

CITY OF SPRINGBORO
WARREN COUNTY
SINGLE AUDIT
JANUARY 1, 2020 – DECEMBER 31, 2020



OHIO AUDITOR OF STATE
KEITH FABER



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

We have reviewed the *Independent Auditor's Report* of the City of Springboro, Warren County, prepared by Wilson, Shannon & Snow, Inc., for the audit period January 1, 2020 through December 31, 2020. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Keith Faber
Auditor of State
Columbus, Ohio

August 11, 2021

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**CITY OF SPRINGBORO
WARREN COUNTY**

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**CITY OF SPRINGBORO
WARREN COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Federal Grantor/ Pass Through Grantor/ Program Grant Title	Pass Through Entity Number	CFDA Number	Pass-Through to Subrecipients	Total Federal Expenditures
U.S. Department of Treasury				
<i>Passed through Ohio Office of Budget and Management:</i>				
COVID-19 Coronavirus Relief Fund	HB481-CRF-Local	21.019	\$ 300,000	\$ 1,053,876
Total Department of Treasury			<u>300,000</u>	<u>1,053,876</u>
Total Expenditures of Federal Awards			<u>\$ 300,000</u>	<u>\$ 1,053,876</u>

See accompanying notes to the schedule of expenditures of federal awards.

**CITY OF SPRINGBORO
WARREN COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Springboro, Warren County (the City) under programs of the federal government for the year ended December 31, 2020. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The City has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C - SUBRECIPIENTS

The City passes certain federal awards received from the Ohio Office of Budget and Management to other governments or not-for-profit agencies (subrecipients). As Note B describes, the City reports expenditures of Federal awards to subrecipients when paid in cash.

As a subrecipient, the City has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

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

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

To City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Springboro, Warren County, (the City) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 23, 2021, wherein we noted the City considered the financial impact of COVID-19 as disclosed in Note 25.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



Newark, Ohio
June 23, 2021

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY UNIFORM GUIDANCE**

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

To the City Council:

Report on Compliance for The Major Federal Program

We have audited the City of Springboro's (the City) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the City of Springboro's major federal program for the year ended December 31, 2020. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the City's major federal program.

Management's Responsibility

The City's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

Auditor's Responsibility

Our responsibility is to opine on the City's compliance for the City's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the City's major program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on The Major Federal Program

In our opinion, the City of Springboro complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2020.

Report on Internal Control over Compliance

The City's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the City's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the City's internal control over compliance.

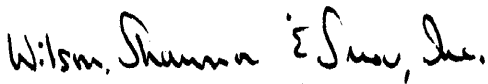
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have also audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Springboro (the City) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our unmodified report thereon dated June 23, 2021, wherein we noted the City considered the financial impact of COVID-19 as disclosed in Note 25. We conducted our audit to opine on the City's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Newark, Ohio
June 23, 2021

**CITY OF SPRINGBORO
WARREN COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515**

DECEMBER 31, 2020

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR § 200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Coronavirus Relief Fund/CFDA #21.019
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR §200.520?	No

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

CITY OF SPRINGBORO, OHIO

Comprehensive Annual Financial Report

**For Fiscal Year Ended December
30, 2020**

**Prepared by:
Department of Finance**





THE CITY OF SPRINGBORO, OHIO

WARREN COUNTY

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FOR THE YEAR ENDED
December 31, 2020

Prepared by:
Department of Finance

Jonathan Hudson
Director of Finance



CITY OF SPRINGBORO
320 West Central Avenue
Springboro, Ohio 45066
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WARREN COUNTY, OHIO**

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INTRODUCTORY SECTION





CITY OF SPRINGBORO

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

phone (937) 748-4343

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June 23, 2021

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

We are pleased to present the City of Springboro (the City) Comprehensive Annual Financial Report for the year ended December 31, 2020. The responsibility for both the accuracy of the presented data, and the completeness and fairness of presentation, including all disclosures, rests with the management of the City, particularly the office of the Director of Finance. This report is prepared in conformance with accounting principles generally accepted in the United States of America as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources. We believe the data is fairly presented in all material aspects and that it is presented in a manner designed to set forth the financial position and results of operations of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain a reasonable understanding of the City's financial affairs have been included.

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

THE CITY

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

***Letter of Transmittal
For the Year Ended December 31, 2020***

REPORTING ENTITY AND SERVICES

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

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

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

ECONOMIC OUTLOOK

Growth and development within the City of Springboro is expected to exceed the national and state average due to the City's physical location along Interstate 75 between Cincinnati and Dayton. The United States Census Bureau officially counted population in the City of Springboro on April 1, 2010 as 17,409, an increase of 5,029 from the 2000 United States Census Bureau count. The estimated population from the US Census Bureau in 2021 was 18,931. The main factor contributing to this growth over a sustained period was an abundance of available building sites offering appealing terrain, location, amenities, small town atmosphere and a low crime rate. In 2020, 57 single-family residential construction permits were issued.

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

***Letter of Transmittal
For the Year Ended December 31, 2020***

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

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

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

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

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

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

Growth and development in the City are expected to continue to be strong through 2021. Medical office development and business retention are high on the City's Economic Development priority list. Work continues at the Wright Station Development which is home to the new state of the art Performing Arts Center and Warped Wing Brewery. Dayton Children's Medical Center continues to fill out the occupancy of their recently opened Emergency Care Unit. New groups of doctors and surgeons are being added to fill out the Medical Center and provide needed services to the community.

***Letter of Transmittal
For the Year Ended December 31, 2020***

MAJOR INITIATIVES

For the Year (2020):

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

General Capital Improvements:

In 2020, three new lots were purchased and cleared to provide for additional parking opportunities in locations around town.

Street Capital Improvements:

The City has an annual resurfacing and miscellaneous street repair program that is completed each year. Sidewalks were installed in various areas of the City as per the Mobility Master Plan. New multi-use pedestrian trails were installed connecting various roadways in town. Concrete improvements were made in conjunction with street resurfacing. Major improvements were also made on Lytle-Five Points during 2020.

Park Improvements:

Improvements continued in 2020 on Hazel Woods Park with the installation of more soccer and lacrosse fields. Construction was completed on Phase 2 of Kacie Jane Splash Park completing the new splash pad and playgrounds. A new fitness court filled with outdoor exercise equipment was installed at North Park.

Water Capital Improvements:

The Tamarack Hills Water Main Replacement program and the Royal Oaks Water Main Replacement program continued in 2020, replacing 6" water mains with 8" water mains and will be done over several years. Installation of the Water treatment plant generator was completed.

Sewer Capital Improvements:

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

Storm Water Utility Capital Improvements:

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

Golf Course Improvements:

Improvements at the clubhouse continued in 2020 to maintain quality standards. These improvements included a new starter gazebo, various new driving range upgrades, and kitchen upgrades.

***Letter of Transmittal
For the Year Ended December 31, 2020***

For the Future (2021):

General Capital Improvements:

2021 budget of \$1,217,100 includes: \$400,000 for municipal building security upgrades including lighting and a new perimeter fence; \$21,100 for new police vehicles; and \$550,000 for a fiber project.

Street Capital Improvements:

Mobility Master Plan was completed in 2001, which analyzed both motorized and non-motorized transportation needs and developed a capital improvement plan. The 2021 budget includes funding for \$2,110,000 of street capital improvements in various areas including \$925,000 for street resurfacing; \$384,000 for Clearcreek Park Bike Trail Connection; \$290,000 for traffic signal improvements; and \$25,000 for the installation of various sidewalks.

Park Improvements:

The 2021 budget includes: \$300,000 for improvements to Hazel Woods Park that includes new soccer/lacrosse fields; and \$55,000 for construction of a shelter at Gardner 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, 2001 and 2008 to evaluate how the City's growth and development had compared to that projected in the earlier study and was updated again in 2009. The 2021 budget includes funding for \$760,000 water capital improvements as follows: \$650,000 for the replacement of a 6" water main with an 8" water main in various parts of the community and \$110,000 for a new backhoe.

Sewer Capital Improvements:

The City has developed a Sanitary Sewer Master Plan to address the sewer collection system and treatment plant needs for the next 20-years. This plan includes an analysis of the system and a Capital Improvement Program (CIP) to address these needs. In 2021 the budget includes \$175,000 to extend the sanitary sewer to the Villages of Creekside subdivision, which will eliminate that lift station and \$240,000 for the Wastewater Treatment Plant blower replacement.

Storm Water Utility Capital Improvements:

The 2021 budget includes: \$75,000 to catch basin replacement program; and \$10,000 for storm water projects in conjunction with street capital projects.

Golf Course Improvements:

Heatherwoode Golf Course improvements for 2021 include: \$50,000 for emergency repairs; \$90,000 for Clubhouse Improvements and \$50,000 for parking lot improvements.

***Letter of Transmittal
For the Year Ended December 31, 2020***

FINANCIAL INFORMATION

Internal Control, Budgetary Control and the Accounting System

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

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

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

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

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

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

***Letter of Transmittal
For the Year Ended December 31, 2020***

OTHER INFORMATION

Independent Audit:

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

Certificate of Achievement:

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Springboro, Ohio, for its Comprehensive Annual Financial Report for the year ended December 31, 2019. This was the thirty-first year that the government has achieved this prestigious award.

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

Acknowledgment:

Sincere appreciation is extended to the many people who have contributed their time and effort to prepare this report. The Finance Department Staff is to be commended for their input and commitment. Particular thanks is to be provided to Beth Eaton for her diligence in the creation of this report.

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



Christopher Pozzuto
City Manager



Jonathan Hudson
Finance Director

CITY OF SPRINGBORO, OHIO

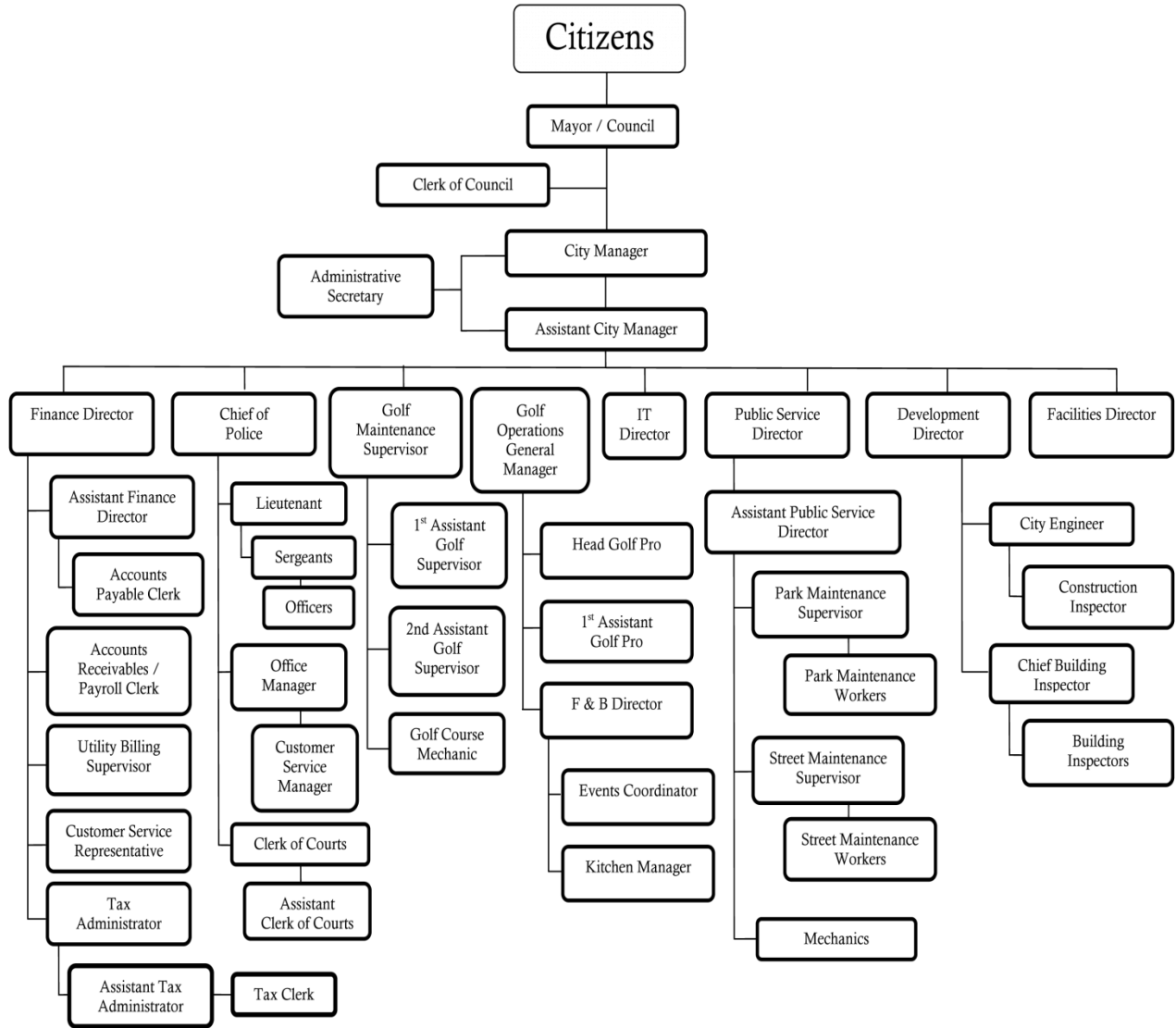
***List of Principal Officials
For the Year Ended December 31, 2020***

<i>Council</i>	<i>Title</i>	<i>Years of Service *</i>	<i>Term expires</i>
John Agenbroad	Mayor	25	December 2023
Janie Ridd	Council Member Ward 1	6	December 2021
Dale Brunner	Council Member Ward 2	5	December 2021
Jack Hanson	Council Member Ward 3	2	December 2021
Jim Chmiel	Council Member Ward 4	19	December 2021
Becky Iverson	Council Member at Large	9	December 2023
Steve Harding	Council Member at Large	5	December 2023

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

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

**City Organizational Chart
For the Year Ended December 31, 2020**



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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Springboro
Ohio**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



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

INDEPENDENT AUDITOR'S REPORT

To the City Council and Management:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Springboro, Warren County, Ohio (the City), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Springboro, Warren County, Ohio, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparisons for the General and Urban Redevelopment TIF Funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 25 to the financial statements, during 2020, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

City of Springboro
Warren County
Independent Auditor's Report

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2021 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Wilson, Shannon & Sons, Inc.

Newark, Ohio
June 23, 2021



***Management's Discussion and Analysis
For the Year Ended December 31, 2020***

Unaudited

Management's discussion and analysis of the City of Springboro's (the City) financial performance provides an overall review of the City's financial activities for the year ended December 31, 2020. The intent of management's discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2020 are as follows:

- ❑ In total, net position increased \$9.5 million. Net position of governmental activities increased \$4.1 million which represents a 5.8% increase from 2019. Net position of business-type activities increased \$5.4 million or 6.2 % from 2019.
- ❑ General revenues accounted for \$18.4 million in revenue or 49.5% of all revenues. Program specific revenues in the form of charges for services and sales and grants and contributions accounted for 50.5% of total revenues of \$37.3 million.
- ❑ Total net position of governmental activities increased by \$4.1 million in total. Both revenues and expenses increased from 2019. The increase in operating grants helped to reduce the effect of decreased property taxes and investment earnings.
- ❑ The City had \$17.1 million in expenses related to governmental activities; \$4.3 million of these expenses were offset by program specific charges for services and sales, grants or contributions. General revenues (primarily taxes) of \$18.3 million were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$13.1 million in revenues and other financing sources and \$12 million in expenditures and other financing uses. The general fund's fund balance increased \$1.1 million.
- ❑ Net position for enterprise funds increased by \$5.4 million. Revenues were slightly higher than 2019 while expenses decreased in the current year. Transfers from governmental activities and the surplus of revenues over expenses accounted for the increase in 2020.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

These statements are as follows:

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

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

Government-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

***Management's Discussion and Analysis
For the Year Ended December 31, 2020***

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 statements because the resources of those funds are *not* available to support the City's own programs. All of the City's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following table provides a summary of the City's net position for 2020 compared to 2019:

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$26,257,540	\$26,917,319	\$24,575,069	\$24,227,346	\$50,832,609	\$51,144,665
Capital assets, Net	76,130,169	73,933,588	82,537,964	80,186,139	158,668,133	154,119,727
Total assets	<u>102,387,709</u>	<u>100,850,907</u>	<u>107,113,033</u>	<u>104,413,485</u>	<u>209,500,742</u>	<u>205,264,392</u>
Deferred Outflows of Resources	2,812,262	3,786,771	1,450,366	2,087,983	4,262,628	5,874,754
Net Pension Liability	8,863,794	10,719,489	2,466,046	3,307,768	11,329,840	14,027,257
Net OPEB Liability	3,170,712	2,846,392	1,737,127	1,586,903	4,907,839	4,433,295
Long-term debt outstanding	9,533,837	12,033,586	10,097,865	12,634,856	19,631,702	24,668,442
Other liabilities	5,744,079	6,722,017	437,899	1,254,677	6,181,978	7,976,694
Total liabilities	<u>27,312,422</u>	<u>32,321,484</u>	<u>14,738,937</u>	<u>18,784,204</u>	<u>42,051,359</u>	<u>51,105,688</u>
Deferred Inflows of Resources	3,243,155	1,758,594	770,919	55,949	4,014,074	1,814,543
Net investment in capital assets	65,852,121	61,193,691	73,298,682	68,586,546	139,150,803	129,780,237
Restricted	11,754,091	12,828,382	507,439	487,066	12,261,530	13,315,448
Unrestricted	(2,961,818)	(3,464,473)	19,247,422	18,587,703	16,285,604	15,123,230
Total net position	<u>\$74,644,394</u>	<u>\$70,557,600</u>	<u>\$93,053,543</u>	<u>\$87,661,315</u>	<u>\$167,697,937</u>	<u>\$158,218,915</u>

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

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

***Management's Discussion and Analysis
For the Year Ended December 31, 2020***

Unaudited

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

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

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

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

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

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

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

CITY OF SPRINGBORO, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2020**

Unaudited

Changes in Net Position – The following table shows the changes in net position for 2020 compared to 2019:

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program Revenues:						
Charges for Services and Sales	\$1,406,180	\$1,344,741	\$13,258,060	\$13,130,732	\$14,664,240	\$14,475,473
Operating Grants and Contributions	2,808,730	1,529,386	0	0	2,808,730	1,529,386
Capital Grants and Contributions	100,694	118,986	1,249,691	919,427	1,350,385	1,038,413
Total Program Revenues	4,315,604	2,993,113	14,507,751	14,050,159	18,823,355	17,043,272
General revenues:						
Income Taxes	15,032,782	14,297,708	0	0	15,032,782	14,297,708
Property Taxes	693,921	1,018,540	0	0	693,921	1,018,540
Other Local Taxes	34,968	78,623	0	0	34,968	78,623
Payment in Lieu of Taxes	604,025	564,331	0	0	604,025	564,331
Intergovernmental, unrestricted	301,577	330,020	0	0	301,577	330,020
Investment Earnings	394,130	649,776	155,596	335,509	549,726	985,285
Miscellaneous	1,219,079	578,377	0	0	1,219,079	578,377
Total General Revenues	18,280,482	17,517,375	155,596	335,509	18,436,078	17,852,884
Total Revenues	22,596,086	20,510,488	14,663,347	14,385,668	37,259,433	34,896,156
Program Expenses						
Security of Persons and Property	4,239,484	1,220,689	0	0	4,239,484	1,220,689
Public Health and Welfare Services	16,618	16,532	0	0	16,618	16,532
Leisure Time Activities	1,331,660	1,427,099	0	0	1,331,660	1,427,099
Community Environment	1,095,542	1,292,447	0	0	1,095,542	1,292,447
Transportation	3,540,567	3,502,736	0	0	3,540,567	3,502,736
General Government	6,587,249	5,420,982	0	0	6,587,249	5,420,982
Interest and Fiscal Charges	329,496	471,279	0	0	329,496	471,279
Golf Course	0	0	2,986,882	3,000,185	2,986,882	3,000,185
Water	0	0	2,751,493	4,234,747	2,751,493	4,234,747
Sewer	0	0	3,149,313	3,476,853	3,149,313	3,476,853
Trash	0	0	1,289,600	1,269,780	1,289,600	1,269,780
Storm Water	0	0	462,507	832,778	462,507	832,778
Total Expenses	17,140,616	13,351,764	10,639,795	12,814,343	27,780,411	26,166,107
Change in Net Position before transfers	5,455,470	7,158,724	4,023,552	1,571,325	9,479,022	8,730,049
Transfers	(1,368,676)	(738,193)	1,368,676	738,193	0	0
Total Change in Net Position	4,086,794	6,420,531	5,392,228	2,309,518	9,479,022	8,730,049
Beginning Net Position	70,557,600	64,137,069	87,661,315	85,351,797	158,218,915	149,488,866
Ending Net Position	\$74,644,394	\$70,557,600	\$93,053,543	\$87,661,315	\$167,697,937	\$158,218,915

CITY OF SPRINGBORO, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2020**

Unaudited

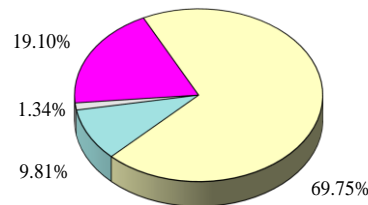
Governmental Activities

Net position of the City's governmental activities increased by \$4,086,794. Revenues increased by \$2,085,598 in 2020 compared to 2019 and expenses and transfers increased by \$4,419,335. State and Federal grants for COVID relief account for the large increase in operating grants in 2020. Security of Persons and Property accounted for the majority of the increase in expenses due to 2019 figures being skewed by a large negative OPEB expense.

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

Property taxes and income taxes made up 3% and 66.5% respectively of revenues for governmental activities for the City in 2020. The City's reliance upon tax revenues is demonstrated by the following graph indicating 69.75% of total revenues from general tax revenues:

Revenue Sources	2020	Percent of Total
Intergovernmental, unrestricted	\$301,577	1.34%
Program Revenues	4,315,604	19.10%
General Tax Revenues	15,761,671	69.75%
General Other	2,217,234	9.81%
Total Revenue	\$22,596,086	100.00%



Business-Type Activities

Net position of the business-type activities increased by \$5,392,228. This increase was the result of revenues outpacing expenses.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$15,853,582, which is a increase from last year's balance of \$15,368,960. The schedule below indicates the fund balance and the total change in fund balance by fund type as of December 31, 2020 and 2019:

	Fund Balance December 31, 2020	Fund Balance December 31, 2019	Increase (Decrease)
General	\$10,407,098	\$9,356,525	\$1,050,573
Urban Redevelopment TIF	(4,237,466)	(4,499,945)	262,479
Debt Service	346,314	1,440,783	(1,094,469)
Construction (Capital Project)	537,086	1,551,977	(1,014,891)
Income Tax Capital Improvement (Capital Project)	3,747,105	2,718,315	1,028,790
Other Governmental	5,053,445	4,801,305	252,140
Total	\$15,853,582	\$15,368,960	\$484,622

CITY OF SPRINGBORO, OHIO

***Management's Discussion and Analysis
For the Year Ended December 31, 2020***

Unaudited

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

	2020	2019	Increase
	<u>Revenues</u>	<u>Revenues</u>	<u>(Decrease)</u>
Municipal Income Taxes	\$9,829,739	\$9,265,763	\$563,976
Property and Other Taxes	739,817	783,337	(43,520)
Intergovernmental Revenue	296,567	297,171	(604)
Fines, Licenses and Permits	504,583	569,058	(64,475)
Investment Earnings	379,736	609,491	(229,755)
Special Assessments	37,929	37,278	651
All Other Revenue	<u>1,198,990</u>	<u>522,260</u>	<u>676,730</u>
Total	<u><u>\$12,987,361</u></u>	<u><u>\$12,084,358</u></u>	<u><u>\$903,003</u></u>

General Fund revenues increased compared with revenues in 2019. The majority of the increase is attributed to higher collections of income taxes and a one-time reimbursement receipt.

	2020	2019	Increase
	<u>Expenditures</u>	<u>Expenditures</u>	<u>(Decrease)</u>
Security of Persons and Property	\$3,320,406	\$3,685,160	(\$364,754)
Public Health and Welfare Services	16,618	16,532	86
Leisure Time Activities	906,155	914,916	(8,761)
Community Environment	938,584	1,094,412	(155,828)
General Government	<u>4,627,413</u>	<u>4,446,096</u>	<u>181,317</u>
Total	<u><u>\$9,809,176</u></u>	<u><u>\$10,157,116</u></u>	<u><u>(\$347,940)</u></u>

General Fund expenditures decreased by \$347,940 or 3.4% over the prior year due largely a decrease in the costs in the security of persons and property function.

Urban Redevelopment TIF Fund – This fund will be utilized to redevelop the 73/741 Intersection area. Construction activity and interest expenditures related to the outstanding note payable accounted for the majority of the activity of this fund in 2020.

Debt Service Fund – The Debt Service Fund balance decreased this year by \$1,094,469. The fund balance of this fund will vary from year to year based upon the City's debt service requirements, as well as premiums received on notes or bonds sold during the year.

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

CITY OF SPRINGBORO, OHIO

***Management's Discussion and Analysis
For the Year Ended December 31, 2020***

Unaudited

Income Tax Capital Improvement Fund - The fund balance increased \$1,028,790 to a balance of \$3,747,105. Income tax collections outpaced transfers out this year. Transfers vary year to year depending on the capital projects slated for that year.

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

During the course of 2020 the City amended its General Fund budget several times, none significant.

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

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2020 the City had \$158,668,133 net of accumulated depreciation invested in land, improvements, infrastructure, buildings, machinery and equipment and construction in progress. Of this total, \$76,130,169 was related to governmental activities and \$82,537,964 to the business-type activities. The following table shows 2020 and 2019 balances:

	Governmental Activities		Changes
	2020	2019	
Land	\$26,546,235	\$26,008,189	\$538,046
Construction in Progress	77,108	3,143,976	(3,066,868)
Total Non-Depreciable Capital Assets	<u>26,623,343</u>	<u>29,152,165</u>	<u>(2,528,822)</u>
Improvements	10,670,480	8,885,532	1,784,948
Infrastructure	55,905,722	51,691,186	4,214,536
Buildings	18,694,709	18,177,824	516,885
Machinery and Equipment	7,378,689	6,600,361	778,328
Less: Accumulated Depreciation	<u>(43,142,774)</u>	<u>(40,573,480)</u>	<u>(2,569,294)</u>
Total Depreciable Capital Assets, Net	<u>49,506,826</u>	<u>44,781,423</u>	<u>4,725,403</u>
Totals	<u>\$76,130,169</u>	<u>\$73,933,588</u>	<u>\$2,196,581</u>

CITY OF SPRINGBORO, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2020**

Unaudited

	Business-Type Activities		Changes
	2020	2019	
Land	\$8,685,240	\$8,685,240	\$0
Construction in Progress	79,914	705,481	(625,567)
Total Non-Depreciable Capital Assets	8,765,154	9,390,721	(625,567)
Buildings	4,469,177	4,271,435	197,742
Land Improvements	2,103,009	2,103,009	0
Infrastructure	94,808,262	92,948,955	1,859,307
Machinery and Equipment	6,711,375	3,979,555	2,731,820
Less: Accumulated Depreciation	(34,319,013)	(32,507,536)	(1,811,477)
Total Depreciable Capital Assets, Net	73,772,810	70,795,418	2,977,392
Totals	\$82,537,964	\$80,186,139	\$2,351,825

The primary increases occurred in improvements and infrastructure in the governmental activities. The largest changes in the business-type activities capital assets (other than accumulated depreciation) occurred primarily in machinery and equipment (i.e. replacement of small water and sewer mains to larger sizes). This is a result of the commitment made by City Council and management to upgrade some older utility equipment throughout neighborhoods within the City.

As of December 31, 2020, the City has contractual commitments of \$1.4 million for various projects. Additional information on the City's capital assets can be found in Note 9.

Debt

At December 31, 2020, the City had \$15.35 million in bonds outstanding, \$2,651,556 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2020 and 2019:

	2020	2019
Governmental Activities:		
Special Assessment Bonds	\$412,420	\$544,894
General Obligation Bonds	5,076,089	5,790,617
General Obligation Notes	3,200,000	5,000,000
Compensated Absences	845,328	698,075
Total Governmental Activities	9,533,837	12,033,586
Business-Type Activities:		
General Obligation Bonds	2,751,957	4,459,275
Mortgage Revenue Bonds	7,110,658	7,972,894
Compensated Absences	235,250	202,687
Total Business-Type Activities	10,097,865	12,634,856
Totals	\$19,631,702	\$24,668,442

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, 2020, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 13.

ECONOMIC FACTORS

The City's budget for 2020 was very conservative. The City of Springboro has been able to sustain and grow over the past several years despite strong economic headwinds in the overall economy during that time. We have a solid residential and business base, and our income tax revenue has continued to increase. The 2021 expenditures were increased from 2020 levels due to an increase in capital projects and debt retirement. City Council wishes to maintain current service levels to the residents of the City and they will continue to monitor the revenue stream for 2021 and if necessary, adjust expenditures accordingly.

REQUESTS FOR INFORMATION

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



CITY OF SPRINGBORO, OHIO

**Statement of Net Position
December 31, 2020**

	Governmental Activities	Business-Type Activities	Total	Component Unit Community Improvement Corporation of Springboro
Assets:				
Equity in Pooled Cash and Investments	\$ 16,721,121	\$ 22,216,089	\$ 38,937,210	\$ 2,492
Receivables:				
Taxes	1,270,115	0	1,270,115	0
Accounts	109,223	1,443,765	1,552,988	0
Intergovernmental	808,888	487	809,375	0
Income Taxes	3,280,781	0	3,280,781	0
Special Assessments	1,202,033	0	1,202,033	0
Inventory of Supplies at Cost	133,136	39,255	172,391	0
Inventory Held for Resale	0	80,344	80,344	0
Prepaid Items	296,541	287,167	583,708	0
Restricted Assets:				
Cash and Cash Equivalents	0	523	523	0
Cash and Cash Equivalents with Fiscal Agent	0	507,439	507,439	0
Assets Held for Resale	2,435,702	0	2,435,702	0
Non-Depreciable Capital Assets	26,623,343	8,765,154	35,388,497	0
Depreciable Capital Assets, Net	49,506,826	73,772,810	123,279,636	0
Total Assets	102,387,709	107,113,033	209,500,742	2,492
Deferred Outflows of Resources:				
Deferred Charge on Debt Refunding	60,461	623,333	683,794	0
Pension	1,775,896	489,383	2,265,279	0
OPEB	975,905	337,650	1,313,555	0
Total Deferred Outflows of Resources	2,812,262	1,450,366	4,262,628	0
Liabilities:				
Accounts Payable	727,507	242,125	969,632	0
Accrued Wages and Benefits	271,262	105,064	376,326	0
Intergovernmental Payable	149,194	58,902	208,096	0
Refundable Deposits	0	523	523	0
Accrued Interest Payable	96,116	31,285	127,401	0
General Obligation Notes Payable	4,500,000	0	4,500,000	0
Long Term Liabilities:				
Due within one year	4,162,163	1,826,330	5,988,493	0
Due in More Than One Year:				
Net Pension Liability	8,863,794	2,466,046	11,329,840	0
Net OPEB Liability	3,170,712	1,737,127	4,907,839	0
Other Amounts Due in More Than One Year	5,371,674	8,271,535	13,643,209	0
Total Liabilities	27,312,422	14,738,937	42,051,359	0

CITY OF SPRINGBORO, OHIO

	Governmental Activities	Business-Type Activities	Total	Component Unit Community Improvement Corporation of Springboro
Deferred Inflows of Resources:				
Property Tax Levy for Next Fiscal Year	1,269,102	0	1,269,102	0
Pension	1,301,129	523,099	1,824,228	0
OPEB	672,924	247,820	920,744	0
Total Deferred Inflows of Resources	3,243,155	770,919	4,014,074	0
Net Position:				
Net Investment in Capital Assets	65,852,121	73,298,682	139,150,803	0
Restricted For:				
Capital Projects	7,448,473	0	7,448,473	0
Debt Service	1,463,481	507,439	1,970,920	0
Security of Persons	191,345	0	191,345	0
Transportation	1,796,387	0	1,796,387	0
General Government	854,405	0	854,405	0
Unrestricted	(2,961,818)	19,247,422	16,285,604	2,492
Total Net Position	\$ 74,644,394	\$ 93,053,543	\$ 167,697,937	\$ 2,492

See accompanying notes to the basic financial statements

CITY OF SPRINGBORO, OHIO

**Statement of Activities
For the Year Ended December 31, 2020**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Security of Persons and Property	\$ 4,239,484	\$ 55,152	\$ 35,605	\$ 6,173
Public Health and Welfare Services	16,618	0	0	0
Leisure Time Activities	1,331,660	326,088	0	0
Community Environment	1,095,542	317,415	0	0
Transportation	3,540,567	430,063	1,434,941	94,521
General Government	6,587,249	277,462	1,338,184	0
Interest and Fiscal Charges	329,496	0	0	0
Total Governmental Activities	17,140,616	1,406,180	2,808,730	100,694
Business-Type Activities:				
Golf Course	2,986,882	2,091,327	0	0
Water	2,751,493	5,124,544	0	388,787
Sewer	3,149,313	4,529,296	0	590,680
Trash	1,289,600	1,223,384	0	0
Storm Water	462,507	289,509	0	270,224
Total Business-Type Activities	10,639,795	13,258,060	0	1,249,691
Totals	\$ 27,780,411	\$ 14,664,240	\$ 2,808,730	\$ 1,350,385
Component Unit:				
Community Improvement Corporation of Springboro	\$ 126,076	\$ 0	\$ 106,000	\$ 0

General Revenues:

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

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

CITY OF SPRINGBORO, OHIO

Net (Expense) Revenue and Changes in Net Position			Component Unit
Governmental Activities	Business-Type Activities	Total	Community Improvement Corporation of Springboro
\$ (4,142,554)	\$ 0	\$ (4,142,554)	
(16,618)	0	(16,618)	
(1,005,572)	0	(1,005,572)	
(778,127)	0	(778,127)	
(1,581,042)	0	(1,581,042)	
(4,971,603)	0	(4,971,603)	
(329,496)	0	(329,496)	
<u>(12,825,012)</u>	<u>0</u>	<u>(12,825,012)</u>	
0	(895,555)	(895,555)	
0	2,761,838	2,761,838	
0	1,970,663	1,970,663	
0	(66,216)	(66,216)	
0	97,226	97,226	
<u>0</u>	<u>3,867,956</u>	<u>3,867,956</u>	
<u>(12,825,012)</u>	<u>3,867,956</u>	<u>(8,957,056)</u>	
			\$ (20,076)
15,032,782	0	15,032,782	0
693,921	0	693,921	0
34,968	0	34,968	0
604,025	0	604,025	0
301,577	0	301,577	0
394,130	155,596	549,726	1
1,219,079	0	1,219,079	0
(1,368,676)	1,368,676	0	0
<u>16,911,806</u>	<u>1,524,272</u>	<u>18,436,078</u>	<u>1</u>
4,086,794	5,392,228	9,479,022	(20,075)
<u>70,557,600</u>	<u>87,661,315</u>	<u>158,218,915</u>	<u>22,567</u>
<u>\$ 74,644,394</u>	<u>\$ 93,053,543</u>	<u>\$ 167,697,937</u>	<u>\$ 2,492</u>

CITY OF SPRINGBORO, OHIO

**Balance Sheet
Governmental Funds
December 31, 2020**

	General	Urban Redevelopment TIF	Debt Service	Construction
Assets:				
Equity in Pooled Cash and Investments	\$ 9,490,261	\$ 274,489	\$ 346,314	\$ 1,027,368
Receivables:				
Taxes	730,115	0	0	0
Accounts	9,022	201	0	0
Intergovernmental	158,914	0	0	0
Income Taxes	2,187,187	0	0	0
Special Assessments	0	0	1,202,033	0
Inventory of Supplies, at Cost	41,608	0	0	0
Prepaid Items	262,183	0	0	0
Assets Held for Resale	0	0	0	123,229
Total Assets	\$ 12,879,290	\$ 274,690	\$ 1,548,347	\$ 1,150,597
Liabilities:				
Accounts Payable	\$ 88,045	\$ 906	\$ 0	\$ 613,511
Accrued Wages and Benefits Payable	248,214	0	0	0
Intergovernmental Payable	133,711	0	0	0
Accrued Interest Payable	0	11,250	0	0
General Obligation Notes Payable	0	4,500,000	0	0
Total Liabilities	469,970	4,512,156	0	613,511
Deferred Inflows of Resources:				
Property Tax Levy for Next Fiscal Year	729,102	0	0	0
Unavailable Amounts	1,273,120	0	1,202,033	0
Total Deferred Inflows of Resources	2,002,222	0	1,202,033	0
Fund Balances:				
Nonspendable	303,791	0	0	0
Restricted	0	0	346,314	537,086
Assigned	4,662,546	0	0	0
Unassigned	5,440,761	(4,237,466)	0	0
Total Fund Balances	10,407,098	(4,237,466)	346,314	537,086
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 12,879,290	\$ 274,690	\$ 1,548,347	\$ 1,150,597

See accompanying notes to the basic financial statements

CITY OF SPRINGBORO, OHIO

Income Tax Capital Improvement	Other Governmental Funds	Total Governmental Funds
\$ 3,230,025	\$ 2,352,664	\$ 16,721,121
0	540,000	1,270,115
0	100,000	109,223
0	649,974	808,888
1,093,594	0	3,280,781
0	0	1,202,033
0	91,528	133,136
0	34,358	296,541
0	2,312,473	2,435,702
<u>\$ 4,323,619</u>	<u>\$ 6,080,997</u>	<u>\$ 26,257,540</u>
\$ 0	\$ 25,045	\$ 727,507
0	23,048	271,262
0	15,483	149,194
0	0	11,250
0	0	4,500,000
<u>0</u>	<u>63,576</u>	<u>5,659,213</u>
0	540,000	1,269,102
576,514	423,976	3,475,643
<u>576,514</u>	<u>963,976</u>	<u>4,744,745</u>
0	125,886	429,677
3,747,105	4,927,559	9,558,064
0	0	4,662,546
0	0	1,203,295
<u>3,747,105</u>	<u>5,053,445</u>	<u>15,853,582</u>
<u>\$ 4,323,619</u>	<u>\$ 6,080,997</u>	<u>\$ 26,257,540</u>

CITY OF SPRINGBORO, OHIO

***Reconciliation Of Total Governmental Fund Balances
To Net Position Of Governmental Activities
December 31, 2020***

Total Governmental Fund Balances \$ 15,853,582

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

Capital Assets used in governmental activities are not resources and therefore are not reported in the funds. 76,130,169

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

Income Taxes Receivable - accrual basis	1,729,541	
Property Taxes Receivable - accrual basis	1,013	
Special Assessments Receivable - accrual basis	1,202,033	
Grants Receivable - accrual basis	543,056	
Total	3,475,643	3,475,643

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

Deferred Outflows - Pension	1,775,896	
Deferred Outflows - OPEB	975,905	
Deferred Inflows - Pension	(1,301,129)	
Deferred Inflows - OPEB	(672,924)	
Net Pension Liability	(8,863,794)	
Net OPEB Liability	(3,170,712)	
Total	(11,256,758)	(11,256,758)

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

Amounts Due Within One Year	(4,162,163)	
Amounts Due in More Than One Year	(5,371,674)	
Accrued Interest on Long-Term Debt	(84,866)	
Deferred Charge on Debt Refunding	60,461	
Total	(9,558,242)	(9,558,242)

Net Position of Governmental Activities \$ 74,644,394

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, 2020**

	General	Urban Redevelopment TIF	Debt Service	Construction
Revenues:				
Municipal Income Tax	\$ 9,829,739	\$ 0	\$ 0	\$ 0
Property and Other Taxes	739,817	0	0	0
Payment in Lieu of Taxes	0	0	0	0
Intergovernmental Revenues	296,567	250,000	0	0
Fines, Licenses and Permits	504,583	0	0	0
Investment Earnings	379,736	0	0	0
Special Assessments	37,929	0	142,342	23,780
Donations	0	0	0	0
All Other Revenue	1,198,990	78,022	0	414,194
Total Revenue	12,987,361	328,022	142,342	437,974
Expenditures:				
Current:				
Security of Persons and Property	3,320,406	0	0	0
Public Health and Welfare Services	16,618	0	0	0
Leisure Time Activities	906,155	0	0	0
Community Environment	938,584	0	0	0
Transportation	0	0	0	0
General Government	4,627,413	88,112	0	10,771
Capital Outlay	0	0	0	3,535,373
Debt Service:				
Principal Retirement	0	0	5,810,000	0
Interest and Fiscal Charges	0	100,721	318,947	0
Total Expenditures	9,809,176	188,833	6,128,947	3,546,144
Excess (Deficiency) of Revenues Over Expenditures				
	3,178,185	139,189	(5,986,605)	(3,108,170)
Other Financing Sources (Uses):				
General Obligation Notes Issued	0	0	0	3,200,000
Transfers In	102,835	123,290	4,892,136	3,279,479
Transfers Out	(2,226,040)	0	0	(4,386,200)
Total Other Financing Sources (Uses)	(2,123,205)	123,290	4,892,136	2,093,279
Net Change in Fund Balances	1,054,980	262,479	(1,094,469)	(1,014,891)
Fund Balances at Beginning of Year	9,356,525	(4,499,945)	1,440,783	1,551,977
Change in Inventory Reserve	(4,407)	0	0	0
Fund Balances End of Year	\$ 10,407,098	\$ (4,237,466)	\$ 346,314	\$ 537,086

See accompanying notes to the basic financial statements

CITY OF SPRINGBORO, OHIO

Income Tax Capital Improvement	Other Governmental Funds	Total Governmental Funds
\$ 4,913,051	\$ 0	\$ 14,742,790
0	309,427	1,049,244
0	604,025	604,025
0	2,586,694	3,133,261
0	107,902	612,485
0	14,394	394,130
0	0	204,051
0	1,555	1,555
0	299,924	1,991,130
4,913,051	3,923,921	22,732,671
0	150,182	3,470,588
0	0	16,618
0	0	906,155
0	0	938,584
0	1,164,245	1,164,245
0	1,252,966	5,979,262
0	1,784,720	5,320,093
0	0	5,810,000
0	0	419,668
0	4,352,113	24,025,213
4,913,051	(428,192)	(1,292,542)
0	0	3,200,000
0	1,057,146	9,454,886
(3,884,261)	(327,061)	(10,823,562)
(3,884,261)	730,085	1,831,324
1,028,790	301,893	538,782
2,718,315	4,801,305	15,368,960
0	(49,753)	(54,160)
\$ 3,747,105	\$ 5,053,445	\$ 15,853,582

CITY OF SPRINGBORO, OHIO

***Reconciliation Of The Statement Of Revenues, Expenditures
And Changes In Fund Balances Of Governmental Funds
To The Statement Of Activities
For The Year Ended December 31, 2020***

Net Change in Fund Balances - Total Governmental Funds \$ 538,782

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. 2,637,471

The net effect of various miscellaneous transactions involving capital assets (i.e. disposals and donations) is to change net position. (440,890)

Revenues and transfers in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (142,758)

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 834,690

Except for amounts reported as deferred inflows/outflows, changes in the net pension and OPEB liabilities are reported as pension expense in the statement of activities. (1,839,260)

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

General Obligation Notes Issued	(3,200,000)
Principal Retirement	5,810,000
Total	<u>2,610,000</u>

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 90,172

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. (201,413)

Change in Net Position of Governmental Activities \$ 4,086,794

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, 2020**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal Income Tax	\$ 9,350,000	\$ 9,350,000	\$ 9,494,359	\$ 144,359
Property and Other Taxes	809,102	809,102	746,958	(62,144)
Intergovernmental Revenue	233,913	233,913	294,272	60,359
Fines, Licenses and Permits	490,630	490,630	498,076	7,446
Investment Earnings	215,000	215,000	367,724	152,724
Special Assessments	37,162	37,162	37,929	767
All Other Revenues	180,500	180,500	1,192,363	1,011,863
Total Revenues	<u>11,316,307</u>	<u>11,316,307</u>	<u>12,631,681</u>	<u>1,315,374</u>
Expenditures:				
Current:				
Security of Persons and Property	4,229,552	3,829,853	3,294,681	535,172
Public Health and Welfare Services	16,619	16,619	16,618	1
Leisure Time Activities	1,196,223	1,211,223	945,866	265,357
Community Environment	1,533,190	1,527,191	1,060,118	467,073
General Government	5,753,366	5,758,687	5,428,146	330,541
Total Expenditures	<u>12,728,950</u>	<u>12,343,573</u>	<u>10,745,429</u>	<u>1,598,144</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,412,643)	(1,027,266)	1,886,252	2,913,518
Other Financing Sources (Uses):				
Transfers In	117,835	117,835	102,835	(15,000)
Transfers Out	(1,474,571)	(2,974,571)	(2,226,040)	748,531
Total Other Financing Sources (Uses):	<u>(1,356,736)</u>	<u>(2,856,736)</u>	<u>(2,123,205)</u>	<u>733,531</u>
Net Change in Fund Balance	(2,769,379)	(3,884,002)	(236,953)	3,647,049
Fund Balance at Beginning of Year	7,990,058	7,990,058	7,990,058	0
Prior Year Encumbrances	665,870	665,870	665,870	0
Fund Balance at End of Year	<u>\$ 5,886,549</u>	<u>\$ 4,771,926</u>	<u>\$ 8,418,975</u>	<u>\$ 3,647,049</u>

See accompanying notes to the basic financial statements

CITY OF SPRINGBORO, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Special Revenue Fund – Urban Redevelopment TIF Fund
For the Year Ended December 31, 2020**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenue	\$ 270,000	\$ 270,000	\$ 250,000	\$ (20,000)
All Other Revenues	100,000	100,000	80,561	(19,439)
Total Revenues	<u>370,000</u>	<u>370,000</u>	<u>330,561</u>	<u>(39,439)</u>
Expenditures:				
Current:				
General Government	308,633	308,633	206,136	102,497
Total Expenditures	<u>308,633</u>	<u>308,633</u>	<u>206,136</u>	<u>102,497</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	61,367	61,367	124,425	63,058
Other Financing Sources (Uses):				
General Obligation Notes Issued	4,500,000	4,500,000	4,500,000	0
Transfers In	0	0	5,000	5,000
Transfers Out	(4,618,257)	(4,618,257)	(4,500,000)	118,257
Total Other Financing Sources (Uses):	<u>(118,257)</u>	<u>(118,257)</u>	<u>5,000</u>	<u>123,257</u>
Net Change in Fund Balance	(56,890)	(56,890)	129,425	186,315
Fund Balance at Beginning of Year	9,457	9,457	9,457	0
Prior Year Encumbrances	118,707	118,707	118,707	0
Fund Balance at End of Year	<u>\$ 71,274</u>	<u>\$ 71,274</u>	<u>\$ 257,589</u>	<u>\$ 186,315</u>

See accompanying notes to the basic financial statements



CITY OF SPRINGBORO, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2020**

	Business-Type Activities		
	Enterprise Funds		
	Golf Course	Water	Sewer
Assets:			
<i>Current Assets:</i>			
Equity in Pooled Cash and Investments	\$ 597,725	\$ 9,099,870	\$ 11,664,194
Receivables:			
Accounts	0	594,357	637,062
Intergovernmental	248	126	71
Inventory of Supplies at Cost	39,255	0	0
Inventory Held for Resale	80,344	0	0
Prepaid Items	12,141	125,873	139,665
<i>Total Current Assets</i>	<u>729,713</u>	<u>9,820,226</u>	<u>12,440,992</u>
<i>Non Current Assets:</i>			
Restricted Assets:			
Cash and Cash Equivalents	0	523	0
Cash and Cash Equivalents with Fiscal Agent	0	0	507,439
Non-Depreciable Capital Assets	7,755,718	786,786	222,650
Depreciable Capital Assets, Net	2,906,943	31,798,737	30,505,806
<i>Total Noncurrent Assets</i>	<u>10,662,661</u>	<u>32,586,046</u>	<u>31,235,895</u>
Total Assets	<u>11,392,374</u>	<u>42,406,272</u>	<u>43,676,887</u>
Deferred Outflows of Resources:			
Deferred Charge on Debt Refunding	0	184,077	439,256
Pension	206,409	142,716	89,963
OPEB	142,404	98,473	62,091
Total Deferred Outflows of Resources	<u>348,813</u>	<u>425,266</u>	<u>591,310</u>

CITY OF SPRINGBORO, OHIO

<u>Trash</u>	<u>Storm Water</u>	<u>Total</u>
\$ 314,649	\$ 539,651	\$ 22,216,089
170,098	42,248	1,443,765
20	22	487
0	0	39,255
0	0	80,344
4,968	4,520	287,167
<u>489,735</u>	<u>586,441</u>	<u>24,067,107</u>
0	0	523
0	0	507,439
0	0	8,765,154
0	8,561,324	73,772,810
0	8,561,324	83,045,926
<u>489,735</u>	<u>9,147,765</u>	<u>107,113,033</u>
0	0	623,333
21,899	28,396	489,383
15,099	19,583	337,650
<u>36,998</u>	<u>47,979</u>	<u>1,450,366</u>

(Continued)

CITY OF SPRINGBORO, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2020**

	Business-Type Activities		
	Enterprise Funds		
	Golf Course	Water	Sewer
Liabilities:			
<i>Current Liabilities:</i>			
Accounts Payable	6,224	129,875	4,385
Accrued Wages and Benefits	39,103	33,378	20,858
Intergovernmental Payable	22,828	17,740	11,353
Refundable Deposits	0	523	0
Accrued Interest Payable	0	7,797	23,488
Compensated Absences Payable - Current	15,640	9,984	7,667
General Obligation Bonds - Current	0	887,318	0
Mortgage Revenue Bonds - Current	0	0	902,236
<i>Total Current Liabilities</i>	<u>83,795</u>	<u>1,086,615</u>	<u>969,987</u>
<i>Noncurrent Liabilities:</i>			
Compensated Absences Payable	44,259	68,826	53,055
General Obligation Bonds Payable	0	1,864,639	0
Mortgage Revenue Bonds Payable	0	0	6,208,422
Net Pension Liability	1,039,468	719,562	455,016
Net OPEB Liability	732,220	506,874	320,519
<i>Total Noncurrent Liabilities</i>	<u>1,815,947</u>	<u>3,159,901</u>	<u>7,037,012</u>
Total Liabilities	<u>1,899,742</u>	<u>4,246,516</u>	<u>8,006,999</u>
Deferred Inflows of Resources:			
Pension	220,493	152,634	96,516
OPEB	104,468	72,308	45,720
Total Deferred Inflows of Resources	<u>324,961</u>	<u>224,942</u>	<u>142,236</u>
Net Position:			
Net Investment in Capital Assets	10,662,661	30,017,643	24,057,054
Restricted for:			
Debt Service	0	0	507,439
Unrestricted	(1,146,177)	8,342,437	11,554,469
Total Net Position	<u>\$ 9,516,484</u>	<u>\$ 38,360,080</u>	<u>\$ 36,118,962</u>

See accompanying notes to the basic financial statements

CITY OF SPRINGBORO, OHIO

<u>Trash</u>	<u>Storm Water</u>	<u>Total</u>
95,790	5,851	242,125
5,133	6,592	105,064
3,110	3,871	58,902
0	0	523
0	0	31,285
1,571	1,914	36,776
0	0	887,318
0	0	902,236
<u>105,604</u>	<u>18,228</u>	<u>2,264,229</u>
13,448	18,886	198,474
0	0	1,864,639
0	0	6,208,422
109,616	142,384	2,466,046
<u>77,216</u>	<u>100,298</u>	<u>1,737,127</u>
<u>200,280</u>	<u>261,568</u>	<u>12,474,708</u>
<u>305,884</u>	<u>279,796</u>	<u>14,738,937</u>
23,253	30,203	523,099
11,016	14,308	247,820
<u>34,269</u>	<u>44,511</u>	<u>770,919</u>
0	8,561,324	73,298,682
0	0	507,439
186,580	310,113	19,247,422
<u>\$ 186,580</u>	<u>\$ 8,871,437</u>	<u>\$ 93,053,543</u>

CITY OF SPRINGBORO, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2020**

	Business-Type Activities		
	Enterprise Funds		
	Golf Course	Water	Sewer
Operating Revenues:			
Charges for Services	\$ 1,784,515	\$ 5,092,918	\$ 4,375,540
Sales	212,550	0	0
Other Operating Revenue	94,262	31,626	153,756
Total Operating Revenues	2,091,327	5,124,544	4,529,296
Operating Expenses:			
Personal Services	1,478,735	1,035,778	669,443
Contractual Services	535,969	755,756	1,392,194
Materials and Supplies	543,472	150,377	42,167
Depreciation	331,272	686,854	761,790
Total Operating Expenses	2,889,448	2,628,765	2,865,594
Operating Income (Loss)	(798,121)	2,495,779	1,663,702
Nonoperating Revenue (Expenses):			
Investment Earnings	0	64,405	91,191
Interest and Fiscal Charges	(97,434)	(122,728)	(283,719)
Total Nonoperating Revenues (Expenses)	(97,434)	(58,323)	(192,528)
Income (Loss) Before Transfers and Contributions	(895,555)	2,437,456	1,471,174
Transfers In	1,513,156	0	0
Transfers Out	0	(87,240)	(87,240)
Capital Contributions - Tap in Fees	0	358,867	262,900
Capital Contributions	0	29,920	327,780
Change in Net Position	617,601	2,739,003	1,974,614
Net Position Beginning of Year	8,898,883	35,621,077	34,144,348
Net Position End of Year	\$ 9,516,484	\$ 38,360,080	\$ 36,118,962

See accompanying notes to the basic financial statements

CITY OF SPRINGBORO, OHIO

Trash	Storm Water	Total
\$ 1,220,762	\$ 286,500	\$ 12,760,235
0	0	212,550
2,622	3,009	285,275
<u>1,223,384</u>	<u>289,509</u>	<u>13,258,060</u>
143,720	185,117	3,512,793
1,128,467	74,848	3,887,234
17,413	5,087	758,516
0	197,455	1,977,371
<u>1,289,600</u>	<u>462,507</u>	<u>10,135,914</u>
(66,216)	(172,998)	3,122,146
0	0	155,596
<u>0</u>	<u>0</u>	<u>(503,881)</u>
<u>0</u>	<u>0</u>	<u>(348,285)</u>
(66,216)	(172,998)	2,773,861
0	30,000	1,543,156
0	0	(174,480)
0	0	621,767
<u>0</u>	<u>270,224</u>	<u>627,924</u>
(66,216)	127,226	5,392,228
252,796	8,744,211	87,661,315
<u>\$ 186,580</u>	<u>\$ 8,871,437</u>	<u>\$ 93,053,543</u>

CITY OF SPRINGBORO, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2020**

	Business-Type Activities		
	Enterprise Funds		
	Golf Course	Water	Sewer
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$1,997,065	\$5,129,740	\$4,368,035
Other Operating Receipts	94,324	31,653	153,784
Cash Payments for Goods and Services	(1,062,863)	(1,001,698)	(1,469,128)
Cash Payments to Employees	(1,279,729)	(875,343)	(542,057)
Net Cash Provided (Used) by Operating Activities	(251,203)	3,284,352	2,510,634
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers In from Other Funds	1,513,156	0	0
Transfers Out to Other Funds	0	(87,240)	(87,240)
Net Cash Provided (Used) by Noncapital Financing Activities	1,513,156	(87,240)	(87,240)
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Cash Received from Tap-in Fees in Excess of Cost	0	358,867	262,900
Acquisition and Construction of Assets	(296,738)	(3,362,567)	(671,724)
Principal Paid on General Obligation Bonds	(835,000)	(825,000)	0
Principal Paid on Mortgage Revenue Bonds	0	0	(785,000)
Interest Paid on All Debt	(14,761)	(110,062)	(301,474)
Net Cash Used by Capital and Related Financing Activities	(1,146,499)	(3,938,762)	(1,495,298)
<u>Cash Flows from Investing Activities:</u>			
Receipt of Interest	0	135,153	168,362
Sale of Investments	0	8,146,278	8,885,819
Net Cash Provided by Investing Activities	0	8,281,431	9,054,181
Net Increase (Decrease) in Cash and Cash Equivalents	115,454	7,539,781	9,982,277
Cash and Cash Equivalents at Beginning of Year	482,271	1,560,612	2,189,356
Cash and Cash Equivalents at End of Year	\$597,725	\$9,100,393	\$12,171,633
<u>Reconciliation of Cash and Cash Equivalents per the Balance Sheet:</u>			
Cash and Cash Equivalents	\$597,725	\$9,099,870	\$11,664,194
Restricted Cash and Cash Equivalents	0	523	0
Restricted Cash and Cash Equivalents with Fiscal Agent	0	0	507,439
Cash and Cash Equivalents at End of Year	\$597,725	\$9,100,393	\$12,171,633

CITY OF SPRINGBORO, OHIO

<u>Trash</u>	<u>Storm Water</u>	<u>Totals</u>
\$1,217,868	\$285,591	\$12,998,299
2,701	3,016	285,478
(1,144,551)	(78,458)	(4,756,698)
<u>(131,006)</u>	<u>(164,558)</u>	<u>(2,992,693)</u>
<u>(54,988)</u>	<u>45,591</u>	<u>5,534,386</u>
0	30,000	1,543,156
<u>0</u>	<u>0</u>	<u>(174,480)</u>
0	30,000	1,368,676
0	0	621,767
0	(71,699)	(4,402,728)
0	0	(1,660,000)
0	0	(785,000)
<u>0</u>	<u>0</u>	<u>(426,297)</u>
<u>0</u>	<u>(71,699)</u>	<u>(6,652,258)</u>
0	0	303,515
<u>0</u>	<u>0</u>	<u>17,032,097</u>
<u>0</u>	<u>0</u>	<u>17,335,612</u>
(54,988)	3,892	17,586,416
<u>369,637</u>	<u>535,759</u>	<u>5,137,635</u>
<u>\$314,649</u>	<u>\$539,651</u>	<u>\$22,724,051</u>
\$314,649	\$539,651	\$22,216,089
0	0	523
0	0	507,439
<u>\$314,649</u>	<u>\$539,651</u>	<u>\$22,724,051</u>

(Continued)

CITY OF SPRINGBORO, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2020**

	Business-Type Activities		
	Enterprise Funds		
	Golf Course	Water	Sewer
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	(\$798,121)	\$2,495,779	\$1,663,702
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	331,272	686,854	761,790
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	0	4,937	(7,505)
Decrease in Intergovernmental Receivable	62	31,912	28
(Increase) in Inventory	1,384	0	0
(Increase) in Inventory Held for Resale	15,863	0	0
Decrease in Prepaid Items	9,384	1,226	3,425
Decrease in Deferred Outflows - Pension	248,180	168,263	100,303
(Increase) in Deferred Outflows - OPEB	(64,494)	(45,176)	(29,482)
Increase (Decrease) in Accounts Payable	(6,673)	(20,100)	(37,310)
Increase in Accrued Wages and Benefits	2,918	6,251	4,881
Increase (Decrease) in Intergovernmental Payable	4,231	(72,135)	3,174
Increase in Compensated Absences	8,130	11,645	8,691
Increase in Deferred Inflows - Pension	201,074	139,377	88,419
Increase in Deferred Inflows - OPEB	100,039	69,533	43,944
(Decrease) in Net Pension Liability	(363,566)	(240,241)	(132,219)
Increase in Net OPEB Liability	59,114	46,407	38,793
Total Adjustments	546,918	788,753	846,932
Net Cash Provided (Used) by Operating Activities	(\$251,203)	\$3,284,532	\$2,510,634

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2020, the Golf Course and Water Funds had an outstanding liabilities of \$3,500 and \$122,208 for the purchase of certain capital assets. During 2020, all funds except the Golf Course and Trash Funds received contributed capital assets valued at \$29,920, \$327,780, \$270,224, respectively.

See accompanying notes to the basic financial statements

CITY OF SPRINGBORO, OHIO

<u>Trash</u>	<u>Storm Water</u>	<u>Totals</u>
(\$66,216)	(\$172,998)	\$3,122,146
0	197,455	1,977,371
(2,894)	(909)	(6,371)
79	7	32,088
0	0	1,384
0	0	15,863
543	1,135	15,713
28,969	36,631	582,346
(6,381)	(8,439)	(153,972)
1,006	1,154	(61,923)
1,183	1,383	16,616
798	1,022	(62,910)
1,781	2,316	32,563
21,088	27,434	477,392
10,543	13,699	237,758
(47,383)	(58,313)	(841,722)
1,896	4,014	150,224
<u>11,228</u>	<u>218,589</u>	<u>2,412,420</u>
<u>(\$54,988)</u>	<u>\$45,591</u>	<u>\$5,534,566</u>

CITY OF SPRINGBORO, OHIO

**Statement of Net Position
Fiduciary Funds
December 31, 2020**

	<u>Custodial Funds</u>
Assets:	
Equity in Pooled Cash and Investments	\$ 82,034
Receivables:	
Special Assessments	<u>482,834</u>
Total Assets	<u>\$ 564,868</u>
Liabilities:	
Due to Others	\$ 556,064
Undistributed Monies	<u>8,804</u>
Total Liabilities	<u>\$ 564,868</u>

See accompanying notes to the basic financial statements

CITY OF SPRINGBORO, OHIO

***Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended December 31, 2020***

	Custodial Funds
Additions:	
Intergovernmental Revenues	\$ 43,425
Fines, Licenses and Permits	259,897
Special Assessments	121,306
Donations	4,251
Total Additions	<u>428,879</u>
Deductions:	
Other Distributions	<u>428,879</u>
Total Deductions	<u>428,879</u>
Change in Net Position	0
Net Position at Beginning of Year	<u>0</u>
Net Position at End of Year	<u><u>\$ 0</u></u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements are presented as of December 31, 2020 and for the year then ended and have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

A. Reporting Entity

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

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

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

B. Basis of Presentation - Fund Accounting

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

Governmental Funds

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

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

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

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

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

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

Proprietary Funds

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

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

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

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

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

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

Fiduciary Funds

Custodial Funds - These funds are used to account for assets held by a government unit as an agent for individuals, private organizations, other governmental units, and/or other funds. The City’s custodial funds account for donations to the Library, Joint Economic Development District (JEDD) activity, Mayor’s court fines and special assessments collected on behalf of neighborhood associations. Custodial fund reporting focuses on net position and changes in net position.

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements

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

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

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

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

D. Basis of Accounting

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

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

Special assessment installments including related interest, which are measurable but not available at December 31, are recorded as deferred revenue. Property taxes measurable as of December 31, 2020 but which are not intended to finance 2020 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred inflows of resources.

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

E. Budgetary Process

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

1. Tax Budget

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

2. Estimated Resources

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or if actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2020.

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 2020, several supplemental appropriations measures were necessary to budget the use of contingency funds and capital improvement projects. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual (Non-GAAP Budgetary Basis) for the General Fund and major special revenue fund are presented on the budgetary basis to provide a comparison of actual results to the final budget, including all amendments and modifications.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

4. Lapsing of Appropriations

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

5. Budgetary Basis of Accounting

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

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

Net Change in Fund Balance		
	General Fund	Urban Redevelopment TIF
GAAP Basis (as reported)	\$1,054,980	\$262,479
Increase (Decrease):		
Accrued Revenues at December 31, 2020 received during 2021	(1,172,388)	(201)
Accrued Revenues at December 31, 2019 received during 2020	816,708	2,740
Accrued Expenditures at December 31, 2020 paid during 2021	469,970	4,512,156
Accrued Expenditures at December 31, 2019 paid during 2020	(402,930)	(4,630,849)
2019 Prepays for 2020	240,804	0
2020 Prepays for 2021	(262,183)	0
Outstanding Encumbrances	(981,914)	(16,900)
Budget Basis	<u>(\$236,953)</u>	<u>\$129,425</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Cash Equivalents

During 2020, cash and cash equivalents included amounts in demand deposits and in U.S. Treasury Money Market accounts in US Bank and Charles Schwab investment accounts with original maturities of less than three months.

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

G. Investments

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

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

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Restricted Assets

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

I. Inventory

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

J. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2020, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

K. Capital Assets and Depreciation

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

1. Property, Plant and Equipment - Governmental Activities

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

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Capital Assets and Depreciation (Continued)

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

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

3. Depreciation

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

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

L. Long-Term Obligations

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Bond Discounts/Premiums

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

N. Compensated Absences

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

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

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

O. Net position

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Pension/OPEB

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

Q. Interfund Activity

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

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

R. Interfund Assets/Liabilities

The City reports cash overdrafts from pooled cash and cash equivalents as an interfund loan payable in the fund with the overdraft and as an interfund loan receivable in the fund(s) designated by management. The interfund loans receivable are equally offset by a fund balance reserve account which indicates that they do not constitute available expendable resources since they are not a component of net current assets. Receivables and payables resulting from transactions between funds for services provided or goods received are classified as “due from other funds” or “due to other funds” on the balance sheet. Long-term interfund loans are classified as “advances to/from other funds.” There were no outstanding interfund loans at December 31, 2020.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S. Fund Balance

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

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

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

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

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

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

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

T. Assets Held for Resale

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

U. Estimates

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

V. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Council and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2020.

W. Deferred Outflows/Inflows of Resources

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

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

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

CITY OF SPRINGBORO, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 2 – ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principle

For 2020, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 84, “Fiduciary Activities.” GASB Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments.

This change was incorporated in the City’s 2020 financial statements; however, there was no effect on beginning net position/fund balance.

B. Compliance

The fund deficit at December 31, 2020 in the Urban Redevelopment TIF fund of \$4,237,466 arises from the recognition of certain liabilities under the modified accrual basis of accounting. Under the budgetary basis of accounting this deficit does not exist. The General Fund provides transfers when cash is required, not when accruals occur.

NOTE 3 – FUND BALANCE CLASSIFICATION

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

Fund Balances	General	Urban Redevelopment	Debt Service	Construction	Income Tax Capital Improvement	Other Governmental Funds	Total Governmental Funds
Nonspendable:							
Prepaid Items	\$262,183	\$0	\$0	\$0	\$0	\$34,358	\$296,541
Supplies Inventory	41,608	0	0	0	0	91,528	133,136
Total Nonspendable	303,791	0	0	0	0	125,886	429,677
Restricted:							
Transportation Projects	0	0	0	0	0	1,231,846	1,231,846
Court Projects	0	0	0	0	0	176,520	176,520
Law Enforcement	0	0	0	0	0	190,380	190,380
TIF Projects	0	0	0	0	0	712,328	712,328
COVID Assistance	0	0	0	0	0	28,717	28,717
Debt Service	0	0	346,314	0	0	0	346,314
Capital Improvements	0	0	0	537,086	3,747,105	2,587,768	6,871,959
Total Restricted	0	0	346,314	537,086	3,747,105	4,927,559	9,558,064
Assigned:							
Projected budgetary deficit	3,736,379	0	0	0	0	0	3,736,379
Goods and Services	926,167	0	0	0	0	0	926,167
Total Assigned	4,662,546	0	0	0	0	0	4,662,546
Unassigned							
	5,440,761	(4,237,466)	0	0	0	0	1,203,295
Total Fund Balances	\$10,407,098	(\$4,237,466)	\$346,314	\$537,086	\$3,747,105	\$5,053,445	\$15,853,582

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

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

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

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

Capital Outlay	\$5,941,151
Depreciation Expense	<u>(3,303,680)</u>
	\$2,637,471

Net effect of capital asset transactions:

Loss on Disposal of Capital Asset	(\$440,890)
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Governmental revenues not reported in the funds:

Increase in Delinquent Income Tax Revenue	\$289,992
Increase in Delinquent Property Tax	(320,355)
Increase in Intergovernmental, unrestricted	(22,954)
Increase in Miscellaneous Revenues	(17,840)
Decrease in Special Assessment Revenue	<u>(71,601)</u>
	(\$142,758)

Contractually required contributions reported as deferred outflows:

Pension	\$822,134
OPEB	<u>12,556</u>
	\$834,690

Pension and OPEB expense:

Pension	(\$1,434,064)
OPEB	<u>(405,196)</u>
	(\$1,839,260)

Expenses not requiring the use of current financial resources:

Increase in Compensated Absences Payable	(\$147,253)
Decrease in supplies inventory	<u>(54,160)</u>
	(\$201,413)

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

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

CITY OF SPRINGBORO, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

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

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

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

A. Deposits

At year end the carrying amount of the City’s deposits was \$18,385,641 and the bank balance was \$18,738,912. Federal depository insurance covered \$1,000,000 of the bank balance and \$17,738,912 was uninsured and collateralized with securities held in the Ohio Pooled Collateral System.

B. Investments

The City’s investments at December 31, 2020 were as follows:

	Measurement Amount	Credit Rating	Fair Value Hierarchy	Concentration of Credit Risk	Investment Maturities (in Years)		
					less than 1	1-3	3-5
Negotiable C/D's	\$5,870,149	AAA	Level 2	27.77%	\$1,647,196	\$4,222,953	\$0
FHLB	1,122,892	AA+	Level 2	5.31%	552,006	570,886	0
FHLMC	3,304,672	AA+	Level 2	15.63%	0	2,552,776	751,896
FNMA	4,056,322	AA+	Level 2	19.19%	1,275,938	2,780,384	0
FFCB	2,227,640	AA+	Level 2	10.54%	637,814	1,090,044	499,782
Freddie Mac	400,556	AA+	Level 2	1.89%	0	400,556	0
US Treasury Bills	634,950	A-1+	Level 2	3.00%	634,950	0	0
US Treasury Notes	3,524,384	A-1+	Level 2	16.67%	2,860,655	663,729	0
Total Investments	<u>\$21,141,565</u>			<u>100.00%</u>	<u>\$7,608,559</u>	<u>\$12,281,328</u>	<u>\$1,251,678</u>

Credit Rating – Standard and Poor’s

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

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

B. Investments (Continued)

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

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

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

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

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 6 - TAXES

A. Property Taxes

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Property tax revenue received during 2020 for real and public utility property taxes represents collections of 2019 taxes. Property tax payments received during 2020 for tangible personal property (other than public utility property) is for 2020 taxes.

2020 real property taxes are levied after October 1, 2020, on assessed value as of January 1, 2020, the lien date. Assessed values are established by State law at 35 percent of the appraised value. 2020 real property taxes are collected in and intended to finance 2020.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2020 public utility property taxes became a lien December 31, 2019, are levied after October 1, 2020, and are collected in 2020 with real property taxes.

Tangible personal property tax revenue received during 2020 (other than public utility property tax) represents the collection of 2020 taxes levied against local inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, furniture and fixtures is no longer levied and collected. Tangible personal property taxes received from telephone companies in 2020 were levied after October 1, 2019, on the value as of December 31, 2019.

The full tax rate for all City operations for the year ended December 31, 2020, was \$1.11 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2020 property tax receipts were based are as follows: \$613,643,790 in real property assessed value and \$21,965,220 in public utility assessed value.

Real property taxes are payable annually and semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established. For 2020, the due dates were February 19 and July 15.

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 6 – TAXES (Continued)

A. Property Taxes (Continued)

Property taxes receivable represents real property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2020 and for which there is an enforceable legal claim. In the General Fund and the Austin Center Municipal Public Improvement TIF Fund, the entire receivable has been offset by deferred inflows of resources since the current taxes were not levied to finance 2020 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred inflows of resources.

B. Income Tax

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

Employers within the City are required to withhold income tax on employees' compensation and remit the tax to the City either monthly or quarterly, as required. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. Income tax proceeds are to be used for general fund operations, maintenance of equipment, new equipment/capital improvements, debt service and other governmental functions when needed, as determined by City Council. Income tax revenue for 2020 was \$15,032,782.

NOTE 7 - RECEIVABLES

Receivables at December 31, 2020 consisted of income taxes, property taxes, accounts, special assessments and intergovernmental receivables arising from shared revenues. All receivables are considered collectible in full.

CITY OF SPRINGBORO, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 8 - TRANSFERS

Following is a summary of transfers in and out for all funds for 2020:

Fund	Transfer In	Transfer Out
General Fund	\$102,835	\$2,226,040
Urban Redevelopment TIF Fund	123,290	0
Debt Service Fund	4,892,136	0
Construction Fund	3,279,479	4,386,200
Income Tax Capital Improvement Fund	0	3,884,261
Other Governmental Funds	1,057,146	327,061
Total Governmental Funds	9,454,886	10,823,562
Golf Course Fund	1,513,156	0
Water Fund	0	87,240
Sewer Fund	0	87,240
Storm Water Fund	30,000	0
Total Proprietary Funds	1,543,156	174,480
Totals	\$10,998,042	\$10,998,042

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

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CITY OF SPRINGBORO, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 9 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2020:

<i>Historical Cost:</i>	Balance at December 31, 2019	Additions	Deletions	Balance at December 31, 2020
Class				
<i>Non-depreciable Capital assets:</i>				
Land	\$26,008,189	\$538,046	\$0	\$26,546,235
Construction in Progress	3,143,976	48,258	(3,115,126)	77,108
Total Non-depreciable Capital assets	<u>29,152,165</u>	<u>586,304</u>	<u>(3,115,126)</u>	<u>26,623,343</u>
<i>Capital assets being depreciated:</i>				
Improvements	8,885,532	1,784,948	0	10,670,480
Infrastructure	51,691,186	5,208,486	(993,950)	55,905,722
Buildings	18,177,824	516,885	0	18,694,709
Machinery and Equipment	6,600,361	959,654	(181,326)	7,378,689
Total Depreciable Capital assets	<u>85,354,903</u>	<u>8,469,973</u>	<u>(1,175,276)</u>	<u>92,649,600</u>
Total Cost	<u>\$114,507,068</u>	<u>\$9,056,277</u>	<u>(\$4,290,402)</u>	<u>\$119,272,943</u>
<i>Accumulated Depreciation:</i>				
Class	Balance at December 31, 2019	Additions	Deletions	Balance at December 31, 2020
Improvements	(\$2,736,943)	(\$690,819)	\$0	(\$3,427,762)
Infrastructure	(30,520,526)	(1,620,109)	553,060	(31,587,575)
Buildings	(3,193,947)	(412,818)	0	(3,606,765)
Machinery and Equipment	(4,122,064)	(579,934)	181,326	(4,520,672)
Total Depreciation	<u>(\$40,573,480)</u>	<u>(\$3,303,680) *</u>	<u>\$734,386</u>	<u>(\$43,142,774)</u>
<i>Net Value:</i>	<u>\$73,933,588</u>			<u>\$76,130,169</u>

* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	\$211,987
Leisure Time Activities	494,653
Community Environment	26,788
Transportation	2,211,780
General Government	358,472
Total Depreciation Expense	<u>\$3,303,680</u>

CITY OF SPRINGBORO, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 9 - CAPITAL ASSETS (Continued)

B. Business-Type Activities Capital Assets

Summary by Category at December 31, 2020:

<i>Historical Cost:</i>	Balance at December 31, 2019	Additions	Deletions	Balance at December 31, 2020
Class				
<i>Non-depreciable Capital assets:</i>				
Land	\$8,685,240	\$0	\$0	\$8,685,240
Construction in Progress	705,481	79,914	(705,481)	79,914
Total Non-depreciable Capital Assets	<u>9,390,721</u>	<u>79,914</u>	<u>(705,481)</u>	<u>8,765,154</u>
<i>Capital assets being depreciated:</i>				
Buildings	4,271,435	197,742	0	4,469,177
Land Improvements	2,103,009	0	0	2,103,009
Infrastructure	92,948,955	1,859,307	0	94,808,262
Machinery and Equipment	3,979,555	2,897,714	(165,894)	6,711,375
Total Depreciable Capital assets	<u>103,302,954</u>	<u>4,954,763</u>	<u>(165,894)</u>	<u>108,091,823</u>
Total Cost	<u>\$112,693,675</u>	<u>\$5,034,677</u>	<u>(\$871,375)</u>	<u>\$116,856,977</u>
<i>Accumulated Depreciation:</i>				
Class	Balance at December 31, 2019	Additions	Deletions	Balance at December 31, 2020
Buildings	(\$2,429,434)	(\$123,610)	\$0	(\$2,553,044)
Land Improvements	(1,549,728)	(69,993)	0	(1,619,721)
Infrastructure	(26,108,875)	(1,422,308)	0	(27,531,183)
Machinery and Equipment	(2,419,499)	(361,460)	165,894	(2,615,065)
Total Depreciation	<u>(\$32,507,536)</u>	<u>(\$1,977,371)</u>	<u>\$165,894</u>	<u>(\$34,319,013)</u>
<i>Net Value:</i>	<u>\$80,186,139</u>			<u>\$82,537,964</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 10 – DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Public Safety	Public Safety	Public Safety
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	Public Safety and Law Enforcement	Public Safety and Law Enforcement
Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

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

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

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 3.00% COLA adjustment on the defined benefit portion of their benefit.

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

CITY OF SPRINGBORO, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

	<u>State and Local</u>	<u>Law Enforcement</u>
2020 Statutory Maximum Contribution Rates		
Employer	14.0 %	18.1 %
Employee	10.0 %	*
2020 Actual Contribution Rates		
Employer:		
Pension	14.0 %	18.1 %
Post-employment Health Care Benefits	<u>0.0</u>	<u>0.0</u>
Total Employer	<u>14.0 %</u>	<u>18.1 %</u>
Employee	<u>10.0 %</u>	<u>13.0 %</u>

* This rate is determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$598,672 for 2020.

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

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

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

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

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

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either 3.00% or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to 3.00% of their base pension or disability benefit.

CITY OF SPRINGBORO, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

	<u>Police</u>
2020 Statutory Maximum Contribution Rates	
Employer	19.50 %
Employee:	
January 1, 2020 through December 31, 2020	12.25 %
2020 Actual Contribution Rates	
Employer:	
Pension	19.00 %
Post-employment Health Care Benefits	<u>0.50</u>
Total Employer	<u><u>19.50 %</u></u>
Employee:	
January 1, 2020 through December 31, 2020	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OPF was \$477,114 for 2020.

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

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

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$5,820,399	\$5,509,441	\$11,329,840
Proportion of the Net Pension Liability-2020	0.029447%	0.081785%	
Proportion of the Net Pension Liability-2019	<u>0.028445%</u>	<u>0.076406%</u>	
Percentage Change	<u><u>0.0010020%</u></u>	<u><u>0.0053790%</u></u>	
Pension Expense	\$1,124,781	\$780,950	\$1,905,731

CITY OF SPRINGBORO, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Changes in assumptions	\$310,873	\$135,240	\$446,113
Differences between expected and actual experience	0	208,553	208,553
Change in proportionate share	245,264	289,563	534,827
City contributions subsequent to the measurement date	<u>598,672</u>	<u>477,114</u>	<u>1,075,786</u>
Total Deferred Outflows of Resources	<u>\$1,154,809</u>	<u>\$1,110,470</u>	<u>\$2,265,279</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$1,161,037	\$266,153	\$1,427,190
Differences between expected and actual experience	73,591	284,141	357,732
Change in proportionate share	<u>0</u>	<u>39,306</u>	<u>39,306</u>
Total Deferred Inflows of Resources	<u>\$1,234,628</u>	<u>\$589,600</u>	<u>\$1,824,228</u>

\$1,075,786 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year Ending December 31:			
2021	\$62,265	\$10,208	\$72,473
2022	(327,826)	44,291	(283,535)
2023	48,079	165,489	213,568
2024	(461,009)	(176,991)	(638,000)
2025	<u>0</u>	<u>759</u>	<u>759</u>
Total	<u>(\$678,491)</u>	<u>\$43,756</u>	<u>(\$634,735)</u>

Actuarial Assumptions - OPERS

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

	December 31, 2019
Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	1.4 percent simple through 2020. 2.15 percent simple, thereafter
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age
	December 31, 2018
Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	3 percent simple through 2018. 2.15 percent simple, thereafter
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age

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

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

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

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 17.2% for 2019.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	25.00 %	1.83 %
Domestic Equities	19.00	5.75
Real Estate	10.00	5.20
Private Equity	12.00	10.70
International Equities	21.00	7.66
Other investments	13.00	4.98
Total	100.00 %	5.61 %

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

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

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
City's proportionate share of the net pension liability	\$9,599,722	\$5,820,399	\$2,422,899

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions – OPF

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

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

	January 1, 2019	January 1, 2018
Valuation Date	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent	3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent

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

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

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00 %	1.00 %
Domestic Equity	16.00	5.40
Non-US Equity	16.00	5.80
Private Markets	8.00	8.00
Core Fixed Income *	23.00	2.70
High Yield Fixed Income	7.00	4.70
Private Credit	5.00	5.50
U.S. Inflation Linked Bonds*	17.00	2.50
Master Limited Partnerships	8.00	6.60
Real Assets	8.00	7.40
Private Real Estate	12.00	6.40
Total	<u>120.00 %</u>	

* levered 2x

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$7,635,893	\$5,509,441	\$3,730,874

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 11 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

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

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Comprehensive Annual Financial Report referenced below for additional information.

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2020. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2020 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2020.

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

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

A retiree is eligible for the OP&F health care stipend unless they have access to any other group coverage including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage including employer or retirement coverage, they are not eligible for stipend support from OP&F. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

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

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

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2020, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contractually required contribution to OP&F was \$12,556 for 2020.

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

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

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net OPEB Liability	\$4,099,993	\$807,846	\$4,907,839
Proportion of the Net OPEB Liability-2020	0.029683%	0.081785%	
Proportion of the Net OPEB Liability-2019	<u>0.028667%</u>	<u>0.076406%</u>	
Percentage Change	<u>0.0010160%</u>	<u>0.0053790%</u>	
OPEB Expense	\$558,852	\$80,174	\$639,026

CITY OF SPRINGBORO, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Changes in assumptions	\$648,984	\$472,297	\$1,121,281
Differences between expected and actual experience	108	0	108
Change in proportionate share	147,686	31,924	179,610
City contributions subsequent to the measurement date	0	12,556	12,556
Total Deferred Outflows of Resources	<u>\$796,778</u>	<u>\$516,777</u>	<u>\$1,313,555</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on OPEB plan investments	\$208,771	\$37,176	\$245,947
Differences between expected and actual experience	374,964	86,876	461,840
Changes in assumptions	0	172,163	172,163
Change in proportionate share	1,195	39,599	40,794
Total Deferred Inflows of Resources	<u>\$584,930</u>	<u>\$335,814</u>	<u>\$920,744</u>

\$12,556 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	OPERS	OP&F	Total
2021	\$218,201	\$28,122	\$246,323
2022	82,694	28,119	110,813
2023	166	35,746	35,912
2024	(89,213)	23,723	(65,490)
2025	0	28,330	28,330
2026	0	14,962	14,962
2027	0	9,405	9,405
Total	<u>\$211,848</u>	<u>\$168,407</u>	<u>\$380,255</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions - OPERS

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

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

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.16 percent
Prior Measurement date	3.96 percent
Investment Rate of Return:	
Current measurement date	6.00 percent
Prior Measurement date	6.00 percent
Municipal Bond Rate:	
Current measurement date	2.75 percent
Prior Measurement date	3.71 percent
Health Care Cost Trend Rate:	
Current measurement date	10.5 percent initial, 3.5 percent ultimate in 2030
Prior Measurement date	10.0 percent, initial 3.25 percent, ultimate in 2029
Actuarial Cost Method	Individual Entry Age Normal

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

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

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

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 19.7 percent for 2019.

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

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	36.00 %	1.53 %
Domestic Equities	21.00	5.75
Real Estate Investment Trust	6.00	5.69
International Equities	23.00	7.66
Other investments	14.00	4.90
Total	100.00 %	4.55 %

Discount Rate A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 2.75 percent.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.16 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.16 percent) or one-percentage-point higher (4.16 percent) than the current rate:

	1% Decrease (2.16%)	Current Discount Rate (3.16%)	1% Increase (4.16%)
City's proportionate share of the net OPEB liability	\$5,365,499	\$4,099,993	\$3,086,735

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2020 is 10.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$3,979,006	\$4,099,993	\$4,219,438

Changes between Measurement Date and Reporting Date

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements but are expected to decrease the associated OPEB liability.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions – OP&F

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

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

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

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

Valuation Date	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Single discount rate	3.56 percent	4.66 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent	3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

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

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

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

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

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

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	1.00 %
Domestic Equity	16.00	5.40
Non-US Equity	16.00	5.80
Private Markets	8.00	8.00
Core Fixed Income *	23.00	2.70
High Yield Fixed Income	7.00	4.70
Private Credit	5.00	5.50
U.S. Inflation Linked Bonds*	17.00	2.50
Master Limited Partnerships	8.00	6.60
Real Assets	8.00	7.40
Private Real Estate	12.00	6.40
Total	120.00 %	

* levered 2x

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

Discount Rate For 2019, the total OPEB liability was calculated using the discount rate of 3.56 percent. For 2018, the total OPEB liability was calculated using the discount rate of 4.66 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.75 percent at December 31, 2019 and 4.13 percent at December 31, 2018, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 3.56 percent for 2019 and 4.66 percent for 2018. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2034. The long-term expected rate of return on health care investments was applied to projected costs through 2034, and the municipal bond rate was applied to all health care costs after that date.

CITY OF SPRINGBORO, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 3.56 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.56 percent), or one percentage point higher (4.56 percent) than the current rate.

	1% Decrease (2.56%)	Current Discount Rate (3.56%)	1% Increase (4.56%)
City's proportionate share of the net OPEB liability	\$1,001,682	\$807,846	\$646,789

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate The total OPEB liability is based on a medical benefit that is a flat dollar amount; therefore, it is unaffected by a health care cost trend rate. An increase or decrease in the trend rate would have no effect on the total OPEB liability.

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CITY OF SPRINGBORO, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

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, 2020, the City's accumulated, unpaid compensated absences amounted to \$1,080,578, of which \$845,328 is recorded as a liability of the Governmental Activities and \$235,250 is recorded as a liability of the Business-Type Activities. The amounts are recorded as Amounts Due Within One Year and Amounts Due in More Than One Year on the Government Wide Statement of Net Position.

NOTE 13 - LONG-TERM OBLIGATIONS

Long-term debt and other long-term obligations of the City at December 31, 2020 were as follows:

		Balance December 31, 2019	Issued	(Retired)	Balance December 31, 2020	Amount Due Within One Year
Business Type-Activities:						
General Obligation Bonds:						
1.00 - 3.65% Golf Course Refunding	2010	\$835,000	\$0	(\$835,000)	\$0	\$0
2.00 - 5.00% Water Refunding Bond	2017	3,435,000	0	(825,000)	2,610,000	840,000
Premium on Refunding Bond	2017	189,275	0	(47,318)	141,957	47,318
Total General Obligation Bonds		<u>4,459,275</u>	<u>0</u>	<u>(1,707,318)</u>	<u>2,751,957</u>	<u>887,318</u>
Mortgage Revenue Bonds:						
2.00 -5.00% Sewer Refunding - 2004 Issue	2012	7,355,000	0	(785,000)	6,570,000	825,000
2.00 -5.00% Premium on Sewer Funding - 2004	2012	617,894	0	(77,236)	540,658	77,236
Total Mortgage Revenue Bonds		<u>7,972,894</u>	<u>0</u>	<u>(862,236)</u>	<u>7,110,658</u>	<u>902,236</u>
Compensated Absences Payable		<u>202,687</u>	<u>235,250</u>	<u>(202,687)</u>	<u>235,250</u>	<u>36,776</u>
Total Business-Type Activity Long-Term Liabilities		<u>\$12,634,856</u>	<u>\$235,250</u>	<u>(\$2,772,241)</u>	<u>\$10,097,865</u>	<u>\$1,826,330</u>

CITY OF SPRINGBORO, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 13 - LONG-TERM OBLIGATIONS (Continued)

			Balance December 31, 2019	Issued	(Retired)	Balance December 31, 2020	Amount Due Within One Year
Governmental Activities:							
Special Assessment Bonds:							
2.000 - 5.000%	Various Purpose Refunding	2017	\$515,000	\$0	(\$125,000)	\$390,000	\$125,000
	Premium on Refunding	2017	29,894	0	(7,474)	22,420	7,474
Total Special Assessment Bonds (with Governmental Commitment)			544,894	0	(132,474)	412,420	132,474
Unvoted General Obligation Bonds:							
2.000 - 5.000%	Austin Road Interchange Bonds	2010	3,015,000	0	(165,000)	2,850,000	170,000
2.000 - 5.000%	Municipal Building Refunding	2017	1,600,000	0	(385,000)	1,215,000	390,000
2.000 - 5.000%	Street Improvement Bonds	2017	1,035,000	0	(135,000)	900,000	140,000
	Premium on Bonds		140,617	0	(29,528)	111,089	29,528
Total General Obligation Bonds			5,790,617	0	(714,528)	5,076,089	729,528
General Obligation Note Payable			5,000,000	3,200,000	(5,000,000)	3,200,000	3,200,000
Compensated Absences Payable			698,075	845,328	(698,075)	845,328	100,161
Total Governmental Activity Long-Term Liabilities			\$12,033,586	\$4,045,328	(\$6,545,077)	\$9,533,837	\$4,162,163

The principal amount of the City's special assessment bonds outstanding at December 31, 2020, \$390,000, is general obligation debt (backed by the full faith and credit of the City) that is being retired with the proceeds from special assessments levied against benefited property owners. The City is obligated to repay the debt irrespective of the amount of special assessments collected from property owners. Delinquent special assessments related to outstanding special assessment bonded debt at year end was \$13,669.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 13 - LONG-TERM OBLIGATIONS (Continued)

A. Future Long-Term Financing Requirements

The City's future long-term obligation funding requirements, including principal and interest payments as of December 31, 2020, follow:

Years	General Obligation Bonds			
	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2021	\$700,000	\$195,590	\$840,000	\$93,563
2022	730,000	167,590	875,000	59,962
2023	750,000	148,103	895,000	40,275
2024	345,000	115,925	0	0
2025	360,000	104,150	0	0
2026-2030	1,275,000	342,000	0	0
2031-2033	805,000	73,575	0	0
Totals	\$4,965,000	\$1,146,933	\$2,610,000	\$193,800

Years	Special Assessment Bonds		Mortgage Revenue Bonds	
	Principal	Interest	Principal	Interest
	2021	\$125,000	\$14,000	\$825,000
2022	130,000	9,000	870,000	223,200
2023	135,000	6,075	900,000	187,800
2024	0	0	935,000	151,100
2025	0	0	980,000	117,700
2026-2027	0	0	2,060,000	104,250
Totals	\$390,000	\$29,075	\$6,570,000	\$1,045,275

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, 2020, \$650,000 of bonds outstanding are considered defeased.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 13 - LONG-TERM OBLIGATIONS (Continued)

B. Defeased Debt (Continued)

In September 2008, the City refunded \$10,570,000 of Mortgage Revenue Bonds for Water 1997, through the issuance of \$10,630,000 of General Obligation Bonds. The refunded bonds, which have an outstanding balance of \$2,750,000 at December 31, 2020, are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

In March 2010, the City refunded \$3,060,000 of General Obligation Bonds for Golf Course Refunding 1999, through the issuance of \$3,200,000 of General Obligation Bonds. The refunded bonds, which have an outstanding balance of \$615,000 at December 31, 2020, are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

In April 2012, the City partially refunded \$10,245,000 of Mortgage Revenue Bonds for Sewer Improvements 2004, through the issuance of \$10,295,000 of Mortgage Revenue Bonds. The refunded bonds, which have an outstanding balance of \$6,660,000 at December 31, 2020, are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

NOTE 14 - NOTES PAYABLE

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

Notes payable at December 31, 2020 were as follows:

	Balance December 31, 2019	Issued	(Retired)	Balance December 31, 2020
Special Revenue Fund:				
Urban Redevelopment TIF Fund:				
1.00% Performing Arts Center	\$4,500,000	\$4,500,000	(\$4,500,000)	\$4,500,000

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 15 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. During 2020 the City contracted with several different insurance providers for various insurance coverages, as follows:

Type of Coverage	Liability Limits	Deductible
Property	\$91,635,566	\$5,000
Crime	1,000,000	100,000
Inland Marine	3,132,792	1,000
General Liability	10,000,000	0
Employee Benefits Liability	8,000,000	0
Employers Liability	8,000,000	0
Automobile Liability	8,000,000	500
Public Officials Liability	8,000,000	5,000
Police Liability	8,000,000	5,000
Employment Practices Liability	8,000,000	0

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

For the year 2020, the City participated in the Ohio Municipal League of Ohio Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (see Note 17). The intent of the GRP is to achieve the benefit of a reduced premium for the City by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating cities is calculated as one experience and a common premium rate is applied to all cities in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to cities that can meet the GRP's selection criteria. The firm of Comp Management, Inc. provides administrative, cost control and actuarial services to the GRP.

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 16 - CONTRACTUAL COMMITMENTS

As of December 31, 2020, the City had the following significant contractual commitments:

<u>Project</u>	<u>Remaining Contractual Commitment</u>
Hazel Woods Multi-Use Trail	\$386,065
Municipal Building Parking Enhancements	383,900
Clearcreek Multi-Use Trail	375,591
Glenridge Force Main	281,500
Total	<u><u>\$1,427,056</u></u>

NOTE 17 – GROUP PURCHASING POOL

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

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 18 – JOINTLY GOVERNED ORGANIZATIONS

During 2020, the City participated in the Warren County General Health District, the Greater Warren County Drug Task Force, Miami Valley Regional Planning Commission, the Montgomery County Transportation Improvement District and the Warren County Transportation Improvement District, jointly governed organizations. The following describes the relationship between these organizations and the City:

Warren County General Health District

The Warren County General Health District (the District) provides health services to the citizens within the County. The District, which consists of a representative from each of the participating governments, including the City, oversees the operation of the District. The amount the City contributed during 2020 for the operation of the District was minimal. The City does not have any financial interest in or responsibility for the District. The County Commissioners serve as the taxing authority, and the County Auditor and County Treasurer serve as the fiscal officers. Financial information may be obtained from Kathy Stephenson at the Warren County General Health District, 416 S. East Street, Lebanon, Ohio 45036.

The Greater Warren County Drug Task Force

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

Miami Valley Regional Planning Commission

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

Montgomery County Transportation Improvement District

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 18 – JOINTLY GOVERNED ORGANIZATIONS (Continued)

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

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

Warren County Transportation Improvement District

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 19 – RELATED ORGANIZATION

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

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

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

NOTE 20 – SUBSEQUENT EVENTS

On January 21, 2021, the City issued general obligation bond anticipation notes in the amount of \$3,200,000 for the SR73/SR741 intersection improvements and site development improvements. This was to retire notes previously issued. The notes have an interest rate of 0.75 percent and mature on January 20, 2022. The Warren County Transportation Improvement District is managing this project for the City. The note was for right-of-way acquisition, utility relocation, management fee and construction costs.

On June 4, 2021, the City retired the Austin Road Interchange Bonds at a cost of \$2,948,041. The City issued Manuscript Debt to fund the early retirement. Repayment of the Manuscript Debt will be funded by TIF monies moving forward.

CITY OF SPRINGBORO, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 21 – SIGNIFICANT ENCUMBRANCES

At December 31, 2020 the City had the following significant cash-basis encumbrances outstanding:

<u>Fund</u>	<u>Total Encumbrances</u>	<u>Significant Encumbrances</u>	<u>Explanation</u>
Major Funds:			
General	\$ 981,914	\$418,121 97,544	Fiber Project and Downtown Modernization Software Development Project
Urban Redevelopment TIF	16,900	0	None Significant
Construction	913,802	428,002 158,000	Multi-Use Trail Project Fiber Project
Golf Course	263,466	114,100 80,000	Lake Improvements Roof Replacement
Water	3,895,228	2,803,709 282,974 215,045	Water Debt Water Facility Repairs Wellfield Generator
Sewer	7,961,466	6,591,713 302,507	Sewer Debt Sewer Facility Repairs
All Nonmajor Funds	182,272	0	None Significant

NOTE 22 – TAX ABATEMENT DISCLOSURES

As of December 31, 2020, the City of Springboro provides tax incentives under the Community Reinvestment Area (CRA) program.

Real Estate Tax Abatements

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

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

CITY OF SPRINGBORO, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 22 – TAX ABATEMENT DISCLOSURES (Continued)

Incentive Criteria for Decision Making

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

Below is the information relevant to the disclosure of those programs for the year ended December 31, 2020:

<u>Tax Abatement Program</u>	<u>Total Amount of Taxes Abated for the Year 2020 (In Actual Dollars)</u>
<u>Community Reinvestment Act (CRA)</u>	
Commercial	\$113,296
Industrial	364,224
	<u>\$477,520</u>

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

The following are the required amounts of income tax dollars paid by the City to each School District in 2020:

<u>Springboro City School District</u>		
Commercial	90% of 1/3 Municipal Income Tax Revenue	\$39,499
<u>Franklin City School District</u>		
Industrial	90% of 1/3 Municipal Income Tax Revenue	\$58,825
<u>Miamisburg City School District</u>		
Commercial	50% of Municipal Income Tax Revenue	\$12,442
<u>Warren County Career Center</u>		
Commercial	10% of Municipal Income Tax Revenue	\$4,389
Industrial	10% of Municipal Income Tax Revenue	6,536
		<u>\$10,925</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

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

Summary of Significant Accounting Policies

Organization

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

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

Basis of Presentation

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

Cash and Cash Equivalents

During the calendar year 2020, the CIC’s cash in an interest bearing account is considered to be cash equivalents. The CIC had no investments.

Income Taxes

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

Fin 48- Accounting for Uncertain Tax Positions

The CIC may file income tax returns and information returns in the US Federal jurisdiction and various state and local jurisdictions. The CIC is no longer subject to US Federal income tax examination by authorities for the years prior to 2007. With respect to state and local jurisdictions the CIC is no longer subject to income tax examinations prior to 2007. In the normal course of business, the CIC is subject to examination by various taxing authorities. Although the outcome of tax audits is always uncertain, the CIC believes that there are no significant unrecognized tax liabilities as of December 31, 2020.

NOTE 24 – WARREN COUNTY PORT AUTHORITY LEASE

In October of 2020, the City entered into a lease agreement with the Warren County Port Authority to install conduit lines throughout the major thoroughfares of the City to be used, primarily, for fiber optic cables. The Port Authority issued Special Obligation Development Revenue Bonds to finance the operation in the amount of \$3,485,000 on October 22, 2020.

The City has agreed to lease these conduits from the Port Authority over a five year period. At the end of the lease the City will have a \$1 purchase option for the conduits. The City made one payment for \$11,559 to cover interest and administrative fees in November 2020. The project had not begun as of December 31, 2020.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 25 - COVID-19

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

During 2020, the City received CARES Act funding. Of the amounts received, \$300,000 was sub-granted to small business, non-profits or other government organizations. These amounts are reflected as expenditures within the COVID Fund (non-major special revenue fund).

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SPRINGBORO, OHIO

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

Ohio Public Employees Retirement System

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

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

Ohio Police and Fire Pension Fund

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

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

Notes: The City implemented GASB Statement 68 in 2015.

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

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

See accompanying notes to the required supplementary information

CITY OF SPRINGBORO, OHIO

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
0.026454%	0.026347%	0.028445%	0.029447%
\$6,007,271	\$4,133,386	\$7,790,509	\$5,820,399
\$3,576,317	\$3,374,031	\$3,677,686	\$3,916,571
167.97%	122.51%	211.83%	148.61%
77.25%	84.66%	74.70%	82.17%

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
0.077502%	0.077363%	0.076406%	0.081785%
\$4,908,909	\$4,748,116	\$6,236,748	\$5,509,441
\$1,702,937	\$1,958,784	\$1,987,232	\$2,208,416
288.26%	242.40%	313.84%	249.47%
68.36%	70.91%	63.07%	69.89%

CITY OF SPRINGBORO, OHIO

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

Ohio Public Employees Retirement System

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

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

Ohio Police and Fire Pension Fund

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

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

Notes: The City implemented GASB Statement 68 in 2015.

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

See accompanying notes to the required supplementary information

CITY OF SPRINGBORO, OHIO

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$429,158	\$438,624	\$514,876	\$548,320	\$598,672
<u>429,158</u>	<u>438,624</u>	<u>514,876</u>	<u>548,320</u>	<u>598,672</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$3,576,317	\$3,374,031	\$3,677,686	\$3,916,571	\$4,276,229
12.00%	13.00%	14.00%	14.00%	14.00%

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
\$323,558	\$372,169	\$377,574	\$419,599	\$477,114
<u>323,558</u>	<u>372,169</u>	<u>377,574</u>	<u>419,599</u>	<u>477,114</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,702,937	\$1,958,784	\$1,987,232	\$2,208,416	\$2,511,126
19.00%	19.00%	19.00%	19.00%	19.00%



CITY OF SPRINGBORO, OHIO

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

Ohio Public Employees Retirement System

Year	2016	2017	2018	2019
City's proportion of the net OPEB liability	0.027151%	0.026752%	0.028667%	0.029683%
City's proportionate share of the net OPEB liability	\$2,742,368	\$2,905,022	\$3,737,501	\$4,099,993
City's covered payroll	\$3,576,317	\$3,374,031	\$3,677,686	\$3,916,571
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	76.68%	86.10%	101.63%	104.68%
Plan fiduciary net position as a percentage of the total OPEB liability	54.50%	54.14%	46.33%	47.80%

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

Ohio Police and Fire Pension Fund

Year	2016	2017	2018	2019
City's proportion of the net OPEB liability	0.077502%	0.077363%	0.076406%	0.081785%
City's proportionate share of the net OPEB liability	\$3,678,853	\$4,383,280	\$695,794	\$807,846
City's covered payroll	\$1,702,937	\$1,958,784	\$1,987,232	\$2,208,416
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	216.03%	223.78%	35.01%	36.58%
Plan fiduciary net position as a percentage of the total OPEB liability	15.96%	14.13%	46.57%	47.08%

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

Notes: The City implemented GASB Statement 75 in 2018.

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

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

See accompanying notes to the required supplementary information

CITY OF SPRINGBORO, OHIO

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

Ohio Public Employees Retirement System

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

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

Ohio Police and Fire Pension Fund

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

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

Notes: The City implemented GASB Statement 75 in 2018.

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

See accompanying notes to the required supplementary information

CITY OF SPRINGBORO, OHIO

2016	2017	2018	2019	2020
\$71,526	\$33,740	\$0	\$0	\$0
71,526	33,740	0	0	0
\$0	\$0	\$0	\$0	\$0
\$3,576,317	\$3,374,031	\$3,677,686	\$3,916,571	\$4,276,221
2.00%	1.00%	0.00%	0.00%	0.00%

2016	2017	2018	2019	2020
\$8,515	\$9,794	\$9,936	\$11,042	\$12,556
8,515	9,794	9,936	11,042	12,556
\$0	\$0	\$0	\$0	\$0
\$1,702,937	\$1,958,784	\$1,987,232	\$2,208,416	\$2,511,126
0.50%	0.50%	0.50%	0.50%	0.50%

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2020***

NET PENSION LIABILITY

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2020.

Changes in assumptions:

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

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

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

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

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

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

2020: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Change in COLA from 3.00% to 1.4% for post 1/7/13 retirees.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2020.

Changes in assumptions:

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

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2020***

NET PENSION LIABILITY (Continued)

OHIO POLICE AND FIRE (OP&F) PENSION FUND (Continued)

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

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

2019-2020: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

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***Notes to the Required Supplementary Information
For the Year Ended December 31, 2020***

NET OPEB LIABILITY

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the periods 2018-2020.

Changes in assumptions:

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

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

- The single discount rate changed from 3.85% to 3.96%.
- Reduction in actuarial assumed rate of return from 6.50% to 6.00%
- Change in health care cost trend rate from 7.5% to 10%
- The Municipal Bond Rate changed from 3.31% to 3.71%

2020: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.96% to 3.16%.
- Change in health care cost trend rate from 10.0% to 10.5%
- The Municipal Bond Rate changed from 3.71% to 2.75%

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms:

2018: There were no changes in benefit terms.

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

2020: There were no changes in benefit terms.

Changes in assumptions:

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

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

- The single discount rate changed from 3.24% to 4.66%.

2020: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 4.66% to 3.56%.

*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Street Maintenance and Repair Fund

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

State Highway Fund

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

Permissive Use Tax Fund

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

Motor Vehicle License Tax Fund

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

Community Oriented Policing Service (COPS) Grant Fund

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

Drug Law Enforcement Fund

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

Mayor's Court Improvement Fund

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

Austin Center Municipal Public Improvement TIF Fund

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

(Continued)

Special Revenue Funds (continued)

Austin JEDD Fund

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

South Tech Public Improvement TIF Fund

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

Law Enforcement Trust Fund

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

D.A.R.E. Trust Fund

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

COVID Fund

This fund is used to account for Coronavirus Relief funds received through passage of the CARES Act. These funds can be used for necessary expenditures incurred due to the Covid-19 public health emergency.

Capital Projects Funds

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

Permanent Improvement Fund

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

Land Acquisition Fund

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

CITY OF SPRINGBORO, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2020**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:			
Equity in Pooled Cash and Investments	\$ 2,177,369	\$ 175,295	\$ 2,352,664
Receivables:			
Taxes	540,000	0	540,000
Accounts	0	100,000	100,000
Intergovernmental	649,974	0	649,974
Inventory of Supplies, at Cost	91,528	0	91,528
Prepaid Items	34,358	0	34,358
Assets Held for Resale	0	2,312,473	2,312,473
Total Assets	\$ 3,493,229	\$ 2,587,768	\$ 6,080,997
Liabilities:			
Accounts Payable	\$ 25,045	\$ 0	\$ 25,045
Accrued Wages and Benefits Payable	23,048	0	23,048
Intergovernmental Payable	15,483	0	15,483
Total Liabilities	63,576	0	63,576
Deferred Inflows of Resources:			
Property Tax Levy for Next Fiscal Year	540,000	0	540,000
Unavailable Amounts	423,976	0	423,976
Total Deferred Inflows of Resources	963,976	0	963,976
Fund Balances:			
Nonspendable	125,886	0	125,886
Restricted	2,339,791	2,587,768	4,927,559
Total Fund Balances	2,465,677	2,587,768	5,053,445
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 3,493,229	\$ 2,587,768	\$ 6,080,997

CITY OF SPRINGBORO, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2020**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Property and Other Taxes	\$ 0	\$ 309,427	\$ 309,427
Payment in Lieu of Taxes	604,025	0	604,025
Intergovernmental Revenues	2,586,694	0	2,586,694
Fines, Licenses and Permits	25,221	82,681	107,902
Investment Earnings	14,394	0	14,394
Donations	1,555	0	1,555
All Other Revenue	56,517	243,407	299,924
Total Revenue	3,288,406	635,515	3,923,921
Expenditures:			
Current:			
Security of Persons and Property	150,182	0	150,182
Transportation	1,164,245	0	1,164,245
General Government	1,252,966	0	1,252,966
Capital Outlay	0	1,784,720	1,784,720
Total Expenditures	2,567,393	1,784,720	4,352,113
Excess (Deficiency) of Revenues Over Expenditures	721,013	(1,149,205)	(428,192)
Other Financing Sources (Uses):			
Transfers In	232,575	824,571	1,057,146
Transfers Out	(327,061)	0	(327,061)
Total Other Financing Sources (Uses)	(94,486)	824,571	730,085
Net Change in Fund Balances	626,527	(324,634)	301,893
Fund Balances at Beginning of Year	1,888,903	2,912,402	4,801,305
Change in Inventory Reserve	(49,753)	0	(49,753)
Fund Balances End of Year	\$ 2,465,677	\$ 2,587,768	\$ 5,053,445

CITY OF SPRINGBORO, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2020**

	Street Maintenance and Repair	State Highway	Permissive Use Tax	Motor Vehicle License Tax
Assets:				
Equity in Pooled Cash and Investments	\$ 596,272	\$ 203,799	\$ 4,122	\$ 270,487
Receivables:				
Taxes	0	0	0	0
Intergovernmental	488,654	39,612	0	107,804
Inventory of Supplies, at Cost	91,528	0	0	0
Prepaid Items	33,293	0	0	0
Total Assets	\$ 1,209,747	\$ 243,411	\$ 4,122	\$ 378,291
Liabilities:				
Accounts Payable	\$ 3,249	\$ 16,205	\$ 0	\$ 0
Accrued Wages and Benefits Payable	23,048	0	0	0
Intergovernmental Payable	12,426	0	0	0
Total Liabilities	38,723	16,205	0	0
Deferred Inflows of Resources:				
Property Tax Levy for Next Fiscal Year	0	0	0	0
Unavailable Amounts	325,699	26,408	0	71,869
Total Deferred Inflows of Resources	325,699	26,408	0	71,869
Fund Balances:				
Nonspendable	124,821	0	0	0
Restricted	720,504	200,798	4,122	306,422
Total Fund Balances	845,325	200,798	4,122	306,422
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,209,747	\$ 243,411	\$ 4,122	\$ 378,291

CITY OF SPRINGBORO, OHIO

COPS Grant	Drug Law Enforcement	Mayor's Court Improvement	Austin Center Municipal Public Improvement TIF	Austin JEDD	South Tech Public Improvement TIF
\$ 22,635	\$ 78,024	\$ 176,786	\$ 644,643	\$ 62,554	\$ 5,131
0	0	0	540,000	0	0
13,902	0	2	0	0	0
0	0	0	0	0	0
965	0	100	0	0	0
<u>\$ 37,502</u>	<u>\$ 78,024</u>	<u>\$ 176,888</u>	<u>\$ 1,184,643</u>	<u>\$ 62,554</u>	<u>\$ 5,131</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0
1,008	0	268	0	0	0
<u>1,008</u>	<u>0</u>	<u>268</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	540,000	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>540,000</u>	<u>0</u>	<u>0</u>
965	0	100	0	0	0
35,529	78,024	176,520	644,643	62,554	5,131
<u>36,494</u>	<u>78,024</u>	<u>176,620</u>	<u>644,643</u>	<u>62,554</u>	<u>5,131</u>
<u>\$ 37,502</u>	<u>\$ 78,024</u>	<u>\$ 176,888</u>	<u>\$ 1,184,643</u>	<u>\$ 62,554</u>	<u>\$ 5,131</u>

(Continued)

CITY OF SPRINGBORO, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2020**

	Law Enforcement Trust	DARE Trust	COVID	Total Nonmajor Special Revenue Funds
Assets:				
Equity in Pooled Cash and Investments	\$ 58,564	\$ 20,044	\$ 34,308	\$ 2,177,369
Receivables:				
Taxes	0	0	0	540,000
Intergovernmental	0	0	0	649,974
Inventory of Supplies, at Cost	0	0	0	91,528
Prepaid Items	0	0	0	34,358
Total Assets	<u>\$ 58,564</u>	<u>\$ 20,044</u>	<u>\$ 34,308</u>	<u>\$ 3,493,229</u>
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 5,591	\$ 25,045
Accrued Wages and Benefits Payable	0	0	0	23,048
Intergovernmental Payable	0	1,781	0	15,483
Total Liabilities	<u>0</u>	<u>1,781</u>	<u>5,591</u>	<u>63,576</u>
Deferred Inflows of Resources:				
Property Tax Levy for Next Fiscal Year	0	0	0	540,000
Unavailable Amounts	0	0	0	423,976
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>963,976</u>
Fund Balances:				
Nonspendable	0	0	0	125,886
Restricted	58,564	18,263	28,717	2,339,791
Total Fund Balances	<u>58,564</u>	<u>18,263</u>	<u>28,717</u>	<u>2,465,677</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 58,564</u>	<u>\$ 20,044</u>	<u>\$ 34,308</u>	<u>\$ 3,493,229</u>

CITY OF SPRINGBORO, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020**

	Street Maintenance and Repair	State Highway	Permissive Use Tax	Motor Vehicle License Tax
Revenues:				
Payment in Lieu of Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	995,600	80,702	0	222,067
Fines, Licenses and Permits	0	0	0	0
Investment Earnings	8,545	3,678	57	2,114
Donations	0	0	0	0
All Other Revenue	15,869	0	0	0
Total Revenue	<u>1,020,014</u>	<u>84,380</u>	<u>57</u>	<u>224,181</u>
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	0
Transportation	980,770	183,475	0	0
General Government	0	0	0	0
Total Expenditures	<u>980,770</u>	<u>183,475</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	39,244	(99,095)	57	224,181
Other Financing Sources (Uses):				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	39,244	(99,095)	57	224,181
Fund Balance at Beginning of Year	855,834	299,893	4,065	82,241
Change in Inventory Reserve	(49,753)	0	0	0
Fund Balance End of Year	<u>\$ 845,325</u>	<u>\$ 200,798</u>	<u>\$ 4,122</u>	<u>\$ 306,422</u>

(Continued)

CITY OF SPRINGBORO, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020**

	COPS Grant	Drug Law Enforcement	Mayor's Court Improvement	Austin Center Municipal Public Improvement TIF
Revenues:				
Payment in Lieu of Taxes	\$ 0	\$ 0	\$ 0	\$ 604,025
Intergovernmental Revenues	0	0	0	0
Fines, Licenses and Permits	0	13,237	11,984	0
Investment Earnings	0	0	0	0
Donations	0	0	0	0
All Other Revenue	28,027	0	288	0
Total Revenue	28,027	13,237	12,272	604,025
Expenditures:				
Current:				
Security of Persons and Property	67,976	12,271	0	0
Transportation	0	0	0	0
General Government	0	0	18,922	174,577
Total Expenditures	67,976	12,271	18,922	174,577
Excess (Deficiency) of Revenues Over Expenditures	(39,949)	966	(6,650)	429,448
Other Financing Sources (Uses):				
Transfers In	52,500	0	0	0
Transfers Out	0	0	0	(64,151)
Total Other Financing Sources (Uses)	52,500	0	0	(64,151)
Net Change in Fund Balances	12,551	966	(6,650)	365,297
Fund Balance at Beginning of Year	23,943	77,058	183,270	279,346
Change in Inventory Reserve	0	0	0	0
Fund Balance End of Year	\$ 36,494	\$ 78,024	\$ 176,620	\$ 644,643

CITY OF SPRINGBORO, OHIO

Austin JEDD	South Tech Public Improvement TIF	Law Enforcement Trust	DARE Trust	COVID	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 604,025
164,536	0	0	35,605	1,088,184	2,586,694
0	0	0	0	0	25,221
0	0	0	0	0	14,394
0	0	0	1,555	0	1,555
0	0	9,739	2,594	0	56,517
<u>164,536</u>	<u>0</u>	<u>9,739</u>	<u>39,754</u>	<u>1,088,184</u>	<u>3,288,406</u>
0	0	0	69,935	0	150,182
0	0	0	0	0	1,164,245
0	0	0	0	1,059,467	1,252,966
<u>0</u>	<u>0</u>	<u>0</u>	<u>69,935</u>	<u>1,059,467</u>	<u>2,567,393</u>
164,536	0	9,739	(30,181)	28,717	721,013
0	160,075	0	20,000	0	232,575
(102,835)	(160,075)	0	0	0	(327,061)
<u>(102,835)</u>	<u>0</u>	<u>0</u>	<u>20,000</u>	<u>0</u>	<u>(94,486)</u>
61,701	0	9,739	(10,181)	28,717	626,527
853	5,131	48,825	28,444	0	1,888,903
0	0	0	0	0	(49,753)
<u>\$ 62,554</u>	<u>\$ 5,131</u>	<u>\$ 58,564</u>	<u>\$ 18,263</u>	<u>\$ 28,717</u>	<u>\$ 2,465,677</u>

CITY OF SPRINGBORO, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2020**

	<u>Permanent Improvement</u>	<u>Land Acquisition</u>	<u>Total Nonmajor Capital Projects Funds</u>
Assets:			
Equity in Pooled Cash and Investments	\$ 173,571	\$ 1,724	\$ 175,295
Receivables:			
Accounts	100,000	0	100,000
Assets Held for Resale	0	2,312,473	2,312,473
Total Assets	<u>\$ 273,571</u>	<u>\$ 2,314,197</u>	<u>\$ 2,587,768</u>
Liabilities:			
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Fund Balances:			
Restricted	<u>273,571</u>	<u>2,314,197</u>	<u>2,587,768</u>
Total Fund Balances	<u>273,571</u>	<u>2,314,197</u>	<u>2,587,768</u>
Total Liabilities and Fund Balances	<u>\$ 273,571</u>	<u>\$ 2,314,197</u>	<u>\$ 2,587,768</u>

CITY OF SPRINGBORO, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2020**

	Permanent Improvement	Land Acquisition	Total Nonmajor Capital Projects Funds
Revenues:			
Property and Other Taxes	\$ 309,427	\$ 0	\$ 309,427
Fines, Licenses and Permits	82,681	0	82,681
All Other Revenue	243,407	0	243,407
Total Revenue	<u>635,515</u>	<u>0</u>	<u>635,515</u>
Expenditures:			
Current:			
Capital Outlay	1,434,720	350,000	1,784,720
Total Expenditures	<u>1,434,720</u>	<u>350,000</u>	<u>1,784,720</u>
Excess (Deficiency) of Revenues Over Expenditures	(799,205)	(350,000)	(1,149,205)
Other Financing Sources (Uses):			
Transfers In	824,571	0	824,571
Total Other Financing Sources (Uses)	<u>824,571</u>	<u>0</u>	<u>824,571</u>
Net change in Fund Balances	25,366	(350,000)	(324,634)
Fund Balances at Beginning of Year	248,205	2,664,197	2,912,402
Fund Balances End of Year	<u>\$ 273,571</u>	<u>\$ 2,314,197</u>	<u>\$ 2,587,768</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, 2020**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal Income Taxes	\$ 9,350,000	\$ 9,350,000	\$ 9,494,359	\$ 144,359
Property and Other Taxes	809,102	809,102	746,958	(62,144)
Intergovernmental Revenues	233,913	233,913	294,272	60,359
Fines, Licenses and Permits	490,630	490,630	498,076	7,446
Investment Earnings	215,000	215,000	367,724	152,724
Special Assessments	37,162	37,162	37,929	767
All Other Revenues	180,500	180,500	1,192,363	1,011,863
Total Revenues	<u>11,316,307</u>	<u>11,316,307</u>	<u>12,631,681</u>	<u>1,315,374</u>
Expenditures:				
Security of Persons and Property:				
Police Department:				
Personal Services	3,338,559	2,972,841	2,592,581	380,260
Materials and Supplies	167,646	167,414	117,670	49,744
Contractual Services	214,047	214,047	146,754	67,293
Total Police Department	<u>3,720,252</u>	<u>3,354,302</u>	<u>2,857,005</u>	<u>497,297</u>
Police Dispatcher:				
Personal Services	322,700	288,417	265,361	23,056
Materials and Supplies	4,000	4,232	2,171	2,061
Contractual Services	13,000	13,000	3,900	9,100
Total Police Dispatcher	<u>339,700</u>	<u>305,649</u>	<u>271,432</u>	<u>34,217</u>
Street Lighting:				
Contractual Services	162,000	162,302	161,923	379
Total Street Lighting	<u>162,000</u>	<u>162,302</u>	<u>161,923</u>	<u>379</u>
Civil Defense:				
Contractual Services	2,600	2,600	2,591	9
Total Civil Defense	<u>2,600</u>	<u>2,600</u>	<u>2,591</u>	<u>9</u>
Prisoner Care:				
Contractual Services	5,000	5,000	1,730	3,270
Total Prisoner Care	<u>5,000</u>	<u>5,000</u>	<u>1,730</u>	<u>3,270</u>
Total Security of Persons and Property	<u>4,229,552</u>	<u>3,829,853</u>	<u>3,294,681</u>	<u>535,172</u>
Public Health and Welfare:				
Health Board:				
Contractual Services	16,619	16,619	16,618	1
Total Public Health and Welfare	<u>16,619</u>	<u>16,619</u>	<u>16,618</u>	<u>1</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, 2020***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Leisure Time Activities:				
Park Maintenance:				
Personal Services	590,500	590,500	534,603	55,897
Contractual Services	133,748	133,748	117,833	15,915
Materials and Supplies	170,000	185,000	122,221	62,779
Total Park Maintenance	894,248	909,248	774,657	134,591
Library Services:				
Contractual Services	42,000	42,000	22,929	19,071
Materials and Supplies	1,000	1,000	530	470
Total Library Services	43,000	43,000	23,459	19,541
Community Events:				
Personal Services	63,975	63,975	60,588	3,387
Contractual Services	195,000	195,000	87,162	107,838
Total Community Events	258,975	258,975	147,750	111,225
Total Leisure Time Activities	1,196,223	1,211,223	945,866	265,357
Community Environment:				
Planning and Zoning:				
Personal Services	122,130	120,131	116,001	4,130
Contractual Services	171,807	167,207	131,565	35,642
Materials and Supplies	614	1,214	1,208	6
Total Planning and Zoning	294,551	288,552	248,774	39,778
Engineering:				
Personal Services	126,600	126,600	117,601	8,999
Contractual Services	440,194	440,194	174,700	265,494
Materials and Supplies	10,500	10,500	3,052	7,448
Total Engineering	577,294	577,294	295,353	281,941
Economic Development:				
Personal Services	68,600	65,800	58,763	7,037
Contractual Services	109,450	112,250	46,580	65,670
Materials and Supplies	300	300	0	300
Total Economic Development	178,350	178,350	105,343	73,007

(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, 2020***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Building Inspection:				
Personal Services	373,400	373,400	364,270	9,130
Contractual Services	100,095	99,595	42,002	57,593
Materials and Supplies	9,500	10,000	4,376	5,624
Total Building Inspection	482,995	482,995	410,648	72,347
Total Community Environment	1,533,190	1,527,191	1,060,118	467,073
General Government:				
City Council:				
Personal Services	234,120	227,135	205,849	21,286
Contractual Services	100,800	101,850	84,113	17,737
Materials and Supplies	7,905	13,405	10,018	3,387
Total City Council	342,825	342,390	299,980	42,410
City Manager:				
Personal Services	167,300	178,370	174,301	4,069
Contractual Services	78,280	80,280	78,272	2,008
Materials and Supplies	300	300	264	36
Total City Manager	245,880	258,950	252,837	6,113
Assistant City Manager:				
Personal Services	109,175	94,040	86,411	7,629
Contractual Services	193,650	193,437	170,861	22,576
Materials and Supplies	1,000	1,000	218	782
Total Assistant City Manager	303,825	288,477	257,490	30,987
Computer Administration:				
Personal Services	107,567	107,167	105,404	1,763
Contractual Services	210,904	233,873	233,847	26
Materials and Supplies	81,555	109,336	109,336	0
Total Computer Administration	400,026	450,376	448,587	1,789
Finance Department:				
Personal Services	212,000	207,575	206,144	1,431
Contractual Services	82,525	87,525	80,167	7,358
Materials and Supplies	3,000	3,000	1,724	1,276
Total Finance Department	297,525	298,100	288,035	10,065
Mayor's Court:				
Personal Services	121,365	121,365	109,626	11,739
Contractual Services	71,300	71,900	67,909	3,991
Materials and Supplies	500	500	0	500
Total Mayor's Court	193,165	193,765	177,535	16,230

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, 2020**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Income Tax:				
Personal Services	209,700	201,413	198,588	2,825
Contractual Services	784,314	787,089	709,345	77,744
Materials and Supplies	2,629	2,629	2,556	73
Total Income Tax	996,643	991,131	910,489	80,642
Legal Administration:				
Contractual Services	15,000	18,500	14,183	4,317
Total Legal Administration	15,000	18,500	14,183	4,317
Volunteer Services:				
Contractual Services	7,500	7,500	3,983	3,517
Total Volunteer Services	7,500	7,500	3,983	3,517
Building and Land:				
Personal Services	1,147,826	1,149,475	1,104,295	45,180
Contractual Services	1,546,381	1,485,027	1,437,497	47,530
Materials and Supplies	120,318	129,354	118,806	10,548
Total Building and Land	2,814,525	2,763,856	2,660,598	103,258
Miscellaneous:				
Contractual Services	124,252	133,442	102,831	30,611
Materials and Supplies	12,200	12,200	11,598	602
Total Miscellaneous	136,452	145,642	114,429	31,213
Total General Government	5,753,366	5,758,687	5,428,146	330,541
Total Expenditures	12,728,950	12,343,573	10,745,429	1,598,144
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,412,643)	(1,027,266)	1,886,252	2,913,518
Other Financing Sources (Uses):				
Transfers In	117,835	117,835	102,835	(15,000)
Transfers Out	(1,474,571)	(2,974,571)	(2,226,040)	748,531
Total Other Financing Sources (Uses)	(1,356,736)	(2,856,736)	(2,123,205)	733,531
Net Change in Fund Balance	(2,769,379)	(3,884,002)	(236,953)	3,647,049
Fund Balance at Beginning of Year	7,990,058	7,990,058	7,990,058	0
Prior Year Encumbrances	665,870	665,870	665,870	0
Fund Balance at End of Year	<u>\$ 5,886,549</u>	<u>\$ 4,771,926</u>	<u>\$ 8,418,975</u>	<u>\$ 3,647,049</u>

CITY OF SPRINGBORO, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Special Revenue Funds – Urban Redevelopment TIF Fund
For the Year Ended December 31, 2020***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 270,000	\$ 270,000	\$ 250,000	\$ (20,000)
All Other Revenues	100,000	100,000	80,561	(19,439)
Total Revenues	<u>370,000</u>	<u>370,000</u>	<u>330,561</u>	<u>(39,439)</u>
Expenditures:				
General Government:				
Materials and Supplies	478	15,353	12,396	2,957
Contractual Services	201,785	149,451	49,911	99,540
Capital Outlay	106,370	143,829	143,829	0
Total Expenditures	<u>308,633</u>	<u>308,633</u>	<u>206,136</u>	<u>102,497</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	61,367	61,367	124,425	63,058
Other Financing Sources (Uses):				
General Obligation Notes Issued	4,500,000	4,500,000	4,500,000	0
Transfers In	0	0	5,000	5,000
Transfers Out	(4,618,257)	(4,618,257)	(4,500,000)	118,257
Total Other Financing Sources (Uses)	<u>(118,257)</u>	<u>(118,257)</u>	<u>5,000</u>	<u>123,257</u>
Net Change in Fund Balance	(56,890)	(56,890)	129,425	186,315
Fund Balance at Beginning of Year	9,457	9,457	9,457	0
Prior Year Encumbrances	118,707	118,707	118,707	0
Fund Balance at End of Year	<u>\$ 71,274</u>	<u>\$ 71,274</u>	<u>\$ 257,589</u>	<u>\$ 186,315</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 Funds – Debt Service Fund
For the Year Ended December 31, 2020***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Special Assessments	<u>\$ 152,196</u>	<u>\$ 142,342</u>	<u>\$ (9,854)</u>
Total Revenues	<u>152,196</u>	<u>142,342</u>	<u>(9,854)</u>
Expenditures:			
Debt Service:			
Principal Retirement	10,313,198	10,310,000	3,198
Interest and Fiscal Charges	<u>497,105</u>	<u>496,105</u>	<u>1,000</u>
Total Expenditures	<u>10,810,303</u>	<u>10,806,105</u>	<u>4,198</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,658,107)	(10,663,763)	(5,656)
Other Financing Sources (Uses):			
Premium on Sale of General Obligation Notes	0	58,868	58,868
Transfers In	<u>11,085,202</u>	<u>9,510,426</u>	<u>(1,574,776)</u>
Total Other Financing Sources (Uses)	<u>11,085,202</u>	<u>9,569,294</u>	<u>(1,515,908)</u>
Net Change in Fund Balance	427,095	(1,094,469)	(1,521,564)
Fund Balance at Beginning of Year	<u>1,440,783</u>	<u>1,440,783</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,867,878</u>	<u>\$ 346,314</u>	<u>\$ (1,521,564)</u>

CITY OF SPRINGBORO, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Project Funds –Construction Fund
For the Year Ended December 31, 2020***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Special Assessments	\$ 5,000	\$ 23,780	\$ 18,780
All Other Revenues	10,000	414,194	404,194
Total Revenues	<u>15,000</u>	<u>437,974</u>	<u>422,974</u>
Expenditures:			
General Government:			
Contractual Services	10,772	10,771	1
Total General Government	<u>10,772</u>	<u>10,771</u>	<u>1</u>
Capital Outlay	5,601,176	5,286,807	314,369
Total Expenditures	<u>5,611,948</u>	<u>5,297,578</u>	<u>314,370</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,596,948)	(4,859,604)	737,344
Other Financing Sources (Uses):			
General Obligation Notes Issued	5,800,000	3,200,000	(2,600,000)
Transfers In	2,924,479	3,279,479	355,000
Transfers Out	(4,505,779)	(4,386,200)	119,579
Total Other Financing Sources (Uses)	<u>4,218,700</u>	<u>2,093,279</u>	<u>(2,125,421)</u>
Net Change in Fund Balance	(1,378,248)	(2,766,325)	(1,388,077)
Fund Balance at Beginning of Year	108,372	108,372	0
Prior Year Encumbrances	2,771,519	2,771,519	0
Fund Balance at End of Year	<u>\$ 1,501,643</u>	<u>\$ 113,566</u>	<u>\$ (1,388,077)</u>

CITY OF SPRINGBORO, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Project Funds –Income Tax Capital Improvement Fund
For the Year Ended December 31, 2020***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Municipal Income Taxes	\$ 4,675,000	\$ 4,744,837	\$ 69,837
Total Revenues	<u>4,675,000</u>	<u>4,744,837</u>	<u>69,837</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,675,000	4,744,837	69,837
Other Financing Sources (Uses):			
Transfers Out	<u>(3,887,261)</u>	<u>(3,884,261)</u>	<u>3,000</u>
Total Other Financing Sources (Uses)	<u>(3,887,261)</u>	<u>(3,884,261)</u>	<u>3,000</u>
Net Change in Fund Balance	787,739	860,576	72,837
Fund Balance at Beginning of Year	<u>2,369,449</u>	<u>2,369,449</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 3,157,188</u>	<u>\$ 3,230,025</u>	<u>\$ 72,837</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, 2020***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 990,000	\$ 1,006,244	\$ 16,244
Investment Earnings	4,500	8,545	4,045
All Other Revenues	1,000	15,887	14,887
Total Revenues	<u>995,500</u>	<u>1,030,676</u>	<u>35,176</u>
Expenditures:			
Transportation:			
Personal Services	979,437	605,085	374,352
Materials and Supplies	467,644	354,481	113,163
Contractual Services	259,423	171,381	88,042
Total Expenditures	<u>1,706,504</u>	<u>1,130,947</u>	<u>575,557</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(711,004)	(100,271)	610,733
Other Financing Sources (Uses):			
Transfers In	300,000	0	(300,000)
Total Other Financing Sources (Uses)	<u>300,000</u>	<u>0</u>	<u>(300,000)</u>
Net Change in Fund Balance	(411,004)	(100,271)	310,733
Fund Balance at Beginning of Year	537,111	537,111	0
Prior Year Encumbrances	42,493	42,493	0
Fund Balance at End of Year	<u>\$ 168,600</u>	<u>\$ 479,333</u>	<u>\$ 310,733</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, 2020***

	STATE HIGHWAY FUND		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Intergovernmental Revenues	\$ 79,650	\$ 81,587	\$ 1,937
Investment Earnings	2,300	3,678	1,378
Total Revenues	<u>81,950</u>	<u>85,265</u>	<u>3,315</u>
Expenditures:			
Transportation:			
Contractual Services	28,000	26,136	1,864
Capital Outlay	179,829	178,173	1,656
Total Expenditures	<u>207,829</u>	<u>204,309</u>	<u>3,520</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(125,879)	(119,044)	6,835
Fund Balance at Beginning of Year	209,557	209,557	0
Prior Year Encumbrances	79,829	79,829	0
Fund Balance at End of Year	<u>\$ 163,507</u>	<u>\$ 170,342</u>	<u>\$ 6,835</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, 2020***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 200,000	\$ 0	\$ (200,000)
Investment Earnings	40	57	17
Total Revenues	<u>200,040</u>	<u>57</u>	<u>(199,983)</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	200,040	57	(199,983)
Other Financing Sources (Uses):			
Transfers Out	<u>(200,000)</u>	<u>0</u>	<u>200,000</u>
Total Other Financing Sources (Uses)	<u>(200,000)</u>	<u>0</u>	<u>200,000</u>
Net Change in Fund Balance	40	57	17
Fund Balance at Beginning of Year	<u>4,065</u>	<u>4,065</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 4,105</u>	<u>\$ 4,122</u>	<u>\$ 17</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, 2020***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 217,000	\$ 224,251	\$ 7,251
Investment Earnings	2,300	2,114	(186)
Total Revenues	<u>219,300</u>	<u>226,365</u>	<u>7,065</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	219,300	226,365	7,065
Other Financing Sources (Uses):			
Transfers Out	<u>(200,000)</u>	<u>0</u>	<u>200,000</u>
Total Other Financing Sources (Uses)	<u>(200,000)</u>	<u>0</u>	<u>200,000</u>
Net Change in Fund Balance	19,300	226,365	207,065
Fund Balance at Beginning of Year	44,122	44,122	0
Fund Balance at End of Year	<u>\$ 63,422</u>	<u>\$ 270,487</u>	<u>\$ 207,065</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, 2020***

	COPS GRANT FUND		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
All Other Revenues	\$ 60,000	\$ 36,103	\$ (23,897)
Total Revenues	<u>60,000</u>	<u>36,103</u>	<u>(23,897)</u>
Expenditures:			
Security of Persons and Property:			
Personal Services	134,944	66,944	68,000
Materials and Supplies	500	0	500
Contractual Services	<u>1,000</u>	<u>754</u>	<u>246</u>
Total Expenditures	<u>136,444</u>	<u>67,698</u>	<u>68,746</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(76,444)	(31,595)	44,849
Other Financing Sources (Uses):			
Transfers In	<u>50,000</u>	<u>52,500</u>	<u>2,500</u>
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>52,500</u>	<u>2,500</u>
Net Change in Fund Balance	(26,444)	20,905	47,349
Fund Balance at Beginning of Year	<u>1,730</u>	<u>1,730</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (24,714)</u>	<u>\$ 22,635</u>	<u>\$ 47,349</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, 2020***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$ 0	\$ 13,237	\$ 13,237
Total Revenues	<u>0</u>	<u>13,237</u>	<u>13,237</u>
Expenditures:			
Security of Persons and Property:			
Capital Outlay	19,611	15,587	4,024
Total Expenditures	<u>19,611</u>	<u>15,587</u>	<u>4,024</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,611)	(2,350)	17,261
Fund Balance at Beginning of Year	75,403	75,403	0
Prior Year Encumbrances	1,655	1,655	0
Fund Balance at End of Year	<u>\$ 57,447</u>	<u>\$ 74,708</u>	<u>\$ 17,261</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, 2020***

MAYOR'S COURT IMPROVEMENT FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, Licenses and Permits	\$ 14,500	\$ 11,714	\$ (2,786)
All Other Revenues	0	288	288
Total Revenues	<u>14,500</u>	<u>12,002</u>	<u>(2,498)</u>
Expenditures:			
General Government:			
Personal Services	11,785	11,406	379
Materials and Supplies	594	0	594
Contractual Services	6,206	6,206	0
Capital Outlay	22,450	1,273	21,177
Total Expenditures	<u>41,035</u>	<u>18,885</u>	<u>22,150</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(26,535)	(6,883)	19,652
Fund Balance at Beginning of Year	<u>182,909</u>	<u>182,909</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 156,374</u>	<u>\$ 176,026</u>	<u>\$ 19,652</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, 2020***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Payment in Lieu of Taxes	\$ 540,000	\$ 604,025	\$ 64,025
Total Revenues	<u>540,000</u>	<u>604,025</u>	<u>64,025</u>
Expenditures:			
General Government:			
Contractual Services	<u>175,836</u>	<u>174,577</u>	<u>1,259</u>
Total Expenditures	<u>175,836</u>	<u>174,577</u>	<u>1,259</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	364,164	429,448	65,284
Other Financing Sources (Uses):			
Transfers Out	<u>(134,467)</u>	<u>(64,151)</u>	<u>70,316</u>
Total Other Financing Sources (Uses)	<u>(134,467)</u>	<u>(64,151)</u>	<u>70,316</u>
Net Change in Fund Balance	229,697	365,297	135,600
Fund Balance at Beginning of Year	<u>279,346</u>	<u>279,346</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 509,043</u>	<u>\$ 644,643</u>	<u>\$ 135,600</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, 2020***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 102,835	\$ 164,536	\$ 61,701
Total Revenues	<u>102,835</u>	<u>164,536</u>	<u>61,701</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	102,835	164,536	61,701
Other Financing Sources (Uses):			
Transfers Out	<u>(102,835)</u>	<u>(102,835)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(102,835)</u>	<u>(102,835)</u>	<u>0</u>
Net Change in Fund Balance	0	61,701	61,701
Fund Balance at Beginning of Year	853	853	0
Fund Balance at End of Year	<u>\$ 853</u>	<u>\$ 62,554</u>	<u>\$ 61,701</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, 2020***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
All Other Revenues	\$ 8,688	\$ 0	\$ (8,688)
Total Revenues	<u>8,688</u>	<u>0</u>	<u>(8,688)</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,688	0	(8,688)
Other Financing Sources (Uses):			
Transfers In	160,075	160,075	0
Transfers Out	<u>(167,263)</u>	<u>(160,075)</u>	<u>7,188</u>
Total Other Financing Sources (Uses)	<u>(7,188)</u>	<u>0</u>	<u>7,188</u>
Net Change in Fund Balance	1,500	0	(1,500)
Fund Balance at Beginning of Year	<u>5,131</u>	<u>5,131</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 6,631</u>	<u>\$ 5,131</u>	<u>\$ (1,500)</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, 2020***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
All Other Revenues	\$ 5,000	\$ 9,739	\$ 4,739
Total Revenues	<u>5,000</u>	<u>9,739</u>	<u>4,739</u>
Expenditures:			
Security of Persons and Property:			
Personal Services	3,000	0	3,000
Materials and Supplies	5,000	0	5,000
Contractual Services	3,000	0	3,000
Capital Outlay	2,200	0	2,200
Total Expenditures	<u>13,200</u>	<u>0</u>	<u>13,200</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,200)	9,739	17,939
Fund Balance at Beginning of Year	<u>48,825</u>	<u>48,825</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 40,625</u>	<u>\$ 58,564</u>	<u>\$ 17,939</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, 2020***

DARE TRUST FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 50,000	\$ 35,605	\$ (14,395)
Donations	1,000	1,445	445
All Other Revenues	0	2,594	2,594
Total Revenues	<u>51,000</u>	<u>39,644</u>	<u>(11,356)</u>
Expenditures:			
Security of Persons and Property:			
Personal Services	71,650	65,157	6,493
Materials and Supplies	11,308	5,714	5,594
Contractual Services	700	0	700
Total Expenditures	<u>83,658</u>	<u>70,871</u>	<u>12,787</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(32,658)	(31,227)	1,431
Other Financing Sources (Uses):			
Transfers In	20,000	20,000	0
Total Other Financing Sources (Uses)	<u>20,000</u>	<u>20,000</u>	<u>0</u>
Net Change in Fund Balance	(12,658)	(11,227)	1,431
Fund Balance at Beginning of Year	27,526	27,526	0
Prior Year Encumbrances	1,902	1,902	0
Fund Balance at End of Year	<u>\$ 16,770</u>	<u>\$ 18,201</u>	<u>\$ 1,431</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, 2020***

	COVID FUND		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Intergovernmental Revenues	\$ 1,007,942	\$ 1,088,184	\$ 80,242
Total Revenues	<u>1,007,942</u>	<u>1,088,184</u>	<u>80,242</u>
Expenditures:			
General Government:			
Personal Services	655,911	655,911	0
Materials and Supplies	207,757	183,288	24,469
Contractual Services	224,516	223,316	1,200
Total Expenditures	<u>1,088,184</u>	<u>1,062,515</u>	<u>25,669</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(80,242)	25,669	105,911
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (80,242)</u>	<u>\$ 25,669</u>	<u>\$ 105,911</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, 2020***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
PERMANENT IMPROVEMENT FUND			
Revenues:			
Property and Other Taxes	\$ 350,000	\$ 309,427	\$ (40,573)
Fines, Licenses and Permits	15,000	82,681	67,681
All Other Revenues	258,429	143,407	(115,022)
Total Revenues	<u>623,429</u>	<u>535,515</u>	<u>(87,914)</u>
Expenditures:			
Capital Outlay	<u>1,452,000</u>	<u>1,437,070</u>	<u>14,930</u>
Total Expenditures	<u>1,452,000</u>	<u>1,437,070</u>	<u>14,930</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(828,571)	(901,555)	(72,984)
Other Financing Sources (Uses):			
Transfers In	<u>824,571</u>	<u>824,571</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>824,571</u>	<u>824,571</u>	<u>0</u>
Net Change in Fund Balance	(4,000)	(76,984)	(72,984)
Fund Balance at Beginning of Year	236,112	236,112	0
Prior Year Encumbrances	12,093	12,093	0
Fund Balance at End of Year	<u>\$ 244,205</u>	<u>\$ 171,221</u>	<u>\$ (72,984)</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, 2020***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
Capital Outlay	350,000	350,000	0
Total Expenditures	350,000	350,000	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(350,000)	(350,000)	0
Fund Balance at Beginning of Year	1,724	1,724	0
Prior Year Encumbrances	350,000	350,000	0
Fund Balance at End of Year	\$ 1,724	\$ 1,724	\$ 0

Fiduciary Funds

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

Custodial Funds

Library Donation Fund

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

Lytle Five Points JEDD Fund

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

Mayor's Court Fund

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

Special Assessment Fund

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

CITY OF SPRINGBORO, OHIO

**Statement Of Net Position
Fiduciary Funds
December 31, 2020**

	<u>Library Donation Fund</u>	<u>Lytle Five Points JEDD Fund</u>	<u>Mayor's Court Fund</u>	<u>Special Assessment Fund</u>	<u>Total Custodial Funds</u>
Assets:					
Equity in Pooled Cash and Investments	\$ 13,905	\$ 59,325	\$ 8,804	\$ 0	\$ 82,034
Receivables:					
Special Assessments	0	0	0	482,834	482,834
Total Assets	<u>\$ 13,905</u>	<u>\$ 59,325</u>	<u>\$ 8,804</u>	<u>\$ 482,834</u>	<u>\$ 564,868</u>
Liabilities:					
Due to Others	\$ 13,905	\$ 59,325	\$ 0	\$ 482,834	\$ 556,064
Undistributed Monies	0	0	8,804	0	8,804
Total Liabilities	<u>\$ 13,905</u>	<u>\$ 59,325</u>	<u>\$ 8,804</u>	<u>\$ 482,834</u>	<u>\$ 564,868</u>

CITY OF SPRINGBORO, OHIO

***Statement Of Changes in Net Position
Fiduciary Funds
For the Year Ended December 31, 2020***

	Library Donation Fund	Lytle Five Points JEDD Fund	Mayor's Court Fund	Special Assessment Fund	Total Custodial Funds
Additions:					
Intergovernmental Revenues	\$ 0	\$ 43,425	\$ 0	\$ 0	\$ 43,425
Fines, Licenses and Permits	0	0	259,897	0	259,897
Special Assessments	0	0	0	121,306	121,306
Donations	4,251	0	0	0	4,251
Total Additions	<u>4,251</u>	<u>43,425</u>	<u>259,897</u>	<u>121,306</u>	<u>428,879</u>
Deductions:					
Other Distributions	<u>4,251</u>	<u>43,425</u>	<u>259,897</u>	<u>121,306</u>	<u>428,879</u>
Total Deductions	<u>4,251</u>	<u>43,425</u>	<u>259,897</u>	<u>121,306</u>	<u>428,879</u>
Change in Net Position	0	0	0	0	0
Net Position at Beginning of Year	0	0	0	0	0
Net Position End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>



STATISTICAL SECTION



STATISTICAL TABLES

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

Contents

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

City of Springboro, Ohio

Net Position by Component

Last Ten Years

(accrual basis of accounting)

	2011	2012	2013	2014
Governmental Activities:				
Net Investment in Capital Assets	\$36,427,139	\$39,980,429	\$41,524,086	\$43,618,251
Restricted	10,242,352	10,047,132	10,672,787	10,366,896
Unrestricted	7,448,349	4,747,303	5,121,940	661,307
Total Governmental Activities Net Position	<u>\$54,117,840</u>	<u>\$54,774,864</u>	<u>\$57,318,813</u>	<u>\$54,646,454</u>
Business-type Activities:				
Net Investment in Capital Assets	\$50,089,838	\$50,576,992	\$51,515,909	\$54,601,283
Restricted	2,356,441	2,416,605	2,371,790	2,386,606
Unrestricted	8,034,076	9,633,876	12,417,118	12,793,561
Total Business-type Activities Net Position	<u>\$60,480,355</u>	<u>\$62,627,473</u>	<u>\$66,304,817</u>	<u>\$69,781,450</u>
Primary Government:				
Net Investment in Capital Assets	\$86,516,977	\$90,557,421	\$93,039,995	\$98,219,534
Restricted	12,598,793	12,463,737	13,044,577	12,753,502
Unrestricted	15,482,425	14,381,179	17,539,058	13,454,868
Total Primary Government Net Position	<u>\$114,598,195</u>	<u>\$117,402,337</u>	<u>\$123,623,630</u>	<u>\$124,427,904</u>

Source: Finance Director's Office

* Restated

City of Springboro, Ohio

2015	2016	2017	2018	2019	2020
		*			
\$46,648,334	\$47,661,162	\$48,013,645	\$54,582,898	\$61,193,691	\$65,852,121
14,312,206	14,603,501	14,376,740	16,017,516	12,828,382	11,754,091
(1,403,800)	(1,523,402)	(6,602,138)	(6,463,345)	(3,464,473)	(2,961,818)
<u>\$59,556,740</u>	<u>\$60,741,261</u>	<u>\$55,788,247</u>	<u>\$64,137,069</u>	<u>\$70,557,600</u>	<u>\$74,644,394</u>
\$56,633,201	\$62,763,659	\$63,777,140	\$66,408,488	\$68,586,546	\$73,298,682
2,398,893	830,181	724,349	468,042	487,066	507,439
15,446,817	14,799,177	16,164,328	18,475,267	18,587,703	19,247,422
<u>\$74,478,911</u>	<u>\$78,393,017</u>	<u>\$80,665,817</u>	<u>\$85,351,797</u>	<u>\$87,661,315</u>	<u>\$93,053,543</u>
\$103,281,535	\$110,424,821	\$111,790,785	\$120,991,386	\$129,780,237	\$139,150,803
16,711,099	15,433,682	15,101,089	16,485,558	13,315,448	12,261,530
14,043,017	13,275,775	9,562,190	12,011,922	15,123,230	16,285,604
<u>\$134,035,651</u>	<u>\$139,134,278</u>	<u>\$136,454,064</u>	<u>\$149,488,866</u>	<u>\$158,218,915</u>	<u>\$167,697,937</u>

City of Springboro, Ohio

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

	2011	2012	2013
Expenses			
Governmental Activities:			
Security of Persons and Property	\$3,084,811	\$3,632,041	\$2,954,087
Public Health and Welfare Services	14,697	14,723	14,651
Leisure Time Activities	610,141	742,999	694,736
Community Environment	550,746	686,964	666,822
Transportation	2,269,438	2,439,903	3,798,401
General Government	4,309,581	4,760,638	3,685,441
Interest and Fiscal Charges	671,891	617,827	542,335
<i>Total Governmental Activities Expenses</i>	<u>11,511,305</u>	<u>12,895,095</u>	<u>12,356,473</u>
Business-type Activities:			
Golf Course	2,450,840	2,671,202	2,237,071
Water	3,296,748	3,670,617	3,140,275
Sewer	3,056,852	2,921,396	2,920,507
Trash	959,687	964,704	1,012,007
Storm Water	308,484	502,364	284,940
<i>Total Business-type Activities Expenses</i>	<u>10,072,611</u>	<u>10,730,283</u>	<u>9,594,800</u>
<i>Total Primary Government Expenses</i>	<u><u>\$21,583,916</u></u>	<u><u>\$23,625,378</u></u>	<u><u>\$21,951,273</u></u>
Program Revenues			
Governmental Activities:			
Charges for Services and Sales			
Security of Persons and Property	\$49,435	\$16,979	\$19,027
Leisure Time Activities	32,481	293,221	138,999
Community Environment	105,801	200,293	210,534
Transportation	274,693	291,661	344,208
General Government	277,137	271,683	252,163
Operating Grants and Contributions	938,552	726,537	1,181,004
Capital Grants and Contributions	1,146,666	35,347	355,511
<i>Total Governmental Activities Program Revenues</i>	<u>2,824,765</u>	<u>1,835,721</u>	<u>2,501,446</u>

City of Springboro, Ohio

2014	2015	2016	2017	2018	2019	2020
\$3,377,387	\$3,333,613	\$3,726,152	\$3,875,186	\$4,360,669	\$1,220,689	\$4,239,484
16,704	16,677	16,685	16,480	16,460	16,532	16,618
769,354	735,563	828,342	930,498	915,240	1,427,099	1,331,660
682,355	738,231	1,665,239	894,046	926,636	1,292,447	1,095,542
3,159,853	2,680,481	3,501,098	5,708,785	2,691,945	3,502,736	3,540,567
3,815,946	3,871,054	4,222,777	4,496,267	4,197,195	5,420,982	6,587,249
484,875	433,760	432,103	338,394	402,182	471,279	329,496
<u>12,306,474</u>	<u>11,809,379</u>	<u>14,392,396</u>	<u>16,259,656</u>	<u>13,510,327</u>	<u>13,351,764</u>	<u>17,140,616</u>
2,368,968	2,275,754	2,970,701	2,744,386	2,260,020	3,000,185	2,986,882
3,037,234	3,078,773	3,242,720	3,634,171	3,294,517	4,234,747	2,751,493
2,971,336	3,010,001	2,992,339	3,139,008	2,934,574	3,476,853	3,149,313
1,168,721	1,103,164	1,153,549	1,174,847	1,396,694	1,269,780	1,289,600
317,896	336,791	333,538	407,877	850,463	832,778	462,507
<u>9,864,155</u>	<u>9,804,483</u>	<u>10,692,847</u>	<u>11,100,289</u>	<u>10,736,268</u>	<u>12,814,343</u>	<u>10,639,795</u>
<u>\$22,170,629</u>	<u>\$21,613,862</u>	<u>\$25,085,243</u>	<u>\$27,359,945</u>	<u>\$24,246,595</u>	<u>\$26,166,107</u>	<u>\$27,780,411</u>
\$18,976	\$69,982	\$36,202	\$87,773	\$101,048	\$67,387	\$55,152
160,027	117,480	140,250	109,780	307,722	295,173	326,088
269,250	314,172	449,613	331,005	358,358	354,036	317,415
422,147	285,917	175,042	136,981	276,265	195,080	430,063
236,608	217,723	218,199	242,596	227,191	433,065	277,462
979,678	1,017,011	1,072,047	1,209,464	1,407,169	1,529,386	2,808,730
108,708	857,004	59,071	79,145	3,495,542	118,986	100,694
<u>2,195,394</u>	<u>2,879,289</u>	<u>2,150,424</u>	<u>2,196,744</u>	<u>6,173,295</u>	<u>2,993,113</u>	<u>4,315,604</u>

(continued)

City of Springboro, Ohio

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

	2011	2012	2013
Business-type Activities:			
Charges for Services			
Golf Course	1,815,148	1,974,536	1,621,898
Water	3,703,654	4,892,729	4,475,509
Sewer	3,184,400	3,847,960	3,963,098
Trash	919,731	931,295	1,030,615
Storm Water	93,911	190,946	264,150
Capital Grants and Contributions	360,540	694,590	794,448
<i>Total Business-type Activities Program Revenues</i>	10,077,384	12,532,056	12,149,718
<i>Total Primary Government Program Revenues</i>	12,902,149	14,367,777	14,651,164
Net (Expense)/Revenue			
Governmental Activities	(8,686,540)	(11,059,374)	(9,855,027)
Business-type Activities	4,773	1,801,773	2,554,918
<i>Total Primary Government Net (Expense)/Revenue</i>	(\$8,681,767)	(\$9,257,601)	(\$7,300,109)
General Revenues and Other Changes in Net Position			
Governmental Activities:			
Income Taxes	\$9,595,447	\$11,234,399	\$11,755,014
Property Taxes	636,375	624,866	828,996
Other Local Taxes	67,699	57,355	70,427
Payment in Lieu of Taxes	217,620	111,074	147,717
Intergovernmental, unrestricted	506,161	426,267	441,753
Investment Earnings	108,369	58,757	67,201
Miscellaneous	296,839	233,235	195,995
Gain (Loss) on Sale of Assets Held for Resale	(59,560)	65,954	0
Transfers	(1,585,560)	(942,176)	(1,108,127)
<i>Total Governmental Activities</i>	9,783,390	11,869,731	12,398,976
Business-type Activities:			
Investment Earnings	30,415	27,245	14,299
Transfers	1,585,560	942,176	1,108,127
<i>Total Business-type Activities</i>	1,615,975	969,421	1,122,426
<i>Total Primary Government</i>	\$11,399,365	\$12,839,152	\$13,521,402
Change in Net Position			
Governmental Activities	\$1,096,850	\$810,357	\$2,543,949
Business-type Activities	1,620,748	2,771,194	3,677,344
<i>Total Primary Government Change in Net Position</i>	\$2,717,598	\$3,581,551	\$6,221,293

Source: Finance Director's Office

City of Springboro, Ohio

2014	2015	2016	2017	2018	2019	2020
1,713,411	1,688,183	1,828,392	1,897,763	1,981,923	2,029,644	2,091,327
4,630,118	4,589,298	4,768,013	4,731,894	4,832,675	5,063,956	5,124,544
4,146,437	4,247,656	4,337,885	4,430,069	4,535,924	4,534,193	4,529,296
1,069,469	1,108,436	1,143,061	1,177,890	1,212,273	1,217,038	1,223,384
269,083	272,996	275,873	279,642	283,565	285,901	289,509
1,060,632	1,502,175	1,247,132	909,511	1,230,151	919,427	1,249,691
12,889,150	13,408,744	13,600,356	13,426,769	14,076,511	14,050,159	14,507,751
15,084,544	16,288,033	15,750,780	15,623,513	20,249,806	17,043,272	18,823,355
(10,111,080)	(8,930,090)	(12,241,972)	(14,062,912)	(7,337,032)	(10,358,651)	(12,825,012)
3,024,995	3,604,261	2,907,509	2,326,480	3,340,243	1,235,816	3,867,956
<u>(\$7,086,085)</u>	<u>(\$5,325,829)</u>	<u>(\$9,334,463)</u>	<u>(\$11,736,432)</u>	<u>(\$3,996,789)</u>	<u>(\$9,122,835)</u>	<u>(\$8,957,056)</u>
\$11,925,126	\$13,274,634	\$12,476,441	\$13,272,536	\$13,899,458	\$14,297,708	\$15,032,782
870,963	768,398	856,208	871,019	745,854	1,018,540	693,921
69,690	73,476	83,300	78,581	71,793	78,623	34,968
96,645	103,114	264,735	175,264	536,457	564,331	604,025
253,287	259,602	244,861	289,115	1,024,272	330,020	301,577
77,679	77,545	104,955	109,278	252,894	649,776	394,130
258,713	332,784	356,905	508,430	317,333	578,377	1,219,079
2,305	0	0	66,152	0	0	0
(1,263,069)	(1,049,177)	(960,912)	(1,010,454)	(1,162,207)	(738,193)	(1,368,676)
12,291,339	13,840,376	13,426,493	14,359,921	15,685,854	16,779,182	16,911,806
42,366	44,023	45,685	63,530	183,530	335,509	155,596
1,263,069	1,049,177	960,912	1,010,454	1,162,207	738,193	1,368,676
1,305,435	1,093,200	1,006,597	1,073,984	1,345,737	1,073,702	1,524,272
<u>\$13,596,774</u>	<u>\$14,933,576</u>	<u>\$14,433,090</u>	<u>\$15,433,905</u>	<u>\$17,031,591</u>	<u>\$17,852,884</u>	<u>\$18,436,078</u>
\$2,180,259	\$4,910,286	\$1,184,521	\$297,009	\$8,348,822	\$6,420,531	\$4,086,794
4,330,430	4,697,461	3,914,106	3,400,464	4,685,980	2,309,518	5,392,228
<u>\$6,510,689</u>	<u>\$9,607,747</u>	<u>\$5,098,627</u>	<u>\$3,697,473</u>	<u>\$13,034,802</u>	<u>\$8,730,049</u>	<u>\$9,479,022</u>

City of Springboro, Ohio

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Fund				
Nonspendable	\$118,633	\$141,708	\$193,739	\$218,291
Assigned	356,126	328,242	1,007,606	1,402,360
Unassigned	<u>8,809,769</u>	<u>7,524,414</u>	<u>6,746,464</u>	<u>7,031,255</u>
<i>Total General Fund</i>	<u>9,284,528</u>	<u>7,994,364</u>	<u>7,947,809</u>	<u>8,651,906</u>
All Other Governmental Funds				
Nonspendable	\$105,578	\$115,026	\$105,942	\$107,944
Restricted	6,058,316	6,947,280	7,797,447	7,861,782
Unassigned	<u>(298,460)</u>	<u>(1,012,535)</u>	<u>(1,275,608)</u>	<u>0</u>
Total All Other Governmental Funds	<u>5,865,434</u>	<u>6,049,771</u>	<u>6,627,781</u>	<u>7,969,726</u>
<i>Total Governmental Funds</i>	<u><u>\$15,149,962</u></u>	<u><u>\$14,044,135</u></u>	<u><u>\$14,575,590</u></u>	<u><u>\$16,621,632</u></u>

Source: Finance Director's Office

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

City of Springboro, Ohio

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$241,847	\$302,572	\$275,099	\$303,055	\$286,819	\$303,791
749,159	1,766,114	1,438,163	1,661,535	2,556,105	4,662,546
<u>5,399,772</u>	<u>4,966,533</u>	<u>6,419,752</u>	<u>6,929,507</u>	<u>6,513,601</u>	<u>5,440,761</u>
<u>6,390,778</u>	<u>7,035,219</u>	<u>8,133,014</u>	<u>8,894,097</u>	<u>9,356,525</u>	<u>10,407,098</u>
\$136,487	\$144,919	\$154,834	\$248,659	\$177,032	\$125,886
11,867,883	12,553,690	12,237,148	13,987,435	10,335,348	9,558,064
0	0	0	(10,501)	(4,499,945)	(4,237,466)
<u>12,004,370</u>	<u>12,698,609</u>	<u>12,391,982</u>	<u>14,225,593</u>	<u>6,012,435</u>	<u>5,446,484</u>
<u>\$18,395,148</u>	<u>\$19,733,828</u>	<u>\$20,524,996</u>	<u>\$23,119,690</u>	<u>\$15,368,960</u>	<u>\$15,853,582</u>

City of Springboro, Ohio

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

	2011	2012	2013	2014
Revenues:				
Municipal Income Taxes	\$10,362,125	\$11,029,649	\$11,576,805	\$11,627,659
Property Tax	702,381	686,985	903,357	951,075
Payment in Lieu of Taxes	217,620	111,074	147,717	96,645
Intergovernmental Revenues	2,026,299	2,031,769	1,944,528	1,348,059
Fines, Licenses and Permits	406,845	540,093	540,991	573,421
Investment Earnings	150,895	122,346	67,201	77,679
Special Assessments	402,343	407,512	370,615	400,731
Donations	770	965	1,020	800
All Other Revenue	572,759	721,702	549,190	681,417
Total Revenue	14,842,037	15,652,095	16,101,424	15,757,486
Expenditures:				
Current:				
Security of Persons and Property	2,879,485	2,935,104	2,888,617	3,042,822
Public Health and Welfare Services	14,697	14,723	14,651	16,704
Leisure Time Activities	500,822	565,858	581,460	589,217
Community Environment	531,565	587,997	631,873	644,956
Transportation	802,889	798,160	975,291	1,368,605
General Government	3,914,962	4,026,518	3,429,879	3,546,195
Capital Outlay	2,499,123	4,975,287	4,222,106	3,044,966
Debt Service:				
Principal Retirement	1,115,000	1,375,000	1,150,000	1,190,000
Interest and Fiscal Charges	680,895	618,544	567,797	499,621
Total Expenditures	12,939,438	15,897,191	14,461,674	13,943,086
Excess (Deficiency) of Revenues Over Expenditures	1,902,599	(245,096)	1,639,750	1,814,400

City of Springboro, Ohio

2015	2016	2017	2018	2019	2020
\$13,067,114	\$13,082,097	\$13,380,200	\$13,762,046	\$13,898,865	\$14,742,790
843,022	938,153	948,201	823,329	783,337	1,049,244
103,114	264,735	175,264	536,457	564,331	604,025
1,298,239	1,304,187	1,487,662	5,688,056	1,689,806	3,133,261
657,868	764,413	670,335	678,855	683,531	612,485
77,545	104,955	109,278	252,894	649,776	394,130
255,278	249,288	259,067	195,691	229,953	204,051
6,825	1,200	1,200	1,785	955	1,555
640,878	575,623	711,010	871,424	1,183,514	1,991,130
<u>16,949,883</u>	<u>17,284,651</u>	<u>17,742,217</u>	<u>22,810,537</u>	<u>19,684,068</u>	<u>22,732,671</u>
3,054,604	3,165,959	3,310,877	3,605,984	3,848,741	3,470,588
16,677	16,685	16,480	16,460	16,532	16,618
580,393	642,794	636,392	688,336	914,916	906,155
719,559	1,642,089	783,064	830,915	1,094,412	938,584
925,913	906,513	913,025	1,026,760	1,140,490	1,164,245
3,667,354	3,814,706	3,999,710	4,216,438	9,266,457	5,979,262
3,639,098	9,116,981	4,952,458	7,047,055	8,009,888	5,320,093
2,590,000	2,630,000	8,535,000	7,310,000	6,890,000	5,810,000
458,607	367,933	400,109	378,298	522,422	419,668
<u>15,652,205</u>	<u>22,303,660</u>	<u>23,547,115</u>	<u>25,120,246</u>	<u>31,703,858</u>	<u>24,025,213</u>

1,297,678 (5,019,009) (5,804,898) (2,309,709) (12,019,790) (1,292,542)

(Continued)

City of Springboro, Ohio

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Other Financing Sources (Uses):				
Gain (Loss) on Sale of Assets Held for Resale	(59,560)	65,954	0	2,305
Issuance of General Obligation Notes	0	0	0	1,500,000
Issuance of General Obligation Bonds	0	0	0	0
Refunding General Obligation Bonds	0	0	0	0
Premium on General Obligation Bonds	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0
Transfers In	5,036,406	8,258,341	6,659,391	5,798,965
Transfers Out	(6,621,966)	(9,200,517)	(7,767,518)	(7,062,034)
Total Other Financing Sources (Uses)	<u>(1,645,120)</u>	<u>(876,222)</u>	<u>(1,108,127)</u>	<u>239,236</u>
Net Change in Fund Balance	<u>\$257,479</u>	<u>(\$1,121,318)</u>	<u>\$531,623</u>	<u>\$2,053,636</u>
 Debt Service as a Percentage of Noncapital Expenditures	 16.70%	 16.33%	 14.85%	 15.25%

Source: Finance Director's Office

City of Springboro, Ohio

2015	2016	2017	2018	2019	2020
0	0	66,152	0	0	0
1,500,000	7,300,000	6,050,000	6,050,000	5,000,000	3,200,000
0	0	1,370,000	0	0	0
0	0	2,835,000	0	0	0
0	0	281,517	0	0	0
0	0	(2,995,367)	0	0	0
9,256,027	4,756,696	9,783,918	8,007,462	5,558,208	9,454,886
(10,305,204)	(5,717,608)	(10,794,372)	(9,169,669)	(6,296,401)	(10,823,562)
450,823	6,339,088	6,596,848	4,887,793	4,261,807	1,831,324
\$1,748,501	\$1,320,079	\$791,950	\$2,578,084	(\$7,757,983)	\$538,782
25.38%	21.51%	41.85%	45.15%	38.51%	34.45%

City of Springboro, Ohio

Income Tax Revenues by Source, Governmental Funds Last Ten Years

Tax year	2011	2012	2013	2014
Income Tax Rate	1.50%	1.50%	1.50%	1.50%
Estimated Personal Income	\$693,039,667	\$736,575,600	\$783,695,333	\$785,480,333
Total Tax Collected	\$10,395,595	\$11,048,634	\$11,755,430	\$11,782,205
Income Tax Receipts				
Withholding	6,497,945	6,806,365	7,193,224	7,230,191
Percentage	63%	61%	60%	61%
Corporate	979,952	1,180,319	1,336,470	1,297,990
Percentage	9%	11%	11%	11%
Individuals	2,917,698	3,061,950	3,225,736	3,254,024
Percentage	28%	28%	27%	28%
Income Tax by Business Type				
Industrial	\$1,453,710	\$1,554,758	\$1,584,384	\$1,650,806
Education/Government	477,010	471,988	474,856	473,461
Service	1,083,425	1,106,856	1,069,197	1,021,450
Retail	485,974	506,473	509,623	541,549
Medical	605,814	711,101	835,690	859,599
Construction	41,463	60,934	71,349	132,315
Financial	70,622	68,846	78,547	78,268
Restaurants	218,327	212,341	243,657	280,816
Miscellaneous	53,562	52,443	66,008	86,090
Total Tax	<u>\$4,489,907</u>	<u>\$4,745,740</u>	<u>\$4,933,310</u>	<u>\$5,124,354</u>

Source: City Income Tax Department

City of Springboro, Ohio

2015	2016	2017	2018	2019	2020
1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
\$871,974,733	\$889,483,000	\$896,913,411	\$930,904,133	\$944,607,400	\$954,398,400
\$13,079,621	\$13,342,245	\$13,453,701	\$13,963,562	\$14,169,111	\$14,315,976
7,823,634	8,190,693	8,524,849	9,164,882	9,406,135	9,563,177
60%	61%	63%	65%	66%	67%
1,667,142	1,492,084	1,586,724	1,327,274	1,375,277	1,586,541
13%	11%	12%	10%	10%	11%
3,588,845	3,659,468	3,342,128	3,471,406	3,387,699	3,166,258
27%	27%	25%	25%	24%	22%
\$1,338,009	\$1,808,422	\$1,598,410	\$1,572,631	\$1,241,969	\$1,201,218
503,690	567,521	594,880	627,300	655,080	561,264
1,042,193	1,185,310	1,726,385	1,790,579	1,478,569	1,590,405
577,193	594,789	482,570	433,672	404,698	412,340
892,091	952,579	1,026,144	836,998	1,110,468	913,034
143,715	209,099	282,007	253,745	281,868	245,181
84,375	88,990	100,869	97,217	94,947	91,693
288,359	299,355	260,038	360,140	259,174	210,970
90,104	85,586	94,000	88,471	52,220	47,561
<u>\$4,959,729</u>	<u>\$5,791,651</u>	<u>\$6,165,302</u>	<u>\$6,060,753</u>	<u>\$5,578,992</u>	<u>\$5,273,666</u>



City of Springboro

Income Tax Statistics Current Year and Nine Years Ago

Calendar Year 2020

Income Level	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	3,086	33.42%	16,548,147	2.42%
20,000 - 49,999	1,507	16.32%	49,874,521	7.29%
50,000 - 74,999	1,043	11.30%	59,471,348	8.69%
75,000 - 99,999	878	9.51%	74,584,952	10.90%
Over 100,000	2,719	29.45%	483,668,573	70.70%
Total	9,233	100.00%	\$684,147,541	100.00%

Local Taxes Paid by Residents	Tax Dollars
Taxes Paid to Springboro	3,166,258
Taxes Credited to Other Municipalities	3,451,415
	\$6,617,673

Calendar Year 2011

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

Local Taxes Paid by Residents	Tax Dollars
Taxes Paid to Springboro	\$2,917,698
Taxes Credited to Other Municipalities	2,526,633
	\$5,444,331

Source: City Income Tax Department

City of Springboro, Ohio

Ratio of Outstanding Debt By Type Last Ten Years

	2011	2012	2013	2014
Governmental Activities ⁽¹⁾				
Special Assessment Bonds Payable	\$2,100,000	\$1,705,000	\$1,445,000	\$1,170,000
Unvoted General Obligation Bonds Payable	12,128,902	11,153,477	10,242,506	9,306,535
General Obligation Notes Payable	0	0	0	1,500,000
Business-type Activities ⁽¹⁾				
Mortgage Revenue Bonds Payable	\$19,165,557	\$19,042,376	\$17,830,566	\$16,578,756
General Obligation Bonds Payable	11,886,815	11,043,330	10,179,845	9,296,360
Capital Leases	161,792	96,063	0	0
Total Primary Government	<u>\$45,443,066</u>	<u>\$43,040,246</u>	<u>\$39,697,917</u>	<u>\$37,851,651</u>
Population ⁽²⁾				
City of Springboro	17,409	17,409	17,409	17,409
Outstanding Debt Per Capita	\$2,610	\$2,472	\$2,280	\$2,174
Income ⁽³⁾				
Personal (in thousands)	786,103	819,633	835,667	870,537
Percentage of Personal Income	5.78%	5.25%	4.75%	4.35%

Sources:

(1) Source: Finance Director's Office

(2) US Bureau of Census, Population Division

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

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

City of Springboro, Ohio

2015	2016	2017	2018	2019	2020
\$1,035,000	\$895,000	\$794,842	\$672,368	\$544,894	\$412,420
8,330,564	7,319,597	7,727,538	6,541,410	5,790,617	5,076,089
1,500,000	7,300,000	6,050,000	6,050,000	5,000,000	3,200,000
\$15,291,946	\$10,989,602	\$9,907,366	\$8,800,130	\$7,972,894	\$7,110,658
8,382,875	7,439,390	6,598,911	5,551,593	4,459,275	2,751,957
0	0	0	0	0	0
<u>\$34,540,385</u>	<u>\$33,943,589</u>	<u>\$31,078,657</u>	<u>\$27,615,501</u>	<u>\$23,767,680</u>	<u>\$18,551,124</u>
17,409	17,409	17,409	17,409	17,409	17,409
\$1,984	\$1,950	\$1,785	\$1,586	\$1,365	\$1,066
904,311	956,468	998,859	1,041,163	1,081,290	1,081,290
3.82%	3.55%	3.11%	2.65%	2.20%	1.72%

City of Springboro, Ohio

Ratios of General Bonded Debt Outstanding Last Ten Years

Year	2011	2012	2013	2014
Population (1)	17,409	17,409	17,409	17,409
Assessed Value (2)	\$464,866,000	\$450,215,740	\$453,795,120	\$487,025,000
General Bonded Debt (3)				
General Obligation Bonds	\$24,015,717	\$22,196,807	\$20,422,351	\$18,602,895
Resources Available to Pay Principal (4)	\$160,734	\$165,952	\$149,414	\$140,602
Net General Bonded Debt	\$23,854,983	\$22,030,855	\$20,272,937	\$18,462,293
Ratio of Net Bonded Debt to Estimated Actual Value	5.13%	4.89%	4.47%	3.79%
Net Bonded Debt per Capita	\$1,370.27	\$1,265.49	\$1,164.51	\$1,060.50

Source:

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

City of Springboro, Ohio

2015	2016	2017	2018	2019	2020
17,409	17,409	17,409	17,409	17,409	17,409
\$522,384,960	\$534,920,670	\$552,457,420	\$626,320,880	\$635,609,010	\$659,622,710
\$16,713,439	\$14,758,987	\$14,326,449	\$12,093,003	\$10,249,892	\$7,828,046
\$156,654	\$225,749	\$278,412	\$1,124,828	\$1,440,783	\$346,314
\$16,556,785	\$14,533,238	\$14,048,037	\$10,968,175	\$8,809,109	\$7,481,732
3.17%	2.72%	2.54%	1.75%	1.39%	1.13%
\$951.05	\$834.81	\$806.94	\$630.03	\$506.01	\$429.76



City of Springboro, Ohio

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2020*

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to the City of Springboro</u>	<u>Amount Applicable to the City of Springboro</u>
Direct:			
City of Springboro	\$8,688,509 (1)	100.00%	\$8,688,509
Overlapping:			
Warren County	36,614,132	8.01%	<u>2,932,792</u>
		Subtotal	<u>2,932,792</u>
		Total	<u><u>\$11,621,301</u></u>

Source: Warren County Auditor's Office

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

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

City of Springboro, Ohio

Debt Limitations Last Ten Years

	2011	2012	2013	2014
<u>Total Debt</u>				
Net Assessed Valuation	\$464,866,000	\$450,215,740	\$453,795,120	\$487,025,000
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	48,810,930	47,272,653	47,648,488	51,137,625
City Debt Outstanding (2)	12,128,902	11,153,477	10,242,506	9,306,535
Less: Applicable Debt Service Fund Amounts	(160,734)	(165,952)	(149,414)	(140,602)
Net Indebtedness Subject to Limitation	<u>11,968,168</u>	<u>10,987,525</u>	<u>10,093,092</u>	<u>9,165,933</u>
Overall Legal Debt Margin	<u>\$36,842,762</u>	<u>\$36,285,128</u>	<u>\$37,555,396</u>	<u>\$41,971,692</u>
<u>Unvoted Debt</u>				
Net Assessed Valuation	\$464,866,000	\$450,215,740	\$453,795,120	\$487,025,000
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	25,567,630	24,761,866	24,958,732	26,786,375
City Debt Outstanding (2)	12,128,902	11,153,477	10,242,506	9,306,535
Less: Applicable Debt Service Fund Amounts	(160,734)	(165,952)	(149,414)	(140,602)
Net Indebtedness Subject to Limitation	<u>11,968,168</u>	<u>10,987,525</u>	<u>10,093,092</u>	<u>9,165,933</u>
Overall Legal Debt Margin	<u>\$13,599,462</u>	<u>\$13,774,341</u>	<u>\$14,865,640</u>	<u>\$17,620,442</u>

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

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

Source: Finance Director's Office

City of Springboro, Ohio

2015	2016	2017	2018	2019	2020
\$522,384,960	\$534,920,670	\$552,457,420	\$626,320,880	\$635,609,010	\$659,622,710
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
54,850,421	56,166,670	58,008,029	65,763,692	66,738,946	69,260,385
8,330,564	7,319,597	7,727,538	6,541,410	5,790,617	5,076,089
(156,654)	(225,749)	(278,412)	(1,124,828)	(1,440,783)	(346,314)
<u>8,173,910</u>	<u>7,093,848</u>	<u>7,449,126</u>	<u>5,416,582</u>	<u>4,349,834</u>	<u>4,729,775</u>
<u>\$46,676,511</u>	<u>\$49,072,822</u>	<u>\$50,558,903</u>	<u>\$60,347,110</u>	<u>\$62,389,112</u>	<u>\$64,530,610</u>

\$522,384,960	\$534,920,670	\$552,457,420	\$626,320,880	\$635,609,010	\$659,622,710
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
28,731,173	29,420,637	30,385,158	34,447,648	34,958,496	36,279,249
8,330,564	7,319,597	7,727,538	6,541,410	5,790,617	5,076,089
(156,654)	(225,749)	(278,412)	(1,124,828)	(1,440,783)	(346,314)
<u>8,173,910</u>	<u>7,093,848</u>	<u>7,449,126</u>	<u>5,416,582</u>	<u>4,349,834</u>	<u>4,729,775</u>
<u>\$20,557,263</u>	<u>\$22,326,789</u>	<u>\$22,936,032</u>	<u>\$29,031,066</u>	<u>\$30,608,662</u>	<u>\$31,549,474</u>

City of Springboro, Ohio

*Pledged Revenue Coverage
Last Ten Years*

	2011	2012	2013	2014
Water System Bonds (1 a)				
Gross Revenues (2)	\$3,716,585	\$4,902,949	\$4,478,496	\$4,649,905
Direct Operating Expenses (3)	2,121,551	2,571,976	2,081,257	2,021,365
Net Revenue Available for Debt Service	1,595,034	2,330,973	2,397,239	2,628,540
Annual Debt Service Requirement	294,801	298,051	295,708	297,908
Coverage	5.41	7.82	8.11	8.82
Sewer System Bonds (1 b)				
Gross Revenues (2)	\$3,202,051	\$3,864,985	\$3,964,822	\$4,169,016
Direct Operating Expenses (3)	1,644,881	1,849,513	1,695,235	1,764,117
Net Revenue Available for Debt Service	1,557,170	2,015,472	2,269,587	2,404,899
Annual Debt Service Requirement	1,631,378	1,328,452	1,507,344	1,510,100
Coverage	0.95	1.52	1.51	1.59
Special Assessment Bonds (4)				
Special Assessment Collections	\$402,343	\$407,512	\$370,615	\$400,731
Debt Service				
Principal	260,000	265,000	260,000	275,000
Interest	123,295	109,318	88,268	73,868
Coverage	1.05	1.09	1.06	1.15

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

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

- (2) Gross revenues include operating revenues plus interest income.
- (3) Direct operating expenses include operating expenses less depreciation.
- (4) This includes several different Special Assessment Bond issues.

Source: City Finance Director's Office

City of Springboro, Ohio

2015	2016	2017	2018	2019	2020
\$4,610,395	\$4,788,553	\$0	\$0	\$0	\$0
2,078,527	2,283,596	0	0	0	0
2,531,868	2,504,957	0	0	0	0
294,470	855,545	0	0	0	0
8.60	2.93	N/A	N/A	N/A	N/A
\$4,270,582	\$4,363,030	\$4,462,191	\$4,629,646	\$4,708,066	\$4,620,487
1,796,455	1,891,237	2,046,382	1,868,078	2,432,453	2,103,804
2,474,127	2,471,793	2,415,809	2,761,568	2,275,613	2,516,683
1,511,038	3,857,363	1,410,200	1,406,875	1,089,850	1,086,475
1.64	0.64	1.71	1.96	2.09	2.32
\$255,278	\$249,288	\$259,067	\$195,691	\$229,953	\$204,051
135,000	140,000	125,000	115,000	120,000	125,000
60,650	53,660	42,217	24,800	22,500	16,500
1.30	1.29	1.55	1.40	1.61	1.44

City of Springboro, Ohio

Demographic and Economic Statistics Last Ten Years

Calendar Year	2011	2012	2013	2014
Population ⁽¹⁾				
City of Springboro (a)	17,409	17,409	17,409	17,409
Warren County	212,693	212,693	212,693	212,693
Income ^{(2) (a)}				
Total Personal (in thousands)	786,103	819,633	835,667	870,537
County Per Capita	45,155	47,081	48,002	50,005
Unemployment Rate ⁽³⁾				
Federal	8.9%	8.1%	7.4%	5.4%
State	8.6%	7.2%	7.4%	4.7%
Warren County	7.6%	6.3%	6.3%	3.9%
Civilian Work Force Estimates ⁽³⁾				
State	5,806,000	5,747,900	5,698,900	5,697,000
Warren County	109,200	109,100	110,200	110,500
Employment Distribution by Occupation ⁽⁴⁾				
Industrial	2,390	2,386	2,137	2,015
Education/Government	1,122	1,096	1,109	1,053
Service	2,270	2,317	2,174	2,125
Retail	1,448	1,409	1,615	1,771
Medical	1,499	1,534	1,741	1,773
Construction	110	212	190	222
Financial	176	170	172	153
Restaurants	1,828	1,917	2,384	2,375
Miscellaneous	332	339	356	350

Sources:

(1) US Bureau of Census of Population

(a) City of Springboro Community Development Department

(2) US Department of Commerce, Bureau of Economic Analysis information is only available through 2019 for the presentation of 2019-20 statistics, the City is using the latest information available.

(a) Total Personal Income is a calculation based on the County's Per Capita Income, which is the only information available.

(3) State Department of Labor Statistics

(4) Source: City Income Tax Department

City of Springboro, Ohio

2015	2016	2017	2018	2019	2020
17,409	17,409	17,409	17,409	17,409	17,409
212,693	212,693	212,693	212,693	212,693	212,693
904,311	956,468	998,859	1,041,163	1,081,290	1,081,290
51,945	54,941	57,376	59,806	62,111	62,111
5.0%	4.9%	4.4%	3.9%	3.7%	8.1%
4.6%	4.9%	5.0%	4.6%	4.1%	8.1%
3.9%	4.1%	4.1%	3.9%	3.5%	6.4%
5,669,200	5,713,100	5,780,000	5,754,900	5,802,300	5,754,300
110,100	113,300	116,400	116,800	119,200	118,800
1,873	1,979	1,971	1,994	1,841	1,611
1,256	1,201	1,208	1,205	1,266	910
2,124	2,419	2,897	2,908	2,956	2,628
1,506	1,726	1,517	2,635	1,500	1,476
1,861	2,203	2,302	1,830	2,955	2,290
397	450	593	673	634	491
162	147	161	145	129	113
2,480	2,382	2,201	1,520	2,362	1,977
397	391	445	440	442	1,376



City of Springboro

Principal Employers Current Year and Nine Years Ago

Employer	Nature of Business	2020		
		Number of Employees	Rank	Percentage of Total Employment
Springboro Community Schools	Education	833	1	6.44%
Dayton Childrens Hospital	Medical	610	2	4.71%
DLM Springboro LLC	Grocery Store	391	3	3.02%
Hillsprings	Nursing Home	363	4	2.80%
Kroger Limited Partnership	Retail	320	5	2.47%
Victory Wholesale	Industry	263	6	2.03%
Dayton Metro	YMCA	254	7	1.96%
Kelchner Inc	Construction	217	8	1.68%
City of Springboro	Government	216	9	1.67%
LaComedia Enterprises Inc	Restaurant	139	10	1.07%
Total		<u>3,606</u>		
Total Employment within the City		<u>12,942</u>		

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

Source: City Income Tax Department

City of Springboro, Ohio

Full Time Equivalent Employees by Function Last Ten Years

	2011	2012	2013	2014	2015
Governmental Activities					
General Government					
Finance	6.00	6.00	5.50	5.00	5.00
Income Tax	3.00	3.00	3.00	3.00	3.00
Mayor's Court	2.50	1.50	2.00	2.00	2.00
City Manager's Office	3.00	3.00	3.00	3.00	3.00
Computer Administration	1.00	1.00	1.00	1.00	1.00
Council/Clerk of Council	4.50	4.50	4.50	4.50	4.50
Security of Persons and Property					
Police	26.00	26.00	26.00	24.00	24.00
Dispatch	4.00	4.00	4.00	4.00	4.00
Transportation					
Street	7.25	7.25	9.50	9.50	9.50
Leisure Time Activities					
Parks and Recreation	9.50	11.00	10.00	10.00	10.00
Community Environment					
Economic Development	0.00	0.00	0.00	0.00	0.00
Engineering	3.50	3.50	2.50	2.00	2.00
Building and Zoning	2.50	2.50	3.50	3.50	3.50
Business-Type Activities					
Utilities					
Water	5.00	5.00	2.00	2.00	2.00
Sewer	1.00	1.00	1.00	1.00	1.00
Trash	0.00	0.00	0.00	0.00	0.00
Golf Operations	0.00	0.00	0.00	0.00	26.75
Golf Maintenance	8.75	9.25	9.00	9.00	9.00
<i>Total Employees</i>	<u>87.50</u>	<u>88.50</u>	<u>86.50</u>	<u>83.50</u>	<u>110.25</u>

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

Source: Finance Director's Office

City of Springboro, Ohio

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
5.00	6.00	6.00	6.00	6.00
3.00	3.00	3.00	3.00	3.50
2.00	2.00	2.00	2.00	2.00
3.00	3.00	3.00	3.00	3.00
1.00	1.00	1.00	1.00	1.00
4.50	4.50	4.50	4.50	4.50
25.00	25.00	26.00	27.00	28.00
4.00	4.00	4.00	4.00	4.00
9.50	9.50	9.50	9.50	9.50
10.00	10.00	10.00	11.00	11.00
0.00	0.00	0.00	0.00	0.00
2.00	2.00	2.00	2.00	2.00
3.50	4.50	4.50	4.50	4.50
2.00	2.00	2.00	2.00	2.00
1.00	1.00	1.00	1.00	1.00
0.00	0.00	0.00	0.00	0.00
26.75	26.75	26.75	26.75	23.00
9.00	9.00	9.00	9.00	9.00
<u>111.25</u>	<u>113.25</u>	<u>114.25</u>	<u>116.25</u>	<u>114.00</u>

City of Springboro, Ohio

Operating Indicators by Function Last Ten Years

	2011	2012	2013	2014	2015
Governmental Activities					
General Government					
Court					
Number of Criminal Cases	425	364	445	726	984
Number of Traffic Cases	1,605	1,729	1,631	1,386	1,326
Number of Citations	1,943	2,005	1,915	1,608	1,489
Number of Offenses	2,170	2,253	2,178	1,817	1,691
Number of Open Cases	655	704	771	1,068	1,489
Licenses and Permits					
Number of Residential Building Permits	24	67	95	65	67
Number of Commercial Building Permits	8	6	4	2	1
Number of Residential Building Inspections	1,218	2,226	2,650	2,369	2,265
Number of Commercial Building Inspections	594	747	579	455	904
Security of Persons and Property					
Police					
Number of Calls for Service	17,311	18,597	16,458	15,447	15,278
Number of Criminal Arrests	917	807	677	535	521
Number of DUI Arrests	113	105	129	85	88
Number of Traffic Accidents	296	250	265	296	262
Transportation					
Street					
Number of Streets Resurfaced	15	5	12	1	15
Community Environment					
Number of New Jobs	121	94	115	126	97
Business-Type Activities					
Golf Course					
Number of Rounds	32,301	37,522	31,308	30,033	33,040
Water					
Number of Service Connections	7,506	7,713	7,743	7,780	7,912
Daily Average Consumption (MGD)	2.300	2,420	2,525	2,400	2,450
Peak Daily Consumption (MGD)	4.400	4,450	4,520	4,570	4,580
Sewer					
Number of Service Connections	7,734	8,211	8,241	8,278	8,300
Daily Average Sewage Treatment (MGD)	2.400	2,120	2,350	2,600	2,750
Trash					
Number of Customers Served	5,672	5,743	5,822	5,931	6,015

Source: Finance Director's Office

City of Springboro, Ohio

2016	2017	2018	2019	2020
1,527	962	1,490	290	135
1,269	1,192	892	1,379	1,200
1,496	1,644	1,051	1,486	1,154
1,716	2,404	2,563	1,877	1,368
2,239	2,099	2,321	2,001	1,282
61	70	54	56	70
51	35	45	53	35
1,714	2,175	N/A	N/A	N/A
1,360	1,284	N/A	N/A	N/A
15,478	16,244	15,918	18,368	15,838
563	743	533	449	334
122	160	103	96	102
243	214	229	219	173
13	13	14	15	6
165	217	212	221	142
33,436	33,752	32,150	33,762	40,496
8,022	8,100	8,185	8,195	8,225
2,250	2,200	2,200	2,250	2,145
4,600	4,500	4,400	4,550	4,400
8,348	8,478	8,564	8,586	8,616
2,720	2,600	2,700	2,720	2,525
6,118	6,193	6,398	6,260	6,674

City of Springboro, Ohio

Capital Asset Statistics by Function Last Ten Years

	2011	2012	2013	2014	2015
Governmental Activities					
General Government					
Public Land and Buildings					
Land (acres)	608	594	594	592	599
Buildings	14	14	15	15	21
Licensed Vehicles	9	7	8	8	8
Library	1	1	1	1	1
Security of Persons and Property					
Police					
Stations	1	1	1	1	1
Vehicles	20	21	25	25	25
Transportation					
Street					
Number of Paved Streets	366	366	368	368	371
Total Paved Miles	91	91	91	91	85
Street Lights	117	118	118	118	118
Signal Controlled Intersections	16	17	17	18	16
Licensed Vehicles	16	18	16	17	17
Leisure Time Activities					
Parks and Recreation					
Land (acres)	232	387	495	495	495
Buildings	11	11	11	11	11
Parks	4	4	5	5	5
Playgrounds	4	4	5	5	5
Tennis Courts	4	4	4	4	4
Baseball/Softball Diamonds	10	10	10	10	10
Basketball Courts	2	2	2	2	2
Soccer/Lacrosse/Football Fields	8	8	8	8	8
Licensed Vehicles	6	4	4	4	4

City of Springboro, Ohio

2016	2017	2018	2019	2020
600	600	619	620	621
17	17	17	20	18
8	8	8	8	9
1	1	1	1	1
1	1	1	1	1
22	22	21	22	26
371	371	371	372	375
85	85	85	86	87
118	118	118	125	125
16	16	16	16	16
17	18	21	20	21
495	495	501	501	501
11	11	11	12	12
5	5	6	7	9
5	5	5	6	8
4	4	4	4	4
10	10	10	10	11
2	2	2	2	3
8	8	8	8	28
3	3	3	3	3

(Continued)

City of Springboro, Ohio

*Capital Asset Statistics by Function
Last Ten Years*

	2011	2012	2013	2014	2015
Business-Type Activities					
Golf Course / Clubhouse					
Land (acres)	188	188	188	188	188
Buildings	11	11	11	11	11
Golf Carts	84	78	78	78	78
Licensed Vehicles	1	1	1	1	1
Utilities					
Water					
Water Towers	4	4	4	4	4
Water Treatment Plant	1	1	1	1	1
Buildings	3	3	3	3	3
Licensed Vehicles	12	12	12	9	9
Pump Stations	4	4	4	4	4
Storage Capacity (thousands of gallons)	5,100,000	5,100,000	5,100,000	5,100,000	5,100,000
Sewer					
Sewage Treatment Plant	1	1	1	1	1
Buildings	7	7	7	7	7
Licensed Vehicles	4	4	4	6	6
Lift Stations	8	8	8	8	8

Source: Finance Director's Office

City of Springboro, Ohio

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
188	188	188	188	188
11	11	11	11	11
78	78	78	78	78
1	1	1	1	2
4	4	4	4	4
1	1	1	1	1
3	3	3	3	3
9	9	8	8	8
4	4	4	4	4
5,100,000	5,100,000	5,100,000	5,100,000	5,100,000
1	1	1	1	1
7	7	7	7	7
7	7	8	9	9
8	8	8	8	8



OHIO AUDITOR OF STATE KEITH FABER



CITY OF SPRINGBORO

WARREN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 8/24/2021

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

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