u>	<u>\$1,624,968</u>

Credit Rating – Standard and Poor’s

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

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

B. Investments (Continued)

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

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

Concentration of Credit Risk – The City places no limit on the amount the City may invest in one issuer.

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

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

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 2019 for real and public utility property taxes represents collections of 2018 taxes. Property tax payments received during 2019 for tangible personal property (other than public utility property) is for 2019 taxes.

2019 real property taxes are levied after October 1, 2019, on assessed value as of January 1, 2019, the lien date. Assessed values are established by State law at 35 percent of the appraised value. 2019 real property taxes are collected in and intended to finance 2019.

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. 2019 public utility property taxes became a lien December 31, 2018, are levied after October 1, 2019, and are collected in 2019 with real property taxes.

Tangible personal property tax revenue received during 2019 (other than public utility property tax) represents the collection of 2019 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 2019 were levied after October 1, 2018, on the value as of December 31, 2018.

The full tax rate for all City operations for the year ended December 31, 2019, was \$1.11 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2019 property tax receipts were based are as follows: \$605,451,060 in real property assessed value and \$20,869,820 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 2019, 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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

NOTE 6 – TAXES (Continued)

A. Property Taxes (Continued)

Property taxes receivable represents real property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2019 and for which there is an enforceable legal claim. In the General Fund and the Austin Center Municipal Public Improvement TIF Fund, the entire receivable has been offset by deferred inflows of resources since the current taxes were not levied to finance 2019 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred inflows of resources.

B. Income Tax

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

Employers within the City are required to withhold income tax on employees' compensation and remit the tax to the City either monthly or quarterly, as required. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. Income tax proceeds are to be used for general fund operations, maintenance of equipment, new equipment/capital improvements, debt service and other governmental functions when needed, as determined by City Council. Income tax revenue for 2019 was \$14,297,708.

NOTE 7 - RECEIVABLES

Receivables at December 31, 2019 consisted of income taxes, property taxes, accounts, special assessments and intergovernmental receivables arising from shared revenues. All receivables are considered collectible in full.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2019**

NOTE 8 - TRANSFERS

Following is a summary of transfers in and out for all funds for 2019:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$164,536	\$1,623,325
Construction Fund	2,341,450	679,751
Income Tax Capital Improvement Fund	0	3,066,123
Other Governmental Funds	3,052,222	927,202
Total Governmental Funds	<u>5,558,208</u>	<u>6,296,401</u>
Golf Course Fund	811,973	0
Water Fund	0	86,890
Sewer Fund	0	86,890
Storm Water Fund	100,000	0
Total Proprietary Funds	<u>911,973</u>	<u>173,780</u>
Totals	<u>\$6,470,181</u>	<u>\$6,470,181</u>

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

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CITY OF SPRINGBORO, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2019**

NOTE 9 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2019:

<i>Historical Cost:</i>	Balance at December 31, 2018	Additions	Deletions	Balance at December 31, 2019
Class				
<i>Non-depreciable Capital assets:</i>				
Land	\$25,927,375	\$80,814	\$0	\$26,008,189
Construction in Progress	464,257	2,952,093	(272,374)	3,143,976
Total Non-depreciable Capital assets	<u>26,391,632</u>	<u>3,032,907</u>	<u>(272,374)</u>	<u>29,152,165</u>
<i>Capital assets being depreciated:</i>				
Improvements	5,953,669	2,931,863	0	8,885,532
Infrastructure	50,454,254	1,396,111	(159,179)	51,691,186
Buildings	13,279,704	4,898,120	0	18,177,824
Machinery and Equipment	6,366,961	467,887	(234,487)	6,600,361
Total Depreciable Capital assets	<u>76,054,588</u>	<u>9,693,981</u>	<u>(393,666)</u>	<u>85,354,903</u>
Total Cost	<u>\$102,446,220</u>	<u>\$12,726,888</u>	<u>(\$666,040)</u>	<u>\$114,507,068</u>
<i>Accumulated Depreciation:</i>				
Class	Balance at December 31, 2018	Additions	Deletions	Balance at December 31, 2019
Improvements	(\$2,229,493)	(\$507,450)	\$0	(\$2,736,943)
Infrastructure	(28,963,579)	(1,701,855)	144,908	(30,520,526)
Buildings	(2,875,453)	(318,494)	0	(3,193,947)
Machinery and Equipment	(3,806,786)	(549,765)	234,487	(4,122,064)
Total Depreciation	<u>(\$37,875,311)</u>	<u>(\$3,077,564) *</u>	<u>\$379,395</u>	<u>(\$40,573,480)</u>
<i>Net Value:</i>	<u>\$64,570,909</u>			<u>\$73,933,588</u>

* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	\$221,916
Leisure Time Activities	369,584
Community Environment	15,734
Transportation	2,229,292
General Government	241,038
Total Depreciation Expense	<u>\$3,077,564</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2019**

NOTE 9 - CAPITAL ASSETS (Continued)

B. Business-Type Activities Capital Assets

Summary by Category at December 31, 2019:

<i>Historical Cost:</i>	Balance at December 31, 2018	Additions	Deletions	Balance at December 31, 2019
Class				
<i>Non-depreciable Capital assets:</i>				
Land	\$8,685,240	\$0	\$0	\$8,685,240
Construction in Progress	66,891	638,590	0	705,481
Total Non-depreciable Capital Assets	<u>8,752,131</u>	<u>638,590</u>	<u>0</u>	<u>9,390,721</u>
<i>Capital assets being depreciated:</i>				
Buildings	3,999,397	272,038	0	4,271,435
Land Improvements	2,049,885	53,124	0	2,103,009
Infrastructure	91,922,093	1,026,862	0	92,948,955
Machinery and Equipment	3,756,042	319,272	(95,759)	3,979,555
Total Depreciable Capital assets	<u>101,727,417</u>	<u>1,671,296</u>	<u>(95,759)</u>	<u>103,302,954</u>
Total Cost	<u>\$110,479,548</u>	<u>\$2,309,886</u>	<u>(\$95,759)</u>	<u>\$112,693,675</u>
 <i>Accumulated Depreciation:</i>				
Class	Balance at December 31, 2018	Additions	Deletions	Balance at December 31, 2019
Buildings	(\$2,315,279)	(\$114,155)	\$0	(\$2,429,434)
Land Improvements	(1,476,920)	(72,808)	0	(1,549,728)
Infrastructure	(24,702,993)	(1,405,882)	0	(26,108,875)
Machinery and Equipment	(2,209,209)	(299,462)	89,172	(2,419,499)
Total Depreciation	<u>(\$30,704,401)</u>	<u>(\$1,892,307)</u>	<u>\$89,172</u>	<u>(\$32,507,536)</u>
<i>Net Value:</i>	<u>\$79,775,147</u>			<u>\$80,186,139</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

NOTE 10 – DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2019**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

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

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

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

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3.00% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.00% to the member’s FAS for the first 30 years of service.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2019**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member’s FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 2.25% COLA adjustment on the defined benefit portion of their benefit.

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS’s Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member’s contributions plus or minus the investment gains or losses resulting from the member’s investment selections. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members’ contributions, vested employer contributions and investment gains or losses resulting from the members’ investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. For additional information, see the Plan Statement in the OPERS CAFR.

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

	<u>State and Local</u>
2019 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2019 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits	<u>0.0</u>
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City’s contractually required contribution was \$548,320 for 2019.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit. See OP&F CAFR referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits.

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

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will receive a COLA equal to a percentage of the member's base pension benefit where the percentage is the lesser of three percent or the percentage increase in the consumer price index, if any, over the 12 month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

CITY OF SPRINGBORO, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2019**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

	<u>Police</u>	<u>Firefighters</u>
2019 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee:		
January 1, 2019 through December 31, 2019	12.25 %	12.25 %
2019 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee:		
January 1, 2019 through December 31, 2019	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OPF was \$419,599 for 2019.

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

The net pension liability for OPERS was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF’s total pension liability was measured as of December 31, 2019, and was determined by rolling forward the total pension liability as of January 1, 2019, to December 31, 2019. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$7,790,509	\$6,236,748	\$14,027,257
Proportion of the Net Pension Liability-2019	0.028445%	0.076406%	
Proportion of the Net Pension Liability-2018	0.026347%	0.077363%	
Percentage Change	<u>0.002098%</u>	<u>(0.000957%)</u>	
Pension Expense	\$1,822,090	\$833,214	\$2,655,304

CITY OF SPRINGBORO, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2019**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Changes in assumptions	\$678,183	\$165,345	\$843,528
Differences between expected and actual experience	358	256,244	256,602
Net difference between projected and actual earnings on pension plan investments	1,057,390	768,361	1,825,751
Change in proportionate share	239,902	0	239,902
City contributions subsequent to the measurement date	548,320	419,599	967,919
Total Deferred Outflows of Resources	<u>\$2,524,153</u>	<u>\$1,609,549</u>	<u>\$4,133,702</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$102,294	\$5,824	\$108,118
Change in proportionate share	5,458	51,712	57,170
Total Deferred Inflows of Resources	<u>\$107,752</u>	<u>\$57,536</u>	<u>\$165,288</u>

\$967,919 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year Ending December 31:			
2020	\$823,908	\$360,359	\$1,184,267
2021	454,314	192,345	646,659
2022	98,095	224,178	322,273
2023	491,764	337,408	829,172
2024	0	18,124	18,124
Total	<u>\$1,868,081</u>	<u>\$1,132,414</u>	<u>\$3,000,495</u>

Actuarial Assumptions - OPERS

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2019**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2019 and December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	December 31, 2018
Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	3 percent simple through 2018. 2.15 percent simple, thereafter
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age
	December 31, 2017
Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	3 percent simple through 2018. 2.15 percent simple, thereafter
Investment Rate of Return	7.5 percent
Actuarial Cost Method	Individual Entry Age

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

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

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

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 2.94% for 2019.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2019**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2019 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.79 %
Domestic Equities	19.00	6.21
Real Estate	10.00	4.90
Private Equity	10.00	10.81
International Equities	20.00	7.83
Other investments	18.00	5.50
Total	100.00 %	5.95 %

Discount Rate The discount rate used to measure the total pension liability was 7.2 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.2 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
City's proportionate share of the net pension liability	\$11,508,847	\$7,790,509	\$4,700,536

Changes since the prior Measurement Date and Report Date – OPERS Board adopted a change in the investment assumption, reducing it from 7.5% to 7.2%

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2019**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions – OPF

OPF’s total pension liability as of December 31, 2019 (December 31, 2018 measurement date) is based on the results of an actuarial valuation date of January 1, 2019, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2019, compared with January 1, 2018, are presented below.

	January 1, 2018	January 1, 2017
Valuation Date	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent

For the January 1, 2019 valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

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

For the January 1, 2019 valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2019**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF’s target asset allocation as of December 31, 2019 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00 %	0.80 %
Domestic Equity	16.00	5.50
Non-US Equity	16.00	5.90
Private Markets	8.00	8.40
Core Fixed Income *	23.00	2.60
High Yield Fixed Income	7.00	4.80
Private Credit	5.00	7.50
U.S. Inflation Linked Bonds*	17.00	2.30
Master Limited Partnerships	8.00	6.40
Real Assets	8.00	7.00
Private Real Estate	12.00	6.10
Total	<u>120.00 %</u>	

Note: Assumptions are geometric

* levered 2x

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2019**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

Discount Rate For 2019, the total pension liability was calculated using the discount rate of 8.00 percent. The discount rate used for 2018 was 8.00 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00 percent), or one percentage point higher (9.00 percent) than the current rate.

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$8,197,776	\$6,236,748	\$4,598,027

Changes in Benefit Terms and Assumptions since Measurement Date and to Report Date – There have been no OP&F pension plan amendments adopted or changes in assumptions between the measurement date and the report date that would have impacted the actuarial valuation studies for the pension plan for the measurement date.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

NOTE 11 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

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

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2019, health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2019. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2019 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2019.

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

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment healthcare plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. Beginning January 1, 2019, OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of the changing from the current health care model to the stipend based health care model, management expects that it will be able to provide stipends to eligible participants for the next 15 years.

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2019, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

The City's contractually required contribution to OP&F was \$11,042 for 2019.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2019, and was determined by rolling forward the total OPEB liability as of January 1, 2019, to December 31, 2019. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net OPEB Liability	\$3,737,501	\$695,794	\$4,433,295
Proportion of the Net OPEB Liability-2019	0.028667%	0.076406%	
Proportion of the Net OPEB Liability-2018	<u>0.026752%</u>	<u>0.077363%</u>	
Percentage Change	<u>0.001915%</u>	<u>(0.000957%)</u>	
OPEB Expense	\$394,335	(\$3,432,045)	(\$3,037,710)

CITY OF SPRINGBORO, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2019**

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Changes in assumptions	\$120,501	\$360,665	\$481,166
Differences between expected and actual experience	1,266	0	1,266
Net difference between projected and actual earnings on OPEB plan investments	171,342	23,554	194,896
Change in proportionate share	139,492	0	139,492
City contributions subsequent to the measurement date	0	11,042	11,042
Total Deferred Outflows of Resources	<u>\$432,601</u>	<u>\$395,261</u>	<u>\$827,862</u>
Deferred Inflows of Resources			
Changes in assumptions	\$0	\$192,629	\$192,629
Differences between expected and actual experience	10,140	18,642	28,782
Change in proportionate share	14,253	47,461	61,714
Total Deferred Inflows of Resources	<u>\$24,393</u>	<u>\$258,732</u>	<u>\$283,125</u>

\$11,042 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	OPERS	OP&F	Total
2020	\$189,601	\$23,024	\$212,625
2021	101,973	23,024	124,997
2022	30,319	23,024	53,343
2023	86,315	30,149	116,464
2024	0	18,917	18,917
2025	0	9,679	9,679
2026	0	(2,330)	(2,330)
Total	<u>\$408,208</u>	<u>\$125,487</u>	<u>\$533,695</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.96 percent
Prior Measurement date	3.85 percent
Investment Rate of Return:	
Current measurement date	6.00 percent
Prior Measurement date	6.50 percent
Municipal Bond Rate:	
Current measurement date	3.71 percent
Prior Measurement date	3.31 percent
Health Care Cost Trend Rate:	
Current measurement date	10.0 percent, initial 3.25 percent, ultimate in 2029
Prior Measurement date	7.5 percent, initial 3.25 percent, ultimate in 2028
Actuarial Cost Method	Individual Entry Age

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

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2019**

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

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

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a loss of 5.60 percent for 2019.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2019 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	2.42 %
Domestic Equities	21.00	6.21
Real Estate Investment Trust	6.00	5.98
International Equities	22.00	7.83
Other investments	17.00	5.57
Total	100.00 %	5.16 %

Discount Rate A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.71 percent.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2019**

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.96 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.96 percent) or one-percentage-point higher (4.96 percent) than the current rate:

	1% Decrease (2.96%)	Current Discount Rate (3.96%)	1% Increase (4.96%)
City's proportionate share of the net OPEB liability	\$4,781,656	\$3,737,501	\$2,907,120

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2019 is 10.00 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$3,592,548	\$3,737,501	\$3,904,445

Changes since prior Measurement Date and to Report Date – OPERS Board adopted a change in the investment return assumption, reducing it from 6.5% to 6%. In January 2020, the Board adopted changes to health care coverage for Medicare and pre-Medicare retirees and replacing it with a monthly allowance to help participants pay for a health care of their choosing. The base allowance for Medicare-eligible retirees will be reduced. The specific effect of these changes on the net OPEB liability and OPEB expense are unknown at this time.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2019, is based on the results of an actuarial valuation date of January 1, 2019, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

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

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

Valuation Date	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.0 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Single discount rate	
Current measurement date	4.66 percent
Prior measurement date	3.24 percent
Stipend increase rate	The stipend is not assured to increase over the projection period

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2019**

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

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

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

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

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

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

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2019, are summarized below:

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2019**

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00 %	0.80 %
Domestic Equity	16.00	5.50
Non-US Equity	16.00	5.90
Private Markets	8.00	8.40
Core Fixed Income *	23.00	2.60
High Yield Fixed Income	7.00	4.80
Private Credit	5.00	7.50
U.S. Inflation Linked Bonds*	17.00	2.30
Master Limited Partnerships	8.00	6.40
Real Assets	8.00	7.00
Private Real Estate	12.00	6.10
Total	<u>120.00 %</u>	

Note: Assumptions are geometric

* levered 2x

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

Discount Rate The total OPEB liability was calculated using the discount rate of 4.66 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 4.13 percent at December 31, 2019 and 3.16 percent at December 31, 2018, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 4.66 percent.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2019**

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 4.66 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.66 percent), or one percentage point higher (5.66 percent) than the current rate.

	1% Decrease (3.66%)	Current Discount Rate (4.66%)	1% Increase (5.66%)
City's proportionate share of the net OPEB liability	\$847,667	\$695,794	\$568,310

Sensitivity of the Proportionate Share of the net OPEB Liability to Changes in the Health Care Cost Trend Rate – Net OPEB liability for OP&F is not sensitive to changes in the health care cost trend rate because it is based on a medical benefit that is a flat dollar amount.

Changes since Prior Measurement Date and to Report Date – Beginning January 1, 2019 OP&F changed its retiree health care model and the current self-insured health care plan is no longer offered. In its place will be a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of changing from the current health care model to the stipend based health care model, management expects that it will be able to provide stipends to eligible participants for the next 15 years. Beginning in 2020 the Board approved a change to the Deferred Retirement Option Plan. The minimum interest rate accruing will be 2.5%.

CITY OF SPRINGBORO, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2019**

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, 2019, the City's accumulated, unpaid compensated absences amounted to \$900,762, of which \$698,075 is recorded as a liability of the Governmental Activities and \$202,687 is recorded as a liability of the Business-Type Activities. The amounts are recorded as Amounts Due Within One Year and Amounts Due in More Than One Year on the Government Wide Statement of Net Position.

NOTE 13 - LONG-TERM OBLIGATIONS

Long-term debt and other long-term obligations of the City at December 31, 2019 were as follows:

		Balance December 31, 2018	Issued	(Retired)	Balance December 31, 2019	Amount Due Within One Year
Business Type-Activities:						
General Obligation Bonds:						
1.00 - 3.65% Golf Course Refunding	2010	\$1,095,000	\$0	(\$260,000)	\$835,000	\$270,000
2.00 - 5.00% Water Refunding Bond	2017	4,220,000	0	(785,000)	3,435,000	825,000
Premium on Refunding Bond	2017	236,593	0	(47,318)	189,275	47,318
Total General Obligation Bonds		<u>5,551,593</u>	<u>0</u>	<u>(1,092,318)</u>	<u>4,459,275</u>	<u>1,142,318</u>
Mortgage Revenue Bonds:						
2.00 - 5.00% Sewer Refunding - 2004 Issue	2012	8,105,000	0	(750,000)	7,355,000	785,000
2.00 - 5.00% Premium on Sewer Funding - 2004	2012	695,130	0	(77,236)	617,894	77,236
Total Mortgage Revenue Bonds		<u>8,800,130</u>	<u>0</u>	<u>(827,236)</u>	<u>7,972,894</u>	<u>862,236</u>
Compensated Absences Payable		<u>182,279</u>	<u>202,687</u>	<u>(182,279)</u>	<u>202,687</u>	<u>20,101</u>
Total Business-Type Activity Long-Term Liabilities		<u>\$14,534,002</u>	<u>\$202,687</u>	<u>(\$2,101,833)</u>	<u>\$12,634,856</u>	<u>\$2,024,655</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2019**

NOTE 13 - LONG-TERM OBLIGATIONS (Continued)

		Balance December 31, 2018	Issued	(Retired)	Balance December 31, 2019	Amount Due Within One Year	
Governmental Activities:							
Special Assessment Bonds:							
2.000 - 5.000%	Various Purpose Refunding	2017	\$635,000	\$0	(\$120,000)	\$515,000	\$125,000
	Premium on Refunding	2017	37,368	0	(7,474)	29,894	7,474
Total Special Assessment Bonds (with Governmental Commitment)			672,368	0	(127,474)	544,894	132,474
Unvoted General Obligation Bonds:							
3.000 - 5.000%	Refunding Bonds	2008	65,000	0	(65,000)	0	0
2.000 - 5.000%	Austin Road Interchange Bonds	2010	3,175,000	0	(160,000)	3,015,000	165,000
2.000 - 5.000%	Municipal Building Refunding	2017	1,965,000	0	(365,000)	1,600,000	385,000
2.000 - 5.000%	Street Improvement Bonds	2017	1,165,000	0	(130,000)	1,035,000	135,000
	Premium on Bonds		171,410	0	(30,793)	140,617	29,528
Total General Obligation Bonds			6,541,410	0	(750,793)	5,790,617	714,528
General Obligation Note Payable			6,050,000	5,000,000	(6,050,000)	5,000,000	5,000,000
Compensated Absences Payable			625,228	698,075	(625,228)	698,075	55,875
Total Governmental Activity Long-Term Liabilities			\$13,889,006	\$5,698,075	(\$7,553,495)	\$12,033,586	\$5,902,877

The principal amount of the City's special assessment bonds outstanding at December 31, 2019, \$515,000, 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 \$3,348.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2019**

NOTE 13 - LONG-TERM OBLIGATIONS (Continued)

A. Future Long-Term Financing Requirements

The City's future long-term obligation funding requirements, including principal and interest payments as of December 31, 2019, follow:

Years	General Obligation Bonds			
	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2020	\$685,000	\$211,765	\$1,095,000	\$139,585
2021	700,000	195,590	1,120,000	113,905
2022	730,000	167,590	1,160,000	70,365
2023	750,000	148,103	895,000	40,275
2024	345,000	115,925	0	0
2025-2029	1,390,000	398,900	0	0
2030-2033	1,050,000	120,825	0	0
Totals	\$5,650,000	\$1,358,698	\$4,270,000	\$364,130

Years	Special Assessment Bonds		Mortgage Revenue Bonds	
	Principal	Interest	Principal	Interest
	2020	\$125,000	\$16,500	\$785,000
2021	125,000	14,000	825,000	261,225
2022	130,000	9,000	870,000	223,200
2023	135,000	6,075	900,000	187,800
2024	0	0	935,000	151,100
2025-2027	0	0	3,040,000	221,950
Totals	\$515,000	\$45,575	\$7,355,000	\$1,346,750

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, 2019, \$840,000 of bonds outstanding are considered defeased.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2019**

NOTE 13 - LONG-TERM OBLIGATIONS (Continued)

B. Defeased Debt (Continued)

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 \$3,585,000 at December 31, 2019, are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

In March 2010, the City refunded \$3,060,000 of General Obligation Bonds for Golf Course Refunding 1999, through the issuance of \$3,200,000 of General Obligation Bonds. The refunded bonds, which have an outstanding balance of \$900,000 at December 31, 2019, are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

In April 2012, the City partially refunded \$10,245,000 of Mortgage Revenue Bonds for Sewer Improvements 2004, through the issuance of \$10,295,000 of Mortgage Revenue Bonds. The refunded bonds, which have an outstanding balance of \$7,445,000 at December 31, 2019, are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

NOTE 14 - NOTES PAYABLE

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

Notes payable at December 31, 2019 were as follows:

	Balance December 31, 2018	Issued	(Retired)	Balance December 31, 2019
Special Revenue Fund:				
Urban Redevelopment TIF Fund:				
2.65% Performing Arts Center	\$4,500,000	\$4,500,000	(\$4,500,000)	\$4,500,000

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2019**

NOTE 15 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. During 2019 the City contracted with several different insurance providers for various insurance coverages, as follows:

Type of Coverage	Liability Limits	Deductible
Property	\$91,635,566	\$5,000
Crime	1,000,000	100,000
Inland Marine	3,235,792	1,000
General Liability	10,000,000	0
Employee Benefits Liability	8,000,000	1,000
Employers Liability	8,000,000	0
Automobile Liability	8,000,000	500
Public Officials Liability	8,000,000	5,000
Police Liability	8,000,000	5,000
Employment Practices Liability	8,000,000	5,000

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

For the year 2019, the City participated in the Ohio Municipal League of Ohio Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (see Note 17). The intent of the GRP is to achieve the benefit of a reduced premium for the City by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating cities is calculated as one experience and a common premium rate is applied to all cities in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to cities that can meet the GRP's selection criteria. The firm of Comp Management, Inc. provides administrative, cost control and actuarial services to the GRP.

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

NOTE 16 - CONTRACTUAL COMMITMENTS

As of December 31, 2019, the City had the following significant contractual commitments:

<u>Project</u>	<u>Remaining Contractual Commitment</u>
Route 73/741 Intersection Project	\$1,268,473
Wellfield Generator	885,674
South Pioneer Blvd. Roadway Improvements	857,902
Gateway Enhancement	164,147
Total	<u><u>\$3,176,196</u></u>

NOTE 17 – GROUP PURCHASING POOL

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

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

NOTE 18 – JOINTLY GOVERNED ORGANIZATIONS

During 2019, the City participated in the Warren County General Health District, the Greater Warren County Drug Task Force, Miami Valley Regional Planning Commission, the Montgomery County Transportation Improvement District and the Warren County Transportation Improvement District, jointly governed organizations. The following describes the relationship between these organizations and the City:

Warren County General Health District

The Warren County General Health District (the District) provides health services to the citizens within the County. The District, which consists of a representative from each of the participating governments, including the City, oversees the operation of the District. The amount the City contributed during 2019 for the operation of the District was minimal. The City does not have any financial interest in or responsibility for the District. The County Commissioners serve as the taxing authority, and the County Auditor and County Treasurer serve as the fiscal officers. Financial information may be obtained from Kathy Stephenson at the Warren County General Health District, 416 S. East Street, Lebanon, Ohio 45036.

The Greater Warren County Drug Task Force

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

Miami Valley Regional Planning Commission

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

Montgomery County Transportation Improvement District

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

NOTE 18 – JOINTLY GOVERNED ORGANIZATIONS (Continued)

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

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

Warren County Transportation Improvement District

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

NOTE 19 – RELATED ORGANIZATION

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

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

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

NOTE 20 – SUBSEQUENT EVENT

A. Note Issuance

On January 23, 2020, the City issued general obligation bond anticipation notes in the amount of \$3,200,000 for the SR73/SR741 intersection improvements and site development improvements. This was to retire notes previously issued. The notes have an interest rate of 1.3 percent and mature on January 21, 2021. The Warren County Transportation Improvement District is managing this project for the City. The note was for right-of-way acquisition, utility relocation, management fee and construction costs.

B. COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. The City's investment portfolio and investments of the pension and other employee benefit plan in which the City participates have incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the City's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

CITY OF SPRINGBORO, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2019**

NOTE 21 – SIGNIFICANT ENCUMBRANCES

At December 31, 2019 the City had the following significant encumbrances outstanding:

<u>Fund</u>	<u>Total Encumbrances</u>	<u>Significant Encumbrances</u>	<u>Explanation</u>
Major Funds:			
General	\$ 665,869	\$ 200,000	Fiber project
Urban Redevelopment TIF	118,707	0	None Significant
Construction	2,771,519	1,004,832 836,892	73/741 Intersection S. Pioneer Improvements
Water	6,209,783	3,738,772 229,189	Water Debt Water Facility Repairs
Sewer	6,539,347	5,040,709 297,730	Sewer Debt Sewer Facility Repairs
Storm Water	36,159	0	None Significant
All Nonmajor Funds	487,972	0	None Significant

CITY OF SPRINGBORO, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2019**

NOTE 22 – TAX ABATEMENT DISCLOSURES

As of December 31, 2019, the City of Springboro provides tax incentives under the Community Reinvestment Area (CRA) program.

Real Estate Tax Abatements

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

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

Incentive Criteria for Decision Making

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

Below is the information relevant to the disclosure of those programs for the year ended December 31, 2019:

<u>Tax Abatement Program</u>	<u>Total Amount of Taxes Abated for the Year 2019 (In Actual Dollars)</u>
Community Reinvestment Act (CRA)	
Commercial	\$113,296
Industrial	364,224
	<u>\$477,520</u>

CITY OF SPRINGBORO, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2019**

NOTE 22 – TAX ABATEMENT DISCLOSURES (Continued)

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

The following are the required amounts of income tax dollars paid by the City to each School District in 2019:

<u>Springboro City School District</u>		
Commercial	90% of 1/3 Municipal Income Tax Revenue	\$10,670
<u>Franklin City School District</u>		
Industrial	90% of 1/3 Municipal Income Tax Revenue	\$53,335
<u>Miamisburg City School District</u>		
Commercial	50% of Municipal Income Tax Revenue	\$22,658
<u>Warren County Career Center</u>		
Commercial	10% of Municipal Income Tax Revenue	\$783
Industrial	10% of Municipal Income Tax Revenue	6,329
		<u>\$7,112</u>

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

Summary of Significant Accounting Policies

Organization

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2019***

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

Basis of Presentation

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

Cash and Cash Equivalents

During the calendar year 2019, the CIC's cash in an interest bearing account is considered to be cash equivalents. The CIC had no investments.

Income Taxes

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

Fin 48- Accounting for Uncertain Tax Positions

The CIC may file income tax returns and information returns in the US Federal jurisdiction and various state and local jurisdictions. The CIC is no longer subject to US Federal income tax examination by authorities for the years prior to 2007. With respect to state and local jurisdictions the CIC is no longer subject to income tax examinations prior to 2007. In the normal course of business, the CIC is subject to examination by various taxing authorities. Although the outcome of tax audits is always uncertain, the CIC believes that there are no significant unrecognized tax liabilities as of December 31, 2019.



REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SPRINGBORO, OHIO

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

Ohio Public Employees Retirement System

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

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

Ohio Police and Fire Pension Fund

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

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

Notes: The City implemented GASB Statement 68 in 2015.

The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2013 is not available.

The schedule is reported as of the measurement date of the Net Pension Liability, which is the prior year end.

See accompanying notes to the required supplementary information

CITY OF SPRINGBORO, OHIO

<u>2016</u>	<u>2017</u>	<u>2018</u>
0.026454%	0.026347%	0.028445%
\$6,007,271	\$4,133,386	\$7,790,509
\$3,576,317	\$3,374,031	\$3,677,686
167.97%	122.51%	211.83%
77.25%	84.66%	74.70%

<u>2016</u>	<u>2017</u>	<u>2018</u>
0.077502%	0.077363%	0.076406%
\$4,908,909	\$4,748,116	\$6,236,748
\$1,702,937	\$1,958,784	\$1,987,232
288.26%	242.40%	313.84%
68.36%	70.91%	63.07%

CITY OF SPRINGBORO, OHIO

***Schedule of City Pension Contributions
Last Seven Years***

Ohio Public Employees Retirement System

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

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

Ohio Police and Fire Pension Fund

Fiscal Year	<u>2013</u>	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$259,652	\$323,617	\$329,200
Contributions in relation to the contractually required contribution	<u>259,652</u>	<u>323,617</u>	<u>329,200</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered-employee payroll	\$1,629,956	\$1,703,247	\$1,732,632
Contributions as a percentage of covered-employee payroll	15.93%	19.00%	19.00%

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

Notes: The City implemented GASB Statement 68 in 2015.

The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2013 is not available.

See accompanying notes to the required supplementary information

CITY OF SPRINGBORO, OHIO

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$429,158	\$438,624	\$514,876	\$548,320
<u>429,158</u>	<u>438,624</u>	<u>514,876</u>	<u>548,320</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$3,576,317	\$3,374,031	\$3,677,686	\$3,916,571
12.00%	13.00%	14.00%	14.00%

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$323,558	\$372,169	\$377,574	\$419,599
<u>323,558</u>	<u>372,169</u>	<u>377,574</u>	<u>419,599</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,702,937	\$1,958,784	\$1,987,232	\$2,208,416
19.00%	19.00%	19.00%	19.00%



CITY OF SPRINGBORO, OHIO

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

Ohio Public Employees Retirement System

Year	<u>2016</u>	<u>2017</u>	<u>2018</u>
City's proportion of the net OPEB liability	0.027151%	0.026752%	0.028667%
City's proportionate share of the net OPEB liability	\$2,742,368	\$2,905,022	\$3,737,501
City's covered payroll	\$3,576,317	\$3,374,031	\$3,677,686
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	76.68%	86.10%	101.63%
Plan fiduciary net position as a percentage of the total OPEB liability	54.50%	54.14%	46.33%

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

Ohio Police and Fire Pension Fund

Year	<u>2016</u>	<u>2017</u>	<u>2018</u>
City's proportion of the net OPEB liability	0.077502%	0.077363%	0.076406%
City's proportionate share of the net OPEB liability	\$3,678,853	\$4,383,280	\$695,794
City's covered payroll	\$1,702,937	\$1,958,784	\$1,987,232
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	216.03%	223.78%	35.01%
Plan fiduciary net position as a percentage of the total OPEB liability	15.96%	14.13%	46.57%

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

Notes: The City implemented GASB Statement 75 in 2018.

The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2016 is not available.

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

See accompanying notes to the required supplementary information

CITY OF SPRINGBORO, OHIO

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

Ohio Public Employees Retirement System

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

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

Ohio Police and Fire Pension Fund

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

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

Notes: The City implemented GASB Statement 75 in 2018.

The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2013 is not available.

See accompanying notes to the required supplementary information

CITY OF SPRINGBORO, OHIO

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$71,526	\$33,740	\$0	\$0
<u>71,526</u>	<u>33,740</u>	<u>0</u>	<u>0</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$3,576,317	\$3,374,031	\$3,677,686	\$3,916,571
2.00%	1.00%	0.00%	0.00%

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$8,515	\$9,794	\$9,936	\$11,042
<u>8,515</u>	<u>9,794</u>	<u>9,936</u>	<u>11,042</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,702,937	\$1,958,784	\$1,987,232	\$2,208,416
0.50%	0.50%	0.50%	0.50%

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2019***

NET PENSION LIABILITY

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2019.

Changes in assumptions:

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

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

- Reduction in actuarial assumed rate of return from 8.00% to 7.50%
- Decrease in wage inflation from 3.75% to 3.25%
- Change in future salary increases from a range of 4.25%-10.02% to 3.25%-10.75%
- Amounts reported beginning in 2017 use mortality rates based on the RP-2014 Healthy Annuitant mortality Table.

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

2019: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 7.50% to 7.20%

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2019.

Changes in assumptions:

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

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

- Reduction in actuarial assumed rate of return from 8.25% to 8.00%
- Decrease salary increases from 3.75% to 3.25%
- Change in payroll growth from 3.75% to 3.25%
- Reduce DROP interest rate from 4.5% to 4.0%
- Reduce CPI-based COLA from 2.6% to 2.2%
- Inflation component reduced from 3.25% to 2.75%
- For the January 1, 2017, valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006
- For the January 1, 2017, valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006

2019: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2019***

NET OPEB LIABILITY

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the periods 2018-2019.

Changes in assumptions:

For 2018, the single discount rate changed from 4.23% to 3.85%.

2019: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.85% to 3.96%.
- Reduction in actuarial assumed rate of return from 6.50% to 6.00%
- Change in health care cost trend rate from 7.5% to 10%

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms:

2018: There were no changes in benefit terms.

2019: The retiree health care model and the current self-insured health care plan were replaced with a stipend-based health care model.

Changes in assumptions:

2018: The single discount rate changed from 3.79% to 3.24%.

2019: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.24% to 4.66%.
- Beginning January 1, 2019 OP&F changed its retiree health care model and the current self-insured health care plan is no longer offered. In its place will be a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of changing from the current health care model to the stipend based health care model, management expects that it will be able to provide stipends to eligible participants for the next 15 years. Beginning in 2020 the Board approved a change to the Deferred Retirement Option Plan. The minimum interest rate accruing will be 2.5%.

*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.

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.

Special Revenue Funds

Austin JEDD Fund

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

South Tech Public Improvement TIF Fund

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

Law Enforcement Trust Fund

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

D.A.R.E. Trust Fund

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

Debt Service Funds

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

Debt Service Fund

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

Capital Projects Funds

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

Permanent Improvement Fund

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

Land Acquisition Fund

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

CITY OF SPRINGBORO, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2019**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 1,542,972	\$ 1,440,783	\$ 599,929	\$ 3,583,684
Receivables:				
Taxes	540,000	0	0	540,000
Intergovernmental	699,745	0	309,427	1,009,172
Special Assessments	0	1,273,634	0	1,273,634
Inventory of Supplies, at Cost	141,281	0	0	141,281
Prepaid Items	35,751	0	0	35,751
Assets Held for Resale	0	0	2,312,473	2,312,473
Total Assets	<u>\$ 2,959,749</u>	<u>\$ 2,714,417</u>	<u>\$ 3,221,829</u>	<u>\$ 8,895,995</u>
Liabilities:				
Accounts Payable	\$ 36,864	\$ 0	\$ 0	\$ 36,864
Accrued Wages and Benefits Payable	28,828	0	0	28,828
Intergovernmental Payable	13,214	0	0	13,214
Total Liabilities	<u>78,906</u>	<u>0</u>	<u>0</u>	<u>78,906</u>
Deferred Inflows of Resources:				
Property Tax Levy for Next Fiscal Year	540,000	0	0	540,000
Unavailable Amounts	451,940	1,273,634	309,427	2,035,001
Total Deferred Inflows of Resources	<u>991,940</u>	<u>1,273,634</u>	<u>309,427</u>	<u>2,575,001</u>
Fund Balances:				
Nonspendable	177,032	0	0	177,032
Restricted	1,711,871	1,440,783	2,912,402	6,065,056
Total Fund Balances	<u>1,888,903</u>	<u>1,440,783</u>	<u>2,912,402</u>	<u>6,242,088</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2,959,749</u>	<u>\$ 2,714,417</u>	<u>\$ 3,221,829</u>	<u>\$ 8,895,995</u>

CITY OF SPRINGBORO, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2019**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Payment in Lieu of Taxes	\$ 564,331	\$ 0	\$ 0	\$ 564,331
Intergovernmental Revenues	1,392,635	0	0	1,392,635
Fines, Licenses and Permits	28,077	0	86,396	114,473
Investment Earnings	16,448	0	0	16,448
Special Assessments	0	166,008	0	166,008
Donations	955	0	0	955
All Other Revenue	75,490	999	208,777	285,266
Total Revenue	<u>2,077,936</u>	<u>167,007</u>	<u>295,173</u>	<u>2,540,116</u>
Expenditures:				
Current:				
Security of Persons and Property	163,581	0	0	163,581
Transportation	1,140,490	0	0	1,140,490
General Government	249,079	0	63	249,142
Capital Outlay	0	0	1,946,825	1,946,825
Debt Service:				
Principal Retirement	0	840,000	0	840,000
Interest and Fiscal Charges	0	221,719	0	221,719
Total Expenditures	<u>1,553,150</u>	<u>1,061,719</u>	<u>1,946,888</u>	<u>4,561,757</u>
Excess (Deficiency) of Revenues Over Expenditures	524,786	(894,712)	(1,651,715)	(2,021,641)
Other Financing Sources (Uses):				
Transfers In	160,075	1,210,667	1,681,480	3,052,222
Transfers Out	(927,202)	0	0	(927,202)
Total Other Financing Sources (Uses)	<u>(767,127)</u>	<u>1,210,667</u>	<u>1,681,480</u>	<u>2,125,020</u>
Net Change in Fund Balances	(242,341)	315,955	29,765	103,379
Fund Balances at Beginning of Year	2,117,966	1,124,828	2,882,637	6,125,431
Change in Inventory Reserve	13,278	0	0	13,278
Fund Balances End of Year	<u>\$ 1,888,903</u>	<u>\$ 1,440,783</u>	<u>\$ 2,912,402</u>	<u>\$ 6,242,088</u>

CITY OF SPRINGBORO, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2019**

	Street Maintenance and Repair	State Highway	Permissive Use Tax	Motor Vehicle License Tax
Assets:				
Cash and Cash Equivalents	\$ 579,604	\$ 289,386	\$ 4,065	\$ 44,122
Receivables:				
Taxes	0	0	0	0
Intergovernmental	521,143	42,267	0	114,355
Inventory of Supplies, at Cost	141,281	0	0	0
Prepaid Items	34,475	0	0	0
Total Assets	<u>\$ 1,276,503</u>	<u>\$ 331,653</u>	<u>\$ 4,065</u>	<u>\$ 158,477</u>
Liabilities:				
Accounts Payable	\$ 33,282	\$ 3,582	\$ 0	\$ 0
Accrued Wages and Benefits Payable	28,828	0	0	0
Intergovernmental Payable	11,033	0	0	0
Total Liabilities	<u>73,143</u>	<u>3,582</u>	<u>0</u>	<u>0</u>
Deferred Inflows of Resources:				
Property Tax Levy for Next Fiscal Year	0	0	0	0
Unavailable Amounts	347,526	28,178	0	76,236
Total Deferred Inflows of Resources	<u>347,526</u>	<u>28,178</u>	<u>0</u>	<u>76,236</u>
Fund Balances:				
Nonspendable	175,756	0	0	0
Restricted	680,078	299,893	4,065	82,241
Total Fund Balances	<u>855,834</u>	<u>299,893</u>	<u>4,065</u>	<u>82,241</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,276,503</u>	<u>\$ 331,653</u>	<u>\$ 4,065</u>	<u>\$ 158,477</u>

(Continued)

CITY OF SPRINGBORO, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2019**

	COPS Grant	Drug Law Enforcement	Mayor's Court Improvement	Austin Center Municipal Public Improvement TIF
Assets:				
Cash and Cash Equivalents	\$ 1,730	\$ 77,058	\$ 183,399	\$ 279,346
Receivables:				
Taxes	0	0	0	540,000
Intergovernmental	21,978	0	2	0
Inventory of Supplies, at Cost	0	0	0	0
Prepaid Items	1,153	0	123	0
Total Assets	<u>\$ 24,861</u>	<u>\$ 77,058</u>	<u>\$ 183,524</u>	<u>\$ 819,346</u>
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0
Intergovernmental Payable	918	0	254	0
Total Liabilities	<u>918</u>	<u>0</u>	<u>254</u>	<u>0</u>
Deferred Inflows of Resources:				
Property Tax Levy for Next Fiscal Year	0	0	0	540,000
Unavailable Amounts	0	0	0	0
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>540,000</u>
Fund Balances:				
Nonspendable	1,153	0	123	0
Restricted	22,790	77,058	183,147	279,346
Total Fund Balances	<u>23,943</u>	<u>77,058</u>	<u>183,270</u>	<u>279,346</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 24,861</u>	<u>\$ 77,058</u>	<u>\$ 183,524</u>	<u>\$ 819,346</u>

CITY OF SPRINGBORO, OHIO

<u>Austin JEDD</u>	<u>South Tech Public Improvement TIF</u>	<u>Law Enforcement Trust</u>	<u>DARE Trust</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 853	\$ 5,131	\$ 48,825	\$ 29,453	\$ 1,542,972
0	0	0	0	540,000
0	0	0	0	699,745
0	0	0	0	141,281
0	0	0	0	35,751
<u>\$ 853</u>	<u>\$ 5,131</u>	<u>\$ 48,825</u>	<u>\$ 29,453</u>	<u>\$ 2,959,749</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 36,864
0	0	0	0	28,828
0	0	0	1,009	13,214
<u>0</u>	<u>0</u>	<u>0</u>	<u>1,009</u>	<u>78,906</u>
0	0	0	0	540,000
0	0	0	0	451,940
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>991,940</u>
0	0	0	0	177,032
853	5,131	48,825	28,444	1,711,871
<u>853</u>	<u>5,131</u>	<u>48,825</u>	<u>28,444</u>	<u>1,888,903</u>
<u>\$ 853</u>	<u>\$ 5,131</u>	<u>\$ 48,825</u>	<u>\$ 29,453</u>	<u>\$ 2,959,749</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, 2019**

	Street Maintenance and Repair	State Highway	Permissive Use Tax	Motor Vehicle License Tax
Revenues:				
Payment in Lieu of Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	888,501	71,397	0	225,707
Fines, Licenses and Permits	0	0	0	0
Investment Earnings	9,026	4,190	62	3,170
Donations	0	0	0	0
All Other Revenue	14,751	3,983	0	0
Total Revenue	<u>912,278</u>	<u>79,570</u>	<u>62</u>	<u>228,877</u>
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	0
Transportation	1,093,929	46,561	0	0
General Government	0	0	0	0
Total Expenditures	<u>1,093,929</u>	<u>46,561</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(181,651)	33,009	62	228,877
Other Financing Sources (Uses):				
Transfers In	0	0	0	0
Transfers Out	0	0	0	(300,000)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>(300,000)</u>
Net Change in Fund Balances	(181,651)	33,009	62	(71,123)
Fund Balance at Beginning of Year	1,024,207	266,884	4,003	153,364
Change in Inventory Reserve	13,278	0	0	0
Fund Balance End of Year	<u>\$ 855,834</u>	<u>\$ 299,893</u>	<u>\$ 4,065</u>	<u>\$ 82,241</u>

CITY OF SPRINGBORO, OHIO

COPS Grant	Drug Law Enforcement	Mayor's Court Improvement	Austin Center Municipal Public Improvement TIF	Austin JEDD	South Tech Public Improvement TIF
\$ 0	\$ 0	\$ 0	\$ 564,331	\$ 0	\$ 0
0	0	0	0	164,536	9,539
0	11,826	16,251	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
44,235	0	2,150	0	0	0
<u>44,235</u>	<u>11,826</u>	<u>18,401</u>	<u>564,331</u>	<u>164,536</u>	<u>9,539</u>
74,888	24,823	0	0	0	0
0	0	0	0	0	0
0	0	19,053	230,026	0	0
<u>74,888</u>	<u>24,823</u>	<u>19,053</u>	<u>230,026</u>	<u>0</u>	<u>0</u>
(30,653)	(12,997)	(652)	334,305	164,536	9,539
0	0	0	0	0	160,075
<u>0</u>	<u>0</u>	<u>0</u>	<u>(293,903)</u>	<u>(164,536)</u>	<u>(168,763)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>(293,903)</u>	<u>(164,536)</u>	<u>(8,688)</u>
(30,653)	(12,997)	(652)	40,402	0	851
54,596	90,055	183,922	238,944	853	4,280
0	0	0	0	0	0
<u>\$ 23,943</u>	<u>\$ 77,058</u>	<u>\$ 183,270</u>	<u>\$ 279,346</u>	<u>\$ 853</u>	<u>\$ 5,131</u>

(Continued)

CITY OF SPRINGBORO, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2019**

	Law Enforcement Trust	DARE Trust	Total Nonmajor Special Revenue Funds
Revenues:			
Payment in Lieu of Taxes	\$ 0	\$ 0	\$ 564,331
Intergovernmental Revenues	0	32,955	1,392,635
Fines, Licenses and Permits	0	0	28,077
Investment Earnings	0	0	16,448
Donations	0	955	955
All Other Revenue	9,479	892	75,490
Total Revenue	<u>9,479</u>	<u>34,802</u>	<u>2,077,936</u>
Expenditures:			
Current:			
Security of Persons and Property	0	63,870	163,581
Transportation	0	0	1,140,490
General Government	0	0	249,079
Total Expenditures	<u>0</u>	<u>63,870</u>	<u>1,553,150</u>
Excess (Deficiency) of Revenues Over Expenditures	9,479	(29,068)	524,786
Other Financing Sources (Uses):			
Transfers In	0	0	160,075
Transfers Out	0	0	(927,202)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(767,127)</u>
Net Change in Fund Balances	9,479	(29,068)	(242,341)
Fund Balance at Beginning of Year	39,346	57,512	2,117,966
Change in Inventory Reserve	0	0	13,278
Fund Balance End of Year	<u>\$ 48,825</u>	<u>\$ 28,444</u>	<u>\$ 1,888,903</u>

CITY OF SPRINGBORO, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2019**

	Permanent Improvement	Land Acquisition	Total Nonmajor Capital Projects Funds
Assets:			
Cash and Cash Equivalents	\$ 248,205	\$ 351,724	\$ 599,929
Receivables:			
Intergovernmental	309,427	0	309,427
Assets Held for Resale	0	2,312,473	2,312,473
Total Assets	<u>\$ 557,632</u>	<u>\$ 2,664,197</u>	<u>\$ 3,221,829</u>
Liabilities:			
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Deferred Inflows of Resources:			
Unavailable Amounts	309,427	0	309,427
Total Deferred Inflows of Resources	<u>309,427</u>	<u>0</u>	<u>309,427</u>
Fund Balances:			
Restricted	248,205	2,664,197	2,912,402
Total Fund Balances	<u>248,205</u>	<u>2,664,197</u>	<u>2,912,402</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 557,632</u>	<u>\$ 2,664,197</u>	<u>\$ 3,221,829</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, 2019**

	Permanent Improvement	Land Acquisition	Total Nonmajor Capital Projects Funds
Revenues:			
Fines, Licenses and Permits	\$ 86,396	\$ 0	\$ 86,396
All Other Revenue	208,777	0	208,777
Total Revenue	<u>295,173</u>	<u>0</u>	<u>295,173</u>
Expenditures:			
Current:			
General Government	63	0	63
Capital Outlay	1,866,011	80,814	1,946,825
Total Expenditures	<u>1,866,074</u>	<u>80,814</u>	<u>1,946,888</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,570,901)	(80,814)	(1,651,715)
Other Financing Sources (Uses):			
Transfers In	1,256,480	425,000	1,681,480
Total Other Financing Sources (Uses)	<u>1,256,480</u>	<u>425,000</u>	<u>1,681,480</u>
Net change in Fund Balances	(314,421)	344,186	29,765
Fund Balances at Beginning of Year	<u>562,626</u>	<u>2,320,011</u>	<u>2,882,637</u>
Fund Balances End of Year	<u>\$ 248,205</u>	<u>\$ 2,664,197</u>	<u>\$ 2,912,402</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, 2019**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal Income Taxes	\$ 9,180,000	\$ 9,180,000	\$ 9,367,535	\$ 187,535
Property and Other Taxes	809,102	809,102	776,196	(32,906)
Intergovernmental Revenues	227,252	227,252	283,056	55,804
Fines, Licenses and Permits	517,661	517,661	578,732	61,071
Investment Earnings	217,500	217,500	518,175	300,675
Special Assessments	37,162	37,162	37,278	116
All Other Revenues	255,500	255,500	523,071	267,571
Total Revenues	11,244,177	11,244,177	12,084,043	839,866
Expenditures:				
Security of Persons and Property:				
Police Department:				
Personal Services	2,978,778	2,980,048	2,931,202	48,846
Materials and Supplies	178,514	182,466	148,812	33,654
Contractual Services	197,205	186,004	145,466	40,538
Total Police Department	3,354,497	3,348,518	3,225,480	123,038
Police Dispatcher:				
Personal Services	212,400	267,236	253,836	13,400
Materials and Supplies	14,000	14,000	11,442	2,558
Contractual Services	10,250	11,187	4,869	6,318
Total Police Dispatcher	236,650	292,423	270,147	22,276
Street Lighting:				
Contractual Services	154,500	181,895	162,196	19,699
Total Street Lighting	154,500	181,895	162,196	19,699
Civil Defense:				
Contractual Services	2,600	2,600	2,591	9
Total Civil Defense	2,600	2,600	2,591	9
Prisoner Care:				
Contractual Services	5,000	5,000	1,434	3,566
Total Prisoner Care	5,000	5,000	1,434	3,566
Total Security of Persons and Property	3,753,247	3,830,436	3,661,848	168,588
Public Health and Welfare:				
Health Board:				
Contractual Services	16,535	16,535	16,532	3
Total Public Health and Welfare	16,535	16,535	16,532	3

(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, 2019***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Leisure Time Activities:				
Park Maintenance:				
Personal Services	579,700	568,095	515,109	52,986
Contractual Services	136,216	152,697	121,883	30,814
Materials and Supplies	129,378	154,378	116,101	38,277
Total Park Maintenance	845,294	875,170	753,093	122,077
Library Services:				
Contractual Services	42,000	42,000	24,189	17,811
Materials and Supplies	1,000	1,072	1,072	0
Total Library Services	43,000	43,072	25,261	17,811
Community Events:				
Personal Services	19,210	51,401	45,255	6,146
Contractual Services	85,000	116,511	104,213	12,298
Total Community Events	104,210	167,912	149,468	18,444
Total Leisure Time Activities	992,504	1,086,154	927,822	158,332
Community Environment:				
Planning and Zoning:				
Personal Services	116,175	116,383	110,770	5,613
Contractual Services	111,506	115,148	113,752	1,396
Materials and Supplies	2,000	2,000	1,524	476
Total Planning and Zoning	229,681	233,531	226,046	7,485
Engineering:				
Personal Services	122,100	122,060	113,416	8,644
Contractual Services	338,105	338,605	258,246	80,359
Materials and Supplies	10,500	10,840	6,865	3,975
Total Engineering	470,705	471,505	378,527	92,978
Economic Development:				
Personal Services	68,600	66,600	58,857	7,743
Contractual Services	129,450	135,899	85,434	50,465
Materials and Supplies	300	300	0	300
Total Economic Development	198,350	202,799	144,291	58,508

(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, 2019***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Building Inspection:				
Personal Services	357,900	357,900	351,869	6,031
Contractual Services	84,195	84,169	54,502	29,667
Materials and Supplies	9,500	9,526	4,696	4,830
Total Building Inspection	451,595	451,595	411,067	40,528
Total Community Environment	1,350,331	1,359,430	1,159,931	199,499
General Government:				
City Council:				
Personal Services	230,840	228,960	203,131	25,829
Contractual Services	106,454	103,354	87,241	16,113
Materials and Supplies	8,159	11,159	7,635	3,524
Total City Council	345,453	343,473	298,007	45,466
City Manager:				
Personal Services	161,737	164,748	157,466	7,282
Contractual Services	48,000	41,751	32,268	9,483
Materials and Supplies	300	300	66	234
Total City Manager	210,037	206,799	189,800	16,999
Assistant City Manager:				
Personal Services	83,250	90,876	80,793	10,083
Contractual Services	133,397	145,819	117,381	28,438
Materials and Supplies	1,000	1,000	470	530
Total Assistant City Manager	217,647	237,695	198,644	39,051
Computer Administration:				
Personal Services	104,825	104,825	100,308	4,517
Contractual Services	150,450	182,797	170,734	12,063
Materials and Supplies	81,119	79,619	71,343	8,276
Total Computer Administration	336,394	367,241	342,385	24,856
Finance Department:				
Personal Services	262,100	230,285	225,717	4,568
Contractual Services	76,800	73,916	54,424	19,492
Materials and Supplies	2,000	3,000	2,384	616
Total Finance Department	340,900	307,201	282,525	24,676
Mayor's Court:				
Personal Services	115,410	108,981	101,058	7,923
Contractual Services	70,700	74,750	69,617	5,133
Materials and Supplies	500	500	0	500
Total Mayor's Court	186,610	184,231	170,675	13,556

(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, 2019**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Income Tax:				
Personal Services	245,350	224,195	208,244	15,951
Contractual Services	777,925	629,990	527,374	102,616
Materials and Supplies	1,500	3,655	3,655	0
Total Income Tax	1,024,775	857,840	739,273	118,567
Legal Administration:				
Contractual Services	85,000	90,275	58,404	31,871
Total Legal Administration	85,000	90,275	58,404	31,871
Volunteer Services:				
Contractual Services	100	100	34	66
Total Volunteer Services	100	100	34	66
Building and Land:				
Personal Services	1,223,404	1,227,143	1,186,451	40,692
Contractual Services	1,015,125	1,338,295	1,287,052	51,243
Materials and Supplies	115,313	147,726	134,192	13,534
Total Building and Land	2,353,842	2,713,164	2,607,695	105,469
Miscellaneous:				
Contractual Services	99,343	101,803	93,410	8,393
Materials and Supplies	15,319	15,319	13,153	2,166
Total Miscellaneous	114,662	117,122	106,563	10,559
Total General Government	5,215,420	5,425,141	4,994,005	431,136
Total Expenditures	11,328,037	11,717,696	10,760,138	957,558
Excess (Deficiency) of Revenues Over (Under) Expenditures	(83,860)	(473,519)	1,323,905	1,797,424
Other Financing Sources (Uses):				
Transfers In	179,536	179,536	164,536	(15,000)
Transfers Out	(1,750,966)	(1,750,990)	(1,623,325)	127,665
Total Other Financing Sources (Uses)	(1,571,430)	(1,571,454)	(1,458,789)	112,665
Net Change in Fund Balance	(1,655,290)	(2,044,973)	(134,884)	1,910,089
Fund Balance at Beginning of Year	7,873,884	7,873,884	7,873,884	0
Prior Year Encumbrances	251,058	251,058	251,058	0
Fund Balance at End of Year	\$ 6,469,652	\$ 6,079,969	\$ 7,990,058	\$ 1,910,089

CITY OF SPRINGBORO, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Special Revenue Funds – Urban Redevelopment TIF Fund
For the Year Ended December 31, 2019***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
All Other Revenues	\$ 176,000	\$ 221,000	\$ 196,902	\$ (24,098)
Total Revenues	<u>176,000</u>	<u>221,000</u>	<u>196,902</u>	<u>(24,098)</u>
Expenditures:				
General Government:				
Materials and Supplies	0	4,761	4,214	547
Contractual Services	200,000	13,644	10,351	3,293
Capital Outlay	4,500,000	4,716,595	4,571,995	144,600
Total Expenditures	<u>4,700,000</u>	<u>4,735,000</u>	<u>4,586,560</u>	<u>148,440</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,524,000)	(4,514,000)	(4,389,658)	124,342
Other Financing Sources (Uses):				
General Obligation Notes Issued	4,500,000	4,500,000	4,500,000	0
Transfers In	127,665	127,665	0	(127,665)
Transfers Out	(4,626,665)	(4,626,665)	(4,626,665)	0
Total Other Financing Sources (Uses)	<u>1,000</u>	<u>1,000</u>	<u>(126,665)</u>	<u>(127,665)</u>
Net Change in Fund Balance	(4,523,000)	(4,513,000)	(4,516,323)	(3,323)
Fund Balance at Beginning of Year	25,780	25,780	25,780	0
Prior Year Encumbrances	4,500,000	4,500,000	4,500,000	0
Fund Balance at End of Year	<u>\$ 2,780</u>	<u>\$ 12,780</u>	<u>\$ 9,457</u>	<u>\$ (3,323)</u>

CITY OF SPRINGBORO, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Project Funds –Construction Fund
For the Year Ended December 31, 2019**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 100,000	\$ 0	\$ (100,000)
Special Assessments	18,349	26,667	8,318
All Other Revenues	10,000	200,163	190,163
Total Revenues	<u>128,349</u>	<u>226,830</u>	<u>98,481</u>
Expenditures:			
General Government:			
Contractual Services	20,297	20,297	0
Total General Government	<u>20,297</u>	<u>20,297</u>	<u>0</u>
Capital Outlay	8,093,286	7,364,478	728,808
Total Expenditures	<u>8,113,583</u>	<u>7,384,775</u>	<u>728,808</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,985,234)	(7,157,945)	827,289
Other Financing Sources (Uses):			
General Obligation Bonds Issued	5,700,000	5,000,000	(700,000)
Transfers In	2,696,934	2,341,450	(355,484)
Transfers Out	(6,911,251)	(6,911,251)	0
Total Other Financing Sources (Uses)	<u>1,485,683</u>	<u>430,199</u>	<u>(1,055,484)</u>
Net Change in Fund Balance	(6,499,551)	(6,727,746)	(228,195)
Fund Balance at Beginning of Year	2,754,916	2,754,916	0
Prior Year Encumbrances	4,081,202	4,081,202	0
Fund Balance at End of Year	<u>\$ 336,567</u>	<u>\$ 108,372</u>	<u>\$ (228,195)</u>

CITY OF SPRINGBORO, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Project Funds –Income Tax Capital Improvement Fund
For the Year Ended December 31, 2019**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Municipal Income Taxes	\$ 4,587,000	\$ 4,684,512	\$ 97,512
Investment Earnings	0	87	87
Total Revenues	<u>4,587,000</u>	<u>4,684,599</u>	<u>97,599</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,587,000	4,684,599	97,599
Other Financing Sources (Uses):			
Transfers In	90	0	(90)
Transfers Out	<u>(3,066,697)</u>	<u>(3,066,123)</u>	<u>574</u>
Total Other Financing Sources (Uses)	<u>(3,066,607)</u>	<u>(3,066,123)</u>	<u>484</u>
Net Change in Fund Balance	1,520,393	1,618,476	98,083
Fund Balance at Beginning of Year	<u>750,973</u>	<u>750,973</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 2,271,366</u>	<u>\$ 2,369,449</u>	<u>\$ 98,083</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, 2019***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 685,000	\$ 827,701	\$ 142,701
Investment Earnings	5,000	9,026	4,026
All Other Revenues	1,000	14,636	13,636
Total Revenues	<u>691,000</u>	<u>851,363</u>	<u>160,363</u>
Expenditures:			
Transportation:			
Personal Services	688,922	549,507	139,415
Materials and Supplies	436,226	343,424	92,802
Contractual Services	228,729	196,499	32,230
Total Expenditures	<u>1,353,877</u>	<u>1,089,430</u>	<u>264,447</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(662,877)	(238,067)	424,810
Other Financing Sources (Uses):			
Transfers In	150,000	0	(150,000)
Total Other Financing Sources (Uses)	<u>150,000</u>	<u>0</u>	<u>(150,000)</u>
Net Change in Fund Balance	(512,877)	(238,067)	274,810
Fund Balance at Beginning of Year	716,353	716,353	0
Prior Year Encumbrances	58,825	58,825	0
Fund Balance at End of Year	<u>\$ 262,301</u>	<u>\$ 537,111</u>	<u>\$ 274,810</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, 2019***

	STATE HIGHWAY FUND		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Intergovernmental Revenues	\$ 55,300	\$ 67,112	\$ 11,812
Investment Earnings	2,400	4,190	1,790
All Other Revenues	0	3,983	3,983
Total Revenues	<u>57,700</u>	<u>75,285</u>	<u>17,585</u>
Expenditures:			
Transportation:			
Contractual Services	29,205	29,031	174
Capital Outlay	<u>187,295</u>	<u>94,580</u>	<u>92,715</u>
Total Expenditures	<u>216,500</u>	<u>123,611</u>	<u>92,889</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(158,800)	(48,326)	110,474
Fund Balance at Beginning of Year	<u>257,883</u>	<u>257,883</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 99,083</u>	<u>\$ 209,557</u>	<u>\$ 110,474</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, 2019***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 400,000	\$ 0	\$ (400,000)
Investment Earnings	40	62	22
Total Revenues	<u>400,040</u>	<u>62</u>	<u>(399,978)</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	400,040	62	(399,978)
Other Financing Sources (Uses):			
Transfers Out	<u>(400,000)</u>	<u>0</u>	<u>400,000</u>
Total Other Financing Sources (Uses)	<u>(400,000)</u>	<u>0</u>	<u>400,000</u>
Net Change in Fund Balance	40	62	22
Fund Balance at Beginning of Year	<u>4,003</u>	<u>4,003</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 4,043</u>	<u>\$ 4,065</u>	<u>\$ 22</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, 2019***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 217,000	\$ 222,683	\$ 5,683
Investment Earnings	2,300	3,170	870
Total Revenues	<u>219,300</u>	<u>225,853</u>	<u>6,553</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	219,300	225,853	6,553
Other Financing Sources (Uses):			
Transfers Out	<u>(300,000)</u>	<u>(300,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(300,000)</u>	<u>(300,000)</u>	<u>0</u>
Net Change in Fund Balance	(80,700)	(74,147)	6,553
Fund Balance at Beginning of Year	<u>118,269</u>	<u>118,269</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 37,569</u>	<u>\$ 44,122</u>	<u>\$ 6,553</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, 2019**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
All Other Revenues	\$ 50,000	\$ 33,751	\$ (16,249)
Total Revenues	<u>50,000</u>	<u>33,751</u>	<u>(16,249)</u>
Expenditures:			
Security of Persons and Property:			
Personal Services	136,011	74,752	61,259
Materials and Supplies	500	0	500
Contractual Services	<u>1,000</u>	<u>764</u>	<u>236</u>
Total Expenditures	<u>137,511</u>	<u>75,516</u>	<u>61,995</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(87,511)	(41,765)	45,746
Other Financing Sources (Uses):			
Transfers In	<u>50,000</u>	<u>0</u>	<u>(50,000)</u>
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>0</u>	<u>(50,000)</u>
Net Change in Fund Balance	(37,511)	(41,765)	(4,254)
Fund Balance at Beginning of Year	<u>43,495</u>	<u>43,495</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 5,984</u>	<u>\$ 1,730</u>	<u>\$ (4,254)</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, 2019***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$ 0	\$ 11,826	\$ 11,826
Total Revenues	0	11,826	11,826
Expenditures:			
Security of Persons and Property:			
Contractual Services	10,840	8,772	2,068
Capital Outlay	20,398	17,706	2,692
Total Expenditures	31,238	26,478	4,760
Excess (Deficiency) of Revenues Over (Under) Expenditures	(31,238)	(14,652)	16,586
Fund Balance at Beginning of Year	85,395	85,395	0
Prior Year Encumbrances	4,660	4,660	0
Fund Balance at End of Year	\$ 58,817	\$ 75,403	\$ 16,586

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, 2019***

MAYOR'S COURT IMPROVEMENT FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$ 14,500	\$ 17,071	\$ 2,571
All Other Revenues	0	2,148	2,148
Total Revenues	<u>14,500</u>	<u>19,219</u>	<u>4,719</u>
Expenditures:			
General Government:			
Personal Services	10,980	10,175	805
Materials and Supplies	1,500	0	1,500
Contractual Services	5,300	3,350	1,950
Capital Outlay	7,000	5,473	1,527
Total Expenditures	<u>24,780</u>	<u>18,998</u>	<u>5,782</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,280)	221	10,501
Fund Balance at Beginning of Year	182,688	182,688	0
Fund Balance at End of Year	<u>\$ 172,408</u>	<u>\$ 182,909</u>	<u>\$ 10,501</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, 2019***

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	\$ 596,400	\$ 564,331	\$ (32,069)
Total Revenues	<u>596,400</u>	<u>564,331</u>	<u>(32,069)</u>
Expenditures:			
General Government:			
Contractual Services	<u>770,797</u>	<u>469,094</u>	<u>301,703</u>
Total Expenditures	<u>770,797</u>	<u>469,094</u>	<u>301,703</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(174,397)	95,237	269,634
Other Financing Sources (Uses):			
Transfers Out	<u>(293,903)</u>	<u>(293,903)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(293,903)</u>	<u>(293,903)</u>	<u>0</u>
Net Change in Fund Balance	(468,300)	(198,666)	269,634
Fund Balance at Beginning of Year	124,215	124,215	0
Prior Year Encumbrances	<u>353,797</u>	<u>353,797</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 9,712</u>	<u>\$ 279,346</u>	<u>\$ 269,634</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, 2019***

AUSTIN JEDD FUND			
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 164,536	\$ 164,536	\$ 0
Total Revenues	<u>164,536</u>	<u>164,536</u>	<u>0</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	164,536	164,536	0
Other Financing Sources (Uses):			
Transfers Out	<u>(164,536)</u>	<u>(164,536)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(164,536)</u>	<u>(164,536)</u>	<u>0</u>
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	<u>853</u>	<u>853</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 853</u>	<u>\$ 853</u>	<u>\$ 0</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, 2019***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 0	\$ 9,539	\$ 9,539
All Other Revenues	8,688	0	(8,688)
Total Revenues	<u>8,688</u>	<u>9,539</u>	<u>851</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,688	9,539	851
Other Financing Sources (Uses):			
Transfers In	160,075	160,075	0
Transfers Out	<u>(168,763)</u>	<u>(168,763)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(8,688)</u>	<u>(8,688)</u>	<u>0</u>
Net Change in Fund Balance	0	851	851
Fund Balance at Beginning of Year	<u>4,280</u>	<u>4,280</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 4,280</u>	<u>\$ 5,131</u>	<u>\$ 851</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, 2019***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
All Other Revenues	\$ 5,000	\$ 9,479	\$ 4,479
Total Revenues	<u>5,000</u>	<u>9,479</u>	<u>4,479</u>
Expenditures:			
Security of Persons and Property:			
Personal Services	3,000	0	3,000
Materials and Supplies	5,000	0	5,000
Contractual Services	3,000	0	3,000
Capital Outlay	<u>2,200</u>	<u>0</u>	<u>2,200</u>
Total Expenditures	<u>13,200</u>	<u>0</u>	<u>13,200</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,200)	9,479	17,679
Fund Balance at Beginning of Year	<u>39,346</u>	<u>39,346</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 31,146</u>	<u>\$ 48,825</u>	<u>\$ 17,679</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, 2019***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
DARE TRUST FUND			
Revenues:			
Intergovernmental Revenues	\$ 50,000	\$ 32,955	\$ (17,045)
Donations	1,000	1,005	5
All Other Revenues	0	892	892
Total Revenues	<u>51,000</u>	<u>34,852</u>	<u>(16,148)</u>
Expenditures:			
Security of Persons and Property:			
Personal Services	63,650	61,278	2,372
Materials and Supplies	10,000	4,247	5,753
Contractual Services	700	49	651
Total Expenditures	<u>74,350</u>	<u>65,574</u>	<u>8,776</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(23,350)	(30,722)	(7,372)
Other Financing Sources (Uses):			
Transfers In	20,000	0	(20,000)
Total Other Financing Sources (Uses)	<u>20,000</u>	<u>0</u>	<u>(20,000)</u>
Net Change in Fund Balance	(3,350)	(30,722)	(27,372)
Fund Balance at Beginning of Year	58,248	58,248	0
Fund Balance at End of Year	<u>\$ 54,898</u>	<u>\$ 27,526</u>	<u>\$ (27,372)</u>

CITY OF SPRINGBORO, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Funds
For the Year Ended December 31, 2019***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Special Assessments	\$ 152,196	\$ 166,008	\$ 13,812
All Other Revenues	0	999	999
Total Revenues	<u>152,196</u>	<u>167,007</u>	<u>14,811</u>
Expenditures:			
Debt Service:			
Principal Retirement	11,680,000	11,390,000	290,000
Interest and Fiscal Charges	720,083	600,314	119,769
Total Expenditures	<u>12,400,083</u>	<u>11,990,314</u>	<u>409,769</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,247,887)	(11,823,307)	424,580
Other Financing Sources (Uses):			
Premium on Sale of General Obligation Bonds	0	70,430	70,430
Transfers In	12,068,832	12,068,832	0
Total Other Financing Sources (Uses)	<u>12,068,832</u>	<u>12,139,262</u>	<u>70,430</u>
Net Change in Fund Balance	(179,055)	315,955	495,010
Fund Balance at Beginning of Year	1,124,828	1,124,828	0
Fund Balance at End of Year	<u>\$ 945,773</u>	<u>\$ 1,440,783</u>	<u>\$ 495,010</u>

CITY OF SPRINGBORO, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2019***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
PERMANENT IMPROVEMENT FUND			
Revenues:			
Property and Other Taxes	\$ 135,000	\$ 0	\$ (135,000)
Fines, Licenses and Permits	23,520	86,396	62,876
All Other Revenues	220,000	208,777	(11,223)
Total Revenues	<u>378,520</u>	<u>295,173</u>	<u>(83,347)</u>
Expenditures:			
General Government:			
Contractual Services	6,063	6,063	0
Total General Government	<u>6,063</u>	<u>6,063</u>	<u>0</u>
Capital Outlay	1,807,564	1,786,505	21,059
Total Expenditures	<u>1,813,627</u>	<u>1,792,568</u>	<u>21,059</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,435,107)	(1,497,395)	(62,288)
Other Financing Sources (Uses):			
Transfers In	1,056,480	1,256,480	200,000
Total Other Financing Sources (Uses)	<u>1,056,480</u>	<u>1,256,480</u>	<u>200,000</u>
Net Change in Fund Balance	(378,627)	(240,915)	137,712
Fund Balance at Beginning of Year	263,400	263,400	0
Prior Year Encumbrances	213,627	213,627	0
Fund Balance at End of Year	<u>\$ 98,400</u>	<u>\$ 236,112</u>	<u>\$ 137,712</u>

CITY OF SPRINGBORO, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2019***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:			
Capital Outlay	<u>430,814</u>	<u>430,814</u>	<u>0</u>
Total Expenditures	<u>430,814</u>	<u>430,814</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(430,814)</u>	<u>(430,814)</u>	<u>0</u>
Other Financing Sources (Uses):			
Transfers In	<u>350,000</u>	<u>425,000</u>	<u>75,000</u>
Total Other Financing Sources (Uses)	<u>350,000</u>	<u>425,000</u>	<u>75,000</u>
Net Change in Fund Balance	<u>(80,814)</u>	<u>(5,814)</u>	<u>75,000</u>
Fund Balance at Beginning of Year	<u>7,538</u>	<u>7,538</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (73,276)</u>	<u>\$ 1,724</u>	<u>\$ 75,000</u>

Fiduciary Funds

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

Agency Funds

Library Donation Fund

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

Lytle Five Points JEDD Fund

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

Mayor's Court Fund

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

Special Assessment Fund

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

CITY OF SPRINGBORO, OHIO

**Combining Statement Of Changes in Net Position
Agency Funds
December 31, 2019**

	Balance December 31, 2018	Additions	Deductions	Balance December 31, 2019
<u>Library Donation Fund</u>				
Assets:				
Cash and Cash Equivalents	\$5,262	\$4,392	\$0	\$9,654
Total Assets	<u>\$5,262</u>	<u>\$4,392</u>	<u>\$0</u>	<u>\$9,654</u>
Liabilities:				
Due to Others	\$5,262	\$4,392	\$0	\$9,654
Total Liabilities	<u>\$5,262</u>	<u>\$4,392</u>	<u>\$0</u>	<u>\$9,654</u>
<u>Lytle Five Points JEDD Fund</u>				
Assets:				
Cash and Cash Equivalents	\$66,630	\$59,019	(\$67,375)	\$58,274
Total Assets	<u>\$66,630</u>	<u>\$59,019</u>	<u>(\$67,375)</u>	<u>\$58,274</u>
Liabilities:				
Due to Others	\$66,630	\$59,019	(\$67,375)	\$58,274
Total Liabilities	<u>\$66,630</u>	<u>\$59,019</u>	<u>(\$67,375)</u>	<u>\$58,274</u>
<u>Mayor's Court Fund</u>				
Assets:				
Cash and Cash Equivalents	\$3,177	\$291,391	(\$291,673)	\$2,895
Total Assets	<u>\$3,177</u>	<u>\$291,391</u>	<u>(\$291,673)</u>	<u>\$2,895</u>
Liabilities:				
Undistributed Monies	\$3,177	\$291,391	(\$291,673)	\$2,895
Total Liabilities	<u>\$3,177</u>	<u>\$291,391</u>	<u>(\$291,673)</u>	<u>\$2,895</u>
<u>Special Assessment Fund</u>				
Assets:				
Special Assessments Receivable	\$725,615	\$0	(\$121,475)	\$604,140
Total Assets	<u>\$725,615</u>	<u>\$0</u>	<u>(\$121,475)</u>	<u>\$604,140</u>
Liabilities:				
Due to Others	\$725,615	\$0	(\$121,475)	\$604,140
Total Liabilities	<u>\$725,615</u>	<u>\$0</u>	<u>(\$121,475)</u>	<u>\$604,140</u>
<u>Total Agency Funds:</u>				
Assets:				
Cash and Cash Equivalents	\$75,069	\$354,802	(\$359,048)	\$70,823
Special Assessments Receivable	725,615	0	(121,475)	604,140
Total Assets	<u>\$800,684</u>	<u>\$354,802</u>	<u>(\$480,523)</u>	<u>\$674,963</u>
Liabilities:				
Due to Others	\$797,507	\$63,411	(\$188,850)	\$672,068
Undistributed Monies	3,177	291,391	(291,673)	2,895
Total Liabilities	<u>\$800,684</u>	<u>\$354,802</u>	<u>(\$480,523)</u>	<u>\$674,963</u>

STATISTICAL SECTION



STATISTICAL TABLES

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

Contents

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

City of Springboro, Ohio

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

	2010	2011	2012	2013
Governmental Activities:				
Net Investment in Capital Assets	\$35,279,823	\$36,427,139	\$39,980,429	\$41,524,086
Restricted	11,019,862	10,242,352	10,047,132	10,672,787
Unrestricted	7,290,300	7,448,349	4,747,303	5,121,940
Total Governmental Activities Net Position	<u>\$53,589,985</u>	<u>\$54,117,840</u>	<u>\$54,774,864</u>	<u>\$57,318,813</u>
Business-type Activities:				
Net Investment in Capital Assets	\$49,691,654	\$50,089,838	\$50,576,992	\$51,515,909
Restricted	2,504,293	2,356,441	2,416,605	2,371,790
Unrestricted	6,663,660	8,034,076	9,633,876	12,417,118
Total Business-type Activities Net Position	<u>\$58,859,607</u>	<u>\$60,480,355</u>	<u>\$62,627,473</u>	<u>\$66,304,817</u>
Primary Government:				
Net Investment in Capital Assets	\$84,971,477	\$86,516,977	\$90,557,421	\$93,039,995
Restricted	13,524,155	12,598,793	12,463,737	13,044,577
Unrestricted	13,953,960	15,482,425	14,381,179	17,539,058
Total Primary Government Net Position	<u>\$112,449,592</u>	<u>\$114,598,195</u>	<u>\$117,402,337</u>	<u>\$123,623,630</u>

Source: Finance Director's Office

* Restated

City of Springboro, Ohio

2014	2015	2016	2017	2018	2019
			*		
\$43,618,251	\$46,648,334	\$47,661,162	\$48,013,645	\$54,582,898	\$61,193,691
10,366,896	14,312,206	14,603,501	14,376,740	16,017,516	12,828,382
661,307	(1,403,800)	(1,523,402)	(6,602,138)	(6,463,345)	(3,464,473)
<u>\$54,646,454</u>	<u>\$59,556,740</u>	<u>\$60,741,261</u>	<u>\$55,788,247</u>	<u>\$64,137,069</u>	<u>\$70,557,600</u>
\$54,601,283	\$56,633,201	\$62,763,659	\$63,777,140	\$66,408,488	\$68,586,546
2,386,606	2,398,893	830,181	724,349	468,042	487,066
12,793,561	15,446,817	14,799,177	16,164,328	18,475,267	18,587,703
<u>\$69,781,450</u>	<u>\$74,478,911</u>	<u>\$78,393,017</u>	<u>\$80,665,817</u>	<u>\$85,351,797</u>	<u>\$87,661,315</u>
\$98,219,534	\$103,281,535	\$110,424,821	\$111,790,785	\$120,991,386	\$129,780,237
12,753,502	16,711,099	15,433,682	15,101,089	16,485,558	13,315,448
13,454,868	14,043,017	13,275,775	9,562,190	12,011,922	15,123,230
<u>\$124,427,904</u>	<u>\$134,035,651</u>	<u>\$139,134,278</u>	<u>\$136,454,064</u>	<u>\$149,488,866</u>	<u>\$158,218,915</u>

City of Springboro, Ohio

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

	2010	2011	2012
Expenses			
Governmental Activities:			
Security of Persons and Property	\$3,103,506	\$3,084,811	\$3,632,041
Public Health and Welfare Services	15,066	14,697	14,723
Leisure Time Activities	571,511	610,141	742,999
Community Environment	649,925	550,746	686,964
Transportation	2,375,477	2,269,438	2,439,903
General Government	4,960,892	4,309,581	4,760,638
Interest and Fiscal Charges	740,529	671,891	617,827
<i>Total Governmental Activities Expenses</i>	<u>12,416,906</u>	<u>11,511,305</u>	<u>12,895,095</u>
Business-type Activities:			
Golf Course	2,638,443	2,450,840	2,671,202
Water	3,641,434	3,296,748	3,670,617
Sewer	3,279,192	3,056,852	2,921,396
Trash	1,227,847	959,687	964,704
Storm Water	237,611	308,484	502,364
<i>Total Business-type Activities Expenses</i>	<u>11,024,527</u>	<u>10,072,611</u>	<u>10,730,283</u>
<i>Total Primary Government Expenses</i>	<u>\$23,441,433</u>	<u>\$21,583,916</u>	<u>\$23,625,378</u>
Program Revenues			
Governmental Activities:			
Charges for Services and Sales			
Security of Persons and Property	\$58,947	\$49,435	\$16,979
Leisure Time Activities	34,264	32,481	293,221
Community Environment	113,003	105,801	200,293
Transportation	2,725	274,693	291,661
General Government	1,674,928	277,137	271,683
Operating Grants and Contributions	991,710	938,552	726,537
Capital Grants and Contributions	1,293,808	1,146,666	35,347
<i>Total Governmental Activities Program Revenues</i>	<u>4,169,385</u>	<u>2,824,765</u>	<u>1,835,721</u>

City of Springboro, Ohio

2013	2014	2015	2016	2017	2018	2019
\$2,954,087	\$3,377,387	\$3,333,613	\$3,726,152	\$3,875,186	\$4,360,669	\$1,220,689
14,651	16,704	16,677	16,685	16,480	16,460	16,532
694,736	769,354	735,563	828,342	930,498	915,240	1,427,099
666,822	682,355	738,231	1,665,239	894,046	926,636	1,292,447
3,798,401	3,159,853	2,680,481	3,501,098	5,708,785	2,691,945	3,502,736
3,685,441	3,815,946	3,871,054	4,222,777	4,496,267	4,197,195	5,420,982
542,335	484,875	433,760	432,103	338,394	402,182	471,279
<u>12,356,473</u>	<u>12,306,474</u>	<u>11,809,379</u>	<u>14,392,396</u>	<u>16,259,656</u>	<u>13,510,327</u>	<u>13,351,764</u>
2,237,071	2,368,968	2,275,754	2,970,701	2,744,386	2,260,020	3,000,185
3,140,275	3,037,234	3,078,773	3,242,720	3,634,171	3,294,517	4,234,747
2,920,507	2,971,336	3,010,001	2,992,339	3,139,008	2,934,574	3,476,853
1,012,007	1,168,721	1,103,164	1,153,549	1,174,847	1,396,694	1,269,780
284,940	317,896	336,791	333,538	407,877	850,463	832,778
<u>9,594,800</u>	<u>9,864,155</u>	<u>9,804,483</u>	<u>10,692,847</u>	<u>11,100,289</u>	<u>10,736,268</u>	<u>12,814,343</u>
<u>\$21,951,273</u>	<u>\$22,170,629</u>	<u>\$21,613,862</u>	<u>\$25,085,243</u>	<u>\$27,359,945</u>	<u>\$24,246,595</u>	<u>\$26,166,107</u>
\$19,027	\$18,976	\$69,982	\$36,202	\$87,773	\$101,048	\$67,387
138,999	160,027	117,480	140,250	109,780	307,722	295,173
210,534	269,250	314,172	449,613	331,005	358,358	354,036
344,208	422,147	285,917	175,042	136,981	276,265	195,080
252,163	236,608	217,723	218,199	242,596	227,191	433,065
1,181,004	979,678	1,017,011	1,072,047	1,209,464	1,407,169	1,529,386
355,511	108,708	857,004	59,071	79,145	3,495,542	118,986
<u>2,501,446</u>	<u>2,195,394</u>	<u>2,879,289</u>	<u>2,150,424</u>	<u>2,196,744</u>	<u>6,173,295</u>	<u>2,993,113</u>

(continued)

City of Springboro, Ohio

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

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

Source: Finance Director's Office

City of Springboro, Ohio

2013	2014	2015	2016	2017	2018	2019
1,621,898	1,713,411	1,688,183	1,828,392	1,897,763	1,981,923	2,029,644
4,475,509	4,630,118	4,589,298	4,768,013	4,731,894	4,832,675	5,063,956
3,963,098	4,146,437	4,247,656	4,337,885	4,430,069	4,535,924	4,534,193
1,030,615	1,069,469	1,108,436	1,143,061	1,177,890	1,212,273	1,217,038
264,150	269,083	272,996	275,873	279,642	283,565	285,901
794,448	1,060,632	1,502,175	1,247,132	909,511	1,230,151	919,427
<u>12,149,718</u>	<u>12,889,150</u>	<u>13,408,744</u>	<u>13,600,356</u>	<u>13,426,769</u>	<u>14,076,511</u>	<u>14,050,159</u>
<u>14,651,164</u>	<u>15,084,544</u>	<u>16,288,033</u>	<u>15,750,780</u>	<u>15,623,513</u>	<u>20,249,806</u>	<u>17,043,272</u>
(9,855,027)	(10,111,080)	(8,930,090)	(12,241,972)	(14,062,912)	(7,337,032)	(10,358,651)
2,554,918	3,024,995	3,604,261	2,907,509	2,326,480	3,340,243	1,235,816
<u>(\$7,300,109)</u>	<u>(\$7,086,085)</u>	<u>(\$5,325,829)</u>	<u>(\$9,334,463)</u>	<u>(\$11,736,432)</u>	<u>(\$3,996,789)</u>	<u>(\$9,122,835)</u>
\$11,755,014	\$11,925,126	\$13,274,634	\$12,476,441	\$13,272,536	\$13,899,458	\$14,297,708
828,996	870,963	768,398	856,208	871,019	745,854	1,018,540
70,427	69,690	73,476	83,300	78,581	71,793	78,623
147,717	96,645	103,114	264,735	175,264	536,457	564,331
441,753	253,287	259,602	244,861	289,115	1,024,272	330,020
67,201	77,679	77,545	104,955	109,278	252,894	649,776
195,995	258,713	332,784	356,905	508,430	317,333	578,377
0	2,305	0	0	66,152	0	0
<u>(1,108,127)</u>	<u>(1,263,069)</u>	<u>(1,049,177)</u>	<u>(960,912)</u>	<u>(1,010,454)</u>	<u>(1,162,207)</u>	<u>(738,193)</u>
<u>12,398,976</u>	<u>12,291,339</u>	<u>13,840,376</u>	<u>13,426,493</u>	<u>14,359,921</u>	<u>15,685,854</u>	<u>16,779,182</u>
14,299	42,366	44,023	45,685	63,530	183,530	335,509
1,108,127	1,263,069	1,049,177	960,912	1,010,454	1,162,207	738,193
<u>1,122,426</u>	<u>1,305,435</u>	<u>1,093,200</u>	<u>1,006,597</u>	<u>1,073,984</u>	<u>1,345,737</u>	<u>1,073,702</u>
<u>\$13,521,402</u>	<u>\$13,596,774</u>	<u>\$14,933,576</u>	<u>\$14,433,090</u>	<u>\$15,433,905</u>	<u>\$17,031,591</u>	<u>\$17,852,884</u>
\$2,543,949	\$2,180,259	\$4,910,286	\$1,184,521	\$297,009	\$8,348,822	\$6,420,531
3,677,344	4,330,430	4,697,461	3,914,106	3,400,464	4,685,980	2,309,518
<u>\$6,221,293</u>	<u>\$6,510,689</u>	<u>\$9,607,747</u>	<u>\$5,098,627</u>	<u>\$3,697,473</u>	<u>\$13,034,802</u>	<u>\$8,730,049</u>

City of Springboro, Ohio

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

	2010	2011	2012	2013
General Fund				
Nonspendable	\$0	\$118,633	\$141,708	\$193,739
Assigned	0	356,126	328,242	1,007,606
Unassigned	0	8,809,769	7,524,414	6,746,464
Reserved	452,474	0	0	0
Unreserved	7,488,980	0	0	0
<i>Total General Fund</i>	<u>7,941,454</u>	<u>9,284,528</u>	<u>7,994,364</u>	<u>7,947,809</u>
All Other Governmental Funds				
Nonspendable	\$0	\$105,578	\$115,026	\$105,942
Restricted	0	6,058,316	6,947,280	7,797,447
Unassigned	0	(298,460)	(1,012,535)	(1,275,608)
Reserved	5,710,045	0	0	0
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	1,259,760	0	0	0
Capital Projects Funds	(10,441)	0	0	0
<i>Total All Other Governmental Funds</i>	<u>6,959,364</u>	<u>5,865,434</u>	<u>6,049,771</u>	<u>6,627,781</u>
<i>Total Governmental Funds</i>	<u><u>\$14,900,818</u></u>	<u><u>\$15,149,962</u></u>	<u><u>\$14,044,135</u></u>	<u><u>\$14,575,590</u></u>

Source: Finance Director's Office

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

City of Springboro, Ohio

2014	2015	2016	2017	2018	2019
\$218,291	\$241,847	\$302,572	\$275,099	\$303,055	\$286,819
1,402,360	749,159	1,766,114	1,438,163	1,661,535	2,556,105
7,031,255	5,399,772	4,966,533	6,419,752	6,929,507	6,513,601
0	0	0	0	0	0
0	0	0	0	0	0
<u>8,651,906</u>	<u>6,390,778</u>	<u>7,035,219</u>	<u>8,133,014</u>	<u>8,894,097</u>	<u>9,356,525</u>
\$107,944	\$136,487	\$144,919	\$154,834	\$248,659	\$177,032
7,861,782	11,867,883	12,553,690	12,237,148	13,987,435	10,335,348
0	0	0	0	(10,501)	(4,499,945)
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>7,969,726</u>	<u>12,004,370</u>	<u>12,698,609</u>	<u>12,391,982</u>	<u>14,225,593</u>	<u>6,012,435</u>
<u>\$16,621,632</u>	<u>\$18,395,148</u>	<u>\$19,733,828</u>	<u>\$20,524,996</u>	<u>\$23,119,690</u>	<u>\$15,368,960</u>

City of Springboro, Ohio

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

	2010	2011	2012	2013
Revenues:				
Municipal Income Taxes	\$9,710,970	\$10,362,125	\$11,029,649	\$11,576,805
Property Tax	741,189	702,381	686,985	903,357
Payment in Lieu of Taxes	550,819	217,620	111,074	147,717
Intergovernmental Revenues	2,490,006	2,026,299	2,031,769	1,944,528
Charges for Services	1,325,282	0	0	0
Fines, Licenses and Permits	507,841	406,845	540,093	540,991
Investment Earnings	149,940	150,895	122,346	67,201
Special Assessments	384,934	402,343	407,512	370,615
Donations	6,673	770	965	1,020
All Other Revenue	364,291	572,759	721,702	549,190
Total Revenue	<u>16,231,945</u>	<u>14,842,037</u>	<u>15,652,095</u>	<u>16,101,424</u>
Expenditures:				
Current:				
Security of Persons and Property	2,855,621	2,879,485	2,935,104	2,888,617
Public Health and Welfare Services	15,066	14,697	14,723	14,651
Leisure Time Activities	463,880	500,822	565,858	581,460
Community Environment	608,100	531,565	587,997	631,873
Transportation	996,012	802,889	798,160	975,291
General Government	4,421,751	3,914,962	4,026,518	3,429,879
Capital Outlay	2,812,497	2,499,123	4,975,287	4,222,106
Debt Service:				
Principal Retirement	1,180,000	1,115,000	1,375,000	1,150,000
Interest and Fiscal Charges	737,543	680,895	618,544	567,797
Total Expenditures	<u>14,090,470</u>	<u>12,939,438</u>	<u>15,897,191</u>	<u>14,461,674</u>
Excess (Deficiency) of Revenues Over Expenditures	2,141,475	1,902,599	(245,096)	1,639,750

City of Springboro, Ohio

2014	2015	2016	2017	2018	2019
\$11,627,659	\$13,067,114	\$13,082,097	\$13,380,200	\$13,762,046	\$13,898,865
951,075	843,022	938,153	948,201	823,329	783,337
96,645	103,114	264,735	175,264	536,457	564,331
1,348,059	1,298,239	1,304,187	1,487,662	5,688,056	1,689,806
0	0	0	0	0	0
573,421	657,868	764,413	670,335	678,855	683,531
77,679	77,545	104,955	109,278	252,894	649,776
400,731	255,278	249,288	259,067	195,691	229,953
800	6,825	1,200	1,200	1,785	955
681,417	640,878	575,623	711,010	871,424	1,183,514
<u>15,757,486</u>	<u>16,949,883</u>	<u>17,284,651</u>	<u>17,742,217</u>	<u>22,810,537</u>	<u>19,684,068</u>

3,042,822	3,054,604	3,165,959	3,310,877	3,605,984	3,848,741
16,704	16,677	16,685	16,480	16,460	16,532
589,217	580,393	642,794	636,392	688,336	914,916
644,956	719,559	1,642,089	783,064	830,915	1,094,412
1,368,605	925,913	906,513	913,025	1,026,760	1,140,490
3,546,195	3,667,354	3,814,706	3,999,710	4,216,438	9,266,457
3,044,966	3,639,098	9,116,981	4,952,458	7,047,055	8,009,888
1,190,000	2,590,000	2,630,000	8,535,000	7,310,000	6,890,000
499,621	458,607	367,933	400,109	378,298	522,422
<u>13,943,086</u>	<u>15,652,205</u>	<u>22,303,660</u>	<u>23,547,115</u>	<u>25,120,246</u>	<u>31,703,858</u>

1,814,400	1,297,678	(5,019,009)	(5,804,898)	(2,309,709)	(12,019,790)
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City of Springboro, Ohio

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

	2010	2011	2012	2013
Other Financing Sources (Uses):				
Gain (Loss) on Sale of Assets Held for Resale	93,974	(59,560)	65,954	0
Issuance of General Obligation Notes	0	0	0	0
Issuance of General Obligation Bonds	4,235,000	0	0	0
Refunding General Obligation Bonds	0	0	0	0
Premium on General Obligation Bonds	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0
Transfers In	2,589,995	5,036,406	8,258,341	6,659,391
Transfers Out	(3,955,003)	(6,621,966)	(9,200,517)	(7,767,518)
Total Other Financing Sources (Uses)	<u>2,963,966</u>	<u>(1,645,120)</u>	<u>(876,222)</u>	<u>(1,108,127)</u>
Net Change in Fund Balance	<u>\$5,105,441</u>	<u>\$257,479</u>	<u>(\$1,121,318)</u>	<u>\$531,623</u>
Debt Service as a Percentage of Noncapital Expenditures	16.43%	16.70%	16.33%	14.85%

Source: Finance Director's Office

City of Springboro, Ohio

2014	2015	2016	2017	2018	2019
2,305	0	0	66,152	0	0
1,500,000	1,500,000	7,300,000	6,050,000	6,050,000	5,000,000
0	0	0	1,370,000	0	0
0	0	0	2,835,000	0	0
0	0	0	281,517	0	0
0	0	0	(2,995,367)	0	0
5,798,965	9,256,027	4,756,696	9,783,918	8,007,462	5,558,208
(7,062,034)	(10,305,204)	(5,717,608)	(10,794,372)	(9,169,669)	(6,296,401)
239,236	450,823	6,339,088	6,596,848	4,887,793	4,261,807
\$2,053,636	\$1,748,501	\$1,320,079	\$791,950	\$2,578,084	(\$7,757,983)
15.25%	25.38%	21.51%	41.85%	45.15%	38.51%

City of Springboro, Ohio

Income Tax Revenues by Source, Governmental Funds Last Ten Years

Tax year	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Income Tax Rate	1.50%	1.50%	1.50%	1.50%
Estimated Personal Income	\$644,179,933	\$693,039,667	\$736,575,600	\$783,695,333
Total Tax Collected	\$9,662,699	\$10,395,595	\$11,048,634	\$11,755,430
Income Tax Receipts				
Withholding	5,991,024	6,497,945	6,806,365	7,193,224
Percentage	62%	63%	61%	60%
Corporate	818,146	979,952	1,180,319	1,336,470
Percentage	8%	9%	11%	11%
Individuals	2,853,529	2,917,698	3,061,950	3,225,736
Percentage	30%	28%	28%	27%
Income Tax by Business Type				
Industrial	\$1,402,155	\$1,453,710	\$1,554,758	\$1,584,384
Education/Government	425,921	477,010	471,988	474,856
Service	1,033,557	1,083,425	1,106,856	1,069,197
Retail	412,095	485,974	506,473	509,623
Medical	346,705	605,814	711,101	835,690
Construction	50,283	41,463	60,934	71,349
Financial	112,378	70,622	68,846	78,547
Restaurants	205,686	218,327	212,341	243,657
Miscellaneous	41,521	53,562	52,443	66,008
Total Tax	<u>\$4,030,301</u>	<u>\$4,489,907</u>	<u>\$4,745,740</u>	<u>\$4,933,310</u>

Source: City Income Tax Department

City of Springboro, Ohio

2014	2015	2016	2017	2018	2019
1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
\$785,480,333	\$871,974,733	\$889,483,000	\$896,913,411	\$930,904,133	\$944,607,400
\$11,782,205	\$13,079,621	\$13,342,245	\$13,453,701	\$13,963,562	\$14,169,111
7,230,191	7,823,634	8,190,693	8,524,849	9,164,882	9,406,135
61%	60%	61%	63%	65%	66%
1,297,990	1,667,142	1,492,084	1,586,724	1,327,274	1,375,277
11%	13%	11%	12%	10%	10%
3,254,024	3,588,845	3,659,468	3,342,128	3,471,406	3,387,699
28%	27%	27%	25%	25%	24%
\$1,650,806	\$1,338,009	\$1,808,422	\$1,598,410	\$1,572,631	\$1,241,969
473,461	503,690	567,521	594,880	627,300	655,080
1,021,450	1,042,193	1,185,310	1,726,385	1,790,579	1,478,569
541,549	577,193	594,789	482,570	433,672	404,698
859,599	892,091	952,579	1,026,144	836,998	1,110,468
132,315	143,715	209,099	282,007	253,745	281,868
78,268	84,375	88,990	100,869	97,217	94,947
280,816	288,359	299,355	260,038	360,140	259,174
86,090	90,104	85,586	94,000	88,471	52,220
<u>\$5,124,354</u>	<u>\$4,959,729</u>	<u>\$5,791,651</u>	<u>\$6,165,302</u>	<u>\$6,060,753</u>	<u>\$5,578,992</u>



City of Springboro

Income Tax Statistics Current Year and Nine Years Ago

Calendar Year 2019

Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	3,457	37.16%	19,070,375	2.84%
20,000 - 49,999	1,429	15.36%	48,337,848	7.19%
50,000 - 74,999	964	10.36%	58,649,119	8.72%
75,000 - 99,999	821	8.83%	70,795,464	10.52%
Over 100,000	2,632	28.29%	475,793,684	70.73%
Total	9,303	100.00%	\$672,646,490	100.00%
<u>Local Taxes Paid by Residents</u>			<u>Tax Dollars</u>	
Taxes Paid to Springboro			3,387,699	
Taxes Credited to Other Municipalities			3,251,152	
			<u>\$6,638,851</u>	

Calendar Year 2010

Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	2,850	38.78%	\$11,337,147	2.38%
20,000 - 49,999	1,015	13.81%	34,634,009	7.27%
50,000 - 74,999	828	11.27%	51,809,988	10.87%
75,000 - 99,999	775	10.54%	67,832,676	14.24%
Over 100,000	1,882	25.60%	310,828,171	65.24%
Total	7,350	100.00%	\$476,441,990	100.00%
<u>Local Taxes Paid by Residents</u>			<u>Tax Dollars</u>	
Taxes Paid to Springboro			\$4,607,440	
Taxes Credited to Other Municipalities			2,473,632	
			<u>\$7,081,072</u>	

Source: City Income Tax Department

City of Springboro, Ohio

Ratio of Outstanding Debt By Type Last Ten Years

	2010	2011	2012	2013
Governmental Activities ⁽¹⁾				
Special Assessment Bonds Payable	\$2,360,000	\$2,100,000	\$1,705,000	\$1,445,000
Unvoted General Obligation Bonds Payable	13,001,555	12,128,902	11,153,477	10,242,506
General Obligation Notes Payable	0	0	0	0
Business-type Activities ⁽¹⁾				
Mortgage Revenue Bonds Payable	\$20,329,998	\$19,165,557	\$19,042,376	\$17,830,566
General Obligation Bonds Payable	11,855,661	11,886,815	11,043,330	10,179,845
Capital Leases	223,708	161,792	96,063	0
Total Primary Government	<u>\$47,770,922</u>	<u>\$45,443,066</u>	<u>\$43,040,246</u>	<u>\$39,697,917</u>
Population ⁽²⁾				
City of Springboro	17,409	17,409	17,409	17,409
Outstanding Debt Per Capita	\$2,744	\$2,610	\$2,472	\$2,280
Income ⁽³⁾				
Personal (in thousands)	745,802	786,103	819,633	835,667
Percentage of Personal Income	6.41%	5.78%	5.25%	4.75%

Sources:

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

City of Springboro, Ohio

2014	2015	2016	2017	2018	2019
\$1,170,000	\$1,035,000	\$895,000	\$794,842	\$672,368	\$544,894
9,306,535	8,330,564	7,319,597	7,727,538	6,541,410	5,790,617
1,500,000	1,500,000	7,300,000	6,050,000	6,050,000	5,000,000
\$16,578,756	\$15,291,946	\$10,989,602	\$9,907,366	\$8,800,130	\$7,972,894
9,296,360	8,382,875	7,439,390	6,598,911	5,551,593	4,459,275
0	0	0	0	0	0
<u>\$37,851,651</u>	<u>\$34,540,385</u>	<u>\$33,943,589</u>	<u>\$31,078,657</u>	<u>\$27,615,501</u>	<u>\$23,767,680</u>
17,409	17,409	17,409	17,409	17,409	17,409
\$2,174	\$1,984	\$1,950	\$1,785	\$1,586	\$1,365
870,537	904,311	956,468	998,859	1,041,041	1,041,041
4.35%	3.82%	3.55%	3.11%	2.65%	2.28%

City of Springboro, Ohio

Ratios of General Bonded Debt Outstanding Last Ten Years

Year	2010	2011	2012	2013
Population ⁽¹⁾	17,409	17,409	17,409	17,409
Assessed Value ⁽²⁾	\$461,465,512	\$464,866,000	\$450,215,740	\$453,795,120
General Bonded Debt ⁽³⁾				
General Obligation Bonds	\$24,857,216	\$24,015,717	\$22,196,807	\$20,422,351
Resources Available to Pay Principal ⁽⁴⁾	\$1,084,280	\$160,734	\$165,952	\$149,414
Net General Bonded Debt	\$23,772,936	\$23,854,983	\$22,030,855	\$20,272,937
Ratio of Net Bonded Debt to Estimated Actual Value	5.15%	5.13%	4.89%	4.47%
Net Bonded Debt per Capita	\$1,365.55	\$1,370.27	\$1,265.49	\$1,164.51

Source:

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

City of Springboro, Ohio

2014	2015	2016	2017	2018	2019
17,409	17,409	17,409	17,409	17,409	17,409
\$487,025,000	\$522,384,960	\$534,920,670	\$552,457,420	\$626,320,880	\$635,609,010
\$18,602,895	\$16,713,439	\$14,758,987	\$14,326,449	\$12,093,003	\$10,249,892
\$140,602	\$156,654	\$225,749	\$278,412	\$1,124,828	\$1,440,783
\$18,462,293	\$16,556,785	\$14,533,238	\$14,048,037	\$10,968,175	\$8,809,109
3.79%	3.17%	2.72%	2.54%	1.75%	1.39%
\$1,060.50	\$951.05	\$834.81	\$806.94	\$630.03	\$506.01



City of Springboro, Ohio

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2019*

<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	\$11,335,511 (1)	100.00%	\$11,335,511
Overlapping:			
Warren County	10,685,817	8.01%	<u>855,934</u>
		Subtotal	<u>855,934</u>
		Total	<u><u>\$12,191,445</u></u>

Source: Warren County Auditor's Office

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

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

City of Springboro, Ohio

*Debt Limitations
Last Ten Years*

	2010	2011	2012	2013
Total Debt				
Net Assessed Valuation	\$461,465,512	\$464,866,000	\$450,215,740	\$453,795,120
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	48,453,879	48,810,930	47,272,653	47,648,488
City Debt Outstanding (2)	15,501,555	12,128,902	11,153,477	10,242,506
Less: Applicable Debt Service Fund Amounts	(1,084,280)	(160,734)	(165,952)	(149,414)
Net Indebtedness Subject to Limitation	<u>14,417,275</u>	<u>11,968,168</u>	<u>10,987,525</u>	<u>10,093,092</u>
Overall Legal Debt Margin	<u>\$34,036,604</u>	<u>\$36,842,762</u>	<u>\$36,285,128</u>	<u>\$37,555,396</u>
Unvoted Debt				
Net Assessed Valuation	\$461,465,512	\$464,866,000	\$450,215,740	\$453,795,120
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	25,380,603	25,567,630	24,761,866	24,958,732
City Debt Outstanding (2)	15,501,555	12,128,902	11,153,477	10,242,506
Less: Applicable Debt Service Fund Amounts	(1,084,280)	(160,734)	(165,952)	(149,414)
Net Indebtedness Subject to Limitation	<u>14,417,275</u>	<u>11,968,168</u>	<u>10,987,525</u>	<u>10,093,092</u>
Overall Legal Debt Margin	<u>\$10,963,328</u>	<u>\$13,599,462</u>	<u>\$13,774,341</u>	<u>\$14,865,640</u>

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

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

Source: Finance Director's Office

City of Springboro, Ohio

2014	2015	2016	2017	2018	2019
\$487,025,000	\$522,384,960	\$534,920,670	\$552,457,420	\$626,320,880	\$635,609,010
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
51,137,625	54,850,421	56,166,670	58,008,029	65,763,692	66,738,946
9,306,535	8,330,564	7,319,597	7,727,538	6,541,410	5,790,617
(140,602)	(156,654)	(225,749)	(278,412)	(1,124,828)	(1,440,783)
9,165,933	8,173,910	7,093,848	7,449,126	5,416,582	4,349,834
<u>\$41,971,692</u>	<u>\$46,676,511</u>	<u>\$49,072,822</u>	<u>\$50,558,903</u>	<u>\$60,347,110</u>	<u>\$62,389,112</u>
\$487,025,000	\$522,384,960	\$534,920,670	\$552,457,420	\$626,320,880	\$635,609,010
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
26,786,375	28,731,173	29,420,637	30,385,158	34,447,648	34,958,496
9,306,535	8,330,564	7,319,597	7,727,538	6,541,410	5,790,617
(140,602)	(156,654)	(225,749)	(278,412)	(1,124,828)	(1,440,783)
9,165,933	8,173,910	7,093,848	7,449,126	5,416,582	4,349,834
<u>\$17,620,442</u>	<u>\$20,557,263</u>	<u>\$22,326,789</u>	<u>\$22,936,032</u>	<u>\$29,031,066</u>	<u>\$30,608,662</u>

City of Springboro, Ohio

Pledged Revenue Coverage Last Ten Years

	2010	2011	2012	2013
Water System Bonds (1 a)				
Gross Revenues (2)	\$3,100,393	\$3,716,585	\$4,902,949	\$4,478,496
Direct Operating Expenses (3)	2,460,853	2,121,551	2,571,976	2,081,257
Net Revenue Available for Debt Service	639,540	1,595,034	2,330,973	2,397,239
Annual Debt Service Requirement	298,601	294,801	298,051	295,708
Coverage	2.14	5.41	7.82	8.11
Sewer System Bonds (1 b)				
Gross Revenues (2)	\$2,654,117	\$3,202,051	\$3,864,985	\$3,964,822
Direct Operating Expenses (3)	1,750,014	1,644,881	1,849,513	1,695,235
Net Revenue Available for Debt Service	904,103	1,557,170	2,015,472	2,269,587
Annual Debt Service Requirement	1,619,455	1,631,378	1,328,452	1,507,344
Coverage	0.56	0.95	1.52	1.51
Special Assessment Bonds (4)				
Special Assessment Collections	\$384,934	\$402,343	\$407,512	\$370,615
Debt Service				
Principal	235,000	260,000	265,000	260,000
Interest	135,728	123,295	109,318	88,268
Coverage	1.04	1.05	1.09	1.06

(1) The Mortgage Revenue Bonds were issued as follows:

- (a) The Water system Mortgage Revenue Bonds were issued in 2004, in the amount of \$3,255,000
- (b) The Sewer system Mortgage Revenue Bonds were issued in 2004, in the amount of \$18,310,000
Partially defeased in 2012.
- (b) The Sewer system Mortgage Revenue Bonds were issued in 2011, in the amount of \$2,040,000.
- (b) The Sewer system Mortgage Revenue Bonds were issued in 2012, in the amount of \$10,295,000.

(2) Gross revenues include operating revenues plus interest income.

(3) Direct operating expenses include operating expenses less depreciation.

(4) This includes several different Special Assessment Bond issues.

Source: City Finance Director's Office

City of Springboro, Ohio

2014	2015	2016	2017	2018	2019
\$4,649,905	\$4,610,395	\$4,788,553	\$0	\$0	\$0
2,021,365	2,078,527	2,283,596	0	0	0
2,628,540	2,531,868	2,504,957	0	0	0
297,908	294,470	855,545	0	0	0
8.82	8.60	2.93	N/A	N/A	N/A
\$4,169,016	\$4,270,582	\$4,363,030	\$4,462,191	\$4,629,646	\$4,708,066
1,764,117	1,796,455	1,891,237	2,046,382	1,868,078	2,432,453
2,404,899	2,474,127	2,471,793	2,415,809	2,761,568	2,275,613
1,510,100	1,511,038	3,857,363	1,410,200	1,406,875	1,089,850
1.59	1.64	0.64	1.71	1.96	2.09
\$400,731	\$255,278	\$249,288	\$259,067	\$195,691	\$229,953
275,000	135,000	140,000	125,000	115,000	120,000
73,868	60,650	53,660	42,217	24,800	22,500
1.15	1.30	1.29	1.55	1.40	1.61

City of Springboro, Ohio

Demographic and Economic Statistics Last Ten Years

Calendar Year	2010	2011	2012	2013
Population (1)				
City of Springboro (a)	17,409	17,409	17,409	17,409
Warren County	212,693	212,693	212,693	212,693
Income (2) (a)				
Total Personal (in thousands)	745,802	786,103	819,633	835,667
County Per Capita	42,840	45,155	47,081	48,002
Unemployment Rate (3)				
Federal	9.6%	8.9%	8.1%	7.4%
State	10.1%	8.6%	7.2%	7.4%
Warren County	8.9%	7.6%	6.3%	6.3%
Civilian Work Force Estimates (3)				
State	5,897,600	5,806,000	5,747,900	5,698,900
Warren County	108,300	109,200	109,100	110,200
Employment Distribution by Occupation (4)				
Industrial	2,312	2,390	2,386	2,137
Education/Government	1,100	1,122	1,096	1,109
Service	2,295	2,270	2,317	2,174
Retail	1,528	1,448	1,409	1,615
Medical	1,235	1,499	1,534	1,741
Construction	127	110	212	190
Financial	157	176	170	172
Restaurants	1,991	1,828	1,917	2,384
Miscellaneous	355	332	339	356

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 2018 for the presentation of 2018-19 statistics, the City is using the latest information available.
 - (a) Total Personal Income is a calculation based on the County's Per Capita Income, which is the only information available.
- (3) State Department of Labor Statistics
- (4) Source: City Income Tax Department

City of Springboro, Ohio

2014	2015	2016	2017	2018	2019
17,409	17,409	17,409	17,409	17,409	17,409
212,693	212,693	212,693	212,693	212,693	212,693
870,537	904,311	956,468	998,859	1,041,041	1,041,041
50,005	51,945	54,941	57,376	59,799	59,799
5.4%	5.0%	4.9%	4.4%	3.9%	3.7%
4.7%	4.6%	4.9%	5.0%	4.6%	4.1%
3.9%	3.9%	4.1%	4.1%	3.9%	3.5%
5,697,000	5,669,200	5,713,100	5,780,000	5,754,900	5,802,300
110,500	110,100	113,300	116,400	116,800	119,200
2,015	1,873	1,979	1,971	1,994	1,841
1,053	1,256	1,201	1,208	1,205	1,266
2,125	2,124	2,419	2,897	2,908	2,956
1,771	1,506	1,726	1,517	2,635	1,500
1,773	1,861	2,203	2,302	1,830	2,955
222	397	450	593	673	634
153	162	147	161	145	129
2,375	2,480	2,382	2,201	1,520	2,362
350	397	391	445	440	442



City of Springboro

Principal Employers Current Year and Nine Years Ago

Employer	Nature of Business	2019		
		Number of Employees	Rank	Percentage of Total Employment
Springboro Community Schools	Education	858	1	6.09%
Dayton Childrens Hospital	Medical	701	2	4.98%
DLM Springboro LLC	Grocery Store	388	3	2.75%
Hillsprings	Nursing Home	365	4	2.59%
Kelchner Inc	Construction	311	5	2.21%
Dayton Metro	YMCA	271	6	1.92%
Victory Wholesale	Industry	270	7	1.92%
LaComedia Enterprises Inc	Restaurant	257	8	1.82%
Kroger Limited Partnership	Retail	255	9	1.81%
City of Springboro	Government	234	10	1.66%
Total		<u>3,910</u>		
Total Employment within the City		<u><u>14,085</u></u>		

Employer	Nature of Business	2010		
		Number of Employees	Rank	Percentage of Total Employment
Springboro Schools	Education	856	1	7.71%
Gayston Corp	Industry	493	2	4.44%
Sourcelink Ohio, LLC	Industry	372	3	3.35%
DLM Springboro, LLC	Grocery Store	302	4	2.72%
Hillspring Rehabilitation Center	Nursing Home	269	5	2.42%
Lacomedia Enterprises, Inc	Dinner Theatre	263	6	2.37%
Pioneer Automotive Tech, Inc	Industry	238	7	2.14%
Dayton Metro YMCA	YMCA Center	235	8	2.12%
Ovonic Energy Products, Inc	Industry	194	9	1.75%
Kroger	Grocery Store	183	10	1.65%
Total		<u>3,405</u>		
Total Employment within the City		<u><u>11,100</u></u>		

Source: City Income Tax Department

City of Springboro, Ohio

Full Time Equivalent Employees by Function Last Ten Years

	2010	2011	2012	2013	2014
Governmental Activities					
General Government					
Finance	6.00	6.00	6.00	5.50	5.00
Income Tax	3.00	3.00	3.00	3.00	3.00
Mayor's Court	2.50	2.50	1.50	2.00	2.00
City Manager's Office	3.00	3.00	3.00	3.00	3.00
Computer Administration	1.50	1.00	1.00	1.00	1.00
Council/Clerk of Council	4.50	4.50	4.50	4.50	4.50
Security of Persons and Property					
Police	26.00	26.00	26.00	26.00	24.00
Dispatch	4.00	4.00	4.00	4.00	4.00
Transportation					
Street	7.75	7.25	7.25	9.50	9.50
Leisure Time Activities					
Parks and Recreation	7.25	9.50	11.00	10.00	10.00
Community Environment					
Economic Development	0.00	0.00	0.00	0.00	0.00
Engineering	3.50	3.50	3.50	2.50	2.00
Building and Zoning	2.50	2.50	2.50	3.50	3.50
Business-Type Activities					
Utilities					
Water	5.00	5.00	5.00	2.00	2.00
Sewer	1.00	1.00	1.00	1.00	1.00
Trash	0.00	0.00	0.00	0.00	0.00
Golf Operations	0.00	0.00	0.00	0.00	0.00
Golf Maintenance	10.00	8.75	9.25	9.00	9.00
<i>Total Employees</i>	<u>87.50</u>	<u>87.50</u>	<u>88.50</u>	<u>86.50</u>	<u>83.50</u>

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

Source: Finance Director's Office

City of Springboro, Ohio

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
5.00	5.00	6.00	6.00	6.00
3.00	3.00	3.00	3.00	3.00
2.00	2.00	2.00	2.00	2.00
3.00	3.00	3.00	3.00	3.00
1.00	1.00	1.00	1.00	1.00
4.50	4.50	4.50	4.50	4.50
24.00	25.00	25.00	26.00	27.00
4.00	4.00	4.00	4.00	4.00
9.50	9.50	9.50	9.50	9.50
10.00	10.00	10.00	10.00	11.00
0.00	0.00	0.00	0.00	0.00
2.00	2.00	2.00	2.00	2.00
3.50	3.50	4.50	4.50	4.50
2.00	2.00	2.00	2.00	2.00
1.00	1.00	1.00	1.00	1.00
0.00	0.00	0.00	0.00	0.00
26.75	26.75	26.75	26.75	26.75
9.00	9.00	9.00	9.00	9.00
<u>110.25</u>	<u>111.25</u>	<u>113.25</u>	<u>114.25</u>	<u>116.25</u>

City of Springboro, Ohio

Operating Indicators by Function Last Ten Years

	2010	2011	2012	2013	2014
Governmental Activities					
General Government					
Court					
Number of Criminal Cases	424	425	364	445	726
Number of Traffic Cases	2,384	1,605	1,729	1,631	1,386
Number of Citations	2,773	1,943	2,005	1,915	1,608
Number of Offenses	3,037	2,170	2,253	2,178	1,817
Number of Open Cases	679	655	704	771	1,068
Licenses and Permits					
Number of Residential Building Permits	25	24	67	95	65
Number of Commercial Building Permits	3	8	6	4	2
Number of Residential Building Inspections	1,106	1,218	2,226	2,650	2,369
Number of Commercial Building Inspections	745	594	747	579	455
Security of Persons and Property					
Police					
Number of Calls for Service	18,622	17,311	18,597	16,458	15,447
Number of Criminal Arrests	1,104	917	807	677	535
Number of DUI Arrests	110	113	105	129	85
Number of Traffic Accidents	303	296	250	265	296
Transportation					
Street					
Number of Streets Resurfaced	4	15	5	12	1
Community Environment					
Number of New Jobs	104	121	94	115	126
Business-Type Activities					
Golf Course					
Number of Rounds	38,124	32,301	37,522	31,308	30,033
Water					
Number of Service Connections	7,412	7,506	7,713	7,743	7,780
Daily Average Consumption (MGD)	2.250	2.300	2,420	2,525	2,400
Peak Daily Consumption (MGD)	4.350	4.400	4,450	4,520	4,570
Sewer					
Number of Service Connections	7,608	7,734	8,211	8,241	8,278
Daily Average Sewage Treatment (MGD)	2.380	2.400	2,120	2,350	2,600
Trash					
Number of Customers Served	5,686	5,672	5,743	5,822	5,931

Source: Finance Director's Office

City of Springboro, Ohio

2015	2016	2017	2018	2019
984	1,527	962	1,490	290
1,326	1,269	1,192	892	1,379
1,489	1,496	1,644	1,051	1,486
1,691	1,716	2,404	2,563	1,877
1,489	2,239	2,099	2,321	2,001
67	61	70	54	56
1	51	35	45	53
2,265	1,714	2,175	N/A	N/A
904	1,360	1,284	N/A	N/A
15,278	15,478	16,244	15,918	18,368
521	563	743	533	449
88	122	160	103	96
262	243	214	229	219
15	13	13	14	15
97	165	217	212	221
33,040	33,436	33,752	32,150	33,762
7,912	8,022	8,100	8,185	8,195
2,450	2,250	2,200	2,200	2,250
4,580	4,600	4,500	4,400	4,550
8,300	8,348	8,478	8,564	8,586
2,750	2,720	2,600	2,700	2,720
6,015	6,118	6,193	6,398	6,260

City of Springboro, Ohio

Capital Asset Statistics by Function Last Ten Years

	2010	2011	2012	2013	2014
Governmental Activities					
General Government					
Public Land and Buildings					
Land (acres)	610	608	594	594	592
Buildings	14	14	14	15	15
Licensed Vehicles	7	9	7	8	8
Library	1	1	1	1	1
Security of Persons and Property					
Police					
Stations	1	1	1	1	1
Vehicles	20	20	21	25	25
Transportation					
Street					
Number of Paved Streets	366	366	366	368	368
Total Paved Miles	91	91	91	91	91
Street Lights	117	117	118	118	118
Signal Controlled Intersections	16	16	17	17	18
Licensed Vehicles	16	16	18	16	17
Leisure Time Activities					
Parks and Recreation					
Land (acres)	232	232	387	495	495
Buildings	11	11	11	11	11
Parks	4	4	4	5	5
Playgrounds	4	4	4	5	5
Tennis Courts	4	4	4	4	4
Skate Board Park	1	0	0	0	0
Baseball/Softball Diamonds	9	10	10	10	10
Basketball Courts	2	2	2	2	2
Soccer Fields	6	8	8	8	8
Licensed Vehicles	6	6	4	4	4

City of Springboro, Ohio

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
599	600	600	619	620
21	17	17	17	20
8	8	8	8	8
1	1	1	1	1
1	1	1	1	1
25	22	22	21	22
371	371	371	371	372
85	85	85	85	86
118	118	118	118	125
16	16	16	16	16
17	17	18	21	20
495	495	495	501	501
11	11	11	11	12
5	5	5	6	7
5	5	5	5	6
4	4	4	4	4
0	0	0	0	0
10	10	10	10	10
2	2	2	2	2
8	8	8	8	8
4	3	3	3	3

(Continued)

City of Springboro, Ohio

Capital Asset Statistics by Function Last Ten Years

	2010	2011	2012	2013	2014
Business-Type Activities					
Golf Course / Clubhouse					
Land (acres)	188	188	188	188	188
Buildings	11	11	11	11	11
Golf Carts	84	84	78	78	78
Licensed Vehicles	1	1	1	1	1
Utilities					
Water					
Water Towers	4	4	4	4	4
Water Treatment Plant	1	1	1	1	1
Buildings	3	3	3	3	3
Licensed Vehicles	12	12	12	12	9
Pump Stations	4	4	4	4	4
Storage Capacity (thousands of gallons)	5,100,000	5,100,000	5,100,000	5,100,000	5,100,000
Sewer					
Sewage Treatment Plant	1	1	1	1	1
Buildings	7	7	7	7	7
Licensed Vehicles	3	4	4	4	6
Lift Stations	8	8	8	8	8

Source: Finance Director's Office

City of Springboro, Ohio

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
188	188	188	188	188
11	11	11	11	11
78	78	78	78	78
1	1	1	1	1
4	4	4	4	4
1	1	1	1	1
3	3	3	3	3
9	9	9	8	8
4	4	4	4	4
5,100,000	5,100,000	5,100,000	5,100,000	5,100,000
1	1	1	1	1
7	7	7	7	7
6	7	7	8	9
8	8	8	8	8



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OHIO AUDITOR OF STATE KEITH FABER



CITY OF SPRINGBORO

WARREN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 9/3/2020

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

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