

*Comprehensive  
Annual  
Financial  
Report*

For the Year Ended  
December 31, 2004

**CITY OF SPRINGBORO,  
OHIO**



***THE CITY OF SPRINGBORO, OHIO***

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WARREN COUNTY

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

FOR THE YEAR ENDED  
December 31, 2004

Prepared by:  
**Department of Finance**

Robyn L. Brown  
Director of Finance



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CITY OF SPRINGBORO  
WARREN COUNTY, OHIO

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## *INTRODUCTORY SECTION*

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# CITY OF SPRINGBORO

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

phone (937) 748-4343

fax (937) 748-0815

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June 17, 2005

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

We are pleased to present the City of Springboro Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2004. 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 Director of Finance's Office. This report is prepared in conformance with generally accepted accounting principles 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.

Generally Accepted Accounting Principles 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 of Springboro's MD&A can be found immediately following the independent accountants' report.

This CAFR is divided into three sections as follows.

1. Introductory Section - This section introduces the reader to the report and includes the table of contents, this transmittal letter, the GFOA Certificate of Achievement, the list of principal officials and the City's organizational chart.
2. Financial Section - The Financial Section includes the Independent Accountants Report, Management's Discussion and Analysis, basic financial statements and notes that provide an overview of the City's financial position and operating results, the combining statements for nonmajor funds and other schedules that provide detailed information relative to the basic financial statements.
3. Statistical Section - The multi-year information presented in this section is designed to reflect social and economical data, financial trends and the fiscal capacity of the City.

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

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### ***Letter of Transmittal For the Year Ended December 31, 2004***

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#### ***THE CITY***

Although we became a City just twenty-five years ago, Springboro has earned the reputation as being a very progressive community. The City is located in the southwestern part of the State of Ohio, within the boundaries of Warren County, of which Lebanon is the county seat. 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 November 6, 1984 and November 7, 2000. The seven-member Council is elected to four-year terms. The Council appoints a City Manager who serves as the chief executive officer. The City Manager appoints all department directors upon approval of City Council.

#### ***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 and trash collection and disposal services are provided under an enterprise concept with user charges set by the City Council to ensure adequate coverage of operating expenses and payments on outstanding debt.

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

The Warren County General Health District was determined to be a jointly governed organization and the Ohio Municipal League of Workers' Compensation Group Rating Plan was determined to be a group purchasing pool. These entities are discussed further in Notes 18 and 19.

#### ***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. Population in the City of Springboro was officially counted on April 1, 2000 by the United States Census Bureau as 12,380, but is estimated to be in excess of 15,000 today. The main factor contributing to this growth is an abundance of available building sites, which offer appealing terrain, location, amenities, small town atmosphere and a low crime rate. As a result, 205 single-family residential construction permits were issued in 2004. This was a decrease from the 276 permits issued in 2003, however, it is expected that the growth will continue in 2005.

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

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### ***Letter of Transmittal***

***For the Year Ended December 31, 2004***

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Since the City annexed the South Tech Business Park in 1997 and began marketing the new Stolz Industrial Park in 1998, industrial growth in Springboro has blossomed. The City has witnessed the addition of over 550 new manufacturing jobs and an additional payroll worth an estimated \$22 million over the past four years.

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

### ***MAJOR INITIATIVES***

#### **For the Year (2004):**

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

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

Roadway improvements began on Pennyroyal Road and will be completed in 2005. This is a heavily traveled road in Springboro and the improvements provide a safer roadway, by decreasing dips in the road, widening the road and installing curb, gutter and sidewalks. Phase II was completed of the Community Development Block Grant project for the improvements for a portion of East Street.

#### ***Park Improvements:***

The Phase III construction on the amphitheater in Springboro's North Park was delayed until 2005 due to contractual issues. The amphitheater design was submitted to the Dayton Chapter of the Architectural Institute of America for consideration in 2001 and received an honorable mention of which both the City and architects are extremely proud. A new restroom/concession facility was built at Springboro North Park to accommodate the extensive and projected use of the park.

#### ***Water Capital Improvements:***

Variable frequency drives were installed at the well fields and water treatment plant. This will allow for lower utility costs for the high service pumps and well pumps, as well as allowing the City to take the Pennyroyal Water Tower off line, if needed. Replacement of a portion of water main on East Street in 2004 was completed in conjunction with the Community Development Block Grant project for the improvements on East Street. Construction of a 16" water main on Pennyroyal Road began in 2004, in conjunction with the Pennyroyal Road improvements.

#### ***Sewer Capital Improvements:***

Construction of the Waste Water Treatment Plant Expansion was begun in 2004 and will be completed in 2006. The design of the NW Area Trunk Sewer Phase I project was completed and construction began in 2004. This will provide improved service to the areas of the northwest quadrant of the City. The Bailey Trunk Sewer design was completed in 2004, with construction to start in 2005. This will eliminate the Creekside Lift Station. The NE Trunk Sewer construction began in 2004 to provide more capacity for the northeast area due to extended growth.

***Letter of Transmittal***

***For the Year Ended December 31, 2004***

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***Golf Course Improvements:***

Heatherwoode Golf Course received several improvements in 2004, including: an upgrade to the control system for the irrigation system; construction of a restroom facility at tee #13; purchase of a large frame tent to accommodate additional outings and events, and; improvements to the parking lot.

**For the Future (2005):**

***Street Capital Improvements:***

The Mobility Master Plan was completed in 2001, which analyzed both motorized, and non-motorized transportation needs and developed a capital improvement plan. The 2005 budget includes funding for \$1,563,901 of street capital improvements in various areas. \$520,000 is designated for the City's annual asphalt resurfacing and miscellaneous street repair program. There is \$175,000 designated for a Community Development Block Grant project for the third phase of improvements for a portion of East Street. There is \$180,000 designated for improvements on Lytle Five-Points Rd, between Yankee Road and Greenleaf Village, \$150,000 designated for improvements to the intersection at Lytle Five-Points Road and Yankee Road, \$100,000 designated for bridge replacement on East Mill Street, \$100,000 designated for an Ohio Department of Transportation (ODOT) project for improvements to South Main Street, \$150,000 designated for an ODOT project for improvements to the medians on State Route 73, \$70,000 designated for crosswalks to be installed on South Main Street in the Historic District and, \$150,000 designated for various improvements on State Route 73.

***Park Improvements:***

The North Park Amphitheater Phase III construction for 2005 is the addition to the facility of a tensile structure roof. This particular roof will be designed and constructed over a period of nine months due to its unique nature and will be completed by November, 2005 at a cost of approximately \$270,000. There is also \$10,000 designated for repairs to the basketball court at Community Park.

***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 and 2001 to evaluate how the City's growth and development had compared to that projected in the earlier study. The 2005 budget includes funding for \$1,060,000 water capital improvements as follows: \$25,000 for the replacement of a portion of water main on East Street to be done in conjunction with the Community Development Block Grant project for the improvements on East Street; \$970,000 for the completion of the construction of a 16" water main on Pennyroyal Road and; \$65,000 to construct an 8" water main on West Factory Road. The construction of the water main on West Factory Road will complete a loop for the water system, providing an alternative source of water in case of a main break.

***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. These CIP projects will be included in future proposed budgets and the following projects are included in the 2005 budget:

1. There is \$250,000 designated for the construction of Phase II of the Yankee Road Sanitary Sewer. This will eliminate a lift station on Lytle Five-Points Road and a lift station on Yankee Road.

**CITY OF SPRINGBORO, OHIO**

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***Letter of Transmittal***

***For the Year Ended December 31, 2004***

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2. The City will begin construction of the Waste Water Treatment Plant Expansion in 2005. The project will take approximately eighteen months to complete and is budgeted at \$17,000,000.

***Golf Course Improvements:***

Heatherwoode Golf Course improvements for 2005 include the installation of storage bins, purchase of an additional dance floor, and improvements to the driving range and clubhouse, totaling \$43,000. There is also \$275,000 designated to begin Phase I for the replacement and widening of the cart paths. Phase II of this project will be completed in 2006.

***OTHER INFORMATION***

***Independent Audit:***

An audit team from Auditor of State's Office has performed this year's audit, excluding the Golf Course Fund. A team from Wilson, Shannon and Snow, Inc. audited the Golf Course Fund financial statements. The results of the audits are presented in the Independent Accountants' 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, 2003. This was the fifteenth 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 financial report. This report must satisfy both generally accepted accounting principles 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.

Sincerely,



Christine A. Thompson  
City Manager



Robyn L. Brown  
Director of Finance

**CITY OF SPRINGBORO, OHIO**

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**List of Principal Officials  
For the Year Ended December 31, 2004**

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John Agenbroad, Mayor

<u>Council</u>	<u>Title</u>	<u>Years of Service *</u>	<u>Term expires</u>
David Vomaka	Councilman Ward I	1	December 2005
Jim Chmiel	Councilman Ward II	3	December 2005
Bruce Camealy	Councilman Ward III	11	December 2005
Greg Bell	Councilman Ward IV	11	December 2005
Marie Belpulsi	Councilman at Large	11	December 2007
Gary Hruska	Councilman at Large	7	December 2007

Lori Martin Clerk of Council

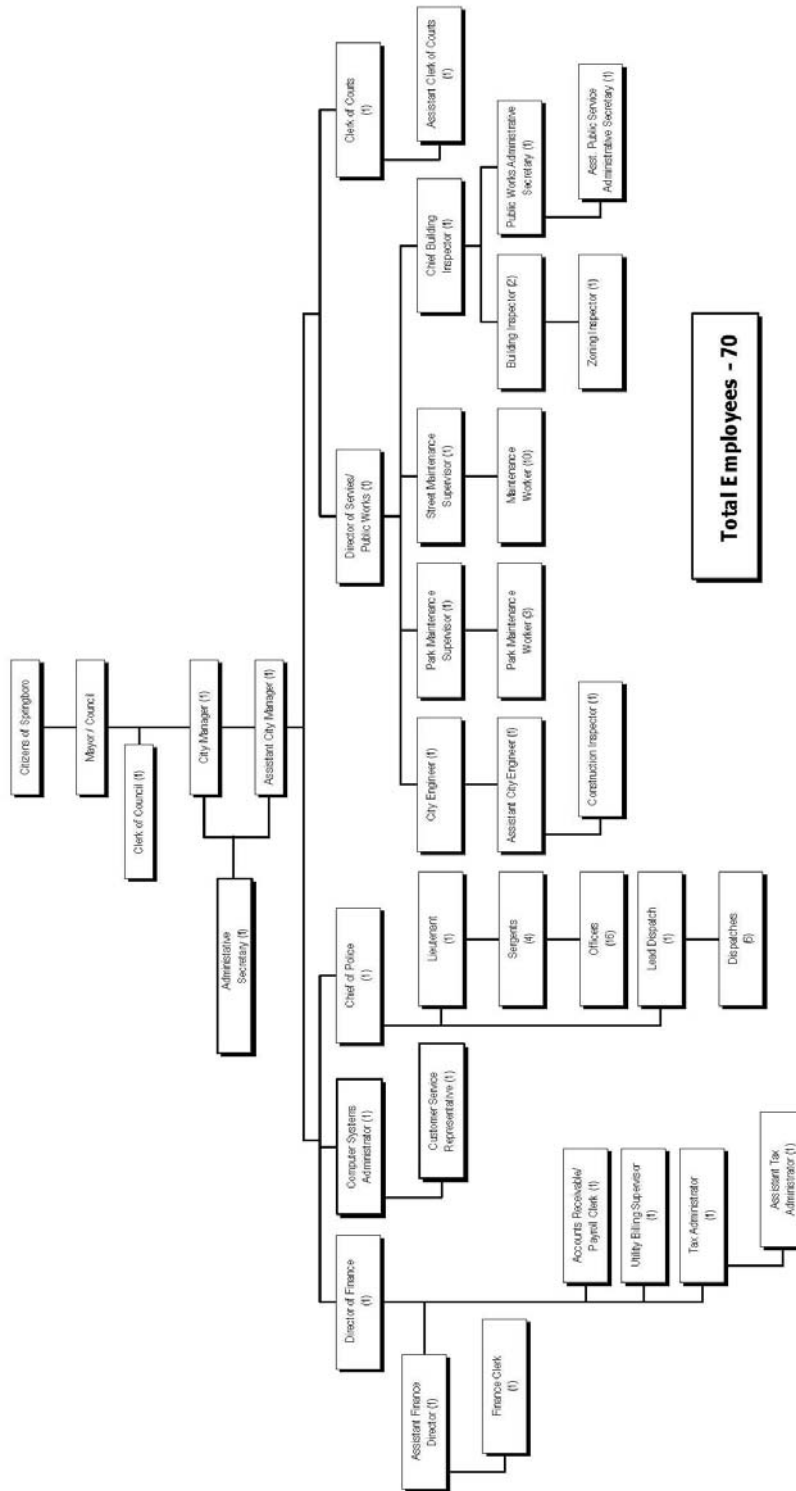
Christine Thompson, City Manager

<u>Appointed Officials</u>	<u>Title</u>
Chris Pozzuto	Assistant City Manager
Barry Conway	Director of Public Works
Robyn Brown	Director of Finance
Jeff Kruithoff	Chief of Police
Alan Schaeffer	City Solicitor
Raj Sharma	City Engineer
Kenneth Smith	Street Maintenance Supervisor
Debbie Worley	Assistant Director of Finance
Michelle Baker	Income Tax Administrator
Linda Harrison	Clerk of Mayor's Court
Mark Klontz	Chief Building Inspector
Vincent Murphy	Park Maintenance Supervisor
Deitra Mullins	Utilities Billing Supervisor
Elmer Dudas	Assistant City Engineer

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

**CITY OF SPRINGBORO, OHIO**

**City Organizational Chart  
For the Year Ended December 31, 2004**



**Total Employees - 70**

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, 2003

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



*Nancy L. Zielke*

President

*Jeffrey R. Emery*

Executive Director

## *FINANCIAL SECTION*

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## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT

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

To the City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Springboro, Warren County, Ohio (the City), as of and for the year ended December 31, 2004, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Golf Course Fund, which is both a major fund and 11 percent, 11 percent and 30 percent, respectively, of the assets, net assets, and revenues for the business-type activities. Other auditors audited those financial statements. They have furnished their report thereon to us and we base our opinion, insofar as it relates to the amounts included for the Golf Course Fund on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Golf Course Fund in accordance with auditing standards generally accepted in the United States of America and not in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Springboro, Warren County, Ohio, as of December 31, 2004, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2005, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

The Management Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining nonmajor fund statements and schedules and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, based on our audit and the report of the other auditors, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We and the other auditors did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in cursive script that reads "Betty Montgomery".

**Betty Montgomery**  
Auditor of State

June 10, 2005

The discussion and analysis of the City of Springboro's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2004. The intent of this 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 2004 are as follows:

- ❑ In total, net assets increased \$5.1 million. Net assets of governmental activities increased \$2.7 million which represents a 7.2% increase from 2003. Net assets of business-type activities increased \$2.4 million or 4.7% from 2003.
- ❑ General revenues accounted for \$9.87 million in revenue or 43% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for 57% of total revenues of \$23 million.
- ❑ Total assets of governmental activities increased by \$2.7 million in total. Special assessments levied against property owners increased which will help defray the costs of infrastructure improvements necessary to accommodate the City's growth. Income tax receivables saw an increase during 2004.
- ❑ The City had \$9.3 million in expenses related to governmental activities; \$2.78 million of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$9.2 million were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$8.0 million in revenues and \$6.5 million in expenditures. The general fund's fund balance increased \$92,889 to \$3.6 million.
- ❑ Net assets for enterprise funds increased by \$2.4 million. This increase resulted primarily from capital contributions in the form of capital assets of \$2.6 million.

## **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. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

### **Government-wide Statements**

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

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

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

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

- *Governmental Activities* – Most of the City's program's and services are reported here including security of persons and property, public health and welfare services, leisure time activities, community environment, transportation and general government.
- *Business-Type Activities* – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The City's golf course, water, sewer, trash and storm water services are reported as business 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 educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**CITY OF SPRINGBORO, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2004**

**Unaudited**

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

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

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

The following table provides a summary of the City's net assets for 2004 compared to 2003:

	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
Current and other assets	\$14,989,324	\$14,970,782	\$34,592,124	\$15,718,199	\$49,581,448	\$30,688,981
Capital assets, Net	39,994,726	33,722,768	63,984,144	61,391,136	103,978,870	95,113,904
Total assets	54,984,050	48,693,550	98,576,268	77,109,335	153,560,318	125,802,885
Long-term debt outstanding	6,799,441	7,304,912	42,375,824	24,276,775	49,175,265	31,581,687
Other liabilities	7,926,332	3,723,430	1,545,480	623,440	9,471,812	4,346,870
Total liabilities	14,725,773	11,028,342	43,921,304	24,900,215	58,647,077	35,928,557
Net assets						
Invested in capital assets, net of related debt	26,779,476	26,568,831	41,799,090	38,353,625	68,578,566	64,922,456
Restricted	5,917,872	8,191,414	2,465,210	2,524,224	8,383,082	10,715,638
Unrestricted	7,560,929	2,904,963	10,390,664	11,331,271	17,951,593	14,236,234
Total net assets	\$40,258,277	\$37,665,208	\$54,654,964	\$52,209,120	\$94,913,241	\$89,874,328

This space intentionally left blank.

**CITY OF SPRINGBORO, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2004**

**Unaudited**

Changes in Net Assets – The following table shows the changes in net assets for 2004 compared to 2003:

	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
<b>Revenues</b>						
Program revenues:						
Charges for Services and Sales	\$1,646,744	\$1,586,525	\$7,622,044	\$7,551,923	\$9,268,788	\$9,138,448
Operating Grants and Contributions	761,155	769,774	0	0	761,155	769,774
Capital Grants and Contributions	368,056	6,088,874	2,638,394	5,242,698	3,006,450	11,331,572
General revenues:						
Income Taxes	7,280,875	6,577,076	0	0	7,280,875	6,577,076
Property Taxes	585,395	613,347	0	0	585,395	613,347
Other Local Taxes	59,379	53,455	0	0	59,379	53,455
Intergovernmental, unrestricted	761,646	600,492	0	0	761,646	600,492
Investment Earnings	398,038	204,171	35,864	26,667	433,902	230,838
Miscellaneous	744,882	380,568	0	0	744,882	380,568
Total revenues	12,606,170	16,874,282	10,296,302	12,821,288	22,902,472	29,695,570
<b>Program Expenses</b>						
Security of Persons and Property	2,514,444	2,509,238	0	0	2,514,444	2,509,238
Public Health and Welfare Services	8,965	6,950	0	0	8,965	6,950
Leisure Time Activities	453,041	451,964	0	0	453,041	451,964
Community Environment	607,037	820,106	0	0	607,037	820,106
Transportation	1,848,412	1,829,937	0	0	1,848,412	1,829,937
General Government	3,470,693	3,758,165	0	0	3,470,693	3,758,165
Interest and Fiscal Charges	410,280	438,662	0	0	410,280	438,662
Golf Course	0	0	2,357,184	2,153,667	2,357,184	2,153,667
Water	0	0	3,026,472	2,754,140	3,026,472	2,754,140
Sewer	0	0	2,451,894	2,462,129	2,451,894	2,462,129
Trash	0	0	591,690	545,247	591,690	545,247
Storm Water	0	0	14,092	0	14,092	0
Total expenses	9,312,872	9,815,022	8,441,332	7,915,183	17,754,204	17,730,205
Change in Net Assets before transfers	3,293,298	7,059,260	1,854,970	4,906,105	5,148,268	11,965,365
Transfers	(590,874)	(509,592)	590,874	509,592	0	0
Total Change in Net Assets	2,702,424	6,549,668	2,445,844	5,415,697	5,148,268	11,965,365
Beginning Net Assets	37,555,853	31,115,540	52,209,120	46,793,423	89,764,973	77,908,963
Ending Net Assets	\$40,258,277	\$37,665,208	\$54,654,964	\$52,209,120	\$94,913,241	\$89,874,328

**CITY OF SPRINGBORO, OHIO**

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**Management’s Discussion and Analysis  
For the Year Ended December 31, 2004**

**Unaudited**

**Governmental Activities**

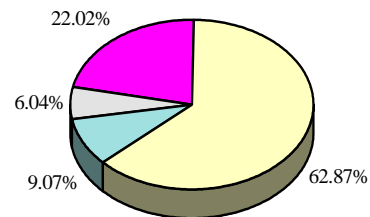
Net assets of the City’s governmental activities increased by \$2,702,424. This was due primarily to an increase in income tax revenue, while holding operating expenses to a minimal increase.

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. In general, the overall revenue generated by the levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00.

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

Property taxes and income taxes made up 4.6% and 57.8% respectively of revenues for governmental activities for the City in fiscal year 2004. The City’s reliance upon tax revenues is demonstrated by the following graph indicating 62.87% of total revenues from general tax revenues:

Revenue Sources	2004	Percent of Total
Intergovernmental, unrestricted	\$761,646	6.04%
Program Revenues	2,775,955	22.02%
General Tax Revenues	7,925,649	62.87%
General Other	1,142,920	9.07%
<b>Total Revenue</b>	<b>\$12,606,170</b>	<b>100.00%</b>



**Business-Type Activities**

Net assets of the business-type activities increased by \$2,445,844. This increase was the result of an increase in user rates for water, sewer and trash customers, while keeping expenditure increases to a minimum. User rates are increased annually based on the average of the national inflationary rate for the previous three years. Also, in September 2003, City Council passed an ordinance to revise the schedule of fees and rates, which increased some of the current fees and rates above the annual increase and established new fees.

**CITY OF SPRINGBORO, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2004**

**Unaudited**

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

The City's governmental funds reported a combined fund balance of \$1,248,986, which is a decrease from last year's balance of \$5,113,658. The schedule below indicates the fund balance and the total change in fund balance by fund type as of December 31, 2004 and 2003:

	Fund Balance (Deficit) December 31, 2004	Fund Balance (Deficit) December 31, 2003	Increase (Decrease)
General	\$3,629,474	\$2,636,585	\$992,889
Debt Service	16,181	(67,752)	83,933
Construction (Capital Project)	(792,845)	197,253	(990,098)
Land Acquisition (Capital Project)	(4,096,095)	0	(4,096,095)
Income Tax Capital			
Improvement (Capital Project)	1,412,481	1,343,141	69,340
Other Governmental	1,079,790	1,004,431	75,359
<b>Total</b>	<b>\$1,248,986</b>	<b>\$5,113,658</b>	<b>(\$3,864,672)</b>

General Fund – The City's General Fund balance increase is due mainly to increased income tax revenues. The tables that follow assist in illustrating the financial activities and balance of the General Fund:

	2004 Revenues	2003 Revenues	Increase (Decrease)
Municipal Income Taxes	\$4,838,743	\$4,392,974	\$445,769
Property and Other Taxes	558,163	479,090	79,073
Intergovernmental Revenue	652,816	568,900	83,916
Charges for Services	825,777	749,346	76,431
Fines, Licenses and Permits	604,000	581,131	22,869
Investment Earnings	410,810	212,753	198,057
Special Assessments	28,995	0	28,995
All Other Revenue	132,587	331,996	(199,409)
<b>Total</b>	<b>\$8,051,891</b>	<b>\$7,316,190</b>	<b>\$735,701</b>

**CITY OF SPRINGBORO, OHIO**

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**Management's Discussion and Analysis  
For the Year Ended December 31, 2004**

**Unaudited**

General Fund revenues in 2004 increased approximately 10.1% compared to revenues in fiscal year 2003. The most significant factor contributing to this increase was an increase in municipal income tax collections. This was a result of continued business growth within the City and City Council's action, taken in March 2004, which reduced the income tax credit allowed for income taxes paid to another municipality.

	2004	2003	Increase
	Expenditures	Expenditures	(Decrease)
Security of Persons and Property	\$2,402,785	\$2,139,311	\$263,474
Public Health and Welfare Services	8,965	6,343	2,622
Leisure Time Activities	342,388	320,075	22,313
Community Environment	589,764	739,251	(149,487)
General Government	3,191,513	3,249,602	(58,089)
Debt Service:			
Principal Retirement	6,310	5,296	1,014
Interest and Fiscal Charges	917	315	602
Total	<u>\$6,542,642</u>	<u>\$6,460,193</u>	<u>\$82,449</u>

General Fund expenditures increased by \$82,449 or 1.3% over the prior year mostly due to an increase in workers' compensation premiums for the City's employees. In addition, operating expenses associated with community environment decreased due to slowed residential growth in 2004 compared to 2003.

*Debt Service Fund* – The Debt Service Fund balance increased this year by \$83,933 because the City provided additional transfers this year to help meet the debt service requirements of the various debt issues.

*Construction and Land Acquisition Funds*– Both of these funds had large deficit balances. The fund balances of these funds will vary from year to year based upon the City's capital project schedules. The recording of notes payable within both of these funds cause the large deficit balances.

*Income Tax Capital Improvement Fund* - The fund balance increased \$69,340 to a balance of \$1,412,481. Steady income tax collections helped keep this fund consistent with last year.

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

During the course of fiscal year 2004 the City amended its General Fund budget several times, none significant.

For the General Fund, final budget basis revenue of \$7.1 million did not change over the original budget estimates of \$7.1 million. The General Fund had an adequate fund balance to cover expenditures.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of fiscal 2004 the City had \$103,978,870 net of accumulated depreciation invested in land, improvements, infrastructure, buildings, machinery and equipment and construction in progress. Of this total, \$39,994,726 was related to governmental activities and \$63,984,144 to the business-type activities. The following table shows fiscal year 2004 and 2003 balances:

	Governmental Activities		Increase (Decrease)
	2004	2003	
Land	\$19,845,654	\$13,993,874	\$5,851,780
Construction in Progress	634,615	391,660	242,955
Total Non-Depreciable Capital Assets	20,480,269	14,385,534	6,094,735
Improvements	396,214	396,214	0
Infrastructure	30,386,021	29,199,205	1,186,816
Buildings	2,088,961	2,017,001	71,960
Machinery and Equipment	2,968,848	2,712,153	256,695
Less: Accumulated Depreciation	(16,325,587)	(14,987,339)	(1,338,248)
Total Depreciable Capital Assets	19,514,457	19,337,234	177,223
Totals	\$39,994,726	\$33,722,768	\$6,271,958

	Business-Type Activities		Increase (Decrease)
	2004	2003	
Land	\$8,532,390	\$8,532,390	\$0
Construction in Progress	1,458,032	601,870	856,162
Total Non-Depreciable Capital Assets	9,990,422	9,134,260	856,162
Buildings	3,388,736	3,353,994	34,742
Land Improvements	698,787	698,787	0
Infrastructure	58,703,815	56,054,433	2,649,382
Machinery and Equipment	1,499,984	1,347,870	152,114
Less: Accumulated Depreciation	(10,297,600)	(9,198,208)	(1,099,392)
Total Non-Depreciable Capital Assets	53,993,722	52,256,876	1,736,846
Totals	\$63,984,144	\$61,391,136	\$2,593,008

The primary increases occurred in land and infrastructure for governmental activities. Both amounts were related to infrastructure improvements (the City acquired approximately 168 acres of land, added 18 streets and repaved 8 streets). The increase in business-type activities capital assets occurred primarily in infrastructure (i.e. water and sewer lines). This is a result of the continued business and residential growth taking place within the City.

## **CITY OF SPRINGBORO, OHIO**

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### **Management's Discussion and Analysis For the Year Ended December 31, 2004**

**Unaudited**

As of December 31, 2004, the City has contractual commitments of \$5,278,981 for various projects. Included in these projects are the design of a new water tower, the wastewater treatment plant expansion, as well as street and sewer improvements. Additional information on the City's capital assets can be found in Note 10.

#### **Debt**

At December 31, 2004, the City had \$48.54 million in bonds outstanding, \$1,763,441 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2004 and 2003:

	<u>2004</u>	<u>2003</u>
Governmental Activities:		
Special Assessment Bonds	\$3,724,000	\$3,907,000
General Obligation Bonds	2,791,150	3,082,900
Capital Leases Payable	150,100	164,037
Compensated Absences	134,191	150,975
Total Governmental Activities	<u>6,799,441</u>	<u>7,304,912</u>
Business-Type Activities:		
General Obligation Bonds	\$3,928,577	\$4,095,977
Mortgage Revenue Bonds	38,096,644	19,910,000
Capital Leases Payable	296,712	223,502
Compensated Absences	53,891	47,295
Total Business-Type Activities	<u>42,375,824</u>	<u>24,276,774</u>
Totals	<u>\$49,175,265</u>	<u>\$31,581,686</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, 2004, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 14.

#### **ECONOMIC FACTORS**

The City's budget for 2005 is very conservative. Springboro is the third fastest growing City in Ohio and with the continuing economic uncertainties, planning for the future is a challenge. City Council decided they wanted to maintain current service levels to the residents of the City, which required pursuing a way to increase revenues. City Council took action to increase revenues by reducing the income tax credit allowed for income tax paid to another municipality. General Fund revenues are projected to be 12.5% more than actual receipts for 2004, due to an increase in income tax revenues.

General Fund expenditures were budgeted at 5% more than 2004 actual expenditures. This is mainly due to the effort made over the past two years to reduce expenditures until revenues could be increased.

City Council continues to pursue new revenue sources to ensure fiscal stability.

**REQUESTS FOR INFORMATION**

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

**CITY OF SPRINGBORO, OHIO**

**Statement of Net Assets  
December 31, 2004**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 2,151,558	\$ 2,474,287	\$ 4,625,845
Investments	4,236,354	9,304,534	13,540,888
Receivables:			
Property Taxes	650,103	0	650,103
Accounts	638	525,942	526,580
Intergovernmental	712,193	0	712,193
Income Taxes	1,480,251	0	1,480,251
Special Assessments	5,109,520	0	5,109,520
Internal Balances	452,819	(452,819)	0
Inventory of Supplies at Cost	73,672	19,191	92,863
Inventory Held for Resale	0	40,769	40,769
Prepaid Items	118,979	55,852	174,831
Restricted Assets:			
Cash and Cash Equivalents	0	57,686	57,686
Cash and Cash Equivalents with Fiscal Agent	3,237	19,333,507	19,336,744
Investments with Fiscal Agent	0	1,473,147	1,473,147
Non-Depreciable Capital Assets	20,480,269	9,990,422	30,470,691
Depreciable Capital Assets, Net	19,514,457	53,993,722	73,508,179
Unamortized Bond Issuance Costs	0	1,356,179	1,356,179
Deferred Loss on Early Retirement of Debt	0	403,849	403,849
<b>Total Assets</b>	<b>54,984,050</b>	<b>98,576,268</b>	<b>153,560,318</b>
<b>Liabilities:</b>			
Accounts Payable	404,267	1,130,761	1,535,028
Accrued Wages and Benefits	100,787	22,438	123,225
Intergovernmental Payable	155,787	49,863	205,650
Claims Payable	64,927	0	64,927
Matured Bonds & Interest Payable	3,237	0	3,237
Refundable Deposits	0	57,686	57,686
Unearned Revenue	543,464	76,628	620,092
Accrued Interest Payable	103,863	208,104	311,967
General Obligation Notes Payable	6,550,000	0	6,550,000
Long Term Liabilities:			
Amounts Due within one year	621,450	1,355,096	1,976,546
Amounts Due in More Than One Year	6,177,991	41,020,728	47,198,719
<b>Total Liabilities</b>	<b>14,725,773</b>	<b>43,921,304</b>	<b>58,647,077</b>
<b>Net Assets:</b>			
Invested in Capital Assets, Net of Related Debt	26,779,476	41,799,090	68,578,566
Restricted For:			
Debt Service	5,068,779	2,465,210	7,533,989
Other Purposes	849,093	0	849,093
Unrestricted	7,560,929	10,390,664	17,951,593
<b>Total Net Assets</b>	<b>\$ 40,258,277</b>	<b>\$ 54,654,964</b>	<b>\$ 94,913,241</b>

See accompanying notes to the basic financial statements

**CITY OF SPRINGBORO, OHIO**

**Statement of Activities  
For the Year Ended December 31, 2004**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
Security of Persons and Property	\$ 2,514,444	\$ 4,572	\$ 39,039	\$ 0
Public Health and Welfare Services	8,965	0	0	0
Leisure Time Activities	453,041	210,156	0	0
Community Environment	607,037	367,699	0	0
Transportation	1,848,412	9,276	722,116	368,056
General Government	3,470,693	1,055,041	0	0
Interest and Fiscal Charges	410,280	0	0	0
<b>Total Governmental Activities</b>	<b>9,312,872</b>	<b>1,646,744</b>	<b>761,155</b>	<b>368,056</b>
<b>Business-Type Activities:</b>				
Golf Course	2,357,184	2,256,350	0	0
Water	3,026,472	2,737,202	0	768,475
Sewer	2,451,894	1,752,509	0	1,869,919
Trash	591,690	686,131	0	0
Storm Water	14,092	189,852	0	0
<b>Total Business-Type Activities</b>	<b>8,441,332</b>	<b>7,622,044</b>	<b>0</b>	<b>2,638,394</b>
<b>Totals</b>	<b>\$ 17,754,204</b>	<b>\$ 9,268,788</b>	<b>\$ 761,155</b>	<b>\$ 3,006,450</b>

**General Revenues:**

Income Taxes  
 Property Taxes  
 Other Local Taxes  
 Intergovernmental, unrestricted  
 Investment Earnings  
 Miscellaneous

**Transfers**

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See accompanying notes to the basic financial statements

**CITY OF SPRINGBORO, OHIO**

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Net (Expense) Revenue  
and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (2,470,833)	\$ 0	\$ (2,470,833)
(8,965)	0	(8,965)
(242,885)	0	(242,885)
(239,338)	0	(239,338)
(748,964)	0	(748,964)
(2,415,652)	0	(2,415,652)
(410,280)	0	(410,280)
<u>(6,536,917)</u>	<u>0</u>	<u>(6,536,917)</u>
0	(100,834)	(100,834)
0	479,205	479,205
0	1,170,534	1,170,534
0	94,441	94,441
0	175,760	175,760
<u>0</u>	<u>1,819,106</u>	<u>1,819,106</u>
<u>(6,536,917)</u>	<u>1,819,106</u>	<u>(4,717,811)</u>
7,280,875	0	7,280,875
585,395	0	585,395
59,379	0	59,379
761,646	0	761,646
398,038	35,864	433,902
744,882	0	744,882
(590,874)	590,874	0
<u>9,239,341</u>	<u>626,738</u>	<u>9,866,079</u>
2,702,424	2,445,844	5,148,268
<u>37,555,853</u>	<u>52,209,120</u>	<u>89,764,973</u>
<u>\$ 40,258,277</u>	<u>\$ 54,654,964</u>	<u>\$ 94,913,241</u>

**CITY OF SPRINGBORO, OHIO**

**Balance Sheet  
Governmental Funds  
December 31, 2004**

	General	Debt Service	Construction
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 382,672	\$ 158,173	\$ 261,453
Investments	1,968,338	0	1,409,351
Receivables:			
Property Taxes	563,492	0	0
Accounts	638	0	0
Intergovernmental	285,592	0	90,866
Income Taxes	986,834	0	0
Special Assessments	0	5,109,520	0
Interfund Loans Receivable	452,819	0	0
Advances to Other Funds	163,955	0	0
Inventory of Supplies, at Cost	8,085	0	0
Prepaid Items	114,453	0	0
Restricted Assets:			
Cash and Cash Equivalents with Fiscal Agent	0	3,237	0
<b>Total Assets</b>	<u>\$ 4,926,878</u>	<u>\$ 5,270,930</u>	<u>\$ 1,761,670</u>
<b>Liabilities:</b>			
Accounts Payable	\$ 111,823	\$ 0	\$ 246,965
Accrued Wages and Benefits Payable	79,079	0	0
Intergovernmental Payable	145,734	0	0
Claims Payable	64,927	0	0
Matured Bonds and Interest Payable	0	3,237	0
Advances from Other Funds	0	141,992	0
Deferred Revenue	895,841	5,109,520	90,866
Accrued Interest Payable	0	0	26,684
General Obligation Notes Payable	0	0	2,190,000
<b>Total Liabilities</b>	<u>1,297,404</u>	<u>5,254,749</u>	<u>2,554,515</u>
<b>Fund Balances:</b>			
Reserved for Encumbrances	164,857	0	549,019
Reserved for Prepaid Items	114,453	0	0
Reserved for Supplies Inventory	8,085	0	0
Reserved for Debt Service	0	16,181	0
Reserved for Advances to Other Funds	163,955	0	0
Undesignated/Unreserved in:			
General Fund	3,178,124	0	0
Special Revenue Funds	0	0	0
Capital Projects	0	0	(1,341,864)
<b>Total Fund Balances</b>	<u>3,629,474</u>	<u>16,181</u>	<u>(792,845)</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 4,926,878</u>	<u>\$ 5,270,930</u>	<u>\$ 1,761,670</u>

See accompanying notes to the basic financial statements

**CITY OF SPRINGBORO, OHIO**

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Land Acquisition	Income Tax Capital Improvement	Other Governmental Funds	Total Governmental Funds
\$ 284,252	\$ 159,294	\$ 905,714	\$ 2,151,558
0	858,665	0	4,236,354
0	0	86,611	650,103
0	0	0	638
0	0	335,735	712,193
0	493,417	0	1,480,251
0	0	0	5,109,520
0	0	0	452,819
0	0	0	163,955
0	0	65,587	73,672
0	0	4,526	118,979
0	0	0	3,237
<u>\$ 284,252</u>	<u>\$ 1,511,376</u>	<u>\$ 1,398,173</u>	<u>\$ 15,153,279</u>
\$ 0	\$ 0	\$ 45,479	\$ 404,267
0	0	21,708	100,787
0	0	10,053	155,787
0	0	0	64,927
0	0	0	3,237
0	0	21,963	163,955
0	98,895	219,180	6,414,302
20,347	0	0	47,031
<u>4,360,000</u>	<u>0</u>	<u>0</u>	<u>6,550,000</u>
<u>4,380,347</u>	<u>98,895</u>	<u>318,383</u>	<u>13,904,293</u>
25,895	0	270,896	1,010,667
0	0	4,526	118,979
0	0	65,587	73,672
0	0	0	16,181
0	0	0	163,955
0	0	0	3,178,124
0	0	547,372	547,372
<u>(4,121,990)</u>	<u>1,412,481</u>	<u>191,409</u>	<u>(3,859,964)</u>
<u>(4,096,095)</u>	<u>1,412,481</u>	<u>1,079,790</u>	<u>1,248,986</u>
<u>\$ 284,252</u>	<u>\$ 1,511,376</u>	<u>\$ 1,398,173</u>	<u>\$ 15,153,279</u>

**CITY OF SPRINGBORO, OHIO**

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***Reconciliation Of Total Governmental Fund Balances  
To Net Assets Of Governmental Activities  
December 31, 2004***

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<b>Total Governmental Fund Balances</b>	\$ 1,248,986
<b><i>Amounts reported for governmental activities in the statement of net assets are different because</i></b>	
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.	39,994,726
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.	5,870,838
Long-term liabilities, including bonds payable, compensated absences and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(6,856,273)</u>
<b><i>Net Assets of Governmental Funds</i></b>	<u><u>\$ 40,258,277</u></u>

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, 2004**

	General	Debt Service	Construction
<b>Revenues:</b>			
Municipal Income Tax	\$ 4,838,743	\$ 0	\$ 0
Property and Other Taxes	558,163	0	0
Intergovernmental Revenues	652,816	98,962	0
Charges for Services	825,777	0	0
Fines, Licenses and Permits	604,000	0	0
Investment Earnings	410,810	0	(8,272)
Special Assessments	28,995	368,507	35,412
Donations	0	0	0
All Other Revenue	132,587	219,297	58,824
<b>Total Revenue</b>	<b>8,051,891</b>	<b>686,766</b>	<b>85,964</b>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property	2,402,785	0	0
Public Health and Welfare Services	8,965	0	0
Leisure Time Activities	342,388	0	0
Community Environment	589,764	0	0
Transportation	0	0	0
General Government	3,191,513	0	81,273
Capital Outlay	0	0	2,751,228
Debt Service:			
Principal Retirement	6,310	474,750	0
Interest and Fiscal Charges	917	384,997	34,221
<b>Total Expenditures</b>	<b>6,542,642</b>	<b>859,747</b>	<b>2,866,722</b>
Excess (Deficiency) of Revenues Over Expenditures	1,509,249	(172,981)	(2,780,758)
<b>Other Financing Sources (Uses):</b>			
Other Financing Sources - Capital Lease	39,379	0	0
Transfers In	75,000	256,914	1,886,480
Transfers Out	(629,395)	0	(95,820)
<b>Total Other Financing Sources (Uses)</b>	<b>(515,016)</b>	<b>256,914</b>	<b>1,790,660</b>
Net Change in Fund Balances	994,233	83,933	(990,098)
<b>Fund Balances (Deficit) at Beginning of Year</b>	<b>2,636,585</b>	<b>(67,752)</b>	<b>197,253</b>
Increase (Decrease) in Inventory Reserve	(1,344)	0	0
<b>Fund Balances (Deficit) End of Year</b>	<b>\$ 3,629,474</b>	<b>\$ 16,181</b>	<b>\$ (792,845)</b>

See accompanying notes to the basic financial statements

**CITY OF SPRINGBORO, OHIO**

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<u>Land Acquisition</u>	<u>Income Tax Capital Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 0	\$ 2,473,840	\$ 0	\$ 7,312,583
0	0	86,611	644,774
0	0	699,008	1,450,786
0	0	0	825,777
0	0	198,255	802,255
0	(4,500)	0	398,038
0	0	0	432,914
0	0	7,873	7,873
<u>258,357</u>	<u>0</u>	<u>22,249</u>	<u>691,314</u>
<u>258,357</u>	<u>2,469,340</u>	<u>1,013,996</u>	<u>12,566,314</u>
0	0	71,378	2,474,163
0	0	0	8,965
0	0	0	342,388
0	0	0	589,764
0	0	646,669	646,669
109,025	0	1,500	3,383,311
4,577,526	0	137,442	7,466,196
0	0	81,453	562,513
<u>7,659</u>	<u>0</u>	<u>9,025</u>	<u>436,819</u>
<u>4,694,210</u>	<u>0</u>	<u>947,467</u>	<u>15,910,788</u>
(4,435,853)	2,469,340	66,529	(3,344,474)
0	0	34,448	73,827
339,758	0	155,000	2,713,152
<u>0</u>	<u>(2,400,000)</u>	<u>(193,912)</u>	<u>(3,319,127)</u>
<u>339,758</u>	<u>(2,400,000)</u>	<u>(4,464)</u>	<u>(532,148)</u>
(4,096,095)	69,340	62,065	(3,876,622)
0	1,343,141	1,004,431	5,113,658
0	0	13,294	11,950
<u>\$ (4,096,095)</u>	<u>\$ 1,412,481</u>	<u>\$ 1,079,790</u>	<u>\$ 1,248,986</u>

**CITY OF SPRINGBORO, OHIO**

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***Reconciliation Of The Statement Of Revenues, Expenditures  
And Changes In Fund Balances Of Governmental Funds  
To The Statement Of Activities  
For The Fiscal Year Ended December 31, 2004***

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**Net Change in Fund Balances - Total Governmental Funds** \$ (3,876,622)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period. 5,957,133

The net effect of various miscellaneous transactions involving capital assets (i.e. disposals and donations) is to increase net assets. 299,724

Revenues and transfers in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (289,053)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. 488,686

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 26,539

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. 96,017

***Change in Net Assets of Governmental Activities*** \$ 2,702,424

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, 2004**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Municipal Income Tax	\$ 4,350,000	\$ 4,350,000	\$ 4,692,934	\$ 342,934
Property and Other Taxes	516,000	541,590	558,430	16,840
Intergovernmental Revenue	408,555	408,555	707,043	298,488
Charges for Services	802,000	804,000	825,777	21,777
Fines, Licenses and Permits	499,800	485,800	599,693	113,893
Investment Earnings	310,000	310,000	418,108	108,108
Special Assessments	24,500	24,500	28,995	4,495
All Other Revenues	200,200	200,200	154,429	(45,771)
Total Revenues	<u>7,111,055</u>	<u>7,124,645</u>	<u>7,985,409</u>	<u>860,764</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	2,327,794	2,457,975	2,337,692	120,283
Public Health and Welfare Services	8,965	8,965	8,965	0
Leisure Time Activities	396,597	399,597	365,862	33,735
Community Environment	767,146	766,543	651,735	114,808
General Government	3,706,724	3,774,734	3,315,089	459,645
Debt Service:				
Principal Retirement	0	6,310	6,310	0
Interest and Fiscal Charges	0	917	917	0
Total Expenditures	<u>7,207,226</u>	<u>7,415,041</u>	<u>6,686,570</u>	<u>728,471</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(96,171)	(290,396)	1,298,839	1,589,235
<b>Other Financing Sources (Uses):</b>				
Transfers In	75,000	75,000	75,000	0
Transfers Out	(496,000)	(630,050)	(629,395)	655
Advances In	81,000	81,000	234,034	153,034
Advances Out	(80,520)	(169,020)	(168,955)	65
Total Other Financing Sources (Uses):	<u>(420,520)</u>	<u>(643,070)</u>	<u>(489,316)</u>	<u>153,754</u>
Net Change in Fund Balance	(516,691)	(933,466)	809,523	1,742,989
Fund Balance at Beginning of Year	1,543,226	1,543,226	1,543,226	0
Prior Year Encumbrances	236,929	236,929	236,929	0
Fund Balance at End of Year	<u>\$ 1,263,464</u>	<u>\$ 846,689</u>	<u>\$ 2,589,678</u>	<u>\$ 1,742,989</u>

See accompanying notes to the basic financial statements

**CITY OF SPRINGBORO, OHIO**

**Statement of Net Assets  
Proprietary Funds  
December 31, 2004**

	Business-Type Activities - Enterprise Funds		
	Golf Course	Water	Sewer
<b>Assets:</b>			
<i>Current Assets:</i>			
Cash and Cash Equivalents	\$ 0	\$ 1,009,011	\$ 659,417
Investments	0	5,749,978	3,554,556
<i>Receivables:</i>			
Accounts	2,717	205,624	232,583
Inventory of Supplies at Cost	19,191	0	0
Inventory Held for Resale	40,769	0	0
Prepaid Items	7,755	33,287	14,481
<b>Total Current Assets</b>	<b>70,432</b>	<b>6,997,900</b>	<b>4,461,037</b>
<i>Non Current Assets:</i>			
<i>Restricted Assets:</i>			
Cash and Cash Equivalents	0	57,686	0
Cash and Cash Equivalents with Fiscal Agent	0	721,810	18,611,697
Investments with Fiscal Agent	0	1,046,333	426,814
Non-Depreciable Capital Assets	7,755,718	760,951	1,365,014
Depreciable Capital Assets, Net	2,836,620	26,991,488	24,165,614
Unamortized Bond Issuance Cost	64,734	561,536	729,909
Deferred Loss on Early Retirement of Debt	297,605	0	106,244
<b>Total Noncurrent Assets</b>	<b>10,954,677</b>	<b>30,139,804</b>	<b>45,405,292</b>
<b>Total Assets</b>	<b>11,025,109</b>	<b>37,137,704</b>	<b>49,866,329</b>
<b>Liabilities:</b>			
<i>Current Liabilities:</i>			
Accounts Payable	117,009	114,405	840,428
Accrued Wages and Benefits	0	14,126	6,901
Intergovernmental Payable	0	39,678	7,683
Refundable Deposits	0	57,686	0
Deferred Revenue	76,628	0	0
Interfund Loans Payable	452,819	0	0
Accrued Interest Payable	16,499	58,369	133,236
Compensated Absences Payable - Current	0	2,421	1,514
Capital Leases - Current	52,580	15,410	21,057
General Obligation Bonds - Current	135,000	20,000	14,800
Mortgage Revenue - Current	0	618,993	465,448
<b>Total Current Liabilities</b>	<b>850,535</b>	<b>941,088</b>	<b>1,491,067</b>
<i>Noncurrent Liabilities:</i>			
Compensated Absences Payable	0	28,086	15,923
Capital Leases Payable	108,133	59,444	3,878
General Obligation Bonds Payable	3,649,727	63,750	45,300
Revenue Bonds Payable	0	15,016,904	21,995,299
<b>Total Noncurrent Liabilities</b>	<b>3,757,860</b>	<b>15,168,184</b>	<b>22,060,400</b>
<b>Total Liabilities</b>	<b>4,608,395</b>	<b>16,109,272</b>	<b>23,551,467</b>
<b>Net Assets:</b>			
Invested in Capital Assets, Net of Related Debt	7,009,237	12,519,474	22,161,640
<i>Restricted for:</i>			
Debt Service	0	1,768,143	697,067
Unrestricted	(592,523)	6,740,815	3,456,155
<b>Total Net Assets</b>	<b>\$ 6,416,714</b>	<b>\$ 21,028,432</b>	<b>\$ 26,314,862</b>

See accompanying notes to the basic financial statements

**CITY OF SPRINGBORO, OHIO**

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Trash	Storm Water	Total
\$ 696,106	\$ 109,753	\$ 2,474,287
0	0	9,304,534
77,165	7,853	525,942
0	0	19,191
0	0	40,769
329	0	55,852
<u>773,600</u>	<u>117,606</u>	<u>12,420,575</u>
0	0	57,686
0	0	19,333,507
0	0	1,473,147
0	108,739	9,990,422
0	0	53,993,722
0	0	1,356,179
0	0	403,849
<u>0</u>	<u>108,739</u>	<u>86,608,512</u>
<u>773,600</u>	<u>226,345</u>	<u>99,029,087</u>
46,451	12,468	1,130,761
1,003	408	22,438
1,074	1,428	49,863
0	0	57,686
0	0	76,628
0	0	452,819
0	0	208,104
418	0	4,353
0	7,455	96,502
0	0	169,800
0	0	1,084,441
<u>48,946</u>	<u>21,759</u>	<u>3,353,395</u>
5,458	71	49,538
0	28,755	200,210
0	0	3,758,777
0	0	37,012,203
<u>5,458</u>	<u>28,826</u>	<u>41,020,728</u>
<u>54,404</u>	<u>50,585</u>	<u>44,374,123</u>
0	108,739	41,799,090
0	0	2,465,210
719,196	67,021	10,390,664
<u>\$ 719,196</u>	<u>\$ 175,760</u>	<u>\$ 54,654,964</u>

**CITY OF SPRINGBORO, OHIO**

**Statement of Revenues, Expenses and Changes in Fund Net Assets  
Proprietary Funds  
For the Year Ended December 31, 2004**

	Business-Type Activities - Enterprise Funds		
	Golf Course	Water	Sewer
<b>Operating Revenues:</b>			
Charges for Services	\$ 1,183,990	\$ 2,730,850	\$ 1,741,590
Sales	779,093	0	0
Other Operating Revenue	293,267	6,352	10,919
<b>Total Operating Revenues</b>	<b>2,256,350</b>	<b>2,737,202</b>	<b>1,752,509</b>
<b>Operating Expenses:</b>			
Personal Services	0	625,769	330,768
Contractual Services	1,537,434	896,352	1,274,840
Materials and Supplies	157,456	200,801	11,689
Cost of Goods Sold	259,598	0	0
Depreciation	170,299	514,501	457,698
<b>Total Operating Expenses</b>	<b>2,124,787</b>	<b>2,237,423</b>	<b>2,074,995</b>
Operating Income (Loss)	131,563	499,779	(322,486)
<b>Nonoperating Revenue (Expenses):</b>			
Intergovernmental Revenues	0	12,800	0
Investment Earnings	32,423	4,150	(709)
Interest and Fiscal Charges	(232,397)	(789,049)	(296,141)
Loss on Disposal of Capital Assets	0	0	(80,758)
Capital Contributions - Tap in Fees	0	480,978	627,006
Capital Contributions	0	274,697	1,242,913
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(199,974)</b>	<b>(16,424)</b>	<b>1,492,311</b>
Income (Loss) Before Transfers	(68,411)	483,355	1,169,825
<b>Transfers:</b>			
Transfers In	680,975	0	0
Transfers Out	0	(50,101)	(35,000)
<b>Total Transfers</b>	<b>680,975</b>	<b>(50,101)</b>	<b>(35,000)</b>
Change in Net Assets	612,564	433,254	1,134,825
Net Assets Beginning of Year	5,804,150	20,595,178	25,180,037
Net Assets End of Year	<u>\$ 6,416,714</u>	<u>\$ 21,028,432</u>	<u>\$ 26,314,862</u>

See accompanying notes to the basic financial statements

**CITY OF SPRINGBORO, OHIO**

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Trash	Storm Water	Total
\$ 686,131	\$ 189,852	\$ 6,532,413
0	0	779,093
0	0	310,538
<u>686,131</u>	<u>189,852</u>	<u>7,622,044</u>
48,329	7,805	1,012,671
536,274	5,425	4,250,325
7,087	0	377,033
0	0	259,598
0	0	1,142,498
<u>591,690</u>	<u>13,230</u>	<u>7,042,125</u>
94,441	176,622	579,919
0	0	12,800
0	0	35,864
0	(862)	(1,318,449)
0	0	(80,758)
0	0	1,107,984
0	0	1,517,610
<u>0</u>	<u>(862)</u>	<u>1,275,051</u>
94,441	175,760	1,854,970
0	0	680,975
(5,000)	0	(90,101)
<u>(5,000)</u>	<u>0</u>	<u>590,874</u>
89,441	175,760	2,445,844
<u>629,755</u>	<u>0</u>	<u>52,209,120</u>
<u>\$ 719,196</u>	<u>\$ 175,760</u>	<u>\$ 54,654,964</u>

**CITY OF SPRINGBORO, OHIO**

**Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2004**

	Business-Type Activities - Enterprise Funds		
	Golf Course	Water	Sewer
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$2,002,939	\$2,858,801	\$1,875,285
Other Operating Receipts	320,217	13,121	10,919
Cash Payments for Goods and Services	(1,827,982)	(1,095,953)	(1,472,093)
Cash Payments to Employees	0	(627,014)	(331,572)
Net Cash Provided by Operating Activities	495,174	1,148,955	82,539
<u>Cash Flows from Noncapital Financing Activities:</u>			
Payment of Interfund Loans	(1,236,233)	0	0
Receipt of Interfund Loans	452,819	0	0
Transfers In from Other Funds	680,975	0	0
Transfers Out to Other Funds	0	(35,000)	(35,000)
Net Cash Used by Noncapital Financing Activities	(102,439)	(35,000)	(35,000)
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Cash Received from Tap-in Fees in Excess of Cost	0	480,978	627,006
Receipt of Intergovernmental Revenue	0	12,800	0
Issuance of Mortgage Revenue Bonds	0	3,240,897	18,800,747
Acquisition and Construction of Assets	(36,792)	(308,687)	(845,832)
Principal Paid on General Obligation Bonds	(130,000)	(18,750)	(19,500)
Principal Paid on Capital Lease	(46,465)	(7,461)	(38,883)
Principal Paid on Mortgage Revenue Bonds	0	(3,680,000)	(175,000)
Interest Paid on All Debt	(211,901)	(894,413)	(682,022)
Net Cash Provided (Used) by Capital and Related Financing Activities	(425,158)	(1,174,636)	17,666,516
<u>Cash Flows from Investing Activities:</u>			
Receipt of Interest	32,423	57,149	38,580
Purchase of Investments	0	(67,035)	0
Sale of Investments	0	0	439,534
Net Cash Provided (Used) by Investing Activities	32,423	(9,886)	478,114
Net Increase (Decrease) in Cash and Cash Equivalents	0	(70,567)	18,192,169
Cash and Cash Equivalents at Beginning of Year	0	1,859,074	1,078,945
Cash and Cash Equivalents at End of Year	\$0	\$1,788,507	\$19,271,114
<u>Reconciliation of Cash and Cash Equivalents per the Balance Sheet:</u>			
Cash and Cash Equivalents	\$0	\$1,009,011	\$659,417
Restricted Cash and Cash Equivalents	0	57,686	0
Restricted Cash with Fiscal and Escrow Agents	0	721,810	18,611,697
Cash and Cash Equivalents at End of Year	\$0	\$1,788,507	\$19,271,114

**CITY OF SPRINGBORO, OHIO**

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<u>Trash</u>	<u>Storm Water</u>	<u>Totals</u>
\$737,925	\$181,999	\$7,656,949
0	0	344,257
(539,922)	(3,802)	(4,939,752)
(44,425)	(6,908)	(1,009,919)
<u>153,578</u>	<u>171,289</u>	<u>2,051,535</u>
0	0	(1,236,233)
0	0	452,819
0	0	680,975
(5,000)	0	(75,000)
<u>(5,000)</u>	<u>0</u>	<u>(177,439)</u>
0	0	1,107,984
0	0	12,800
0	0	22,041,644
0	(57,065)	(1,248,376)
0	0	(168,250)
0	(3,609)	(96,418)
0	0	(3,855,000)
0	(862)	(1,789,198)
<u>0</u>	<u>(61,536)</u>	<u>16,005,186</u>
0	0	128,152
0	0	(67,035)
0	0	439,534
<u>0</u>	<u>0</u>	<u>500,651</u>
148,578	109,753	18,379,933
<u>547,528</u>	<u>0</u>	<u>3,485,547</u>
<u>\$696,106</u>	<u>\$109,753</u>	<u>\$21,865,480</u>
\$696,106	\$109,753	\$2,474,287
0	0	57,686
0	0	19,333,507
<u>\$696,106</u>	<u>\$109,753</u>	<u>\$21,865,480</u>

(continued)

**CITY OF SPRINGBORO, OHIO**

**Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2004**

	Business-Type Activities - Enterprise Funds		
	Golf Course	Water	Sewer
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</u>			
Operating Income (Loss)	\$131,563	\$499,779	(\$322,486)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation Expense	170,299	514,501	457,698
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	106,119	127,951	133,695
Decrease in Inventory	9,262	0	0
Increase in Inventory Held for Resale	(5,529)	0	0
Increase in Prepaid Items	(524)	(6,736)	(4,561)
Increase (Decrease) in Accounts Payable	80,649	6,110	(175,962)
Increase in Accrued Wages and Benefits	0	2,486	1,368
Increase (Decrease) in Intergovernmental Payable	0	(1,850)	(7,286)
Increase in Deferred Revenue	3,335	0	0
Increase in Refundable Deposits	0	4,375	0
Increase in Compensated Absences	0	2,339	73
Total Adjustments	363,611	649,176	405,025
Net Cash Provided by Operating Activities	\$495,174	\$1,148,955	\$82,539

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2004, the Water, Sewer and Storm Water Funds had outstanding liabilities of \$89,879, \$825,745 and \$11,855, respectively, for the purchase of certain capital assets. During 2004, the Water and Sewer Funds received \$274,697 and \$1,242,913, respectively, of capital assets donated by developers. All but the Trash fund incurred lease liabilities during 2004. The new liabilities by fund from left to right are as follows: \$42,123, \$82,315, \$5,371 and \$39,819. During 2004, the fair value of investments decreased by \$29,773 and \$19,112, respectively in the Water and Sewer Funds.

See accompanying notes to the basic financial statements

**CITY OF SPRINGBORO, OHIO**

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<u>Trash</u>	<u>Storm Water</u>	<u>Totals</u>
\$94,441	\$176,622	\$579,919
0	0	1,142,498
51,794	(7,853)	411,706
0	0	9,262
0	0	(5,529)
(293)	0	(12,114)
3,732	613	(84,858)
157	408	4,419
(366)	1,428	(8,074)
0	0	3,335
0	0	4,375
4,113	71	6,596
<u>59,137</u>	<u>(5,333)</u>	<u>1,471,616</u>
<u>\$153,578</u>	<u>\$171,289</u>	<u>\$2,051,535</u>

**CITY OF SPRINGBORO, OHIO**

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***Statement of Net Assets  
Fiduciary Funds  
December 31, 2004***

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	Total Agency Funds
<b>Assets:</b>	
Cash and Cash Equivalents	\$ 7,149
Receivables:	
Special Assessments	102,192
<b>Total Assets</b>	<u>109,341</u>
<b>Liabilities:</b>	
Due to Others	102,192
Undistributed Monies	7,149
<b>Total Liabilities</b>	<u>109,341</u>
<b>Total Net Assets</b>	<u>\$ 0</u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004***

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

The City of Springboro, Ohio (the City) is a home rule municipal corporation created under the laws of the State of Ohio. The City operates under its own Charter. The current Charter, which provides for a Council - Manager form of government, was adopted November 7, 1978, became effective January 1, 1979, and was amended November 6, 1984. 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, 2004 and for the year then ended and have been prepared in conformity with generally accepted accounting principles (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,"* in that the financial statements include all organizations, activities, functions and component units for which the City (the primary government) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the City's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the City.

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

The Warren County General Health District, a jointly governed organization, provides health services within the County. The Board of Health, which consists of a representative from each of the participating governments, oversees the operation of the District. The City is not financially accountable for the District. The County Commissioners serve as the taxing authority and the County Auditor and Treasurer serve as fiscal officers.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004***

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

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

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

***Governmental Funds***

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

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

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

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

Land Acquisition Fund - This fund is used to purchase land for City use.

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

***Proprietary Funds***

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

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.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004***

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

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

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

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

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

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

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

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

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

***Fiduciary Funds***

Agency Funds - These funds are used to account for assets held by a government unit as an agent for individuals, private organizations, other governmental units, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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

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

Interfund receivables and payables between governmental and business-type activities have been eliminated in the government-wide Statement of Net Assets. These eliminations minimize the duplicating effect on assets and liabilities within the governmental and business-type activities total column.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004***

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

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

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.

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004***

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

**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 fiscal 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.

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, 2004 but which are not intended to finance 2004 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred revenue.

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004***

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

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

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

**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.

**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 2004.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004***

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

**E. Budgetary Process** (Continued)

**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 2004, 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 Budget) for the General Fund is presented on the budgetary basis to provide a comparison of actual results to the final budget, including all amendments and modifications.

**4. Lapsing of Appropriations**

At the close of each fiscal 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.

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004***

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

**E. Budgetary Process** (Continued)

5. Budgetary Basis of Accounting

The City's budgetary process accounts for certain transactions on a basis other than generally accepted accounting principles (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:

	Net Change in Fund Balance
	General Fund
GAAP Basis (as reported)	\$994,233
Increase (Decrease):	
Accrued Revenues at December 31, 2004 received during 2005	(1,114,870)
Accrued Revenues at December 31, 2003 received during 2004	1,113,467
Accrued Expenditures at December 31, 2004 paid during 2005	401,563
Accrued Expenditures at December 31, 2003 paid during 2004	(320,584)
2003 Prepays for 2004	54,118
2004 Prepays for 2005	(114,453)
Outstanding Encumbrances	(203,951)
Budget Basis	<u>\$809,523</u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004***

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

**F. Cash and Cash Equivalents**

During 2004, cash and cash equivalents included amounts in demand deposits and U.S. Treasury Money Market accounts in Firststar Seasongood Asset Management and Sky Trust accounts with original maturities of less than three months.

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

**G. Investments**

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

**H. Restricted Assets**

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

**I. Inventory**

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

**J. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2004, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004***

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

**K. Capital Assets and Depreciation**

Capital assets are defined by the City as assets with an initial, individual cost of more than \$1,000 and an estimated useful life threshold of three or more years.

**1. Property, Plant and Equipment - Governmental Activities**

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

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

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

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

**3. Depreciation**

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

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

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004**

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

**L. Long-Term Obligations**

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

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

**M. Bond Discounts/Issuance Costs**

Bond discounts and issuance costs for proprietary fund types are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Bond discounts are presented as a reduction of the face amount of bonds payable, whereas issuance costs are recorded as deferred charges.

**N. Compensated Absences**

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004***

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

**N. Compensated Absences** (Continued)

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

**O. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net Assets restricted for Other Purposes include programs for street and highway improvements, federal grants for security of persons and property and mandatory fines for various court programs.

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**P. Pensions**

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

**Q. Interfund Activity**

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004***

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

**R. Interfund Assets/Liabilities**

The City reports cash overdrafts from pooled cash and cash equivalents as an interfund loan payable in the fund with the overdraft and as an interfund loan receivable in the fund(s) designated by management. The interfund loans receivable are equally offset by a fund balance reserve account which indicates that they do not constitute available expendable resources since they are not a component of net current assets. Receivables and payables resulting from transactions between funds for services provided or goods received are classified as “due from other funds” or “due to other funds” on the balance sheet. Long-term interfund loans are classified as “advances to/from other funds.”

**S. Reservations of Fund Balance**

Reserves indicate that a portion of fund balance is not available for expenditure or is legally segregated for a specific future use. Fund balances are reserved for inventories of supplies, prepaid items, advances to other funds, debt service and encumbered amounts not accrued at year end.

**T. Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles 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.

**U. 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 2004.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004***

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**NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets**

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets of governmental funds as reported in the government-wide statement of net assets. The following is a detailed listing of those reconciling items that are net adjustments or a combination of several transactions:

*Other long-term assets not available to pay for current-period expenditures:*

Delinquent Income Tax Revenue	\$296,686
Delinquent Property Tax Revenue	8,990
Intergovernmental, unrestricted	455,642
Special Assessment Revenue	<u>5,109,520</u>
	\$5,870,838

*Long-Term liabilities not reported in the funds:*

General Obligation Bonds Payable	(\$2,791,150)
Special Assessment Bonds Payable	(3,724,000)
Accrued Interest on Long-Term Debt	(56,832)
Capital Leases Payable	(150,100)
Compensated Absences Payable	<u>(134,191)</u>
	(\$6,856,273)

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004***

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**NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)**

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**

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

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

Capital Outlay	\$7,466,196
Depreciation Expense	(1,509,063)
	<u>\$5,957,133</u>

*Net affect of capital asset transactions:*

Loss on Disposal of Capital Asset	(\$44,286)
Capital Contributions Received	344,010
	<u>\$299,724</u>

*Governmental revenues not reported in the funds:*

Decrease in Delinquent Income Tax Revenue	(\$31,708)
Increase in Intergovernmental, unrestricted	72,015
Decrease in Special Assessment Revenue	(344,461)
Net Transfer In for Capital Assets	15,101
	<u>(\$289,053)</u>

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

General Obligation Bond Principal Payment	\$291,750
Special Assessment Bond Principal Payment	183,000
Capital Lease Payments	13,936
	<u>\$488,686</u>

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

Increase in Compensated Absences Payable	\$15,659
Increase in Long-Term Pension Liability	68,408
Increase in supplies inventory	11,950
	<u>\$96,017</u>

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004**

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**NOTE 3 – RESTATEMENT OF FUND BALANCE/NET ASSETS**

The fund balance of the COPS Grant Fund was restated from amounts previously reported to correct an error in the accounting for grants receivable. This error also affected the net asset balance of the Governmental Activities. The correction resulted in changes to balances reported last year as follows:

	Other Governmental Funds	Governmental Activities
	<u>                    </u>	<u>                    </u>
Fund Balance/Net Assets		
December 31, 2003 (as reported)	\$1,113,786	\$37,665,208
Correction of accounting error	<u>(109,355)</u>	<u>(109,355)</u>
Fund Balance/Net Assets		
December 31, 2003 (as restated)	<u><u>\$1,004,431</u></u>	<u><u>\$37,555,853</u></u>

**NOTE 4 – ACCOUNTABILITY AND COMPLIANCE**

**A. Accountability**

**Fund Deficits** – The fund deficits at December 31, 2004 of \$792,845 in the Construction Fund and \$4,096,095 in the Land Acquisition Fund resulted from the recognition of notes payable on the modified accrual basis of accounting. This deficit does not exist under the budgetary basis of accounting. Transfers are provided when cash is required, not when accruals occur.

**B. Compliance**

Contrary to Ohio Revised Code, Section 5705.10, the Golf Course Fund, which also includes the Golf Course Capital Reserve Account, has a negative cash balance of \$452,819 at December 31, 2004. For GAAP reporting purposes, interfund loans receivable and interfund loans payable were created to eliminate the negative cash position at year end. The City’s plans for correcting this problem are outlined in Note 20.

The City had appropriations exceeding estimated resources in the Golf Course Fund at year end.

**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.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004***

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

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).

Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state or any instrumentality of such county, municipal corporation or other authority. Based upon criteria described in GASB Statement No. 3 *"Deposits With Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements,"* collateral held in single financial collateral pools with securities being held by the pledging financial institutions' agent in the pool's name are classified as Category 3.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004***

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

The Governmental Accounting Standards Board has established risk categories for deposits and investments as follows:

*Deposits:*

- Category 1 Insured or collateralized with securities held by the City or by its agent in the City's name.
- Category 2 Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.
- Category 3 Uncollateralized or collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name.

*Investments:*

- Category 1 Insured or registered, or securities held by the City or its agent in the City's name.
- Category 2 Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name.
- Category 3 Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the City's name.

**A. Deposits**

At year end the carrying amount of the City's deposits was \$24,027,424, and the bank balance was \$24,279,024. Federal depository insurance covered \$378,963, of the bank balance. All remaining deposits were classified as Category 3.

**B. Investments**

The City's investments at December 31, 2004 are summarized below:

<u>Categorized Investments</u>	<u>Category 2</u>	<u>Fair Value</u>
U.S. Government Securities	\$15,014,035	\$15,014,035
Total Investments	\$15,014,035	\$15,014,035

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004***

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**NOTE 6 - TAXES**

**A. Property Taxes**

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the City. Real property taxes (other than public utility) collected during 2004 were levied after October 1, 2003 on assessed values as of January 1, 2003, the lien date. Assessed values were established by the County Auditor at 35 percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments made in the third year following reappraisal. The last revaluation was completed in 2000. Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by June 20.

Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of that calendar year, and at the tax rates determined in the preceding year. Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25 percent of its true value. Amounts paid by multi-county taxpayers are due September 20 of the year assessed. Single county taxpayers may pay annually or semi-annually: the first payment is due April 30; the remainder payable by September 20.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property is currently assessed at 88 percent of its true value. Public utility property taxes are payable on the same dates as real property described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County including the City of Springboro. The County Auditor periodically remits to the City its portion of the taxes collected.

The full tax rate for all City operations for the year ended December 31, 2004 was \$1.11 per \$1,000 of assessed value. The assessed value upon which the 2004 levy was based was \$421,610,140. This amount constitutes \$381,958,100 in real property assessed value, \$7,206,170 in public utility assessed value and \$32,445,870 in tangible personal property assessed value.

Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people. Under current procedures, the City's share is .111% (1.11 mills) of assessed value.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004***

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**NOTE 6 – TAXES (Continued)**

**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 2004 was \$7,280,875.

**NOTE 7 - RECEIVABLES**

Receivables at December 31, 2004 consisted of income taxes, property taxes, accounts, special assessments, interfund loans to other funds and intergovernmental receivables arising from shared revenues. All receivables are considered collectible in full.

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004**

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**NOTE 8 - TRANSFERS**

Following is a summary of transfers in and out for all funds for 2004:

Fund	Transfer In	Transfer Out
General Fund	\$75,000	\$629,395
Debt Service Fund	256,914	0
Construction Fund	1,886,480	95,820
Land Acquisition Fund	339,758	0
Income Tax Capital Improvement Fund	0	2,400,000
Other Governmental Funds	155,000	193,912
Total Governmental Funds	2,713,152	3,319,127
Golf Course Fund	680,975	0
Water Fund	0	50,101
Sewer Fund	0	35,000
Trash Fund	0	5,000
Total Proprietary Funds	680,975	90,101
Totals	\$3,394,127	\$3,409,228

For the year ended December 31, 2004, the Water Fund reports a transfer out of \$50,101. This amount contains \$15,101 in a “one-sided” transfer transaction. The transfer out was made to account for the net book value of certain capital assets that were transferred to Governmental Activities.

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.

**NOTE 9 - INTERFUND RECEIVABLES AND PAYABLES**

The interfund loans outstanding at December 31, 2004 were made to eliminate the cash deficit in the Golf Course Fund. The following is a summary of interfund loans receivable and payable for all funds for 2004:

Interfund Loans Receivable/Payable	Interfund Loans Receivable	Interfund Loans Payable
General Fund	\$452,819	\$0
Enterprise Fund:		
Golf Course Fund	0	452,819
Totals	\$452,819	\$452,819

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004**

**NOTE 10 - CAPITAL ASSETS**

**A. Governmental Activities Capital Assets**

Summary by category of changes in governmental activities capital assets at December 31, 2004:

**Historical Cost:**

Class	December 31, 2003	Additions	Deletions	December 31, 2004
<b>Non-depreciable Capital assets:</b>				
Land	\$13,993,874	\$5,851,780	\$0	\$19,845,654
Construction in Progress	391,660	254,652	(11,697)	634,615
Total Non-depreciable Capital assets	<u>14,385,534</u>	<u>6,106,432</u>	<u>(11,697)</u>	<u>20,480,269</u>
<b>Capital assets being depreciated:</b>				
Improvements	396,214	0	0	396,214
Infrastructure	29,199,205	1,306,185	(119,369)	30,386,021
Buildings	2,017,001	128,356	(56,396)	2,088,961
Machinery and Equipment	2,712,153	302,503	(45,808)	2,968,848
Total Depreciable Capital assets	<u>34,324,573</u>	<u>1,737,044</u>	<u>(221,573)</u>	<u>35,840,044</u>
Total Cost	<u>\$48,710,107</u>	<u>\$7,843,476</u>	<u>(\$233,270)</u>	<u>\$56,320,313</u>

**Accumulated Depreciation:**

Class	December 31, 2003	Additions	Deletions	December 31, 2004
Improvements	(\$241,966)	(\$41,896)	\$0	(\$283,862)
Infrastructure	(11,908,637)	(1,139,008)	75,581	(12,972,064)
Buildings	(765,885)	(53,122)	56,396	(762,611)
Machinery and Equipment	(2,070,851)	(281,509)	45,310	(2,307,050)
Total Depreciation	<u>(\$14,987,339)</u>	<u>(\$1,515,535) *</u>	<u>\$177,287</u>	<u>(\$16,325,587)</u>
<b>Net Value:</b>	<u>\$33,722,768</u>			<u>\$39,994,726</u>

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

Security of Persons and Property	(\$108,027)
Leisure Time Activities	(111,898)
Community Environment	(23,805)
Transportation	(1,218,691)
General Government	(46,642)
Total Depreciation Expense	<u>(1,509,063)</u>
Amount Transferred In from Water	<u>(6,472)</u>
Total Additions to Accumulated Depreciation	<u>(\$1,515,535)</u>

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004**

**NOTE 10 - CAPITAL ASSETS (Continued)**

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

Summary by Category at December 31, 2004:

***Historical Cost:***

Class	December 31, 2003	Additions	Deletions	December 31, 2004
<b><i>Non-depreciable Capital assets:</i></b>				
Land	\$8,532,390	\$0	\$0	\$8,532,390
Construction in Progress	601,870	1,013,823	(157,661)	1,458,032
Total Non-depreciable Capital Assets	9,134,260	1,013,823	(157,661)	9,990,422
<b><i>Capital assets being depreciated:</i></b>				
Buildings	3,353,994	34,742	0	3,388,736
Land Improvements	698,787	0	0	698,787
Infrastructure	56,054,433	2,741,448	(92,066)	58,703,815
Machinery and Equipment	1,347,870	199,013	(46,899)	1,499,984
Total Depreciable Capital assets	61,455,084	2,975,203	(138,965)	64,291,322
Total Cost	\$70,589,344	\$3,989,026	(\$296,626)	\$74,281,744

***Accumulated Depreciation:***

Class	December 31, 2003	Additions	Deletions	December 31, 2004
Buildings	(\$910,414)	(\$85,008)	\$0	(\$995,422)
Land Improvements	(358,537)	(43,127)	0	(401,664)
Infrastructure	(6,844,561)	(890,209)	11,308	(7,723,462)
Machinery and Equipment	(1,084,696)	(124,154)	31,798	(1,177,052)
Total Depreciation	(\$9,198,208)	(\$1,142,498)	\$43,106	(\$10,297,600)

***Net Value:***

\$61,391,136	\$63,984,144
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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004***

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**NOTE 11 – DEFINED BENEFIT PENSION PLANS**

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

**A. Ohio Public Employees Retirement System (the "Ohio PERS")**

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

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

The Ohio PERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the TP Plan and CO Plan. Members of the MD Plan do not qualify for ancillary benefits. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Ohio Public Employees Retirement System issues a stand-alone financial report that includes financial statements and required supplementary information for the Ohio PERS. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6701 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2004, employee and employer contribution rates were consistent across all three plans (TP, MD and CO). The employee contribution rate is 8.5%. The 2004 employer contribution rate for local government employer units was 13.55%, of covered payroll, 9.55% to fund the pension and 4.0% to fund health care. The contribution requirements of plan members and the City are established and may be amended by the Public Employees Retirement Board. The City's contributions to the Ohio PERS for the years ending December 31, 2004, 2003 and 2002 were \$262,963, \$270,405 and \$256,415, respectively, which were equal to the required contributions for each year.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004***

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**NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

The Ohio PERS provides postemployment health care benefits to age and service retirants with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirants. Health care coverage for disability recipients is also available. The health care coverage provided by the Ohio PERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to the Ohio PERS is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority requiring public employers to fund postemployment health care through their contributions to the Ohio PERS. The portion of the 2004 employer contribution rate (identified above) that was used to fund health care for the year 2004 was 4.0% of covered payroll which amounted to \$77,627.

The significant actuarial assumptions and calculations relating to postemployment health care benefits were based on the Ohio Public Employees Retirement System's latest actuarial review performed as of December 31, 2003. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets. The investment assumption rate for 2003 was 8.0%. An annual increase of 4.0% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.0% base increase, were assumed to range from 0.5% to 6.3%. Health care costs were assumed to increase 4.0% annually plus an additional factor ranging from 1% to 6% for the next 8 years. In subsequent years (9 and beyond) health care costs were assumed to increase 4% (the projected wage inflation rate).

Benefits are advanced-funded on an actuarially determined basis. The number of active contributing participants was 369,885. The actuarial value of the Ohio PERS net assets available for OPEB at December 31, 2003 is \$10.5 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$26.9 billion and \$16.4 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures Ohio PERS' health care coverage to improve the financial solvency of the fund in response to skyrocketing health care costs.

Under the HCPP, retirees eligible for health care coverage will receive a graded monthly allocation based on their years of service at retirement. The Plan incorporates a cafeteria approach, offering a broad range of health care options that allow benefit recipients to use their monthly allocation to purchase health care coverage customized to meet their individual needs. If the monthly allocation exceeds the cost of the options selected, the excess is deposited into a Retiree Medical Account that can be used to fund future health care expenses.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004***

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**NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

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

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% for police officers. The City's contributions to the OP&F Fund for the years ending December 31, 2004, 2003 and 2002 were \$226,438, \$217,428 and \$203,183 for police, which were equal to the required contributions for each year.

The OP&F Fund provides postemployment health care coverage to any person who received or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school on a full-time or two-thirds basis. The health care coverage provided by the OP&F Fund is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides that health care costs paid from the funds of the OP&F Fund shall be included in the employer's contribution rate. The Ohio Revised Code also provides statutory authority allowing the Fund's Board of Trustees to provide postemployment health care coverage to all eligible individuals from the employer's contributions to the OP&F Fund.

The portion of the 2004 covered payroll that was used to fund postemployment health care benefits was \$89,995 representing 7.75% of covered payroll for police. Health care funding and accounting was on a pay-as-you-go basis. In addition, since July 1, 1992 most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions. As of December 31, 2003, the date of the last actuarial evaluation available, the number of participants eligible to receive health care benefits was 13,662 for police and 10,474 for firefighters. The OP&F Fund does not provide separate data on the funded status and funding progress of postemployment health care benefits. The Fund's total health care expenses for the year ended December 31, 2003 were \$150,853,148, which was net of member contributions of \$17,207,506.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004***

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**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, 2004, the City's accumulated, unpaid compensated absences amounted to \$188,082, of which \$134,191 is recorded as a liability of the Governmental Activities and \$53,891 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 Entity Wide Statement of Net Assets.

**NOTE 13 - NOTES PAYABLE**

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

General Obligation Notes:	Balance December 31, 2003	Issued	(Retired)	Balance December 31, 2004
Capital Projects Funds:				
1.60% Real Estate Acquisition	\$590,000	\$0	(\$590,000)	\$0
2.65% Real Estate Acquisition	0	590,000	0	590,000
3.00% Real Estate Acquisition	0	4,360,000	0	4,360,000
1.75% Various Street Improvements	1,650,000	0	(1,650,000)	0
2.75% Various Street Improvements	0	1,600,000	0	1,600,000
Total General Obligation Notes	\$2,240,000	\$6,550,000	(\$2,240,000)	\$6,550,000

**CITY OF SPRINGBORO, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004**

**NOTE 14 - LONG-TERM OBLIGATIONS**

Long-term debt and other long-term obligations of the City at December 31, 2004 were as follows:

		Balance December 31, 2003	Issued	(Retired)	Balance December 31, 2004	Amount Due Within One Year
<b>Business Type-Activities:</b>						
General Obligation Bonds:						
6.4 - 7.5% Sewer Real Estate Acquisition	1989	\$55,000	\$0	(\$15,000)	\$40,000	\$10,000
3.0 - 6.1% Sewer Various Purpose	1993	24,600	0	(4,500)	20,100	4,800
3.0 - 6.1% Water Various Purpose	1993	102,500	0	(18,750)	83,750	20,000
3.9 - 5.4% Golf Course Refunding	1999	3,930,000	0	(130,000)	3,800,000	135,000
3.9 - 5.4% Discount on Golf Course Refunding	1999	(16,123)	0	850	(15,273)	0
<b>Total General Obligation Bonds</b>		<b>4,095,977</b>	<b>0</b>	<b>(167,400)</b>	<b>3,928,577</b>	<b>169,800</b>
Mortgage Revenue Bonds:						
2.75 - 5.45% Waterworks Improvement	1993	3,265,000	0	(3,265,000)	0	0
2.00 - 4.00% Waterworks Improvement Refunding	2004	0	3,255,000	0	3,255,000	190,000
2.00 - 4.00% Discount on Waterworks Refunding	2004	0	(14,103)	0	(14,103)	(1,007)
4.00 - 5.70% Water	1997	12,810,000	0	(415,000)	12,395,000	430,000
4.00 - 5.70% Sewer Refunding	1997	3,835,000	0	(175,000)	3,660,000	185,000
2.00 - 5.00% Sewer	2004	0	18,310,000	0	18,310,000	260,000
2.00 - 5.00% Premium on Sewer Bond	2004	0	490,747	0	490,747	20,448
<b>Total Mortgage Revenue Bonds</b>		<b>19,910,000</b>	<b>22,041,644</b>	<b>(3,855,000)</b>	<b>38,096,644</b>	<b>1,084,441</b>
Compensated Absences		47,295	53,891	(47,295)	53,891	4,353
Capital Leases Payable		223,502	169,628	(96,418)	296,712	96,502
<b>Total Business-Type Activity Long-Term Liabilities</b>		<b>\$24,276,774</b>	<b>\$22,265,163</b>	<b>(\$4,166,113)</b>	<b>\$42,375,824</b>	<b>\$1,355,096</b>
<b>Governmental Activities:</b>						
Special Assessment Bonds:						
7.500% Hiawatha Trail	1987	\$20,000	\$0	(\$5,000)	\$15,000	\$5,000
7.500% Hiawatha Trail II	1989	41,000	0	(6,000)	35,000	6,000
7.500% Sharts Road Improvement	1989	51,000	0	(7,000)	44,000	8,000
5.500% Various Purpose	1993	640,000	0	(45,000)	595,000	45,000
5.500% Various Purpose	1994	245,000	0	(15,000)	230,000	15,000
4.200 - 6.350% Pioneer Blvd. North	1994	335,000	0	(20,000)	315,000	25,000
4.200 - 5.600% Commercial Way	1997	460,000	0	(25,000)	435,000	25,000
6.750% N. Pioneer Blvd.	1998	275,000	0	(15,000)	260,000	15,000
1.500 - 5.350% Various Purpose	2003	1,840,000	0	(45,000)	1,795,000	65,000
<b>Total Special Assessment Bonds</b>						
(with Governmental Commitment)		3,907,000	0	(183,000)	3,724,000	209,000
Unvoted General Obligation Bonds:						
3.000 - 6.100% Various Purpose	1993	282,900	0	(51,750)	231,150	55,200
3.500 - 5.900% St. Route 741 Improvement	1996	340,000	0	(20,000)	320,000	20,000
4.500 - 6.000% South Main St. Improvement	1997	180,000	0	(10,000)	170,000	10,000
3.900 - 5.375% Various Purpose	1999	905,000	0	(40,000)	865,000	40,000
4.850 - 5.250% Street Improvement TIF	2000	1,375,000	0	(170,000)	1,205,000	175,000
<b>Total General Obligation Bonds</b>		<b>3,082,900</b>	<b>0</b>	<b>(291,750)</b>	<b>2,791,150</b>	<b>300,200</b>
Compensated Absences		150,975	134,191	(150,975)	134,191	15,734
Capital Leases Payable		164,037	73,826	(87,763)	150,100	96,516
<b>Total Governmental Activity Long-Term Liabilities</b>		<b>\$7,304,912</b>	<b>\$208,017</b>	<b>(\$713,488)</b>	<b>\$6,799,441</b>	<b>\$621,450</b>

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004**

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

The principal amount of the City's special assessment bonds outstanding at December 31, 2004, \$3,724,000, 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.

During 2004, the City refunded the 1993 Waterworks Improvement Mortgage Revenue Bond. By refunding this issue the City had an aggregate savings between the debt service requirements of the old issue and the new issue of \$376,717. The economic gain resulting from this transaction was \$299,058.

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

The City's future long-term obligation funding requirements, including principal and interest payments as of December 31, 2004, follow:

Years	General Obligation Bonds		Special Assessment Bonds	
	Principal	Interest	Principal	Interest
2005	\$470,000	\$353,627	\$209,000	\$191,359
2006	485,000	329,806	219,000	181,963
2007	515,000	304,722	226,000	171,571
2008	540,000	277,430	237,000	160,339
2009	460,000	251,391	238,000	148,330
2010-2014	1,660,000	945,138	1,335,000	542,985
2015-2019	1,705,000	516,445	740,000	244,858
2020-2024	900,000	98,820	520,000	71,003
Totals	\$6,735,000	\$3,077,379	\$3,724,000	\$1,712,408

Years	Mortgage Revenue Bonds		Totals	
	Principal	Interest	Principal	Interest
2005	\$1,065,000	\$1,745,939	\$1,744,000	\$2,290,925
2006	1,320,000	1,609,525	2,024,000	2,121,294
2007	1,360,000	1,568,250	2,101,000	2,044,543
2008	1,405,000	1,521,959	2,182,000	1,959,728
2009	1,450,000	1,473,911	2,148,000	1,873,632
2010-2014	8,160,000	6,433,416	11,155,000	7,921,539
2015-2019	9,480,000	4,417,128	11,925,000	5,178,431
2020-2024	7,890,000	2,289,089	9,310,000	2,458,912
2025-2029	5,490,000	652,595	5,490,000	652,595
Totals	\$37,620,000	\$21,711,812	\$48,079,000	\$26,501,599

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004**

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

**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, 2004, \$6,450,000 of bonds outstanding are considered defeased.

**NOTE 15 - CAPITAL LEASE COMMITMENTS**

The City is obligated under several leases accounted for as capital leases. The cost of the leased assets (buildings, golf course maintenance equipment and machinery and equipment) are accounted for as governmental type capital assets, for items leased by governmental funds, and in the appropriate enterprise funds for items leased by the golf course and sewer funds. The related liabilities are recorded as amounts due within one year and amounts due in more than one year within the governmental activities and as capital lease liabilities within the appropriate enterprise funds. The original cost of the assets under capital lease was \$1,165,285. The leased assets were categorized as follows: \$568,213 as buildings and \$597,072 as machinery and equipment.

The following is a schedule of the future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of December 31, 2004.

Year Ending December 31,	Governmental Type	Business Type
2005	\$103,190	\$108,552
2006	16,580	87,908
2007	16,580	67,052
2008	16,580	41,244
2009	8,290	18,988
Minimum Lease Payments	161,220	323,744
Less: Amount representing interest at the City's incremental borrowing rate of interest	(11,120)	(27,032)
Present value of minimum lease payments	\$150,100	\$296,712

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004***

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**NOTE 16 - RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. During 2004 the City contracted with several different insurance providers for various insurance coverages, as follows:

Type of Coverage	Liability Limits	Deductible
Property	\$3,000,000	\$5,000
Inland Marine	3,000,000	250
General Liability	3,000,000	0
Automobile	2,000,000	250/500
Excess Liability	5,000,000	10,000
Public Officials Liability	2,000,000	25,000
Police Liability	2,000,000	25,000

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 fiscal years.

The City has established an Employees Benefits Fund which has been included within the General Fund within the Basic Financial Statements to account for the cost of the City's self-insured medical claims. The program is provided through an administrative service contract with a third party administrator who furnished claims review and processing. The City purchases stop-loss coverage of \$15,000 per claim per year. The City funds are charged a premium based upon the number of employees participating in the Medical Plan. The premium payments are accounted for as an expenditure/expense in the paying funds.

The claims liability of \$64,927 reported in the General Fund at December 31, 2004 is based on the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues," as amended by GASB Statement No. 30 "Risk Management Omnibus," which requires that a liability for claims be reported if information prior to issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's claims liability amount for fiscal years 2003 and 2004 were:

Fiscal Year	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
2003	\$34,870	\$732,768	(\$721,802)	\$45,836
2004	45,836	863,229	(844,138)	64,927

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004***

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

For the year 2004, the City participated in the Ohio Municipal League of Ohio Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (see Note 18). The intent of the GRP is to achieve the benefit of a reduced premium for the City by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating cities is calculated as one experience and a common premium rate is applied to all cities in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to cities that can meet the GRP's selection criteria. The firm of Gates McDonald provides administrative, cost control and actuarial services to the GRP.

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

**NOTE 17 - CONTRACTUAL COMMITMENTS**

As of December 31, 2004, the City had the following significant contractual commitments:

<u>Company</u>	<u>Remaining Contractual Commitment</u>
Landmark Structures	\$1,230,500
Buildings Crafts	1,000,000
Mainline Road & Bridge	884,706
Trend Construction	538,690
Brown & Caldwell	469,739
CK Excavating	329,642
Lake Erie Electric	297,533
Armrel Byrnes	268,888
LJB, Inc.	259,283
Total	<u><u>\$5,278,981</u></u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2004***

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**NOTE 18 – GROUP PURCHASING POOL**

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

**NOTE 19 – JOINTLY GOVERNED ORGANIZATION**

The City participates in the Warren County General Health District (District), a jointly governed organization, which provides health services to the citizens within the County. The Board of Health, 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 2004 for the operation of the District was immaterial. 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 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.

**NOTE 20 – GOLF COURSE FUND CASH DEFICIT**

The Golf Course Fund experienced a cash deficit of \$452,819 at December 31, 2004. The City eliminated this cash deficit through an interfund loan of \$452,819 from the General Fund.

Historically, the Golf Course has not generated sufficient cash from operations to pay required debt service. These debt service payments have created cash deficits in the Golf Course Fund. The deficits have been eliminated through transfers and advances from other funds.

Management plans to eliminate the cash deficit in the Golf Course Fund within the next year. To accomplish this, the City renegotiated a new management contract for operation of the golf course that reduced the amount paid in management fees to American Golf Corporation. Also, the user fee structure will be reviewed annually to determine if revenues can be enhanced. Finally, the General Fund and Income Tax Capital Improvement Fund continue to generate a substantial excess of revenues over expenditures, and it appears that this trend will continue. Management believes that sufficient monies will be available each year to transfer to the Golf Course Fund (if necessary) over the next two years.

Management has also reduced the Golf Course Debt from \$9,928,724 at December 31, 1993 (\$3,300,000 bonds payable, \$6,313,724 capital lease, and \$315,000 due to other funds) to \$4,398,259 at December 31, 2004 (\$3,784,727 bonds payable, \$160,713 capital lease and \$452,819 interfund loans payable). If the Golf Course Fund continues to generate sufficient cash operating income, this reduced debt burden should eventually eliminate the need for debt service payments to be subsidized by other funds.



*COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES*

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

***Nonmajor Governmental Funds***

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***Special Revenue Funds***

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

**Library Donation Trust Fund**

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

**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.

(Continued)

***Capital Projects Fund***

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

**Permanent Improvement Fund**

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

**CITY OF SPRINGBORO, OHIO**

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**Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2004**

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	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 461,856	\$ 443,858	\$ 905,714
Receivables:			
Property Taxes	86,611	0	86,611
Intergovernmental	335,735	0	335,735
Inventory of Supplies, at Cost	65,587	0	65,587
Prepaid Items	4,526	0	4,526
<b>Total Assets</b>	<u>\$ 954,315</u>	<u>\$ 443,858</u>	<u>\$ 1,398,173</u>
<b>Liabilities:</b>			
Accounts Payable	\$ 41,629	\$ 3,850	\$ 45,479
Accrued Wages and Benefits Payable	21,708	0	21,708
Intergovernmental Payable	10,053	0	10,053
Advances from Other Funds	21,963	0	21,963
Deferred Revenue	219,180	0	219,180
<b>Total Liabilities</b>	<u>314,533</u>	<u>3,850</u>	<u>318,383</u>
<b>Fund Balances:</b>			
Reserved for Encumbrances	22,297	248,599	270,896
Reserved for Prepaid Items	4,526	0	4,526
Reserved for Supplies Inventory	65,587	0	65,587
Undesignated/Unreserved in:			
Special Revenue Funds	547,372	0	547,372
Capital Projects Fund	0	191,409	191,409
<b>Total Fund Balances</b>	<u>639,782</u>	<u>440,008</u>	<u>1,079,790</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 954,315</u>	<u>\$ 443,858</u>	<u>\$ 1,398,173</u>

**CITY OF SPRINGBORO, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2004**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<b>Revenues:</b>			
Property and Other Taxes	\$ 86,611	\$ 0	\$ 86,611
Intergovernmental Revenues	699,008	0	699,008
Fines, Licenses and Permits	999	197,256	198,255
Donations	7,873	0	7,873
All Other Revenue	21,599	650	22,249
<b>Total Revenue</b>	<b>816,090</b>	<b>197,906</b>	<b>1,013,996</b>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property	71,378	0	71,378
Transportation	646,669	0	646,669
General Government	0	1,500	1,500
Capital Outlay	0	137,442	137,442
Debt Service:			
Principal Retirement	81,453	0	81,453
Interest and Fiscal Charges	9,025	0	9,025
<b>Total Expenditures</b>	<b>808,525</b>	<b>138,942</b>	<b>947,467</b>
Excess (Deficiency) of Revenues Over Expenditures	7,565	58,964	66,529
<b>Other Financing Sources (Uses):</b>			
Other Financing Sources - Capital Lease	34,448	0	34,448
Transfers In	155,000	0	155,000
Transfers Out	(160,000)	(33,912)	(193,912)
<b>Total Other Financing Sources (Uses)</b>	<b>29,448</b>	<b>(33,912)</b>	<b>(4,464)</b>
Net Change in Fund Balances	37,013	25,052	62,065
<b>Fund Balances at Beginning of Year</b>	<b>589,475</b>	<b>414,956</b>	<b>1,004,431</b>
Increase in Inventory Reserve	13,294	0	13,294
<b>Fund Balances End of Year</b>	<b>\$ 639,782</b>	<b>\$ 440,008</b>	<b>\$ 1,079,790</b>

**CITY OF SPRINGBORO, OHIO**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2004**

	Street Maintenance and Repair	State Highway	Permissive Use Tax	Motor Vehicle License Tax
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 231,485	\$ 107,706	\$ 51,057	\$ 4,382
Receivables:				
Property Taxes	0	0	0	0
Intergovernmental	256,201	20,772	0	51,799
Inventory of Supplies, at Cost	65,587	0	0	0
Prepaid Items	4,526	0	0	0
<b>Total Assets</b>	<b>\$ 557,799</b>	<b>\$ 128,478</b>	<b>\$ 51,057</b>	<b>\$ 56,181</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 40,258	\$ 1,347	\$ 0	\$ 0
Accrued Wages and Benefits Payable	21,708	0	0	0
Intergovernmental Payable	10,053	0	0	0
Advances from Other Funds	0	0	0	0
Deferred Revenue	170,800	13,848	0	34,532
<b>Total Liabilities</b>	<b>242,819</b>	<b>15,195</b>	<b>0</b>	<b>34,532</b>
<b>Fund Balances:</b>				
Reserved for Encumbrances	21,597	0	0	0
Reserved for Prepaid Items	4,526	0	0	0
Reserved for Supplies Inventory	65,587	0	0	0
Undesignated/Unreserved	223,270	113,283	51,057	21,649
<b>Total Fund Balances</b>	<b>314,980</b>	<b>113,283</b>	<b>51,057</b>	<b>21,649</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 557,799</b>	<b>\$ 128,478</b>	<b>\$ 51,057</b>	<b>\$ 56,181</b>

**CITY OF SPRINGBORO, OHIO**

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<u>COPS Grant</u>	<u>Drug Law Enforcement</u>	<u>Library Donation Trust</u>	<u>Law Enforcement Trust</u>	<u>DARE Trust</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 30,195	\$ 10,558	\$ 1,003	\$ 7,563	\$ 17,907	\$ 461,856
0	0	86,611	0	0	86,611
6,863	0	0	100	0	335,735
0	0	0	0	0	65,587
0	0	0	0	0	4,526
<u>\$ 37,058</u>	<u>\$ 10,558</u>	<u>\$ 87,614</u>	<u>\$ 7,663</u>	<u>\$ 17,907</u>	<u>\$ 954,315</u>
\$ 0	\$ 24	\$ 0	\$ 0	\$ 0	\$ 41,629
0	0	0	0	0	21,708
0	0	0	0	0	10,053
0	0	21,963	0	0	21,963
0	0	0	0	0	219,180
<u>0</u>	<u>24</u>	<u>21,963</u>	<u>0</u>	<u>0</u>	<u>314,533</u>
0	0	0	700	0	22,297
0	0	0	0	0	4,526
0	0	0	0	0	65,587
37,058	10,534	65,651	6,963	17,907	547,372
<u>37,058</u>	<u>10,534</u>	<u>65,651</u>	<u>7,663</u>	<u>17,907</u>	<u>639,782</u>
<u>\$ 37,058</u>	<u>\$ 10,558</u>	<u>\$ 87,614</u>	<u>\$ 7,663</u>	<u>\$ 17,907</u>	<u>\$ 954,315</u>

**CITY OF SPRINGBORO, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2004**

	Street Maintenance and Repair	State Highway	Permissive Use Tax	Motor Vehicle License Tax
<b>Revenues:</b>				
Property and Other Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	485,043	39,328	50,000	85,598
Fines, Licenses and Permits	0	0	0	0
Donations	0	0	0	0
All Other Revenue	9,276	0	0	0
<b>Total Revenue</b>	<b>494,319</b>	<b>39,328</b>	<b>50,000</b>	<b>85,598</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	0	0	0	0
Transportation	629,425	17,244	0	0
Debt Service:				
Principal Retirement	3,122	0	0	0
Interest and Fiscal Charges	746	0	0	0
<b>Total Expenditures</b>	<b>633,293</b>	<b>17,244</b>	<b>0</b>	<b>0</b>
Excess (Deficiency) of Revenues Over Expenditures	(138,974)	22,084	50,000	85,598
<b>Other Financing Sources (Uses):</b>				
Other Financing Sources - Capital Lease	34,448	0	0	0
Transfers In	120,000	0	0	0
Transfers Out	0	0	(50,000)	(110,000)
<b>Total Other Financing Sources (Uses)</b>	<b>154,448</b>	<b>0</b>	<b>(50,000)</b>	<b>(110,000)</b>
Net Change in Fund Balances	15,474	22,084	0	(24,402)
<b>Fund Balance at Beginning of Year</b>	<b>286,212</b>	<b>91,199</b>	<b>51,057</b>	<b>46,051</b>
Increase in Inventory Reserve	13,294	0	0	0
<b>Fund Balance End of Year</b>	<b>\$ 314,980</b>	<b>\$ 113,283</b>	<b>\$ 51,057</b>	<b>\$ 21,649</b>

**CITY OF SPRINGBORO, OHIO**

COPS Grant	Drug Law Enforcement	Library Donation Trust	Law Enforcement Trust	DARE Trust	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 86,611	\$ 0	\$ 0	\$ 86,611
32,047	0	0	0	6,992	699,008
0	999	0	0	0	999
0	0	5,863	0	2,010	7,873
10,760	0	0	1,563	0	21,599
<u>42,807</u>	<u>999</u>	<u>92,474</u>	<u>1,563</u>	<u>9,002</u>	<u>816,090</u>
54,962	1,517	0	1,000	13,899	71,378
0	0	0	0	0	646,669
0	0	78,331	0	0	81,453
0	0	8,279	0	0	9,025
<u>54,962</u>	<u>1,517</u>	<u>86,610</u>	<u>1,000</u>	<u>13,899</u>	<u>808,525</u>
(12,155)	(518)	5,864	563	(4,897)	7,565
0	0	0	0	0	34,448
30,000	0	0	0	5,000	155,000
0	0	0	0	0	(160,000)
<u>30,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,000</u>	<u>29,448</u>
17,845	(518)	5,864	563	103	37,013
19,213	11,052	59,787	7,100	17,804	589,475
0	0	0	0	0	13,294
<u>\$ 37,058</u>	<u>\$ 10,534</u>	<u>\$ 65,651</u>	<u>\$ 7,663</u>	<u>\$ 17,907</u>	<u>\$ 639,782</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, 2004**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Municipal Income Taxes	\$ 4,350,000	\$ 4,350,000	\$ 4,692,934	\$ 342,934
Property and Other Taxes	516,000	541,590	558,430	16,840
Intergovernmental Revenues	408,555	408,555	707,043	298,488
Charges for Services	802,000	804,000	825,777	21,777
Fines, Licenses and Permits	499,800	485,800	599,693	113,893
Investment Earnings	310,000	310,000	418,108	108,108
Special Assessments	24,500	24,500	28,995	4,495
All Other Revenues	200,200	200,200	154,429	(45,771)
Total Revenues	<u>7,111,055</u>	<u>7,124,645</u>	<u>7,985,409</u>	<u>860,764</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Police Department:				
Personal Services	1,576,321	1,620,171	1,551,963	68,208
Materials and Supplies	62,642	92,738	87,091	5,647
Contractual Services	136,489	145,724	133,817	11,907
Capital Outlay	81,630	128,630	128,448	182
Total Police Department	<u>1,857,082</u>	<u>1,987,263</u>	<u>1,901,319</u>	<u>85,944</u>
Police Dispatcher:				
Personal Services	340,475	342,425	328,777	13,648
Materials and Supplies	1,750	2,830	2,704	126
Contractual Services	20,387	17,357	15,964	1,393
Total Police Dispatcher	<u>362,612</u>	<u>362,612</u>	<u>347,445</u>	<u>15,167</u>
Street Lighting:				
Contractual Services	103,000	103,000	87,550	15,450
Total Street Lighting	<u>103,000</u>	<u>103,000</u>	<u>87,550</u>	<u>15,450</u>
Civil Defense:				
Contractual Services	1,100	1,100	0	1,100
Total Civil Defense	<u>1,100</u>	<u>1,100</u>	<u>0</u>	<u>1,100</u>
Prisoner Care:				
Contractual Services	4,000	4,000	1,378	2,622
Total Prisoner Care	<u>4,000</u>	<u>4,000</u>	<u>1,378</u>	<u>2,622</u>
Total Security of Persons and Property	<u>2,327,794</u>	<u>2,457,975</u>	<u>2,337,692</u>	<u>120,283</u>

(Continued)

**CITY OF SPRINGBORO, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2004***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Public Health and Welfare:				
Health Board:				
Contractual Services	8,965	8,965	8,965	0
Total Public Health and Welfare	<u>8,965</u>	<u>8,965</u>	<u>8,965</u>	<u>0</u>
Leisure Time Activities:				
Parks:				
Contractual Services	35,700	25,359	24,426	933
Materials and Supplies	5,200	15,541	15,198	343
Total Parks	<u>40,900</u>	<u>40,900</u>	<u>39,624</u>	<u>1,276</u>
Park Maintenance:				
Personal Services	193,550	193,550	182,297	11,253
Contractual Services	37,005	35,005	25,007	9,998
Materials and Supplies	50,318	52,318	44,634	7,684
Capital Outlay	51,224	54,224	54,009	215
Total Park Maintenance	<u>332,097</u>	<u>335,097</u>	<u>305,947</u>	<u>29,150</u>
Library Services:				
Contractual Services	22,600	22,600	19,504	3,096
Materials and Supplies	1,000	1,000	787	213
Total Library Services	<u>23,600</u>	<u>23,600</u>	<u>20,291</u>	<u>3,309</u>
Total Leisure Time Activities	<u>396,597</u>	<u>399,597</u>	<u>365,862</u>	<u>33,735</u>
Community Environment:				
Planning and Zoning:				
Personal Services	64,120	64,120	60,978	3,142
Contractual Services	123,313	122,138	119,009	3,129
Materials and Supplies	1,500	2,675	2,236	439
Total Planning and Zoning	<u>188,933</u>	<u>188,933</u>	<u>182,223</u>	<u>6,710</u>
Engineering:				
Personal Services	106,850	106,625	104,322	2,303
Contractual Services	100,675	96,617	38,169	58,448
Materials and Supplies	6,925	10,605	10,104	501
Total Engineering	<u>214,450</u>	<u>213,847</u>	<u>152,595</u>	<u>61,252</u>

(Continued)

**CITY OF SPRINGBORO, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2004***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Economic Development:				
Personal Services	5,478	4,677	4,542	135
Contractual Services	44,813	46,063	43,663	2,400
Materials and Supplies	500	51	51	0
Total Economic Development	50,791	50,791	48,256	2,535
Main Street Springboro:				
Contractual Services	42,482	40,482	30,101	10,381
Materials and Supplies	100	2,100	1,263	837
Total Main Street Springboro	42,582	42,582	31,364	11,218
Building Inspection:				
Personal Services	219,450	219,520	203,455	16,065
Contractual Services	44,140	43,835	27,306	16,529
Materials and Supplies	6,800	7,035	6,536	499
Total Building Inspection	270,390	270,390	237,297	33,093
Total Community Environment	767,146	766,543	651,735	114,808
General Government:				
City Council:				
Personal Services	109,525	103,513	92,995	10,518
Contractual Services	48,409	52,921	42,703	10,218
Materials and Supplies	3,174	4,674	3,866	808
Total City Council	161,108	161,108	139,564	21,544
City Manager:				
Personal Services	102,895	103,395	94,651	8,744
Contractual Services	111,404	109,904	44,873	65,031
Materials and Supplies	2,500	3,500	3,171	329
Total City Manager	216,799	216,799	142,695	74,104
Assistant City Manager:				
Personal Services	49,870	49,870	48,201	1,669
Contractual Services	29,450	29,450	18,555	10,895
Materials and Supplies	1,239	1,239	557	682
Total Assistant City Manager	80,559	80,559	67,313	13,246

(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, 2004***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Computer Administration:</b>				
Personal Services	73,050	62,050	55,911	6,139
Contractual Services	19,300	47,390	43,656	3,734
Materials and Supplies	16,410	24,320	21,993	2,327
Capital Outlay	6,000	6,000	5,851	149
Total Computer Administration	<u>114,760</u>	<u>139,760</u>	<u>127,411</u>	<u>12,349</u>
<b>Finance Department:</b>				
Personal Services	107,450	106,950	103,570	3,380
Contractual Services	88,143	88,143	76,370	11,773
Materials and Supplies	4,500	5,000	5,000	0
Capital Outlay	3,690	3,690	3,690	0
Total Finance Department	<u>203,783</u>	<u>203,783</u>	<u>188,630</u>	<u>15,153</u>
<b>Mayor's Court:</b>				
Personal Services	57,470	58,250	56,660	1,590
Contractual Services	96,853	95,773	74,403	21,370
Materials and Supplies	600	900	816	84
Total Mayor's Court	<u>154,923</u>	<u>154,923</u>	<u>131,879</u>	<u>23,044</u>
<b>Income Tax:</b>				
Personal Services	98,550	92,550	87,466	5,084
Contractual Services	513,307	517,107	445,129	71,978
Materials and Supplies	1,050	3,250	3,162	88
Total Income Tax	<u>612,907</u>	<u>612,907</u>	<u>535,757</u>	<u>77,150</u>
<b>Legal Administration:</b>				
Personal Services	18,607	18,607	9,589	9,018
Contractual Services	382,740	382,620	232,092	150,528
Materials and Supplies	240	360	120	240
Total Legal Administration	<u>401,587</u>	<u>401,587</u>	<u>241,801</u>	<u>159,786</u>
<b>Volunteer Services:</b>				
Contractual Services	3,000	3,000	2,764	236
Total Volunteer Services	<u>3,000</u>	<u>3,000</u>	<u>2,764</u>	<u>236</u>

(Continued)

**CITY OF SPRINGBORO, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2004***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Building and Land:</b>				
Personal Services	473,700	473,700	473,700	0
Contractual Services	382,190	387,385	353,607	33,778
Materials and Supplies	40,194	38,194	28,289	9,905
Capital Outlay	630	630	475	155
Total Building and Land	<u>896,714</u>	<u>899,909</u>	<u>856,071</u>	<u>43,838</u>
<b>Miscellaneous:</b>				
Contractual Services	46,384	46,199	36,735	9,464
Materials and Supplies	200	200	159	41
Total Miscellaneous	<u>46,584</u>	<u>46,399</u>	<u>36,894</u>	<u>9,505</u>
<b>Health Insurance:</b>				
Contractual Services	814,000	854,000	844,310	9,690
Total Health Insurance	<u>814,000</u>	<u>854,000</u>	<u>844,310</u>	<u>9,690</u>
Total General Government	<u>3,706,724</u>	<u>3,774,734</u>	<u>3,315,089</u>	<u>459,645</u>
<b>Debt Service:</b>				
Principal Retirement	0	6,310	6,310	0
Interest and Fiscal Charges	0	917	917	0
Total Expenditures	<u>7,207,226</u>	<u>7,415,041</u>	<u>6,686,570</u>	<u>728,471</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(96,171)	(290,396)	1,298,839	1,589,235
<b>Other Financing Sources (Uses):</b>				
Transfers In	75,000	75,000	75,000	0
Transfers Out	(496,000)	(630,050)	(629,395)	655
Advances In	81,000	81,000	234,034	153,034
Advances Out	(80,520)	(169,020)	(168,955)	65
Total Other Financing Sources (Uses)	<u>(420,520)</u>	<u>(643,070)</u>	<u>(489,316)</u>	<u>153,754</u>
Net Change in Fund Balance	(516,691)	(933,466)	809,523	1,742,989
Fund Balance at Beginning of Year	1,543,226	1,543,226	1,543,226	0
Prior Year Encumbrances	236,929	236,929	236,929	0
Fund Balance at End of Year	<u>\$ 1,263,464</u>	<u>\$ 846,689</u>	<u>\$ 2,589,678</u>	<u>\$ 1,742,989</u>

**CITY OF SPRINGBORO, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Debt Service Fund  
For the Year Ended December 31, 2004**

<b>DEBT SERVICE FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 50,000	\$ 103,100	\$ 103,159	\$ 59
Special Assessments	322,700	317,235	368,507	51,272
All Other Revenues	191,038	227,572	219,297	(8,275)
Total Revenues	<u>563,738</u>	<u>647,907</u>	<u>690,963</u>	<u>43,056</u>
<b>Expenditures:</b>				
Debt Service:				
Principal Retirement	2,714,751	2,714,750	2,714,750	0
Interest and Fiscal Charges	434,927	423,204	423,099	105
Total Expenditures	<u>3,149,678</u>	<u>3,137,954</u>	<u>3,137,849</u>	<u>105</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,585,940)	(2,490,047)	(2,446,886)	43,161
<b>Other Financing Sources (Uses):</b>				
Transfers In	2,533,975	2,526,871	2,535,016	8,145
Advances In	35,520	141,920	141,992	72
Advances Out	(35,520)	(229,034)	(229,034)	0
Total Other Financing Sources (Uses)	<u>2,533,975</u>	<u>2,439,757</u>	<u>2,447,974</u>	<u>8,217</u>
Net Change in Fund Balance	(51,965)	(50,290)	1,088	51,378
Fund Balance at Beginning of Year	157,085	157,085	157,085	0
Fund Balance at End of Year	<u>\$ 105,120</u>	<u>\$ 106,795</u>	<u>\$ 158,173</u>	<u>\$ 51,378</u>

**CITY OF SPRINGBORO, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Capital Projects Funds  
For the Year Ended December 31, 2004**

<b>CONSTRUCTION FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 580,000	\$ 374,700	\$ 374,700	\$ 0
Special Assessments	31,900	31,900	35,412	3,512
All Other Revenues	20,000	20,000	58,824	38,824
Total Revenues	<u>631,900</u>	<u>426,600</u>	<u>468,936</u>	<u>42,336</u>
<b>Expenditures:</b>				
General Government:				
Contractual Services	127,364	127,364	116,649	10,715
Total General Government	<u>127,364</u>	<u>127,364</u>	<u>116,649</u>	<u>10,715</u>
Capital Outlay	3,416,265	3,890,965	3,680,572	210,393
Total Expenditures	<u>3,543,629</u>	<u>4,018,329</u>	<u>3,797,221</u>	<u>221,108</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,911,729)	(3,591,729)	(3,328,285)	263,444
<b>Other Financing Sources (Uses):</b>				
General Obligation Notes Issued	2,240,000	2,240,000	2,203,328	(36,672)
Transfers In	1,955,000	1,892,100	1,886,480	(5,620)
Transfers Out	(2,380,600)	(2,375,077)	(2,373,922)	1,155
Total Other Financing Sources (Uses)	<u>1,814,400</u>	<u>1,757,023</u>	<u>1,715,886</u>	<u>(41,137)</u>
Net Change in Fund Balance	(1,097,329)	(1,834,706)	(1,612,399)	222,307
Fund Balance at Beginning of Year	956,328	956,328	956,328	0
Prior Year Encumbrances	1,536,130	1,536,130	1,536,130	0
Fund Balance at End of Year	<u>\$ 1,395,129</u>	<u>\$ 657,752</u>	<u>\$ 880,059</u>	<u>\$ 222,307</u>

**CITY OF SPRINGBORO, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Capital Projects Funds  
For the Year Ended December 31, 2004**

	<b>LAND ACQUISITION FUND</b>			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
All Other Revenues	\$ 0	\$ 243,000	\$ 258,357	\$ 15,357
Total Revenues	<u>0</u>	<u>243,000</u>	<u>258,357</u>	<u>15,357</u>
<b>Expenditures:</b>				
General Government:				
Contractual Services	0	134,920	134,920	0
Total General Government	<u>0</u>	<u>134,920</u>	<u>134,920</u>	<u>0</u>
Capital Outlay	0	4,577,526	4,577,526	0
Total Expenditures	<u>0</u>	<u>4,712,446</u>	<u>4,712,446</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(4,469,446)	(4,454,089)	15,357
<b>Other Financing Sources (Uses):</b>				
General Obligation Notes Issued	0	4,372,688	4,372,688	0
Transfers In	0	279,312	339,758	60,446
Advances In	0	5,000	5,000	0
Advances Out	0	(5,000)	(5,000)	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>4,652,000</u>	<u>4,712,446</u>	<u>60,446</u>
Net Change in Fund Balance	0	182,554	258,357	75,803
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 182,554</u>	<u>\$ 258,357</u>	<u>\$ 75,803</u>

**CITY OF SPRINGBORO, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Capital Projects Funds  
For the Year Ended December 31, 2004**

<b>INCOME TAX CAPITAL IMPROVEMENT FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Municipal Income Taxes	\$ 2,183,600	\$ 2,183,600	\$ 2,346,464	\$ 162,864
Total Revenues	<u>2,183,600</u>	<u>2,183,600</u>	<u>2,346,464</u>	<u>162,864</u>
<b>Expenditures:</b>				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,183,600	2,183,600	2,346,464	162,864
<b>Other Financing Sources (Uses):</b>				
Transfers In	1,791,800	1,791,800	0	(1,791,800)
Transfers Out	(3,975,400)	(4,883,600)	(2,400,000)	2,483,600
Total Other Financing Sources (Uses)	<u>(2,183,600)</u>	<u>(3,091,800)</u>	<u>(2,400,000)</u>	<u>691,800</u>
Net Change in Fund Balance	0	(908,200)	(53,536)	854,664
Fund Balance at Beginning of Year	1,074,688	1,074,688	1,074,688	0
Fund Balance at End of Year	<u>\$ 1,074,688</u>	<u>\$ 166,488</u>	<u>\$ 1,021,152</u>	<u>\$ 854,664</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, 2004**

	STREET MAINTENANCE AND REPAIR FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 457,000	\$ 457,000	\$ 468,333	\$ 11,333
All Other Revenues	0	0	9,276	9,276
Total Revenues	<u>457,000</u>	<u>457,000</u>	<u>477,609</u>	<u>20,609</u>
<b>Expenditures:</b>				
Transportation:				
Personal Services	382,415	382,965	341,445	41,520
Materials and Supplies	141,654	141,654	134,272	7,382
Contractual Services	116,147	111,729	81,646	30,083
Capital Outlay	51,874	54,874	54,657	217
Debt Service:				
Principal Retirement	0	3,122	3,122	0
Interest and Fiscal Charges	0	746	746	0
Total Expenditures	<u>692,090</u>	<u>695,090</u>	<u>615,888</u>	<u>79,202</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(235,090)	(238,090)	(138,279)	99,811
<b>Other Financing Sources (Uses):</b>				
Transfers In	50,000	50,000	120,000	70,000
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>50,000</u>	<u>120,000</u>	<u>70,000</u>
Net Change in Fund Balance	(185,090)	(188,090)	(18,279)	169,811
Fund Balance at Beginning of Year	176,733	176,733	176,733	0
Prior Year Encumbrances	15,757	15,757	15,757	0
Fund Balance at End of Year	<u>\$ 7,400</u>	<u>\$ 4,400</u>	<u>\$ 174,211</u>	<u>\$ 169,811</u>

**CITY OF SPRINGBORO, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2004**

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<b>STATE HIGHWAY FUND</b>				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 35,000	\$ 34,000	\$ 37,973	\$ 3,973
Total Revenues	<u>35,000</u>	<u>34,000</u>	<u>37,973</u>	<u>3,973</u>
<b>Expenditures:</b>				
Transportation:				
Contractual Services	23,650	23,650	18,021	5,629
Total Expenditures	<u>23,650</u>	<u>23,650</u>	<u>18,021</u>	<u>5,629</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	11,350	10,350	19,952	9,602
Fund Balance at Beginning of Year	87,754	87,754	87,754	0
Fund Balance at End of Year	<u>\$ 99,104</u>	<u>\$ 98,104</u>	<u>\$ 107,706</u>	<u>\$ 9,602</u>

**CITY OF SPRINGBORO, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2004**

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	PERMISSIVE USE TAX FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 50,000	\$ 50,000	\$ 50,000	\$ 0
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>0</u>
<b>Expenditures:</b>				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	50,000	50,000	50,000	0
<b>Other Financing Sources (Uses):</b>				
Transfers Out	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>0</u>
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	51,057	51,057	51,057	0
Fund Balance at End of Year	<u><u>\$ 51,057</u></u>	<u><u>\$ 51,057</u></u>	<u><u>\$ 51,057</u></u>	<u><u>\$ 0</u></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, 2004**

	<b>MOTOR VEHICLE LICENSE TAX FUND</b>			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 120,000	\$ 105,000	\$ 109,334	\$ 4,334
Total Revenues	<u>120,000</u>	<u>105,000</u>	<u>109,334</u>	<u>4,334</u>
<b>Expenditures:</b>				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	120,000	105,000	109,334	4,334
<b>Other Financing Sources (Uses):</b>				
Transfers Out	<u>(120,000)</u>	<u>(110,000)</u>	<u>(110,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(120,000)</u>	<u>(110,000)</u>	<u>(110,000)</u>	<u>0</u>
Net Change in Fund Balance	0	(5,000)	(666)	4,334
Fund Balance at Beginning of Year	5,048	5,048	5,048	0
Fund Balance at End of Year	<u>\$ 5,048</u>	<u>\$ 48</u>	<u>\$ 4,382</u>	<u>\$ 4,334</u>

**CITY OF SPRINGBORO, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2004***

	<b>COPS GRANT FUND</b>			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 42,000	\$ 42,000	\$ 36,092	\$ (5,908)
All Other Revenues	30,000	30,000	16,830	(13,170)
Total Revenues	<u>72,000</u>	<u>72,000</u>	<u>52,922</u>	<u>(19,078)</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Personal Services	92,391	92,391	55,320	37,071
Materials and Supplies	400	350	0	350
Contractual Services	540	590	553	37
Total Expenditures	<u>93,331</u>	<u>93,331</u>	<u>55,873</u>	<u>37,458</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(21,331)	(21,331)	(2,951)	18,380
<b>Other Financing Sources (Uses):</b>				
Transfers In	21,000	21,000	30,000	9,000
Total Other Financing Sources (Uses)	<u>21,000</u>	<u>21,000</u>	<u>30,000</u>	<u>9,000</u>
Net Change in Fund Balance	(331)	(331)	27,049	27,380
Fund Balance at Beginning of Year	3,146	3,146	3,146	0
Fund Balance at End of Year	<u>\$ 2,815</u>	<u>\$ 2,815</u>	<u>\$ 30,195</u>	<u>\$ 27,380</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, 2004**

	DRUG LAW ENFORCEMENT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Fines, Licenses and Permits	\$ 2,000	\$ 0	\$ 999	\$ 999
Total Revenues	<u>2,000</u>	<u>0</u>	<u>999</u>	<u>999</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Materials and Supplies	2,000	2,000	500	1,500
Contractual Services	563	563	287	276
Capital Outlay	5,000	2,000	706	1,294
Total Expenditures	<u>7,563</u>	<u>4,563</u>	<u>1,493</u>	<u>3,070</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,563)	(4,563)	(494)	4,069
Fund Balance at Beginning of Year	10,889	10,889	10,889	0
Prior Year Encumbrances	163	163	163	0
Fund Balance at End of Year	<u>\$ 5,489</u>	<u>\$ 6,489</u>	<u>\$ 10,558</u>	<u>\$ 4,069</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, 2004**

<b>LIBRARY DONATION TRUST FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Property and Other Taxes	\$ 95,000	\$ 0	\$ 0	\$ 0
Donations	6,000	6,000	5,889	(111)
Total Revenues	<u>101,000</u>	<u>6,000</u>	<u>5,889</u>	<u>(111)</u>
<b>Expenditures:</b>				
General Government:				
Contractual Services	12,487	12,487	12,060	427
Debt Service:				
Principal Retirement	78,331	78,331	78,331	0
Interest and Fiscal Charges	8,279	8,279	8,279	0
Total Expenditures	<u>99,097</u>	<u>99,097</u>	<u>98,670</u>	<u>427</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,903	(93,097)	(92,781)	316
<b>Other Financing Sources (Uses):</b>				
Advances In	45,000	21,366	21,963	597
Advances Out	(45,000)	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>21,366</u>	<u>21,963</u>	<u>597</u>
Net Change in Fund Balance	1,903	(71,731)	(70,818)	913
Fund Balance at Beginning of Year	65,834	65,834	65,834	0
Prior Year Encumbrances	5,987	5,987	5,987	0
Fund Balance at End of Year	<u>\$ 73,724</u>	<u>\$ 90</u>	<u>\$ 1,003</u>	<u>\$ 913</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, 2004**

<b>LAW ENFORCEMENT TRUST FUND</b>				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
All Other Revenues	\$ 1,000	\$ 1,000	\$ 1,635	\$ 635
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>1,635</u>	<u>635</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Materials and Supplies	1,500	1,300	1,000	300
Contractual Services	500	700	700	0
Total Expenditures	<u>2,000</u>	<u>2,000</u>	<u>1,700</u>	<u>300</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,000)	(1,000)	(65)	935
Fund Balance at Beginning of Year	5,928	5,928	5,928	0
Prior Year Encumbrances	1,000	1,000	1,000	0
Fund Balance at End of Year	<u>\$ 5,928</u>	<u>\$ 5,928</u>	<u>\$ 6,863</u>	<u>\$ 935</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, 2004**

<b>DARE TRUST FUND</b>				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 7,670	\$ 6,772	\$ 6,992	\$ 220
Donations	2,000	2,000	2,000	0
Total Revenues	<u>9,670</u>	<u>8,772</u>	<u>8,992</u>	<u>220</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Personal Services	17,000	17,000	12,089	4,911
Materials and Supplies	3,290	3,290	1,810	1,480
Contractual Services	500	500	0	500
Total Expenditures	<u>20,790</u>	<u>20,790</u>	<u>13,899</u>	<u>6,891</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,120)	(12,018)	(4,907)	7,111
<b>Other Financing Sources (Uses):</b>				
Transfers In	5,000	5,000	5,000	0
Total Other Financing Sources (Uses)	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>0</u>
Net Change in Fund Balance	(6,120)	(7,018)	93	7,111
Fund Balance at Beginning of Year	17,414	17,414	17,414	0
Prior Year Encumbrances	290	290	290	0
Fund Balance at End of Year	<u>\$ 11,584</u>	<u>\$ 10,686</u>	<u>\$ 17,797</u>	<u>\$ 7,111</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, 2004**

	PERMANENT IMPROVEMENT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Fines, Licenses and Permits	\$ 180,000	\$ 180,000	\$ 197,256	\$ 17,256
All Other Revenues	0	0	650	650
Total Revenues	<u>180,000</u>	<u>180,000</u>	<u>197,906</u>	<u>17,906</u>
<b>Expenditures:</b>				
General Government:				
Contractual Services	9,599	11,099	11,099	0
Total General Government	<u>9,599</u>	<u>11,099</u>	<u>11,099</u>	<u>0</u>
Capital Outlay	519,411	517,911	375,389	142,522
Total Expenditures	<u>529,010</u>	<u>529,010</u>	<u>386,488</u>	<u>142,522</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(349,010)	(349,010)	(188,582)	160,428
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(33,920)	(33,920)	(33,912)	8
Total Other Financing Sources (Uses)	<u>(33,920)</u>	<u>(33,920)</u>	<u>(33,912)</u>	<u>8</u>
Net Change in Fund Balance	(382,930)	(382,930)	(222,494)	160,436
Fund Balance at Beginning of Year	148,743	148,743	148,743	0
Prior Year Encumbrances	269,010	269,010	269,010	0
Fund Balance at End of Year	<u>\$ 34,823</u>	<u>\$ 34,823</u>	<u>\$ 195,259</u>	<u>\$ 160,436</u>

***Fiduciary Funds***

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

***Agency Fund***

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**Special Assessment Fund**

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

**Mayor's Court Fund**

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

**CITY OF SPRINGBORO, OHIO**

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***Statement Of Changes In Assets And Liabilities  
Agency Fund  
For the Year Ended December 31, 2004***

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	Balance December 31, 2003	Additions	Deductions	Balance December 31, 2004
<b><u>Mayor's Court Fund</u></b>				
Assets:				
Cash with Fiscal and Escrow Agent	\$5,799	\$269,744	(\$268,394)	\$7,149
Total Assets	<u>\$5,799</u>	<u>\$269,744</u>	<u>(\$268,394)</u>	<u>\$7,149</u>
Liabilities:				
Undistributed Monies	\$5,799	\$269,744	(\$268,394)	\$7,149
Total Liabilities	<u>\$5,799</u>	<u>\$269,744</u>	<u>(\$268,394)</u>	<u>\$7,149</u>
<b><u>Special Assessment Fund</u></b>				
Assets:				
Special Assessments Receivable	\$162,657	\$0	(\$60,465)	\$102,192
Total Assets	<u>\$162,657</u>	<u>\$0</u>	<u>(\$60,465)</u>	<u>\$102,192</u>
Liabilities:				
Due to Others	\$162,657	\$0	(\$60,465)	\$102,192
Total Liabilities	<u>\$162,657</u>	<u>\$0</u>	<u>(\$60,465)</u>	<u>\$102,192</u>
<b><u>Total Agency Funds:</u></b>				
Assets:				
Cash with Fiscal and Escrow Agent	\$5,799	\$269,744	(\$268,394)	\$7,149
Special Assessments Receivable	162,657	0	(60,465)	102,192
Total Assets	<u>\$168,456</u>	<u>\$269,744</u>	<u>(\$328,859)</u>	<u>\$109,341</u>
Liabilities:				
Due to Others	\$162,657	\$0	(\$60,465)	\$102,192
Undistributed Monies	5,799	269,744	(268,394)	7,149
Total Liabilities	<u>\$168,456</u>	<u>\$269,744</u>	<u>(\$328,859)</u>	<u>\$109,341</u>

*CAPITAL ASSETS USED IN THE  
OPERATION OF GOVERNMENTAL FUNDS*

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**CITY OF SPRINGBORO, OHIO**

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***Capital Assets Used in the Operation of Governmental Funds  
Schedule by Source  
December 31, 2004***

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Capital Assets:

Land	\$19,845,654
Construction in Progress	634,615
Land Improvements	396,214
Infrastructure	30,386,021
Buildings	2,088,961
Equipment	<u>2,968,848</u>
Total Capital Assets	<u><u>\$56,320,313</u></u>

Investment in Capital Assets from:

General Fund	\$6,621,694
Special Revenue Funds	483,833
Capital Projects Funds	9,020,713
Infrastructure Prior to 2002	37,308,542
Donated Infrastructure	2,299,856
Enterprise Funds	<u>585,675</u>
Total Investment in Capital Assets	<u><u>\$56,320,313</u></u>

**CITY OF SPRINGBORO, OHIO**

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***Capital Assets Used in the Operation of Governmental Funds  
Schedule by Function and Activity  
December 31, 2004***

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<u>Function and Activity</u>	<u>Land</u>	<u>Construction in Progress</u>	<u>Land Improvements</u>
<u>General Government:</u>			
Council	\$0	\$0	\$0
City Manager	0	0	0
Records Management	0	0	0
Finance	0	0	0
Mayor's Court	0	0	0
Taxation	0	0	0
Public Land and Buildings	7,565,749	0	9,828
Total	<u>7,565,749</u>	<u>0</u>	<u>9,828</u>
<u>Security of Persons and Property:</u>			
Police	0	0	0
Street Lighting	0	0	0
Traffic Control	0	0	0
Total	<u>0</u>	<u>0</u>	<u>0</u>
<u>Transportation:</u>			
Street	11,405,270	132,769	12,898
Grounds	153,795	0	0
Total	<u>11,559,065</u>	<u>132,769</u>	<u>12,898</u>
<u>Leisure Time Activities:</u>			
Parks and Recreation	720,840	501,846	373,488
Library	0	0	0
Total	<u>720,840</u>	<u>501,846</u>	<u>373,488</u>
<u>Community Environment:</u>			
Engineering	0	0	0
Planning and Zoning	0	0	0
Community Development	0	0	0
Building Inspection	0	0	0
Total	<u>0</u>	<u>0</u>	<u>0</u>
Total General Fixed Assets	<u>\$19,845,654</u>	<u>\$634,615</u>	<u>\$396,214</u>

**CITY OF SPRINGBORO, OHIO**

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<u>Infrastructure</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Total</u>
\$0	\$3,000	\$21,135	\$24,135
0	0	12,262	12,262
0	0	31,606	31,606
0	0	76,551	76,551
0	0	10,234	10,234
0	0	10,367	10,367
0	530,060	190,332	8,295,969
<u>0</u>	<u>533,060</u>	<u>352,487</u>	<u>8,461,124</u>
0	31,040	807,911	838,951
0	0	78,675	78,675
0	0	294,689	294,689
<u>0</u>	<u>31,040</u>	<u>1,181,275</u>	<u>1,212,315</u>
30,386,021	614,994	814,618	43,366,570
0	12,376	53,532	219,703
<u>30,386,021</u>	<u>627,370</u>	<u>868,150</u>	<u>43,586,273</u>
0	163,910	353,179	2,113,263
0	689,149	43,903	733,052
<u>0</u>	<u>853,059</u>	<u>397,082</u>	<u>2,846,315</u>
0	44,432	81,874	126,306
0	0	17,356	17,356
0	0	4,991	4,991
0	0	65,633	65,633
<u>0</u>	<u>44,432</u>	<u>169,854</u>	<u>214,286</u>
<u>\$30,386,021</u>	<u>\$2,088,961</u>	<u>\$2,968,848</u>	<u>\$56,320,313</u>

**CITY OF SPRINGBORO, OHIO**

**Capital Assets Used in the Operation of Governmental Funds  
Schedule of Changes by Function and Activity  
December 31, 2004**

Function and Activity	January 1, 2004	Additions	Deletions	December 31, 2004
<u>General Government:</u>				
Council	\$22,999	\$1,136	\$0	\$24,135
City Manager	7,872	4,390	0	12,262
Records Management	38,134	4,624	(11,152)	31,606
Finance	56,008	21,865	(1,322)	76,551
Mayor's Court	10,234	0	0	10,234
Taxation	10,367	0	0	10,367
Public Land and Buildings	2,786,855	5,510,314	(1,200)	8,295,969
Total	<u>2,932,469</u>	<u>5,542,329</u>	<u>(13,674)</u>	<u>8,461,124</u>
<u>Security of Persons and Property:</u>				
Police	723,030	132,327	(16,406)	838,951
Street Lighting	78,675	0	0	78,675
Traffic Control	294,689	0	0	294,689
Total	<u>1,096,394</u>	<u>132,327</u>	<u>(16,406)</u>	<u>1,212,315</u>
<u>Transportation:</u>				
Street	41,572,483	1,913,456	(119,369)	43,366,570
Grounds	167,397	64,003	(11,697)	219,703
Total	<u>41,739,880</u>	<u>1,977,459</u>	<u>(131,066)</u>	<u>43,586,273</u>
<u>Leisure Time Activities:</u>				
Parks and Recreation	2,029,170	141,682	(57,589)	2,113,263
Library	733,052	0	0	733,052
Total	<u>2,762,222</u>	<u>141,682</u>	<u>(57,589)</u>	<u>2,846,315</u>
<u>Community Environment:</u>				
Engineering	80,510	49,679	(3,883)	126,306
Planning and Zoning	17,356	0	0	17,356
Community Development	10,063	0	(5,072)	4,991
Building Inspection	71,213	0	(5,580)	65,633
Total	<u>179,142</u>	<u>49,679</u>	<u>(14,535)</u>	<u>214,286</u>
Total General Fixed Assets	<u>\$48,710,107</u>	<u>\$7,843,476</u>	<u>(\$233,270)</u>	<u>\$56,320,313</u>

*STATISTICAL SECTION*

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*STATISTICAL TABLES*

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***T**HE FOLLOWING UNAUDITED STATISTICAL TABLES REFLECT SOCIAL AND ECONOMIC DATA, FINANCIAL TRENDS AND FISCAL CAPACITY OF THE CITY.*

**CITY OF SPRINGBORO, OHIO**

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**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)  
LAST TEN YEARS**

<b>Year</b>	<b>Security of Persons and Property</b>	<b>Public Health and Welfare</b>	<b>Leisure Time Activities</b>	<b>Community Environment</b>	<b>Transportation</b>	<b>General Government</b>	<b>Debt Service</b>	<b>Total</b>
1995	\$1,098,498	\$17,560	\$178,255	\$197,276	\$447,179	\$1,095,945	\$449,612	\$3,484,325
1996	1,162,688	15,998	152,377	408,692	408,765	1,373,393	447,762	3,969,675
1997	1,228,970	17,826	213,748	505,251	466,174	1,678,623	353,057	4,463,649
1998	1,568,042	21,533	235,084	617,174	355,769	1,638,663	463,163	4,899,428
1999	1,764,306	13,569	214,419	716,566	455,676	2,206,726	357,356 (2)	5,728,618
2000	1,817,020	1,923	206,529	950,210	505,980	2,501,915	412,910	6,396,487
2001	1,982,231	1,874	296,561	684,998	400,002	2,759,509	663,149	6,788,324
2002	2,170,837	1,829	360,850	978,325	489,743	2,909,271	799,174	7,710,029
2003	2,192,558	6,343	320,075	739,251	628,947	3,261,662	791,565	7,940,401
2004	2,474,163	8,965	342,388	589,764	646,669	3,191,513	957,452	8,210,914

(1) Includes General Fund, Special Revenue Funds and Debt Service Fund

(2) Includes Basic Utility Services from the Debt Service Fund.

**CITY OF SPRINGBORO, OHIO**

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**GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)  
LAST TEN YEARS**

<u>Year</u>	<u>Taxes (2)</u>	<u>Inter-Governmental Revenues</u>	<u>Charges for Services</u>	<u>Fines, Licenses and Permits (3)</u>	<u>Investment Earnings</u>	<u>All Other (4)</u>	<u>Total</u>
1995	\$2,323,229	\$671,744	\$3,730	\$290,721	\$174,325	\$330,612	\$3,794,361
1996	3,424,685	744,315	155,893	340,357	194,677	492,228	5,352,155
1997	3,988,271	909,487	189,598	402,554	275,658	497,771	6,263,339
1998	3,182,087	1,072,824	404,577	494,778	375,255	527,292	6,056,813
1999	3,581,369	904,526	352,465	523,587	224,200	603,548	6,189,695
2000	3,760,538	1,219,893	381,632	469,479	519,956	894,093	7,245,591
2001	4,295,380	1,149,376	526,743	470,299	619,578	399,685	7,461,061
2002	4,863,290	1,210,035	675,520	567,254	426,042	644,919	8,387,060
2003	5,009,776	1,363,466	749,372	581,131	212,753	704,079	8,620,577
2004	5,483,517	1,450,786	825,777	604,999	410,810	778,858	9,554,747

- (1) Includes General Fund, Special Revenue Funds and Debt Service Fund.
- (2) Municipal Income Tax and Property Taxes are combined.
- (3) Fines and Forfeitures were combined with Licenses and Permits.
- (4) Includes Special Assessments and Donations.

**CITY OF SPRINGBORO, OHIO**

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**PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN YEARS**

<b>Collection Year</b>	<b>Current Tax Levy</b>	<b>Current Tax Collections</b>	<b>Percent of Levy Collected</b>	<b>Delinquent Tax Collections</b>	<b>Total Tax Collections</b>	<b>Percent of Total Tax Collections to Current Taxes Levied</b>
1995	\$212,885	\$206,958	97.22%	\$2,785	\$209,743	98.52%
1996	260,138	252,360	97.01%	3,326	255,686	98.29%
1997	298,301	292,336	98.00%	6,170	298,506	100.07%
1998	309,611	302,898	97.83%	8,964	311,862	100.73%
1999	328,855	318,704	96.91%	6,597	325,301	98.92%
2000	348,598	338,243	97.03%	9,295	347,538	99.70%
2001	409,572	393,232	96.01%	9,459	402,691	98.32%
2002	394,484	381,944	96.82%	16,858	398,802	101.09%
2003	490,439	474,521	96.75%	11,337	485,858	99.07%
2004	488,941	482,143	98.61%	14,806	496,949	101.64%

Source: Warren County Auditor

**CITY OF SPRINGBORO, OHIO**

**ASSESSED VALUATIONS AND ESTIMATED TRUE VALUES  
OF TAXABLE PROPERTY  
LAST TEN YEARS**

Tax Levy Year	Real Property		Public Utility		Tangible Personal Property		Total		Assessed Value as a Percent of Actual Value
	Assessed	Actual	Assessed	Actual	Assessed	Actual	Assessed	Actual	
1995	\$164,838,600	\$470,967,429	\$9,717,570	\$11,042,693	\$28,055,098	\$112,220,392	\$202,611,268	\$594,230,514	34.10%
1996	178,524,970	510,071,343	9,848,350	11,191,307	27,275,164	109,100,656	215,648,484	630,363,306	34.21%
1997	206,314,170	589,469,057	10,112,190	11,491,125	28,591,249	114,364,996	245,017,609	715,325,178	34.25%
1998	222,044,280	634,412,229	10,532,680	11,968,955	28,621,985	114,487,940	261,198,945	760,869,123	34.33%
1999	234,929,640	671,227,543	10,917,940	12,406,750	28,832,343	115,329,372	274,679,923	798,963,665	34.38%
2000	291,192,270	831,977,914	10,187,320	11,576,500	32,103,229	128,412,916	333,482,819	971,967,330	34.31%
2001	302,321,650	863,776,143	6,044,780	6,869,068	33,131,850	132,527,400	341,498,280	1,003,172,611	34.04%
2002	322,706,980	922,019,943	6,061,070	6,887,580	31,103,140	124,412,560	359,871,190	1,053,320,082	34.17%
2003	358,029,770	1,022,942,200	6,282,680	7,139,409	29,672,310	118,689,240	393,984,760	1,148,770,850	34.30%
2004	381,958,100	1,091,308,857	7,206,170	8,188,830	32,445,870	129,783,480	421,610,140	1,229,281,167	34.30%

NOTE: Estimated Actual Value is calculated by dividing the assessed value by the assessment percentage.

Current percentages are 35% for Real Property, 88% for Public Utility Tangible and 25% for Tangible Personal Property.

Source: Warren County Auditor

***CITY OF SPRINGBORO, OHIO***

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***PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
(PER \$1,000 OF ASSESSED VALUATIONS)  
LAST TEN YEARS***

<b><u>Collection Year</u></b>	<b><u>City of Springboro</u></b>	<b><u>Clearcreek School District</u></b>	<b><u>Warren County</u></b>	<b><u>Clearcreek Township</u></b>	<b><u>Joint Vocational School</u></b>	<b><u>Special District</u></b>	<b><u>Total</u></b>
1995	1.11	53.10	7.07	4.51	4.50	1.00	71.29
1996	1.11	53.00	5.00	4.51	4.50	1.50	69.62
1997	1.11	51.71	5.00	4.51	4.50	1.50	68.33
1998	1.11	51.70	4.75	4.51	4.50	1.50	68.07
1999	1.11	54.88	4.00	4.51	4.50	1.50	70.50
2000	1.11	51.96	4.00	4.51	4.50	1.50	67.58
2001	1.11	51.06	4.00	8.36	4.50	1.50	70.53
2002	1.11	50.91	4.96	8.36	4.50	1.50	71.34
2003	1.11	49.91	6.53	8.36	4.50	1.50	71.91
2004	1.11	55.76	6.46	8.36	4.50	1.50	77.69

Source: Warren County Auditor

**CITY OF SPRINGBORO, OHIO**

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**SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS  
LAST TEN YEARS**

<b>Collection Year</b>	<b>Amount Billed</b>	<b>Amount Collected</b>	<b>Percent Collected</b>
1995	\$271,840	\$228,182	83.94%
1996	233,407	212,627	91.10%
1997	242,088	230,566	95.24%
1998	286,201	281,553	98.38%
1999	276,167	256,310	92.81%
2000	265,634	248,186	93.43%
2001	318,971	287,159	90.03%
2002	287,621	270,816	94.16%
2003	299,292	278,339	93.00%
2004	416,815	401,175	96.25%

NOTE: This table reflects only those special assessments collected through the Warren County Auditor's Office.

Source: Warren County Auditor

**COMPUTATION OF LEGAL DEBT MARGIN  
DECEMBER 31, 2004**

	<u>Total Debt</u>	<u>Unvoted Debt</u>
Net Assessed Valuation	\$421,610,140	\$421,610,140
Legal Debt Limitation (%) (1)	10.50%	5.50%
Legal Debt Limitation (\$) (1)	44,269,065	23,188,558
Applicable City Debt Outstanding (2)	9,341,150	9,341,150
Less: Applicable Debt Service Fund Balance	<u>(16,181)</u>	<u>(16,181)</u>
Net Indebtedness Subject to Limitation	<u>9,324,969</u>	<u>9,324,969</u>
Legal Debt Margin	<u><u>\$34,944,096</u></u>	<u><u>\$13,863,589</u></u>

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

(2) City Debt Outstanding Includes Non Self-Supporting General Obligation Notes and Bonds Only.

**CITY OF SPRINGBORO, OHIO**

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**RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED  
VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA  
LAST TEN YEARS**

<u>Year</u>	<u>Population</u>	<u>Assessed Value</u>	<u>Net Bonded Debt (1)</u>	<u>Ratio of Net Bonded Debt to Assessed Valuation</u>	<u>Net Bonded Debt Per Capita</u>
1995	9,590	\$202,611,268	\$978,750	0.48%	\$102
1996	10,331	215,648,484	1,374,250	0.64%	133
1997	10,945	245,017,609	1,529,750	0.62%	140
1998	11,200	261,198,945	1,451,800	0.56%	130
1999	12,045	274,679,923	2,111,927	0.77%	175
2000	12,380	333,482,819	3,692,647	1.11%	298
2001	13,265	341,498,280	3,413,801	1.00%	257
2002	14,483	359,871,190	3,329,433	0.93%	230
2003	15,596	359,871,190	3,150,652	0.88%	202
2004	16,687	421,610,140	2,774,969	0.66%	166

(1) Does not include Bond Anticipation Notes or Special Assessment debt with governmental commitment.

**CITY OF SPRINGBORO, OHIO**

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**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES  
FOR GENERAL OBLIGATION BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES (1)  
LAST TEN YEARS**

<u>Year</u>	<u>Debt Principal</u>	<u>Debt Interest (3)</u>	<u>Total Debt Service</u>	<u>Total General Governmental Expenditures</u>	<u>Ratio of Tax Debt Service to General Governmental Expenditures</u>
1995	\$49,500	\$79,576	\$129,076	\$3,484,325	3.70%
1996	54,500	74,073	128,573	3,969,675	3.24%
1997	69,500	89,295	158,795	4,463,749	3.56%
1998	77,950	97,716	175,666	4,899,428	3.59%
1999 (2)	57,950	74,967	132,917	5,728,618	2.32%
2000	96,400	112,108	208,508	6,396,487	3.26%
2001	101,400	208,357	309,757	6,788,324	4.56%
2002	259,850	188,386	448,236	7,710,029	5.81%
2003	273,300	175,913	449,213	7,940,401	5.66%
2004	291,750	162,103	453,853	8,210,914	5.53%

(1) General obligation bonds reported in the enterprise funds and special assessment debt with governmental commitment have been excluded.

(2) Does not include defeased issue of \$315,000.

(3) Excludes bond issuance and other costs.

**CITY OF SPRINGBORO, OHIO**

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**COMPUTATION OF ALL DIRECT AND OVERLAPPING GOVERNMENTAL DEBT  
DECEMBER 31, 2004**

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to City of Springboro (2)</u>	<u>Amount Applicable to City of Springboro</u>
City of Springboro (1)	\$9,324,969	100.00%	\$9,324,969
Warren County	6,145,000	8.55%	<u>525,398</u>
	Total		<u><u>\$9,850,367</u></u>

Source: Warren County Auditor

- (1) Net debt outstanding equals the amount of non self-supporting general obligation bonds and notes outstanding less the amount available in the debt service fund.
- (2) Percentages determined by dividing each overlapping subdivision's assessed valuation within the City by the subdivision's total assessed valuation.

**CITY OF SPRINGBORO, OHIO**

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**REVENUE BOND COVERAGE - WATER MORTGAGE BONDS  
LAST TEN YEARS**

<b>Year</b>	<b>Gross Revenues (1)</b>	<b>Direct Operating Expenses (2)</b>	<b>Net Revenue Available For Debt Service</b>	<b>Debt Service Requirement</b>	<b>Coverage</b>
1995	\$1,647,780	\$867,867	\$779,913	\$323,108	2.41
1996	1,689,614	700,958	988,656	324,696	3.04
1997	1,999,765	935,765	1,064,000	325,845	3.27
1998	2,360,083	1,378,223	981,860	125,566	7.82
1999	2,615,761	1,381,313	1,234,448	1,341,929	0.92
2000	2,725,797	983,364	1,742,433	1,326,344	1.31
2001	2,671,855	1,079,429	1,592,426	1,324,214	1.20
2002	2,555,439	1,467,476	1,087,963	1,325,674	0.82
2003	2,706,927	1,455,464	1,251,463	1,330,874	0.94
2004	2,741,352	1,722,922	1,018,430	1,329,476	0.77

(1) Gross Revenues include operating revenues plus interest income.

(2) Direct operating expenses include total operating expenses less depreciation.

Source: City of Springboro, Department of Finance

**CITY OF SPRINGBORO, OHIO**

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**REVENUE BOND COVERAGE - SEWER MORTGAGE BONDS  
LAST TEN YEARS**

<u>Year</u>	<u>Gross Revenues</u>	<u>Direct Operating Expenses (1)</u>	<u>Net Revenue Available For Debt Service</u>	<u>Debt Service Requirement</u>	<u>Coverage</u>
1995	\$1,070,999	\$1,024,548	\$46,451	\$440,114	0.11
1996	1,199,334	888,008	311,326	432,480	0.72
1997 (2)	1,502,164	960,679	541,485	166,733	3.25
1998	1,820,233	994,844	825,389	382,630	2.16
1999	1,488,972	941,114	547,858	381,643	1.44
2000	1,708,096	944,391	763,705	380,418	2.01
2001	1,793,762	1,169,247	624,515	378,705	1.65
2002	1,590,251	1,113,824	476,427	381,495	1.25
2003	1,904,125	1,774,868	129,257	378,775	0.34
2004	1,751,800	1,617,297	134,503	380,528	0.35

(1) Direct operating expenses include total operating expenses less depreciation

(2) Refunding bonds were issued during 1997. No principal was paid.

Source: City of Springboro, Department of Finance

**CITY OF SPRINGBORO, OHIO**

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**DEMOGRAPHIC STATISTICS  
LAST TEN YEARS**

<u>Year</u>	<u>Population</u>	<u>Per Capita Income</u>	<u>Unemployment Rate Warren County Area</u>	<u>School Enrollment</u>
1995	9,590	\$22,876	4.2%	2,729
1996	10,331	28,723	3.8%	2,837
1997	10,945	29,584	3.0%	2,944
1998	11,200	30,176	3.0%	3,158
1999	12,045	31,081	3.0%	3,338
2000	12,380	32,013	3.0%	3,505
2001	13,265	32,973	2.6%	3,774
2002	14,483	35,422	3.1%	4,024
2003	15,596	37,560	2.9%	4,283
2004	16,687	39,438	4.6%	4,562

Source: City of Springboro Community Development Department

**CITY OF SPRINGBORO, OHIO**

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**PROPERTY VALUE, CONSTRUCTION PERMITS AND BANK DEPOSITS  
LAST TEN YEARS**

<u>Year</u>	<u>Building Permits (1)</u>		<u>Assessed Value</u>	<u>Bank Deposits (2)</u>
	<u>Number of Permits Issued</u>	<u>Estimated Value</u>		
1995	161	\$20,665,648	\$164,838,600	\$460,950,000
1996	198	20,802,945	178,524,970	482,684,523
1997	212	24,382,801	206,314,170	523,595,000
1998	262	20,085,429	222,044,280	521,795,000
1999	319	33,499,038	274,679,923	533,873,000
2000	311	32,673,609	333,482,819	569,566,000
2001	267	32,464,314	341,498,280	618,781,000
2002	280	36,805,793	359,871,190	660,464,000
2003	276	39,885,911	393,984,760	637,524,000
2004	205	35,056,751	421,610,140	665,965,000

(1) Source: City of Springboro Building Inspection Department.

(2) Source: Federal Reserve Bank of Cleveland - amounts are for commercial banks headquartered in Warren County.

**CITY OF SPRINGBORO, OHIO**

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**PRINCIPAL TAXPAYERS (REAL ESTATE)  
DECEMBER 31, 2004**

<u>Taxpayer</u>	<u>2004 Assessed Valuation (Tax Duplicate)</u>	<u>Percentage of Total Assessed Valuation</u>
1. Cincinnati Gas & Electric	\$4,703,430	1.12%
2. Inland Real Estate Group	3,112,730	0.74%
3. Promotional Wholesalers	2,398,730	0.57%
4. Coffman Development	2,385,300	0.57%
5. Gayston Corporation	2,101,440	0.50%
6. Ohio Bell Telephone	1,905,460	0.45%
7. Springboro YMCA	1,751,670	0.42%
8. ARV Springboro Villas	1,660,290	0.39%
9. Springboro Management	1,300,010	0.31%
10. Springboro Pointe Inc.	1,180,390	0.28%
Sub - Total	<u>22,499,450</u>	<u>5.35%</u>
All Others	<u>399,110,690</u>	<u>94.65%</u>
Total	<u><u>\$421,610,140</u></u>	<u><u>100.00%</u></u>

Based on valuation of property taxes levied in 2003.  
Source: Warren County Auditor

**CITY OF SPRINGBORO, OHIO**

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**MISCELLANEOUS STATISTICS  
DECEMBER 31, 2004**

Date of Incorporation	January 1, 1979	Form of Government	Council/Manager
Number of Employees	76	Area (square miles)	10.07
Number of Streets	370		
Cultural and Recreation:			
	Parks	3	
	Park Acreage	287.7	
	Heatherwoode Golf Course	18 Hole Course	
Police Protection:			
	Number of Stations	1	
	Number of Full-time Personnel	22	
	Number of Patrol Units	16	
Education:			
	Number of Elementary Schools	3	
	Number of Elementary School Instructors	118	
	Number of Secondary Schools	2	
	Number of Secondary School Instructors	123	

Source: City of Springboro Economic Development Department

