

**CITY OF SPRINGDALE
HAMILTON COUNTY, OHIO**

SUPPLEMENTAL REPORT

DECEMBER 31, 2003

JEFF WILLIAMS, FINANCE OFFICER



**Auditor of State
Betty Montgomery**

Members of Council
City of Springdale

We have reviewed the Independent Auditor's Report of the City of Springdale, Hamilton County, prepared by Trimble, Julian & Grube, Inc. for the audit period January 1, 2003 through December 31, 2003. 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 Springdale is responsible for compliance with these laws and regulations.

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

August 20, 2004

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**CITY OF SPRINGDALE
HAMILTON COUNTY, OHIO**

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TRIMBLE, JULIAN & GRUBE, INC.

“SERVING OHIO LOCAL GOVERNMENTS”

1445 Worthington Woods Boulevard
Suite B
Worthington, Ohio 43085

Telephone 614.846.1899
Facsimile 614.846.2799

Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Basic Financial Statements Performed in Accordance With *Government Auditing Standards*

Members of Council and Mayor
City of Springdale
11700 Springfield Pike
Springdale, Ohio 45246

We have audited the governmental activities, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements of the City of Springdale as of and for the year ended December 31, 2003, and have issued our report thereon dated July 9, 2004. As disclosed in Note 3 to the financial statements, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments; GASB Statement No. 37, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus; GASB Statement No. 38, Certain Financial Statement Note Disclosures; and GASB Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements and GASB Statement No. 41, Budgetary Comparison Schedule - Perspective Differences for the year ended December 31, 2003. In addition, the City had a change in accounting principle for its threshold for capital assets as disclosed in Note 2. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City of Springdale's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*

Members of Council and Mayor
City of Springdale

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Springdale's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted certain matters involving the internal control over financial reporting, that do not require inclusion in this report, that we have reported to the management of the City of Springdale in a separate letter dated July 9, 2004.

This report is intended for the information of the Council and management of the City of Springdale and is not intended to be and should not be used by anyone other than these specified parties.

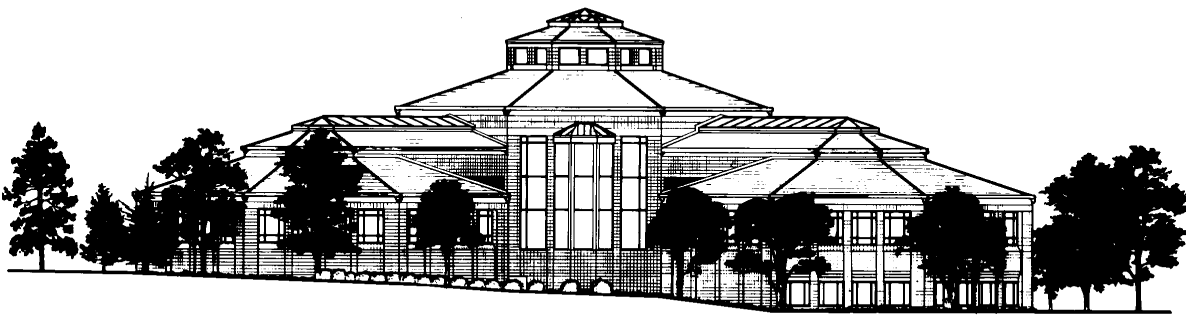
Trimble, Julian & Grube, Inc.
July 9, 2004

A photograph of a city street scene. In the foreground, a tall, dark green utility pole stands on a brick-paved sidewalk. To its right is a decorative stone pillar made of light-colored, stacked stones. The pillar has two large, round, woven planters on top, each filled with yellow flowers. In the background, there are lush green trees, a brick building, and a sign for 'CITY CLEANERS'. A traffic light is visible on the pole to the left, showing a red light. The sky is clear and blue.

CITY OF SPRINGDALE, OHIO

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2003**

CITY OF SPRINGDALE, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2003



PREPARED BY:

FINANCE DEPARTMENT

**FINANCE OFFICER/
TAX COMMISSIONER**

Jeffrey T. Williams

**ACCOUNT
CLERK II**

Martha R. Holden

**ACCOUNT
CLERK I**

Cynthia A. Miller

**CLERK OF COUNCIL/
FINANCE DIRECTOR**

Edward F. Knox

On The Cover

The City of Springdale State Route 4 Streetscape Project, Phase I (picture located at the corner of State Route 4 and Kemper Road).

Phase I was completed in 2003 and included the installation of sidewalk, sidewalk pavers, landscape walls, landscape trees, and decorative streetlights and traffic signal poles along the State Route 4 business corridor.

State Route 4 Streetscape Phases II and III will continue the project north to the Glensprings Drive intersection. Construction for phase II is scheduled to be completed in 2005 and phase III is scheduled to be completed in 2006.

**CITY OF SPRINGDALE, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2003**

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INTRODUCTORY SECTION

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City of Springdale

Finance Department

EDWARD F. KNOX
Clerk of Council / Finance Director

JEFFREY T. WILLIAMS
Finance Officer / Tax Commissioner

CECIL W. OSBORN
City Administrator

July 9, 2004

Honorable Doyle H. Webster, Members of City Council, and
the Citizens of the City of Springdale
City of Springdale, Ohio
11700 Springfield Pike
Springdale, Ohio 45246

Dear Mayor Webster, Members of City Council, and Citizens:

The Comprehensive Annual Financial Report of the City of Springdale, Ohio, for the year ended December 31, 2003, is hereby submitted. While there is no legal requirement for the preparation of this report, it represents a commitment by the City to conform to nationally recognized standards of excellence in financial reporting. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City of Springdale's activities have been included.

The Comprehensive Annual Financial Report is prepared in accordance with GASB Statement No. 34, "*Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.*" GASB Statement No. 34 was developed to make annual financial reports of state and local governments easier to understand and more useful to those who make decisions using government financial information. This report represents and reflects the City's financial operations and condition to the City's residents, its elected officials, management personnel, financial institutions, City bondholders, rating agencies and all other interested parties.

The Comprehensive Annual Financial Report is presented in three sections as follows:

1. Introductory Section – includes this letter of transmittal, which addresses the organization, accomplishments, and operational structure of the City; a list of the principal officials and administrative personnel, and the City's organizational table.
2. Financial Section – includes the Independent Auditor's Report, the Management's Discussion and Analysis, the basic financial statements and notes, which provide an overview of the City's

financial position and operating results, and the combining financial statements of nonmajor funds and other schedules that provide detailed information relative to the basic financial statements.

3. Statistical Section – presents social and economic data, financial trend information, and data relative to the fiscal capacity of the City.

REPORTING ENTITY

This report presents the financial activity of the City in accordance with accounting principles generally accepted in the United States of America (GAAP) as set fourth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources, and is consistent with the new reporting model as promulgated by GASB Statement No. 34. The primary government consists of all the organizations, activities, and functions that are not legally separate from the City. Component units are legally separate organizations for which the City is financially accountable. The City would consider an organization to be a component unit if: (1) the City appoints a voting majority of the organization's body and is able to impose its will on that organization or there is a potential for the organization to provide specific financial burdens on the City; or (2) the organization is fiscally dependent upon the City; or (3) the nature of the relationship between the City and the organization is such that the exclusion from the financial reporting entity would render the financial statements misleading.

Based on the foregoing, potential component units were considered for inclusion. The City has no component units.

THE CITY OF SPRINGDALE

The City of Springdale is an Ohio community located in northern Hamilton County, approximately twenty miles from downtown Cincinnati. The City is 5.08 square miles and serves an estimated residential population of 10,130 and an estimated daytime population ranging from 55,000 to 60,000. The City maintains a highly developed commercial and industrial community, as well as stable, well-maintained residential neighborhoods.

The area was settled in the early 1800's and was incorporated as a Village in December, 1959, and became a City in February, 1971. The City is a home rule municipal corporation operating under its own charter, initially adopted on November 3, 1964, and last amended on November 7, 2000.

The City operates under a non-partisan Council/Mayor form of government. Under this system, seven council members, who are the policy makers (three elected at-large and four elected by districts), serve four-year terms. The Mayor is the chief executive and administrative officer of the City and is elected at-large to a four-year term. The Mayor appoints the City Administrator and all executive department directors, with the exception of the Finance Officer/Tax Commissioner, who is appointed by the Clerk of Council/Finance Director with the confirmation of City Council. The Clerk of Council/Finance Director is the chief fiscal officer of the City and is elected at-large to a four-year term.

The City was the recipient of the following awards in 2003:

- * Tree City USA award (the City has received this award for the past eleven years),
- * Community Traffic Safety Award, Gold Level, awarded by the AAA Association,
- * Ohio City Managers Association Disaster Preparedness Training Program for Intergovernmental

Cooperation, and

* Ohio Parks and Recreation Association “Outstanding” Award of Distinction in Marketing/Print Media.

The City provides a full range of services including police and fire protection; parks and recreation; planning and zoning; sanitation services; construction and maintenance of highways, streets and infrastructure; recreational activities and cultural events; and general administrative services. The following is a brief summary of the City departments:

Administration Department - responsible for providing support to all elected officials, information to the public and leadership and administrative support to City employees in executing the policies of Council and the laws of the City through effective communication, fiscal management, human resource management, and risk management.

Police Department - responsible for interacting with the community and promoting public safety and providing service through crime prevention, proactive and responsive patrols, investigations, and support service.

Fire Department - responsible for preserving life and property by maintaining a corps of professional, properly trained and fully equipped personnel capable of providing fire prevention, fire suppression and rescue, and emergency medical services.

Building Department - responsible for ensuring a safe and sanitary environment for the community through enforcing City and State laws relating to new and existing construction and land use regulation. The Building Official enforces the provisions of the City code, issues zoning and plan reviews, and issues permits for new construction, modifications, and repairs.

Finance Department - responsible for financial management of the City’s funds by recording receipts and expenditures, maintaining accurate financial records, investing inactive funds, and issuing the year-end financial report in accordance with accounting principles generally accepted in the United States of America.

Tax Department - responsible for enforcing the City tax code by collecting the City earnings tax, assisting taxpayers in the preparation of tax returns, issuing tax refunds, and maintaining accurate taxpayer records.

Parks and Recreation Department - responsible for providing year-round leisure activities and providing well-maintained facilities for City citizens of all ages and interests, and maintaining the City Community Center, playgrounds, and parks.

Health Department - responsible for protecting and promoting the health and well being of the people who live and work in the City through effective health policy that promotes disease prevention and community health education.

Public Works Department - responsible for providing a safe, effective, aesthetically pleasing physical environment through street maintenance and improvement, public building, grounds, and facilities maintenance, vehicle and equipment maintenance, and environmental services.

ECONOMIC CONDITIONS AND OUTLOOK

Local Economy

The City of Springdale currently enjoys a favorable economic environment. The estimated daytime population of the City ranges from 55,000 to 60,000, representing the workforce for approximately 2,800 businesses and organizations. Currently, 21 businesses in Springdale employ greater than 300 employees. The unemployment rate for the Greater Cincinnati area for the year 2003 was 5.1%.

Tri-County Mall, Princeton Plaza, Cassinelli Square and other commercial sites, collectively totaling more than 4.4 million square feet, comprise the largest concentration of retail development in Hamilton County. Springdale has approximately 2.2 million square feet of office space (1.45 million represents Class A office space), representing more than 12% of all office space in the suburban Greater Cincinnati area. Springdale also has approximately 100 restaurants and 18 theatre screens.

Industries Affecting the Local Economy

Springdale is fortunate to have local and national businesses included as part of the corporate citizenry, including General Electric, Concordia Properties, Proctor and Gamble, Avon, Wal-Mart, J.C. Penny, Cincom Systems, and Sears Roebuck and Company.

Springdale has a wide variety of manufacturing businesses, including the Avon Company (cosmetic manufacturing), John Morrell (meat packing), Continental Plastic Containers and the Ampac Company (plastic container and plastic bag manufacturing, respectively). Springdale also has many retail and restaurant businesses including Sears, Roebuck and Company, Wal-Mart, Lazarus, Circuit City, Costco, Lowes, Best Buy, Outback Steakhouse, Applebee's, and TGI Fridays. Currently there are seven hotels/motels operating in the City, representing approximately 950 rooms.

Future Economic Outlook

The future for the City's economy appears prosperous. A major project under construction is the Pictoria Island Business District located at Interstate 275 and State Route 4. When completed, the area will include an eight-story two-hundred fifty-six thousand square foot class A office building, a six-story, one hundred ninety-one thousand square foot class A office tower, three five-story, 100,000 square foot class B office towers, two five-level public parking garages holding approximately 1,900 cars, and three high-end restaurants.

MAJOR INITIATIVES

Major Projects for 2003

- * *State Route 4 Streetscape Project - Phase I:* This project was completed in 2003 and included the installation of sidewalk, sidewalk pavers, landscape walls, landscape trees, and decorative street lights and traffic signal poles along the State Route 4 business corridor. The project was budgeted at approximately \$1,000,000. \$782,307 was spent in 2003.
- * *East Kemper Road Improvements Project – Phase Two:* Phase two includes the widening of Kemper Road at Century Boulevard to allow dual left-turn lanes in each direction and the addition of dedicated right-turn only lanes both eastbound and westbound on Kemper Road and the widening of Century Boulevard to add an additional northbound lane and adding a third westbound lane on Kemper Road. Phase two construction is budgeted at approximately \$1,100,000. \$680,612 was spent in 2003. Construction of phase two was completed in 2003.
- * *Beaver Run Riparian Corridor Restoration Project –* This project stabilized and restored portions of the creek bank along Beaver Run in Chamberlain Park using a variety of

bioengineering techniques. This project was budgeted at \$268,821. The project was completed in 2003.

Future Projects

- * *State Route 747/CSX Grade Separation Project:* This project will allow traffic to flow under the current railroad crossing on State Route 747 near the Tri-County Mall. Construction for this project is budgeted at \$11,900,000. Construction of the related street lighting is scheduled in 2006. Construction of the underpass grade separation began in 2004 and is scheduled to be completed in 2006.
- * *Pictoria Island Tax Increment Financing (TIF) Project - Phase Two:* Phase two of this project involves the City issuing \$10,000,000 of TIF Bond Anticipation Notes to finance a five-level public parking garage adjacent to an eight-story (two-hundred fifty-six thousand square foot) office building. Construction of the office tower began and was completed in 2001. Construction of the parking garage began in 2001 and was completed in 2002. The above mentioned notes are expected to be issued in 2004.
- * *Pictoria Island Tax Increment Financing (TIF) Project - Phase Three:* Phase three involves the City issuing \$6,500,000 of TIF Bond Anticipation Notes in 2006 for the construction of a five-level parking garage adjacent to a six-story (one hundred ninety-one thousand square foot) office tower. Construction for phase three is expected to begin in 2007 with completion in 2008.
- * *State Route 4 Streetscape Project - Phases Two and Three:* These phases will continue the project north through the Glensprings Drive intersection and south to Cameron Road. Construction for phase II is scheduled to be completed in 2005 and is budgeted at \$830,000. Phase III is scheduled to be completed in 2006 and is budgeted at \$500,000.
- * *East Kemper Road Improvements Project – Phase Three:* Phase three will include adding an additional eastbound lane on Kemper Road and widening of the bridge over the CSX railroad. Phase three is scheduled for 2005 and 2006 and is budgeted at \$1,660,000.
- * *Cincinnati Metropolitan Senior Housing Project:* The Cincinnati Metropolitan Housing Authority has purchased land from the City for the purpose of constructing a 135 unit low income senior housing complex. The land for this project was made available through urban redevelopment actions of the City. This project will be adjacent to the Maple Knoll Retirement Village and will blend architecturally with the Village. Construction is scheduled to begin in fall of 2004 and completion is scheduled for 2005.

FINANCIAL INFORMATION

Internal Control Framework

City management is responsible for establishing and maintaining internal controls designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal controls are designed to provide reasonable assurance that these objectives are met through evaluation of the following criteria: (1) The cost of an internal control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits required involves estimates and judgments by management. Management believes that

the City's internal controls provide reasonable assurance that assets are safeguarded, transactions are recorded and reported appropriately, and policies are followed.

Budgetary Controls

In addition to the above, the City maintains budgetary internal controls to ensure compliance with legal provisions embodied in the annual appropriated budget by City Council. The activity of all funds is included in the annual appropriation budget. The legal level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is maintained at the departmental level for the general fund and the fund level for all remaining funds. Responsibility for budgetary control rests with the individual departments.

The City also maintains an encumbrance accounting system to maintain budgetary control. The control is maintained through the encumbering of estimated purchases prior to the release of formal purchase orders. Encumbered amounts do not lapse at year-end, unused encumbrances are carried over to the following year.

City Council receives a monthly report of amounts in the City's bank accounts reconciled to the amounts on the City's internal records. Also, Council receives a monthly report comparing budgeted and actual revenue and expenditures.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues meeting its responsibility for sound financial management.

Cash Management

The City's investment and depository policy is based on the Ohio Revised Code, Chapter 135, and includes the following objectives and general guidelines:

- * preservation of capital and protection of principle while earning investment interest.
- * investments are to remain liquid to meet reasonable anticipated operating requirements.
- * investment instruments shall be purchased for the safety of capital as well as the income to be derived and never for speculation.
- * manage bank account relations to secure adequate services while minimizing costs.

During 2003, the City invested in deposit accounts and the STAR Ohio investment pool operated by the Treasurer of the State of Ohio. The City earned \$64,280 of interest income on all investments and deposit accounts for the year ended December 31, 2003. Interest income is allocated to the general fund, certain special revenue funds, and the capital projects funds as prescribed by Ohio law and the City Charter.

While the deposits of the City as of December 31, 2003 are defined by the standards of the Governmental Accounting Standards Board as uncollateralized, all deposits were made under agreements with local banking establishments whereby collateral in the amount of 110 percent of uninsured deposits has been pledged.

Risk Management

The City is one of seventeen members of a joint insurance pool, the Miami Valley Risk Management Association Inc. (MVRMA), located in Centerville, Ohio. The pool has been operational since December 1, 1988 and was formed in accordance with Section 2744 of the Ohio Revised Code and is intended to provide broad-based coverage with increased emphasis on safety and loss prevention. This joint venture covers all property, crime, liability, boiler and machinery, and public official liability up to certain limits.

MVRMA is a corporation governed by a sixteen-member board of trustees, consisting of a representative appointed by each of the member cities. The board of trustees elects the officers of the corporation, with each trustee having a single vote. The board is responsible for its own financial matters and the corporation maintains its own account records. Budgeting and financing of MVRMA are subject to the approval of the board of trustees.

The City manages coverage related to hospital/medical and dental benefits for its employees on a self-insured basis. The hospital/medical plan operates on a cost-sharing basis with the maximum annual employee cost being \$1,000 for a single employee and \$2,000 for a covered family. The City provides a dental plan with coverage ranging from 50 percent to 100 percent depending on the type of dental work performed. There is a monthly charge for employees enrolled in the dental plan. A third party administrator (United Medical Resources) reviews all claims which are then paid by the City. The City is responsible for up to \$30,000 per employee (specific limit) and \$1,000,000 lifetime medical coverage. Upon exceeding the \$30,000 limit, the City's stop loss coverage applies.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING - 2002

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 Springdale for its comprehensive annual financial report for the fiscal year ended December 31, 2002. This was the third consecutive year that the government received this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

OTHER INFORMATION

Independent Audit

State statute requires that an annual audit be performed by the Auditor of State or by an independent certified public accountant approved by the Auditor of State. Trimble, Julian, and Grube, Inc. has performed the City audit for the year ended December 31, 2003. Auditing standards generally accepted in the United States of America and the standards set forth in the General Accounting Office's "*Government Auditing Standards*" were used by the auditors in conducting the engagement. The auditors' report on the basic financial statements and the combining and individual fund statements and schedules are included in the financial section of this report. The auditors' report on internal controls and compliance with applicable laws and regulations can be found in a separately issued audit report.

Acknowledgements

The timely preparation of the Comprehensive Annual Financial Report for the year ended December 31, 2003 was made possible by the efficient and dedicated service of the staff of the Finance Department as well as the other City departments. We express our sincere appreciation for the contributions made in the preparation of this report.

Also, we would like to thank the Mayor and the City Council for their interest and support in planning and conducting the financial operations of the City in a dedicated and responsible manner.

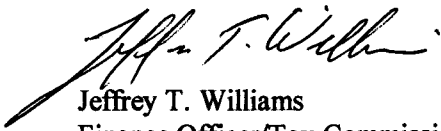
Respectfully submitted,



Cecil W. Osborn
City Administrator



Edward F. Knox
Clerk of Council/Finance Director



Jeffrey T. Williams
Finance Officer/Tax Commissioner

**CITY OF SPRINGDALE, OHIO
ELECTED OFFICIALS AND ADMINISTRATIVE PERSONNEL
AS OF DECEMBER 31, 2003**

ELECTED OFFICIALS

<u>Name</u>	<u>Title</u>	<u>Term of Office</u>	<u>Salary</u>
Doyle H. Webster	Mayor	12/01/99-11/30/03	\$ 18,000
Kathy McNear	President	12/01/99-11/30/03	7,350
Thomas Vanover	Vice-President	12/01/01-11/30/05	6,750
Marjorie Pollitt	Member	12/01/01-11/30/05	6,750
Robert Wilson Jr.	Member	12/01/01-11/30/05	6,750
Randy Danbury	Member	12/01/01-11/30/05	6,750
James Squires	Member	12/01/99-11/30/03	6,750
Steven Galster	Member	12/01/99-11/30/03	6,750
Edward F. Knox*	Clerk of Council/ Finance Director	12/01/99-11/30/03	14,400

ADMINISTRATIVE PERSONNEL

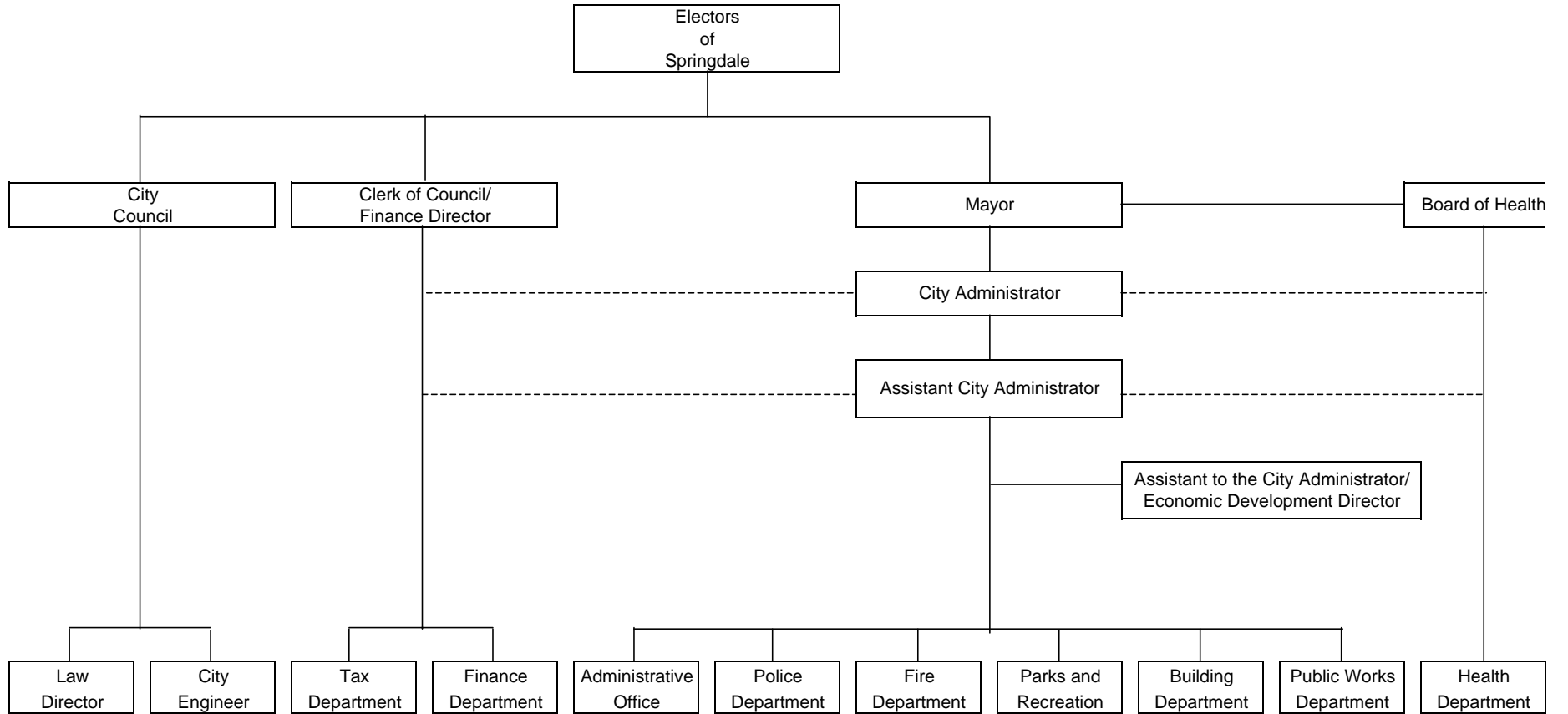
Cecil W. Osborn, City Administrator
Derrick Parham, Assistant City Administrator
Beth Stiles, Assistant to the City Administrator/Economic Development Director

David Butsch, Superintendent of Public Works	Kenneth J. Schneider, Law Director
Greg Karle, Parks and Recreation Director	Wayne F. Shuler, City Engineer
Michael Laage, Chief of Police	John Flessa, City Prosecutor
William McErlane, Building Official	Terry Gaines, City Magistrate
Cammie Mitrione, Health Commissioner	
Daniel Shroyer, Fire Chief	
Jeffrey T. Williams, Finance Officer/Tax Commissioner*	

* Surety bond is held with the St. Paul Fire and Marine Insurance Company for the amount of \$50,000. The bond is renewed annually.

CITY OF SPRINGDALE

ORGANIZATIONAL TABLE



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Springdale,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2002

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



President

Executive Director

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FINANCIAL SECTION

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TRIMBLE, JULIAN & GRUBE, INC.

"SERVING OHIO LOCAL GOVERNMENTS"

1445 Worthington Woods Boulevard
Suite B
Worthington, Ohio 43085

Telephone 614.846.1899
Facsimile 614.846.2799

Independent Auditor's Report

Members of Council and Mayor
City of Springdale
11700 Springfield Pike
Springdale, Ohio 45246

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Springdale, Hamilton County, (the "City"), as of and for the year ended December 31, 2003, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Springdale, Hamilton County, as of December 31, 2003, and the respective changes in financial position thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Independent Auditor's Report
City of Springdale

As disclosed in Note 3 to the basic financial statements, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, GASB Statement No. 37, Basic Financial Statements for State and Local Governments: Omnibus, GASB Statement No. 38, Certain Financial Statement Note Disclosures and GASB Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements and GASB Statement No. 41, Budgetary Comparison Schedule - Perspective Differences for the year ended December 31, 2003. In addition, the City had a change in accounting principle for its threshold for capital assets as disclosed in Note 2.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 9, 2004, 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying required supplementary information, such as management's discussion and analysis on pages 15 through 23 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Springdale's basic financial statements. The accompanying supplementary information, such as the introductory section, combining and individual nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor funds financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Trimble, Julian & Grube, Inc.

Trimble, Julian & Grube, Inc.
July 9, 2004

**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2003**

The City of Springdale discussion and analysis of the financial performance provide an overall review of the City's financial activities for the year-ended December 31, 2003. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, and the basic financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2003 are as follows:

- * The assets of the City exceeded its liabilities at year-end December 31, 2003 by \$38,489,497 (net assets). Of this amount, \$6,847,416 (governmental unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors.
- * The City's total net assets increased by \$392,164 which represents a one-percent increase from 2002.
- * During the year, the City had revenues for governmental activities that were \$392,164 greater than expenses.
- * The City's governmental funds reported a combined ending fund balance of \$4,517,948. Of this amount \$2,797,675 is available for spending (unreserved fund balance) on behalf of its citizens.
- * During 2003, the City maintained a bond credit rating of Aa3, as issued by Moody's Investors Services in 2002.

USING THIS ANNUAL FINANCIAL REPORT

This annual report consists of a series of financial statements and notes to those statements. These statements are presented so that the reader can understand the City's financial position as a whole and also give a detailed view of the City's fiscal condition.

The Statement of Net Assets and Statement of Activities provide information about the activities of the City as a whole, presenting a longer-term view of those activities. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as the amount of funds available for future spending. The fund financial statements also look at the City's most significant funds with all other non-major funds presented in total in one column.

REPORTING THE CITY AS A WHOLE

The Statement of Net Assets and the Statement of Activities

The analysis of the City as a whole begins with the Statement of Net Assets and the Statement of Activities. These reports provide information that will help the reader to determine if the City is financially better or worse as a result of the year's activities. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2003**

These two statements report the City's net assets and the change in those assets. This change in net assets informs the reader whether the City's financial position, as a whole, has improved or diminished. However, in evaluating the overall position of the City, non-financial information such as changes in the City's tax base and the condition of City capital assets will also need to be evaluated.

In the Statement of Net Assets and the Statement of Activities, the City reports government activities, where most of the City's services are reported, including police, fire, public works, administration, and all other departments.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objects. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and fiduciary funds. Fund financial reports provide detailed information about the City's major funds.

Based on restrictions on the use of monies, the City has established many funds, which account for the services provided to residents. However, these fund financial statements focus on the City's most significant funds. The major funds are the general, capital improvements, and the northwest business district tax increment financing funds.

Governmental Funds: Most of the City's services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. 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 to determine whether there are more or less financial resources that can be spent in the near future on services provided to residents. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

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. The City has only an agency fund to report within the fiduciary fund category. Agency funds are reported on a full accrual basis and only present a statement of assets and liabilities.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the governmental-wide and fund financial statements.

Other information: In addition to the basic financial statements and accompanying notes, this report also presents combining and individual fund statements and schedules.

**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2003**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Statement of Net Assets and the Statement of Activities present information about the City as a whole. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by the private sector. The basis for this accounting reflects all of the current year's revenues and expenses regardless of when the cash is received or paid.

Table 1 provides a summary of the City's net assets for 2003.

Table 1	<u>Governmental Activities 2003</u>
<u>Assets</u>	
Current and other assets	\$12,056,848
Capital assets, net	<u>40,235,805</u>
Total assets	<u>52,292,653</u>
<u>Liabilities</u>	
Current and other liabilities	3,908,291
Long-term liabilities:	
Due within one year	753,566
Due in more than one year	<u>9,141,299</u>
Total liabilities	<u>13,803,156</u>
<u>Net Assets</u>	
Invested in capital assets, net of debt	30,841,274
Restricted	800,807
Unrestricted	<u>6,847,416</u>
Total net assets	<u>\$38,489,497</u>

Because this is the first year to report all activities using the accrual basis of accounting, a comparison to the prior year is not possible. However, in future years, this section will explain the differences between the current and prior year assets, liabilities, and changes in net assets.

Table 2 shows the changes in net assets at year-end. Since this is the first year the City has prepared financial statements following GASB Statement No. 34, revenue and expense comparisons to the prior year are not available. In future years, when prior year information is available, a comparative analysis of government-wide data will be presented. Refer to the following section for discussion of the reasons for the change in net assets during the year.

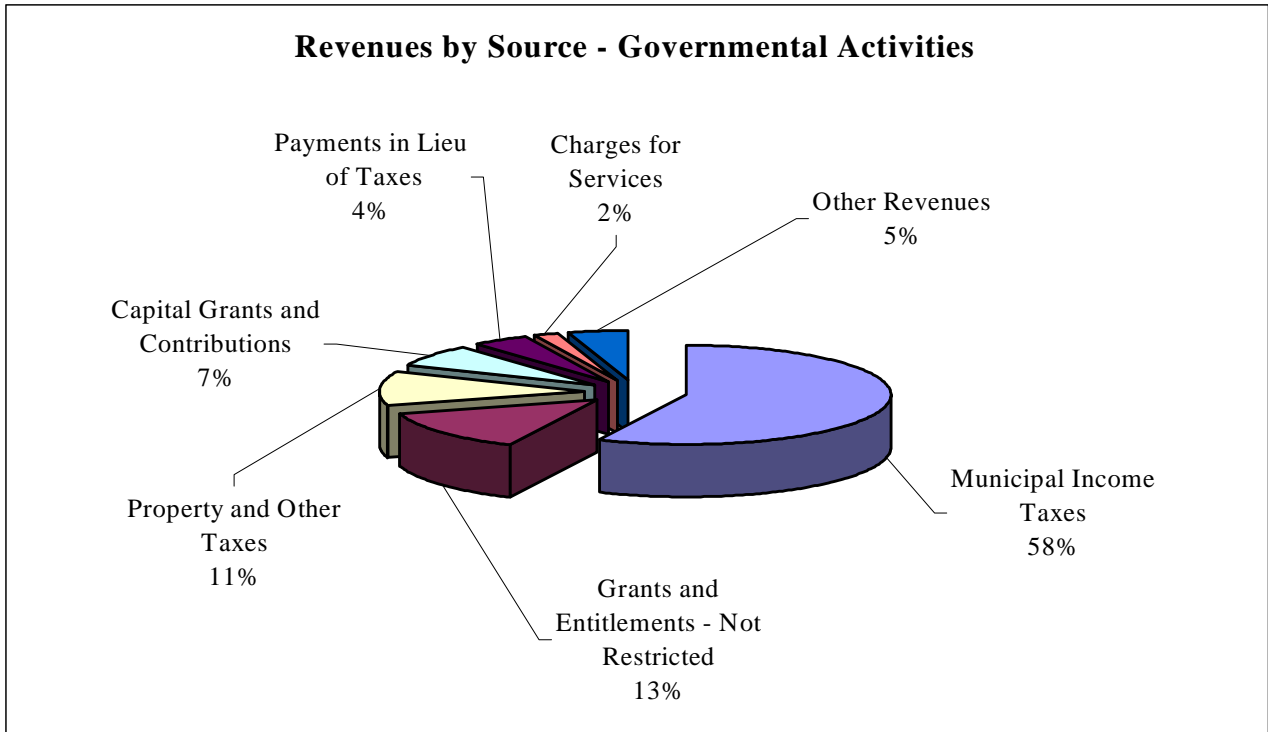
**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2003**

Table 2	<u>Governmental Activities</u> <u>2003</u>
<u>Revenues</u>	
Program revenues:	
Charges for services	\$325,139
Operating grants and contributions	86,237
Capital grants and contributions	1,198,695
General revenues:	
Income taxes	9,370,885
Property and other taxes	1,847,701
Payments in lieu of taxes	715,444
Grants and entitlements not restricted	2,215,435
Unrestricted contributions	3,350
Investment earnings	64,280
Other	618,591
Total revenues	<u>16,445,757</u>
<u>Program Expenses</u>	
Governmental activities:	
Security of persons and property	6,680,416
Public health services	238,119
Leisure time activities	1,599,793
Community environment	815,457
Basic utility services	346,257
Transportation	1,903,066
General government	4,019,434
Interest and fiscal charges	451,051
Total expenses	<u>16,053,593</u>
Increase in net assets	<u><u>\$392,164</u></u>

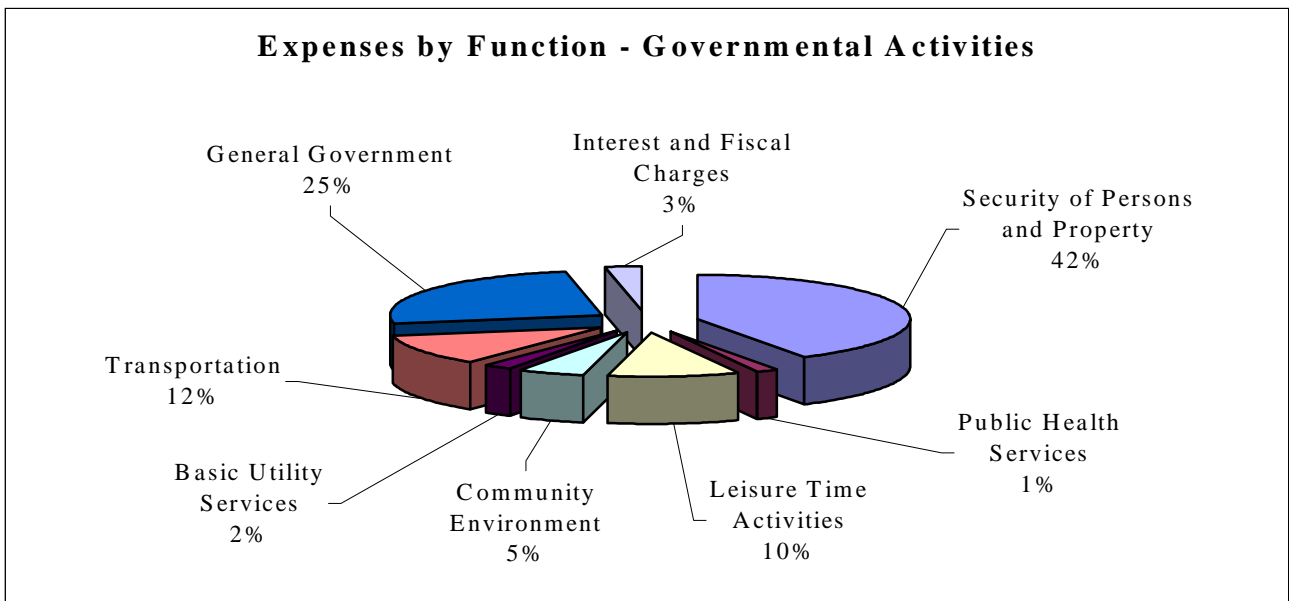
Governmental Activities

Governmental activities increased the City's net assets by \$392,164. The primary reason for the increase relates to the focus in 2003 on departments reducing expenses. Due to heightened concern over the trend of decreasing revenues (mostly income tax), a concerted effort was made by each department to reduce expenses. As a result, expenses were \$392,164 under the level of revenue.

**CITY OF SPRINGDALE, OHIO
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED DECEMBER 31, 2003**



Income tax revenue for 2003 was \$9,370,885, accounting for 58% of total governmental activities revenue. Property and other taxes were \$1,847,701, accounting for 11% of the total. Grants and entitlements - not restricted for a specific purpose were \$2,215,435, accounting for 13% of the total. Capital grants and contributions were \$1,198,695, accounting for 7% of the total. The remaining 11% of total revenue were from charges for services, operating grants and contributions, payments in lieu of taxes, and other revenues.



**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2003**

Increases in expenses parallel inflation and growth. The largest expense function, 42% of program expense, is security of persons and property, which reflects the police and fire departments. General government, 25% of program expense, reflects the Mayor's office, administration, finance, and income tax departments. Transportation, 12% of program expenses, reflects the public works department. Leisure time activities, 10% of program expenses, reflects the parks and recreation department. The remaining 11% of program expense reflect the health department, building department, payments for utility services, and payments for interest and fiscal charges.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The focus of City governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year. These funds are accounted for by using the modified accrual basis of accounting. See the table of contents regarding the fund financial statements.

As of the end of 2003, the City's governmental funds reported combined ending fund balances of \$4,517,948. Of this amount, \$2,797,675 represents unreserved fund balance, which is available for spending at the government's discretion. The remaining fund balance is reserved to indicate the amount not available for new spending because it has already been committed to liquidate encumbrances, reflect year-end inventory, prepaid items, and long-term advances, and to reflect amounts designated for liability and health insurance.

All governmental funds had total revenues of \$14,603,563 and expenditures of \$17,387,571, leaving an deficiency of revenues over expenditures of \$2,784,008. The general fund is the chief operating fund of the City. At the end of 2003, the total fund balance for the general fund was \$3,680,198, of which \$2,101,035 was unreserved.

GENERAL FUND BUDGETING HIGHLIGHTS

The City's budget is prepared according to Ohio law and the City Charter. The most significant budget fund is the general fund, which is formally adopted at the departmental level. The budget is based on accounting for transactions on a basis of cash receipts, disbursements, and encumbrances. Month-end financial reports, which compare budgeted activity to actual results are presented to administration as well as to City Council on a monthly basis in order to review the financial status and measure the effectiveness of budgetary controls. During 2003, one amendment to the City budget was passed by City Council.

For 2003, the general fund original budgeted revenues were \$13.6 million and the final budgeted revenues were \$14 million. Also for 2003 the general fund original expenditures were \$13.8 million and the final budgeted expenditures were \$13.7 million. As a result of the activity in the general fund, the year-end budget amendment did not change appropriations or estimated revenues. Following is a list of general fund items reflected in the year-end supplemental appropriation measure:

- * Transfers-out to other funds, in the amount of \$81,800, were increased,
- * Advances-out to other funds, in the amount of \$25,705, were increased,
- * Advances-in from other funds, in the amount of \$408,650, were decreased,
- * Departmental appropriations were adjusted as a result of activity throughout the year, but the overall general fund appropriations did not change.

**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2003**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

**Capital Assets at December 31
(Net of Depreciation)**

Table 3	Governmental Activities	
	2003	2002
Land	\$4,559,425	\$4,494,805
Building	15,352,842	15,651,870
Improvements other than building	1,088,429	1,165,448
Machinery and Equipment	474,750	531,710
Furniture and Fixtures	9,911	10,767
Vehicles	1,354,254	1,481,058
Infrastructure:		
Sewers	585,674	674,605
Roads	2,934,215	1,235,262
Traffic control	492,815	574,640
Streetscape	1,333,055	120,197
Sidewalks	516,835	566,298
TIF area public improvements	11,533,600	11,864,000
Total capital assets	<u>\$40,235,805</u>	<u>\$38,370,660</u>

The increase in capital assets in 2003 was the direct result of road improvement and streetscape addition projects.

Debt

As of December 31, 2003, the City had \$9,408,211 in bonds, loans, and capital leases, with \$753,566 due within one year.

Outstanding Debt at December 31

	Governmental Activities	
	2003	2002
General obligation bonds	\$6,413,118	\$7,039,331
TIF revenue bonds	2,915,311	2,956,667
Ohio police and fire pension loan	13,680	13,888
Capital leases	66,102	0
Total debt	<u>\$9,408,211</u>	<u>\$10,009,886</u>

**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2003**

The general obligation bonds are composed of (1) Community Center Expansion Bonds – issued in 2002 for the construction of the City's Community Center facility, and (2) Urban Renewal District II Bonds – issued in 2002 to purchase land for future development within the State Route 4 business corridor. The Community Center Expansion Bonds were issued through a public offering. In preparation for the public offering, an Official Statement was prepared. As a result, the City was assigned a rating of Aa3 from Moody's Investors Services. The Urban Renewal District II Bonds was issued through a private placement. Under both general obligation bond issues, payments are made twice a year (two interest payments and one principal payment) from City funds.

The TIF revenue bonds are the Northwest Business District Tax Increment Financing (TIF) Revenue Bonds. These were issued in 2000 to retire notes issued for the construction of the roads and man-made lake in the Northwest Business District (Pictoria Island) TIF area. TIF revenue bond payments are made monthly (each payment incorporates interest and principal). Payments are made from funds received in lieu of taxes.

The Ohio Police and Fire Pension loan is being paid semi-annually from City funds.

In 2003, the City entered into three lease agreements, each lease categorized as a capital lease. Payments for these leases are made from City funds.

Under the current City Charter, the City's 2003 general obligation bonded debt issuance was subject to a legal limitation of \$44,950,083 based on 10 percent of the total assessed value of real and personal property located within the City.

Additional information concerning the City's debt can be found in the notes to the basic financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Budget Procedure

The City's budget procedure is a very detailed process. In May and June of the current year, the tax budget is prepared for submission to the County in accordance with the Ohio Revised Code. This budget procedure forecasts fund balances at the end of the next fiscal year based on information available in May and June of the current year. The tax budget is prepared jointly between the finance and administration departments.

In October-November of the current year, the City five-year budget is prepared. This process starts with the budgeted current year figures and attempts to revise for the remainder of the year. Then predictions are made for the next five years based on assumptions provided by administration. The five-year budget takes a long-term look at the direction of the City. Each department director prepares the budgeted expenditures that relate to the applicable department. The finance department prepares the budgeted revenues. The City Administrator then reviews all figures in detail, and amendments are made where applicable.

In November-December of the current year the one-year budget is prepared. This document becomes the basis for the appropriation and estimated revenue ordinance passed for the next fiscal year. Again each department director prepares the budgeted expenditures that relate to the applicable department and the finance department prepares the budgeted revenues, the City Administrator reviews all figures before the

**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2003**

budget is final. At or near the first day of the fiscal year, the budget appropriations and estimated revenue ordinance is passed by Council.

Recent Budget Concerns

After ten years of increased income tax revenues, 2002 showed a decline based on current economic trends. This trend continued through 2003. As a result, departmental spending was closely monitored to reflect the decrease in tax revenue. In 2003, a decision was made to increase the income tax rate from 1% to 1.5% through a vote of the residents, to be effective July 1, 2004.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, creditors, investors and elected officials with a general overview of the City's finances and to show accountability for the money it receives. If you have any questions about this report or need additional information, contact Jeffrey T. Williams, Finance Officer/Tax Commissioner, 11700 Springfield Pike, Springdale, Ohio 45246, (513) 346-5700, (e-mail at jwilliams@springdale.org) or visit the City website at www.springdale.org.

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BASIC FINANCIAL STATEMENTS

**CITY OF SPRINGDALE, OHIO
STATEMENT OF NET ASSETS
DECEMBER 31, 2003**

	<u>Governmental Activities</u>
Assets:	
Equity in pooled cash and cash equivalents	\$4,688,913
Cash in escrow account	100,517
Cash with fiscal agent	500,973
Receivables (net):	
Taxes	4,283,037
Payments in lieu of taxes	715,000
Accounts	138,631
Intergovernmental	1,262,428
Bond issuance costs	212,270
Prepaid items	27,122
Inventory	127,957
Nondepreciable capital assets	4,559,425
Depreciable capital assets, net	<u>35,676,380</u>
 Total assets	 <u>52,292,653</u>
Liabilities:	
Accounts payable	290,763
Contracts payable	806,223
Accrued wages and benefits payable	715,130
Accrued workers compensation payable	71,329
Intergovernmental payable	9,821
Accrued interest payable	19,492
Undistributed monies payable	93,889
Unclaimed monies payable	9,056
Claims payable	57,613
Deferred revenue	1,834,975
Long-term liabilities:	
Due within one year	753,566
Due in more than one year	<u>9,141,299</u>
 Total liabilities	 <u>13,803,156</u>
Net assets:	
Invested in capital assets, net of related debt	30,841,274
Restricted for:	
Special revenue	270,272
Capital projects	530,535
Unrestricted	<u>6,847,416</u>
 Total net assets	 <u>\$38,489,497</u>

See accompanying notes to the basic financial statements

**CITY OF SPRINGDALE, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2003**

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental activities:					
Security of persons and property	\$6,680,416	\$312,763	\$79,499	\$0	(\$6,288,154)
Public health services	238,119	2,250	1,633	0	(234,236)
Leisure time activities	1,599,793	10,126	0	0	(1,589,667)
Community environment	815,457	0	0	0	(815,457)
Basic utility services	346,257	0	0	0	(346,257)
Transportation	1,903,066	0	5,105	839,874	(1,058,087)
General government	4,019,434	0	0	358,821	(3,660,613)
Interest and fiscal charges	451,051	0	0	0	(451,051)
 Total governmental activities	 \$16,053,593	 \$325,139	 \$86,237	 \$1,198,695	 (14,443,522)
General revenues:					
					9,370,885
Municipal income taxes					1,847,701
Property and other taxes					715,444
Payments in lieu of taxes					2,215,435
Grants and entitlements not restricted to specific programs					3,350
Unrestricted contributions					64,280
Investment earnings					618,591
Other revenues					14,835,686
Total general revenues					14,835,686
 Change in net assets					392,164
 Net assets - beginning					38,097,333
 Net assets - ending					\$38,489,497

See accompanying notes to the basic financial statements

CITY OF SPRINGDALE, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2003

	General Fund	Capital Improvements Fund	Northwest Business TIF Fund	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash and cash equivalents	\$3,214,672	\$570,531	\$577,173	\$208,577	\$4,570,953
Cash in segregated account	16,015	0	0	0	16,015
Cash in escrow account	0	100,517	0	0	100,517
Cash with fiscal agent	0	500,973	0	0	500,973
Receivables:					
Taxes	4,283,037	0	0	0	4,283,037
Payments in lieu of taxes	0	0	715,000	0	715,000
Accounts	134,889	2,500	0	1,242	138,631
Intergovernmental	502,697	246,755	40,600	472,376	1,262,428
Interfund loan receivable	22,168	0	0	0	22,168
Inventory	127,957	0	0	0	127,957
Prepaid items	27,122	0	0	0	27,122
Advance to other fund	412,500	0	0	0	412,500
Restricted assets:					
Funds on deposit for unclaimed monies	9,056	0	0	0	9,056
Funds on deposit for performance bonds and plan review fees	92,889	0	0	0	92,889
Total assets	<u>\$8,843,002</u>	<u>\$1,421,276</u>	<u>\$1,332,773</u>	<u>\$682,195</u>	<u>\$12,279,246</u>
Liabilities:					
Accounts payable	\$260,877	\$23,566	\$0	\$6,320	\$290,763
Contracts payable	0	513,941	0	292,282	806,223
Accrued wages and benefits payable	712,098	0	0	3,032	715,130
Accrued workers compensation payable	71,329	0	0	0	71,329
Intergovernmental payable	9,063	0	0	758	9,821
Interfund loan payable	0	0	0	22,168	22,168
Undistributed monies payable	93,889	0	0	0	93,889
Unclaimed monies payable	9,056	0	0	0	9,056
Claims payable	57,613	0	0	0	57,613
Advance from other fund	0	412,500	0	0	412,500
Deferred revenue	3,948,879	246,755	755,600	321,572	5,272,806
Total liabilities	<u>5,162,804</u>	<u>1,196,762</u>	<u>755,600</u>	<u>646,132</u>	<u>7,761,298</u>
Fund balances:					
Reserved for encumbrances	69,028	140,787	0	323	210,138
Reserved for inventory	127,957	0	0	0	127,957
Reserved for prepaid items	27,122	0	0	0	27,122
Reserved for advance	412,500	0	0	0	412,500
Designated for health insurance	47,174	0	0	0	47,174
Designated for liability insurance	895,382	0	0	0	895,382
Unreserved, undesignated, reported in:					
General fund	2,101,035	0	0	0	2,101,035
Special revenue funds	0	0	0	31,627	31,627
Capital projects funds	0	83,727	577,173	4,113	665,013
Total fund balances	<u>3,680,198</u>	<u>224,514</u>	<u>577,173</u>	<u>36,063</u>	<u>4,517,948</u>
Total liabilities and fund balances	<u>\$8,843,002</u>	<u>\$1,421,276</u>	<u>\$1,332,773</u>	<u>\$682,195</u>	<u>\$12,279,246</u>

See accompanying notes to the basic financial statements

CITY OF SPRINGDALE, OHIO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2003

Total governmental fund balances	\$4,517,948
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	40,235,805
Some long-term assets, such as bond issuance costs are not available for current-period expenditures and therefore are not reflected in the funds.	212,270
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	3,437,831
Some liabilities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds.	(486,654)
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds.	(9,408,211)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.	<u>(19,492)</u>
Net assets of governmental activities	<u><u>\$38,489,497</u></u>

See accompanying notes to the basic financial statements

CITY OF SPRINGDALE, OHIO
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

	General Fund	Capital Improvements Fund	Northwest Business TIF Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Municipal income taxes	\$7,949,572	\$0	\$0	\$0	\$7,949,572
Property and other taxes	1,817,457	0	0	0	1,817,457
Payments in lieu of taxes	0	0	715,444	0	715,444
Intergovernmental	1,688,325	745,969	79,495	659,296	3,173,085
Charges for services	292,263	0	0	0	292,263
Fines and forfeitures	207,144	0	0	3,615	210,759
Fees, licenses and permits	340,982	0	0	9,556	350,538
Special assessments	0	5,600	0	0	5,600
Interest	45,646	14,442	3,200	992	64,280
Contributions	3,350	0	0	0	3,350
Other	17,073	0	0	4,142	21,215
Total revenues	12,361,812	766,011	798,139	677,601	14,603,563
Expenditures:					
Current:					
Security of persons and property	6,037,625	0	0	77,800	6,115,425
Public health services	212,830	0	0	6,856	219,686
Leisure time activities	1,293,787	0	0	8,988	1,302,775
Community environment	400,556	0	0	343,118	743,674
Basic utility services	277,990	0	0	68,267	346,257
Transportation	935,236	0	0	379,844	1,315,080
General government	3,188,394	23,566	20,496	0	3,232,456
Capital outlay	201,893	2,807,802	0	5,725	3,015,420
Debt service:					
Principal retirement	13,553	220,000	41,356	400,000	674,909
Interest and fiscal charges	0	44,147	196,842	180,900	421,889
Total expenditures	12,561,864	3,095,515	258,694	1,471,498	17,387,571
Excess (deficiency) of revenues over expenditures	(200,052)	(2,329,504)	539,445	(793,897)	(2,784,008)
Other financing sources (uses):					
Inception of capital lease	79,446	0	0	0	79,446
Transfers-in	0	1,286,613	0	678,439	1,965,052
Transfers-out	(1,965,052)	0	0	0	(1,965,052)
Total other financing sources (uses)	(1,885,606)	1,286,613	0	678,439	79,446
Net change in fund balances	(2,085,658)	(1,042,891)	539,445	(115,458)	(2,704,562)
Beginning fund balances (restated)	5,765,856	1,267,405	37,728	151,521	7,222,510
Ending fund balances	\$3,680,198	\$224,514	\$577,173	\$36,063	\$4,517,948

See accompanying notes to the basic financial statements

**CITY OF SPRINGDALE, 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, 2003**

Net change in fund balances - total governmental funds	(\$2,704,562)
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.	1,871,893
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, disposal) is to decrease net assets.	(6,748)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	417,197
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduced long-term liabilities in the statement of net assets.	674,909
Some expenses reported in the statement of activities, such as compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	19,931
Some long-term assets, such as bond issuance costs are not available for current-period expenditures and therefore are not reflected in the funds.	212,270
Some expenses reported in the statement of activities, such as accrued interest, amortization of bond premium, and amortization of bond issuance costs do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The net effect is reported.	(13,280)
Proceeds from capital lease issues are an other financial source in the funds, but a debt issue increases long-term liabilities in the statement of net assets.	<hr style="width: 100%;"/> (79,446)
Change in net assets of governmental activities	<hr style="width: 100%;"/> <u>\$392,164</u>

See accompanying notes to the basic financial statements

CITY OF SPRINGDALE, OHIO
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2003

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Municipal income taxes	\$9,756,926	\$9,756,926	\$9,564,956	(\$191,970)
Property and other taxes	1,754,335	1,754,335	1,836,591	82,256
Intergovernmental	1,080,699	1,493,199	1,637,324	144,125
Charges for services	227,700	227,700	295,603	67,903
Fines and forfeitures	199,500	199,500	207,147	7,647
Fees, licenses and permits	374,725	374,725	343,185	(31,540)
Interest	95,800	95,800	46,205	(49,595)
Contributions	0	0	3,350	3,350
Other	116,650	112,800	364,922	252,122
Total revenues	<u>13,606,335</u>	<u>14,014,985</u>	<u>14,299,283</u>	<u>284,298</u>
Expenditures:				
Current:				
Security of persons and property	6,459,830	6,179,830	6,032,696	147,134
Public health services	249,338	224,338	211,664	12,674
Leisure time activities	1,368,463	1,318,463	1,289,569	28,894
Community environment	426,110	421,110	401,774	19,336
Basic utility services	285,000	285,000	277,404	7,596
Transportation	1,043,165	1,003,165	942,022	61,143
General government	3,693,616	4,076,111	3,784,172	291,939
Capital outlay	227,651	187,651	160,771	26,880
Debt service:				
Principal retirement	63,898	13,898	13,345	553
Total expenditures	<u>13,817,071</u>	<u>13,709,566</u>	<u>13,113,417</u>	<u>596,149</u>
Excess (deficiency) of revenues over expenditures	<u>(210,736)</u>	<u>305,419</u>	<u>1,185,866</u>	<u>880,447</u>
Other financing sources (uses):				
Transfers-in	558	558	558	0
Transfers-out	(1,883,252)	(1,965,052)	(1,965,052)	0
Advances-in	877,300	468,650	468,650	0
Advances-out	0	(25,705)	(22,168)	3,537
Total other financing sources (uses)	<u>(1,005,394)</u>	<u>(1,521,549)</u>	<u>(1,518,012)</u>	<u>3,537</u>
Net change in fund balance	(1,216,130)	(1,216,130)	(332,146)	883,984
Beginning fund balance	3,396,683	3,396,683	3,396,683	0
Prior year encumbrances	146,828	146,828	146,828	0
Ending fund balance	<u>\$2,327,381</u>	<u>\$2,327,381</u>	<u>\$3,211,365</u>	<u>\$883,984</u>

See accompanying notes to the basic financial statements

**CITY OF SPRINGDALE, OHIO
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
DECEMBER 31, 2003**

	<u>Agency</u>
Assets:	
Equity in pooled cash and cash equivalents	<u>\$235</u>
Total assets	<u><u>\$235</u></u>
Liabilities:	
Ohio board of building standards assessment payable	<u>\$235</u>
Total liabilities	<u><u>\$235</u></u>

See accompanying notes to the basic financial statements

CITY OF SPRINGDALE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2003

The accounting methods and procedures adopted by the City of Springdale, Ohio, conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental entities. The following notes to the financial statements are an integral part of the basic financial statements.

1. FINANCIAL REPORTING ENTITY

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, "*The Financial Reporting Entity*", in that the financial statements include all the funds and activity of the primary government. The primary government consists of all the organizations, activities, and functions that are not legally separate from the City. Component units are legally separate organizations for which the City is financially accountable. The City would consider an organization to be a component unit if:

1. the City appoints a voting majority of the organizations body; and is able to impose its will on that organization or there is a potential for the organization to provide specific financial burdens on the City; or
2. the organization is fiscally dependent upon the City; or
3. the nature of the relationship between the City and the organization is such that the exclusion from the financial reporting entity would render the financial statements misleading.

Based on the above, potential component units were considered for inclusion. The City has no component units.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a statement of net assets and statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements

The statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statement of net assets presents the financial condition of the government at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues not classified as program revenues are presented as general revenues, with certain limited exceptions.

CITY OF SPRINGDALE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2003

The comparison of direct expenses with program revenues identifies that extent to which each governmental function is self-financing or draws from the general revenues of the City.

Fund Financial Statements

During the year, the City segregates transactions related to certain functions or activities in separate funds in order to assist financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The City's only fiduciary fund is an agency fund.

Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

The basic financial statements of the City were prepared in accordance with standards promulgated by the Governmental Accounting Standards Board (GASB). These standards include the effective pronouncements of the National Council on Governmental Accounting (NCGA) and the American Institute of Certified Public Accountants (AICPA) which are considered to be accounting principles generally accepted in the United States of America, for state and local governmental entities, until they are altered, amended, supplemented, revoked or superseded by a subsequent GASB pronouncement.

The City utilizes governmental funds and a fiduciary fund.

Governmental Funds - Governmental funds are those 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 are accounted for through governmental funds. The City maintains records showing revenues, actual and accrued expenditures and encumbrances to assure legal and accounting compliance and to assure that budgetary authority is not exceeded. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the City's major governmental funds:

General Fund - This fund is established to account for resources devoted to financing the general services that the City performs for its residents. Municipal income tax, general tax revenues, as well as other sources of revenue used to finance the fundamental operations of the City are included in this fund. The fund is charged with all costs of operating the government for which a separate fund has not been established.

Capital Improvements Fund - This capital projects fund is used to account for various capital projects financed by governmental funds.

Northwest Business District Tax Increment Financing (TIF) Fund - This capital projects fund is used to account for the activity regarding the Northwest Business District TIF Project, including the issuance of debt as well as public improvements.

CITY OF SPRINGDALE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2003

The other governmental funds of the City account for grants and other resources that are generally restricted to use for a particular purpose.

Fiduciary Funds - Fiduciary funds are used to account for assets held by the City as a trustee or as an agent for individuals, private organizations, or other units of government. The fiduciary fund category is split into four classifications: agency funds, pension trust funds, investment trust funds, and private purpose trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Trust funds are used to account for assets held under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City's fiduciary fund consists only of an agency fund.

Measurement Focus

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the Statement of Net Assets.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the source (i.e., revenues and other financial sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities on the government-wide financial statements are prepared. Government fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements of government funds.

Basis of Accounting

Accounting basis determines when transactions and economic events are reflected in its financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Government funds use the modified accrual basis of accounting. Fiduciary funds also use the modified basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue and in the presentation of expenses versus expenditures.

Revenues – Exchange and Non-Exchange Transactions

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, available means expected to be received within thirty-one days of year-end.

CITY OF SPRINGDALE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2003

Nonexchange transactions, in which the City received value without directly giving equal value in return, include income tax, admissions tax, occupancy tax, property tax, payments in lieu of taxes, cable franchise fees, state levied taxes, grants, entitlements, and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property tax is recognized in the fiscal year for which the taxes are levied. Revenue from state-levied taxes, grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. 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 specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis of accounting, the following revenue sources are considered to be both measurable and available at year-end: state-levied locally shared taxes (including gasoline tax and motor vehicle license tax), fines and forfeitures, fees, licenses and permits, grants, cable franchise fees, admissions tax, occupancy tax, estate tax, and income tax.

Deferred Revenue

Deferred revenues arise when potential revenue does not meet both the measurable and available criteria for recognition in the current period. In a subsequent period, when both revenue recognition criteria are met, the liability or deferred revenue is removed and revenue is recognized. Current and delinquent property taxes, homestead and rollback entitlement, state-levied locally shared taxes (including gasoline tax and motor vehicle license tax), grants, estate tax, transient tax, payments in lieu of tax, and income tax measurable as of year-end whose availability is indeterminate and which are not intended to finance current period obligations, have been recorded as a receivable and deferred revenue.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are recorded when the related fund liability is incurred. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Budgets and the Budgetary Process

The budgetary process, prescribed by provisions of the Ohio Revised Code and the City Charter, entails the preparation of budgetary documents within an established timetable. This process entails the preparation of the tax budget, a certificate of estimated resources, and the appropriation ordinance, all of which are prepared on the non-GAAP budgetary basis of accounting. The certificate of estimated resources and the appropriation ordinance may be amended by councilmanic action throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

CITY OF SPRINGDALE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2003

All funds, other than agency funds, are legally required to be budgeted and appropriated. The City adopts a budget and appropriations for all funds. The legal level of budgetary control is defined as the level at which City Council must approve any overexpenditure of appropriations or transfers of appropriated amounts. City Council must approve any increase or decrease in appropriations and estimated receipts. The legal level of budgetary control for the general fund is at the departmental level, all other funds is at the fund level. Administrative control is maintained through the establishment of detailed line item budgets. For 2003, all appropriations were approved as required and all funds and departments completed the year within the legally authorized appropriations.

The City's charter requires the Mayor, Clerk of Council/Finance Director and the City Administrator to present the tax budget to City Council by June 1 of each year. A tax budget of estimated revenues and expenditures for all funds 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. The County Budget Commission certifies its actions to the City by September 1, and as a part of this certification, the City receives the official certificate of estimated resources, which states the projected revenue of each fund. Prior to December 31, the City must prepare its annual budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation ordinance.

On or about January 1, the certificate of estimated resources is amended to include unencumbered fund balances at December 31 of the preceding year. The certificate may be further amended during the year if a new source of revenue is received or actual receipts exceed current estimated receipts. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources.

Appropriations - A temporary appropriation measure to control expenditures may be passed on or about January 1 of each year for the period from January 1 to March 31. The annual appropriation ordinance must be passed by April 1 of each year for the period January 1 to December 31. The appropriation ordinance may be supplemented during the year by councilmanic action, as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified.

Encumbrances - As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On the modified accrual basis, encumbrances outstanding at year-end are reported as reservations of fund balances for subsequent year expenditure.

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 succeeding fiscal year and need not be reappropriated.

Budgetary Basis of Accounting – While the City is reporting financial position, results of operations and

CITY OF SPRINGDALE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2003

changes in fund balances on the basis of accounting principles generally accepted in the United States of America (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (Non-GAAP Basis) and Actual (presented for the general fund) is presented on a budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).
4. Unreported cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statement.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund.

	Net Change in Fund Balance- General Fund
GAAP Basis	(\$2,085,658)
Net adjustment for revenue accruals	1,786,544
Net adjustment for expenditure accruals	63,166
Encumbrances	(96,198)
 Budget basis	 (\$332,146)

Cash and Cash Equivalents

Cash is pooled and invested in short-term investments for cash management purposes. Investments with original maturities of three months or less are considered to be cash equivalents.

The City maintains an escrow bank account to provide for the receipt and disbursement of a capital related project. The escrow account is maintained in the capital projects fund. The City also maintains funds with the Ohio Department of Transportation (ODOT), as fiscal agent, to provide the local share of receipts and disbursements for the State Route 747/CSX Grade Separation Project. The cash with fiscal agent is maintained in the capital projects fund.

The City reports cash in segregated account in the general fund. This is the balance at year-end of the Mayor's Court activity.

The City has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 2003. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows

CITY OF SPRINGDALE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2003

governments within the State to pool their funds for investment purposes. Star Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Star Ohio are valued at Star Ohio's share price which is the price the investment could be sold for on December 31, 2003.

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectable.

Prepaid Items

Payments made to vendors for services that will benefit subsequent periods are recorded as prepaid items. Prepaid items are equally offset by a fund balance reserve which indicates that these prepaid items do not constitute available spendable resources even though they are a component of net current assets.

Inventory

On government-wide financial statements, inventories are presented based on the consumption method at the lower of cost or market on a first-in, first-out basis and are expenses when used.

On fund financial statements, inventories are presented based on the consumption method at the lower of cost or market on a first-in, first-out basis and are expenses when used. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental funds when purchased.

Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in the governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. For purposes of financial reporting, only capital assets valued at \$5,000 or more are reported (capital asset threshold was increased in 2003 from \$1,000 to \$5,000). Donated capital assets are recorded at their fair market values as of the date received. The City's infrastructure consists of sewer lines, streets, traffic signals, and sidewalks. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets are depreciated except land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

Buildings	15 - 60 years
Improvements other than building	10 - 25 years

CITY OF SPRINGDALE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2003

Machinery and Equipment	5 - 10 years
Furniture and Fixtures	15 - 20 years
Vehicles	5 - 20 years
Infrastructure	15-100 years

Interest Income

Interest income is distributed to the funds according to the Ohio Revised Code and the City Ordinance. The Ohio Revised Code requires interest to be credited to the general fund, however, the City passes legislation allowing interest to be allocated to the applicable funds based on the principal balance. Total interest revenue during 2003 was \$64,280. Total interest credited to the general fund during 2003 was \$45,646 which includes \$2,739 assigned from other funds.

Interfund Balances

On fund financial statements, long-term interfund loans are classified as "advance to/from other fund" on the balance sheet and are equally offset by a fund balance reserve account which indicates that they do not constitute available expendable resources. These amounts, as well as any short-term interfund balances, are eliminated in the governmental activities column of the statement of net assets.

Compensated Absences

The City reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences." Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those that the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employee wage rates at fiscal year-end taking into consideration any limits specified in the City's personnel manual.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental funds, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported. The City reported no compensated absences payable in the fund financial statements.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, and contractually required pension contributions that will

CITY OF SPRINGDALE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2003

be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, capital leases, and long-term loans are recognized as a liability on the fund financial statements when due.

Fund Balance Reserves/Designations

The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditure. As a result, encumbrances, inventories, prepaid items, and advances are recorded as a reservation of fund balance.

Also, the City designates those portions of fund balance which represent amounts at year-end for health insurance and liability insurance.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

Interfund Activity

Flows of cash from one fund to another without a requirement for repayment are reported as transfers. Transfers are reported as other financing sources/uses in governmental funds.

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 Administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the current year.

Estimates

The preparation of the basic financial statements in conformity with GAAP 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.

3. CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF PRIOR YEAR FUND EQUITY

Changes in Accounting Principles

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For 2003, the City has implemented GASB Statement No. 34, "Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments", GASB Statement No. 37, "Basic Financial Statements and Management’s Discussion and Analysis - Omnibus", GASB Statement No. 38, "Certain Financial Statement Note Disclosures", GASB Statement No. 41, "Budgetary Comparison Schedules", and GASB Interpretation No. 6, "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements".

GASB 34 creates new basic financial statements for reporting on the City’s financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column.

GASB Statement No. 37 clarifies certain provisions of Statement No. 34, including the required content of the management discussion and analysis, the classification of program revenues and the criteria for determining major funds. GASB Statement No. 38, modifies, establishes and rescinds certain financial statement note disclosures.

GASB Statement No. 41 allows the presentation of budgetary schedules as required supplementary information based on the fund, organization or program structure that the government uses for its legally adopted budget when significant budgetary perspective differences result in the City not being able to present budgetary comparison for the general and each major special revenue fund.

GASB Interpretation No. 6 clarifies the application of standards for modified accrual recognition of certain liabilities and expenditures in areas where differences have arisen, or potentially could arise, in interpretation and practice.

On the government-wide financial statements, the beginning net asset amount for governmental programs reflects the change in fund balance for governmental funds at December 31, 2002, caused by the conversion to the accrual basis of accounting.

Restatement of Fund Balances

The implementation of these statements had the following effects on fund balance of the major and nonmajor funds of the City as previously reported. The transition from governmental fund balance to net assets of the governmental activities is also presented.

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	<u>General</u>	<u>Capital Improvements</u>	<u>Northwest Business TIF</u>	<u>Nonmajor</u>	<u>Total</u>
Fund balances, December 31, 2002	\$5,716,671	\$1,267,405	\$37,728	\$150,519	\$7,172,323
GASB 34 adjustments:					
Implementation of GASB Interpretation 6	<u>49,185</u>	<u>0</u>	<u>0</u>	<u>1,002</u>	<u>50,187</u>
Adjusted fund balance, December 31, 2002	<u>\$5,765,856</u>	<u>\$1,267,405</u>	<u>\$37,728</u>	<u>\$151,521</u>	<u>7,222,510</u>
GASB 34 adjustments:					
Capital assets, net					38,370,660
Long-term liabilities					(10,516,471)
Long-term (deferred) assets					3,020,634
Governmental activities net assets, December 31, 2002					<u><u>\$38,097,333</u></u>

4. FUND DEFICIT

The special revenue, parks and urban forestry fund at December 31, 2003 included a fund deficit of \$104,577. This deficit is due to the recognition of expenditures on the modified accrual basis of accounting greater than expenditures recorded on the cash basis. The general fund is liable for the fund deficit and provides transfers when cash is required, not when accruals occur.

5. DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool used by all funds. Each fund has an equity interest in this account. Monies of substantially all funds of the City are maintained or invested in a common group of bank accounts and in short-term investments.

The provisions of the Ohio Revised Code and City Ordinances govern the investment and deposit of City monies. In accordance with these provisions, only banks located in Ohio and domestic building and loan associations are eligible to hold public deposits.

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 “cash” or “cash equivalent” status for immediate use by the City. Such funds must maintain either as cash in the City Treasury or in depository accounts payable or withdrawable on demand, including

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negotiable order of withdrawal (NOW) accounts.

Category 2 consists of “inactive” funds – those funds not required for use within the current period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing no later than the end of the current period of designation of depositories.

Category 3 consists of “interim” funds – those funds not needed for immediate use but needed before the end of the current period of designation of depositories. The City’s investment policy allows interim funds to be invested in the following:

- Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest thereon;
- Bond, notes, debentures or other obligation or securities issued by any federal government agency, or the export-import bank of Washington;
- The Clerk of Council/Finance Director may enter into a repurchase agreement with any eligible institution mentioned in the R.C. Section 135.03 and confirmed by Council, under the terms of which agreement the Clerk of Council/Finance Director purchases for the City, and such institution agrees unconditionally to repurchase any of the securities listed (in the investment policy) that will mature or are redeemable within five (5) years from the date of purchase;
- Certificates of deposit of eligible depositories, which may provide (and if so, shall be shown on its face) that the amount of such deposit is payable upon written notice a specified period before the date of the repayment maturity;
- Insured deposit amounts in eligible depositories paying interest at a rate greater than the interest rate paid on the City’s active deposits; and
- Star Ohio, an investment pool managed by the Treasurer of the State.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the City or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the Federal Deposit Insurance Corporation (FDIC) or Federal Savings and Loan Insurance Corporation (FSLIC), or may pledge a pool of government securities the face value of which is at least 110 percent of the total value of public

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monies on deposit at the institution.

Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of or guaranteed by the United States and mature or be redeemable within five years of the date of the related repurchase agreement. State law does not require that security for public deposits and investments be maintained in the name of the City.

Deposits

At year-end, the carrying amount of the City's deposits was \$3,679,359 and the bank balance was \$3,930,540. Of the bank balance, \$530,703 was covered by federal deposit insurance. The remaining amounts were uninsured and uncollateralized as defined by GASB Statement No. 3 because the securities held as collateral by the financial institutions or their trust departments or agencies were not held in the City's name. As authorized by state statute, the pledging bank has established an investment and securities pool to collateralize all public deposits.

GASB Statement No. 3, "*Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements*", requires that the City's deposits be classified as to credit risk within the following three categories.

- Category 1: Deposits that are insured or collateralized with securities held by the City or by its agent in the City's name.
- Category 2: Deposits that are collateralized with securities held by the pledging financial institutions trust department or agent in the City's name.
- Category 3: Deposits that are uncollateralized, including any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the City's name.

The City's bank balance of deposits, categorized by level of risk, at December 31, 2003, were as follows:

Category 1	\$530,703
Category 2	-
Category 3	<u>3,399,837</u>
Total Bank Balance	<u>\$3,930,540</u>

Investments

GASB Statement No. 3, "*Deposits with Financial Institutions, Investments and Reverse Repurchase Agreement*", requires that the City's investments be classified as to credit risk within the following three categories:

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

The City's investments at December 31, 2003 are summarized below:

	Carrying Amount	Fair Value
State Treasurer's Asset Reserve (Star Ohio)	\$1,611,279	\$1,611,279

The City's investment in Star Ohio is not categorized because it not evidenced by securities that exist in physical or book entry form.

The classification of cash and cash equivalents and investments for reporting purposes is based on criteria set forth in GASB Statement No. 9, "*Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*". A reconciliation between the classifications of cash and cash equivalents, and investments on the combined financial statements and the classifications per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents	Investment s
Equity in pooled cash and cash equivalents per GASB Statement No. 9	\$5,290,638	\$0
Investments (Star Ohio)	(1,611,279)	1,611,279
GASB Statement 3 (as detailed above)	\$3,679,359	\$1,611,279

6. RECEIVABLES

Receivables at year end, consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements, shared revenues, payments in lieu of taxes, and accounts.

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Property taxes

The assessed valuation of property within the City subject to the levy of ad valorem taxes includes real property, public utilities property, and tangible personal property. The City's property taxes are collected by the Hamilton County Auditor and are remitted to the City on a periodic basis. The full tax rate for all City operations for the year ended December 31, 2003, was \$3.08 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2003 property tax receipts were based are as follows:

Real Property – 2002 Assessed Valuation	\$409,639,450
Public Utility Tangible Personal Property – 2002 Assessed Valuation	6,900,910
Tangible Personal Property – 2002 Assessed Valuation	97,091,650
Total	<u>\$513,632,010</u>

Property taxes receivable represent real and tangible personal property taxes, public utility property taxes, and outstanding delinquencies, which are measurable as of December 31, 2003. Although total property tax collections for the next fiscal year are measurable, the City recognizes property taxes as deferred revenue since the first settlement date is more than thirty-one days after year-end and does not meet the availability criteria for accrual and because the taxes are not intended to finance current operations.

Real property taxes collected in any calendar year are generally levied on assessed values as of January 1 of the preceding year according to the following calendar:

- Lien date January 1, 2002
- Levy date - first half December 31, 2002
- First installment payment due January 31, 2003
- Levy date - second half March 31, 2003
- Second installment payment due June 20, 2003

Assessed values are established by the County Auditor at no more than 35% of appraised market value. The laws of the State of Ohio require that all property be revalued every six years, and at any time the County Auditor finds that true or taxable value thereof has changed, and in the third calendar year following the year in which a sexennial reappraisal is completed as ordered by the State Commissioner of Tax Equalization. Real property last experienced a reappraisal during 2002 with the results affecting collections beginning in 2003.

Tangible personal property used in business, other than public utilities, is currently assessed for ad valorem taxation purposes at 25% of its true value. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30 with the remainder payable by September 20.

Public utilities real and tangible personal property taxes collected in any calendar year are those levied on assessed values as of December 31 of the preceding year. Certain tangible personal property of public utilities is currently assessed at 100% of its true value. Real property of public utilities is currently assessed at 35% of true value. Property taxes on public utilities are subject to the same calendar as real

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property taxes, which is described above.

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City. The County Auditor periodically remits to the City its portion of the taxes collected. Accrued property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of year-end for which there is an enforceable legal claim. Although total property tax collections for the next year are measurable, amounts to be received during the available period are not subject to reasonable estimation at year-end, nor were they levied to finance current year operations. The receivable is therefore offset by deferred revenue in the fund financial statements. The receivable is also offset by deferred revenue in the government-wide financial statements, with the exception of delinquencies, which is presented as property tax revenue.

Income Taxes

The City levies a municipal income tax of 1% on substantially all earnings (gross salaries, wages and other personal service compensation) of its residents both in and out of the City and to earnings of nonresidents working within the City. The City allows a credit to residents for income taxes paid to other governments up to 100% of the City's current tax rate.

The municipal income tax also applies to net income of business conducted in the City. Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City on a quarterly basis. 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 to pay the cost of administering the tax within the general fund, capital improvements, and other general governmental functions as determined by Council.

Intergovernmental Receivables

A summary of the principle items of intergovernmental receivable is as follows:

Governmental Activities	
Estate tax	\$68,887
Homestead/rollback	105,100
Local government	333,500
Gasoline tax	126,705
License tax	85,400
Grants	505,646
Other	37,190
Total	\$1,262,428

7. INTERFUND TRANSACTIONS

Interfund Loans Receivable/Payable

Interfund loan asset and liability balances at December 31, 2003, are as follows:

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<u>Interfund Loans Receivable Fund</u>	<u>Interfund Loans Payable Fund</u>	<u>Amount</u>
General fund	Special revenue grants fund	\$22,168

Advance To/From Other Fund

In 2002, an interfund loan was made from the general fund to the capital improvements fund in the amount of \$825,000. The intent of management at the time of the loan was repayment within a year. In 2003, \$412,500 was repaid. The intent is to repay the remaining balance in 2005. At year-end 2003, \$412,500 is reported as a long-term advance to/from other fund on the fund financial statements.

Transfers In/Transfers Out

In 2003 the City had the following interfund transfers:

<u>Transfer-Out Fund</u>	<u>Transfer-In Fund</u>	<u>Amount</u>
General fund	Capital improvements fund	\$1,286,613
General fund	Community center debt fund	566,639
General fund	Residential recycling fund	60,000
General fund	Parks and urban forestry fund	<u>51,800</u>
Total transfers		<u>\$1,965,052</u>

The capital improvements fund and the community center debt fund are capital projects funds. The residential recycling fund and the parks and urban forestry fund are special revenue funds.

8. CAPITAL ASSETS

Capital asset activity for the current year is summarized below:

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<u>Governmental Activities</u>	<u>Balance 1/1/03 (restated)</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/03</u>
Capital assets, not being depreciated:				
Land	\$4,494,805	\$64,620	\$0	\$4,559,425
Total capital assets not being depreciated	<u>4,494,805</u>	<u>64,620</u>	<u>0</u>	<u>4,559,425</u>
Capital assets, being depreciated:				
Buildings	18,916,549	0	0	18,916,549
Improvements other than building	1,856,064	0	0	1,856,064
Machinery and equipment	1,065,711	30,987	(20,599)	1,076,099
Furniture and fixtures	13,506	0	0	13,506
Vehicles	3,024,159	79,446	(10,347)	3,093,258
Infrastructure	34,867,761	3,140,865	0	38,008,626
Total capital assets being depreciated	<u>59,743,750</u>	<u>3,251,298</u>	<u>(30,946)</u>	<u>62,964,102</u>
Less accumulated depreciation:				
Buildings	(3,264,679)	(299,028)	0	(3,563,707)
Improvements other than building	(690,616)	(77,019)	0	(767,635)
Machinery and equipment	(534,001)	(81,717)	14,369	(601,349)
Furniture and fixtures	(2,739)	(856)	0	(3,595)
Vehicles	(1,543,101)	(205,732)	9,829	(1,739,004)
Infrastructure	(19,832,759)	(779,673)	0	(20,612,432)
Total accumulated depreciation	<u>(25,867,895)</u>	<u>(1,444,025)</u>	<u>24,198</u>	<u>(27,287,722)</u>
Total capital assets being depreciated, net	<u>33,875,855</u>	<u>1,807,273</u>	<u>(6,748)</u>	<u>35,676,380</u>
Governmental activities capital assets, net	<u>\$38,370,660</u>	<u>\$1,871,893</u>	<u>(\$6,748)</u>	<u>\$40,235,805</u>

As a result of implementing GASB 34, the balances of capital assets have been restated from prior year. Following is a summary of capital assets by category, which documents the beginning balance as previously stated, adjustments noted, and the restated beginning balance.

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	Beginning Balance as Previously Stated	Adjustments	Restated Beginning Balance
Land	\$4,529,054	(\$34,249)	\$4,494,805
Buildings	18,946,093	(29,544)	18,916,549
Improvements other than building	1,880,075	(24,011)	1,856,064
Machinery and equipment	2,022,610	(956,899)	1,065,711
Furniture and fixtures	103,573	(90,067)	13,506
Vehicles	3,026,159	(2,000)	3,024,159
Infrastructure	0	34,867,761	34,867,761
Capital assets at cost	<u>30,507,564</u>	<u>33,730,991</u>	<u>64,238,555</u>
Less:			
Accumulated depreciation	<u>(6,684,311)</u>	<u>(19,183,584)</u>	<u>(25,867,895)</u>
Capital assets, net	<u>\$23,823,253</u>	<u>\$14,547,407</u>	<u>\$38,370,660</u>

In 2003, depreciation expense was charged to governmental functions as follows:

Security of persons and property	\$289,972
Leisure time activities	234,568
Community environment	10,328
Transportation	475,409
General government	<u>433,748</u>
	<u>\$1,444,025</u>

9. COMPENSATED ABSENCES

Accumulated Unpaid Vacation Leave

City employees earn vacation leave at varying rates based upon years of service. Vacation leave earned in one year must be used in the same year. Employees are compensated at year-end for any unused vacation if requested by the employee. No obligation exists at December 31, 2003 for unpaid vacation leave.

Accumulated Unpaid Sick Leave

City employees earn sick leave at the rate of ten hours per month, provided that in each month, one hundred hours were worked. Sick leave may be accumulated up to 1,600 hours. In the case of death or retirement, an employee (or the employee's estate) is paid for the accumulated sick leave hours as follows:

<u>Hours of Sick Leave</u>	<u>Conversion Rate</u>
1 to 400	No conversion
401 to 800	3 to 1 conversion
801 to 1,200	2 to 1 conversion
1,201 to 1,600	1 to 1 conversion

Compensatory Time

All non-exempt employees may accrue compensatory time for hours worked in excess of their regular full-time schedule. Compensatory hours are compensated at a rate of one and one-half times the

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employees regular pay rate. The maximum amount of compensatory time that may be accumulated is sixty-eight hours.

10. LONG-TERM OBLIGATIONS

A schedule of changes in bonds and other long-term obligations of the City during the current year is as follows:

Governmental Activities	Balance 1-1-03 (restated)	Additions	Deletions	Balance 12-31-03	Amount Due Within A Year
General obligation bonds:					
Community center expansion bonds	\$5,915,768	\$0	(\$401,072)	\$5,514,696	\$400,000
Urban renewal district II bonds	1,123,563	0	(225,141)	898,422	220,000
Total general obligation bonds	<u>7,039,331</u>	<u>0</u>	<u>(626,213)</u>	<u>6,413,118</u>	<u>620,000</u>
Tax increment financing phase I revenue bonds	2,956,667	0	(41,356)	2,915,311	44,213
Police and fire pension loan	13,888	0	(208)	13,680	205
Capital leases	0	79,447	(13,345)	66,102	13,634
Compensated absences	<u>506,585</u>	<u>0</u>	<u>(19,931)</u>	<u>486,654</u>	<u>75,514</u>
Total governmental activities	<u>\$10,516,471</u>	<u>\$79,447</u>	<u>(\$701,053)</u>	<u>\$9,894,865</u>	<u>\$753,566</u>

The restated 1-1-03 balance reflects the recording of unamortized bond premium for the general obligation bond issues. The retirements (deletions) above reflect amortization of bond premium of \$1,072 for the community center expansion bonds and \$5,141 for the urban redevelopment district II bonds which are not reflected in the fund financial statements.

Community Center Expansion General Obligation Bonds Payable

The City issued \$5,900,000 of Community Center Expansion General Obligation Bonds dated September 15, 2002. The bonds mature December 1, 2017 and bear interest at the rate of 3.72%. The bonds were issued for the purpose of paying the cost of constructing, furnishing and equipping additions and renovations to the Municipal Recreation Facility (Community Center), and paying related costs, under authority of the general laws of the State of Ohio and the Uniform Public Securities Law of the Ohio Revised Code and by virtue of ordinances duly adopted by Council. The liability at December 31, 2003 for the Community Center Expansion General Obligation Bonds payable is \$5,514,696 and is recorded in the government-wide financial statements.

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Urban Redevelopment District II General Obligation Bonds Payable

The City issued \$1,100,000 of Urban Redevelopment District II General Obligation Bonds dated August 1, 2002. The bonds mature December 1, 2007 and bear interest at the rate of 3.47%. The bonds were issued for the purpose of paying costs associated with the Urban Redevelopment District II and paying related costs, under authority of the general laws of the State of Ohio and the Uniform Public Securities Law of the Ohio Revised Code, and by virtue of ordinances duly adopted by Council. The liability at December 31, 2003 for the Urban Redevelopment District II General Obligation Bonds payable is \$898,422 and is recorded in the government-wide financial statements.

Tax Increment Financing Revenue Bonds Payable

The City issued \$3,040,000 of Tax Increment Financing (TIF) Revenue Bonds dated September 14, 2000. The bonds mature September 1, 2029 and bear interest at the rate of 6.70%. The bond principal and interest is paid from service payments (payments in lieu of taxes) received from the developers of the property under the TIF agreement. The service payments are based on the incremental value of improvements made to the property under the agreement. If at any time a shortfall exists in the fund making the bond payments, the developers of the property are liable for the shortfall amount. The liability at December 31, 2003 for the TIF Revenue Bonds Payable is \$2,915,311 and is presented in the government-wide financial statements.

Principal and interest requirements to retire the City's long-term obligations outstanding at year-end is as follows:

Year-Ending December 31	General Bonds		TIF Revenue Bonds	
	Principal	Interest	Principal	Interest
2004	\$620,000	\$215,320	\$43,968	\$194,198
2005	620,000	199,940	47,006	191,192
2006	620,000	183,120	50,254	187,944
2007	620,000	163,980	53,726	184,472
2008	400,000	143,400	57,438	180,759
2009-2013	2,000,000	516,000	352,500	838,489
2014-2018	1,533,118	146,000	492,315	698,674
2019-2023	0	0	687,586	503,403
2024-2029	0	0	1,130,518	235,566
Total	\$6,413,118	\$1,567,760	\$2,915,311	\$3,214,697

11. LEASES

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During 2003, the City entered into three lease agreements for vehicles. The City's lease obligations meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases", and have been recorded on the government-wide statements. The following is a schedule of the future long-term minimum lease payments required under the capital lease, and the present value of the minimum lease payments:

<u>Year Ending</u> <u>December 31</u>	
2004	\$18,661
2005	17,732
2006	18,130
2007	18,129
2008	<u>4,729</u>
Total minimum lease payments	77,381
Less: amount representing interest	<u>(11,279)</u>
 Present value of minimum lease payments	 <u>\$66,102</u>

The leased assets have been capitalized for the amount of the present value of the minimum lease payments at the inception of the lease, \$79,446.

In 2003, principal of \$13,345 was paid from the general fund as principal retirement (interest was not applicable on these transactions in 2003). Capital lease payments have been reclassified and are reflected as debt service in the fund financial statements and on the budgetary basis.

12. DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System

The following information was provided by the Ohio Public Employees Retirement System of Ohio.

Substantially all City employees, other than full-time fire and police personnel, participate in the Ohio Public Employees Retirement System (OPERS). The OPERS administers three separate pension plans as described below:

Traditional Plan (TP) - a cost-sharing multiple-employer defined benefit pension plan.

Member-Directed Plan (MD) – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan members accumulated retirement assets are equal to the value of member and (vested) employer contributions plans plus any investment earnings thereon.

Combined Plan (CO) - a cost-sharing multiple-employer defined benefit pension plan. Under the Combined Plan employer contributions are invested by the retirement system to provide a formula at retirement of benefits similar in nature to the Traditional Plan benefit. Member

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contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Plan and Combined Plans. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. The Ohio Public Employees Retirement System issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6705 or 1(800) 222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2003, member and employer contribution rates were consistent across all three plans (TP, MD, and CO). Separate divisions for law enforcement and public safety exist only within the Traditional Plan.

The 2003 member contribution rates were 8.5%, for members in classifications other than law enforcement and public safety. Members in the law enforcement classification, which consists generally of sheriffs, deputy sheriffs, and township police, contributed at a rate of 10.1%. Public safety division members contributed at 9%.

The 2003 employer contribution rate for state employers was 13.31% of covered payroll. For local government employer units that rate was 13.55% of covered payroll. For both the law enforcement and public safety divisions the employer contribution rate for 2003 was 16.7%. The City's contribution to OPERS for the years ended December 31, 2003, 2002, and 2001 were \$458,570, \$458,791, and \$430,778, respectively, equal to the required contribution for each year. Total required employer contributions for all plans (TP, MD, and CO) are equal to 100% of employer charges and must be extracted from the employer's records.

OPERS provides post-retirement health care benefits to qualifying members of both the Traditional and the Combined Plans; however, health care benefits are not statutorily guaranteed. Members of the member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. In order to qualify for post-retirement health care coverage, age and service retirees must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the Retirement System is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12, *"Disclosure of Information on Postemployment Benefits Other Than Pension Benefits by State and Local Governmental Employers"*.

A portion of each employer's contribution to the OPERS is set aside for the funding of post-retirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The OPERS law enforcement program is separated into two divisions, law enforcement and public safety, with separate employee contribution rates and benefits. The 2003 employer contribution rate for state employers was 13.31% of covered payroll of which 5.00% was the portion used to fund health care for the year. For local government employer units the rate was 13.55% of covered payroll and 5.00% was the portion used to fund health care for the year. For both the public safety and law enforcement divisions the 2003 employer rate was 16.70% and 5.00% was used to fund health care.

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The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to OPERS.

The assumptions and calculations below were based on the System's latest Actuarial Review performed as of December 31, 2002.

Funding Method - An entry-age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability.

Assets Valuation Method - All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets.

Investment Return - The investment assumption rate for 2002 was 8.00%.

Active Employee Total Payroll - An annual increase of 4.00% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.00% base increase, were assumed to range from .50% to 6.30%.

Health Care - Health care costs were assumed to increase 4.00% annually.

OPEB's are advance-funded on an actuarial determined basis. At year-end 2003, the number of active contributing participants in the Traditional and Combined Plans totaled 364,881. The rates stated above are the actuarially determined contribution rates for OPERS. The employer contributions actually made by the City in 2003 were \$169,212. The actuarial value of the Retirement System's net assets available for OPEB at December 31, 2002 were \$10 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$18.7 billion and \$8.7 billion, respectively.

In December 2001, the Board adopted the Health Care "Choices" Plan in its continuing effort to respond to the rise in the cost of health care. The Choices Plan will be offered to all persons newly hired under OPERS covered-position after January 1, 2003, with no prior service credit accumulated toward health care coverage. Choices, as the name suggests, will incorporate a cafeteria approach, offering a more broad range of health care options. The Plan uses a graded scale from ten to thirty years to calculate a monthly health care benefit. This is in contrast to the ten-year "cliff" eligibility standard for the present Plan.

The benefit recipient will be free to select the option that best meets their needs. Recipients will fund health care costs in excess of their monthly health care benefit. The Plan will also offer a spending account feature, enabling the benefit recipient to apply their allowance toward specific medical expenses, much like a Medical Spending Account.

In response to the adverse investment returns experienced by OPERS from 2000 through 2002 and the continued staggering rate of health care inflation, the OPERS Board, during 2003 considered extending

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“Choices” type cost cutting measures to all active members and benefit recipients. As of February 2004, the Board has not determined the exact changes that will be made to the health care plan. However, changes to the plan are expected to be approved by the summer of 2004.

Ohio Police and Fire Pension Fund

The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. The OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. The City’s contributions to OP&F for the years ending December 31, 2003, 2002, and 2001 were \$720,337, \$697,974, and \$657,787, respectively, equal to the required contributions for each year.

The OP&F provides access to post-retirement health care coverage to any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22, if attending school full-time or on a two-thirds basis. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12, “*Disclosure of Information on Postemployment Benefits Other Than Pension Benefits by State and Local Governmental Employers*”. The Ohio Revised Code provides that health care cost paid from the funds of the OP&F shall be included in the employer’s contribution rate. The total police employer contribution rate is 19.5% of covered payroll and the total firefighter employer contribution rate is 24% of covered payroll. The Ohio Revised Code provides the statutory authority allowing the OP&F’s Board of Trustees to provide health care coverage to all eligible individuals.

Health care funding and accounting is on a pay-as-you-go basis. A percentage of covered payroll, as defined by the Board, is used to pay retiree health care expenses. The Board defined allocation was 7.75% of covered payroll in 2002 and 2003. In addition, since July 1, 1992 most retirees and survivors were required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The number of participants eligible to receive health care benefits as of December 31, 2002, the date of the last actuarial valuation available, are 13,527 for police and 10,396 for firefighters. The portion of the 2003 employer’s contribution rate which was used to fund health care benefits was 39.70% of employer’s contributions for police and 32.30% of employer’s contributions for firefighters which amounted to \$165,555 and \$97,972 respectively.

OP&F’s total health care expense for the year ending December 31, 2002, the date of the last actuarial valuation available, was \$141,028,006, which was net of member contributions of \$12,623,875.

CITY OF SPRINGDALE, OHIO
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13. OTHER EMPLOYEE BENEFITS

Deferred Compensation Plan

City employees may participate in the Ohio Public Employees Deferred Compensation Plan ("Plan") created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary, payroll deduction basis. Under this Plan, employees can defer up to \$11,000 annually until a future time (usually after retirement). The deferred amounts as well as any income earned related to the deferral are not subject to federal or state income tax until actually received by the employee. The Plan permits deferral of compensation until future years. According to the Plan, the deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The Plan agreement states that the City and the Plan have no liability for losses under the Plan with the exception of fraud or wrongful taking.

The Deferred Compensation Plan assets are placed in trust for the sole benefit of employees or other beneficiaries. In accordance with GASB Statement No. 32, "*Accounting and Financial Reporting for Internal Revenue Code, Section 457, Deferred Compensation Plans*", these amounts are not reflected on the City's financial statements.

14. 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, injuries to employees, and natural disasters and has established a risk management strategy that attempts to minimize losses and the carrying cost of insurance. Effective June 1, 1991, the City joined the Miami Valley Risk Management Association (MVRMA), a property and casualty pooling arrangement. MVRMA's deductible is \$2,500 per community per occurrence. MVRMA retains responsibility for the payment of claims within specified self-insured retention limits prior to the application of coverage provided by excess reinsurance contracts. MVRMA's per-occurrence retention limit for property was \$250,000 in 2003 with the exception of boiler and machinery for which there was a \$5,000 per-occurrence retention limit in 2003. Liability had a per-occurrence retention limit of \$1,000,000 in 2003.

Settled claims have not exceeded commercial coverage in any of the past three years. There have been no significant reductions in insurance coverage from prior year.

The City pays the state Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

In May of 1994 the City began managing hospital/medical and dental benefits for its employees on a self-insured basis. At December 31, 2003, 115 employees were enrolled in the plan which covers 324 lives. The City accounts for and finances this activity in the general fund. The hospital/medical plan operates on a cost-sharing basis with the maximum annual employee out-of-pocket cost being \$1,000 for a single employee and \$2,000 for a covered family. A prescription drug card program is also part of this self-insurance plan requiring a nominal co-pay by the employee for prescription drugs. The City provides a dental plan with coverage ranging from 50 percent to 100 percent depending on the type of dental services performed. There is a monthly "premium" charge for employees enrolled in the dental plan. A

CITY OF SPRINGDALE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2003

third party administrator (United Medical Resources) reviews all claims which are then paid by the City. The City is responsible for up to \$30,000 per employee (specific limit). Upon exceeding the \$30,000 limit, the City's stop loss coverage will apply. The lifetime maximum medical coverage amount is \$1,000,000.

The City records a liability for incurred but not reported claims (IBNR) in accordance with GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred, but not reported claims, be accrued at the estimated ultimate cost of settling the claims. The total IBNR liability at December 31, 2003 was \$55,613.

The following is a reconciliation of the changes in aggregate liabilities for claims and judgements payable for the past two fiscal years:

	Balance 12/31/03	Balance 12/31/02
Claims payable, beginning of the year	\$149,040	\$65,000
Claims incurred during the year	1,001,911	935,750
Payments:		
Attributable to current year	(974,554)	(815,207)
Attributable to prior years	(118,784)	(36,503)
Claims payable, end of year	\$57,613	\$149,040

15. JOINT VENTURE

The cities of Beavercreek, Blue Ash, Kettering, Madeira, Mason, Miamisburg, Montgomery, Piqua, Sidney, Springdale, Tipp City, Troy, Vandalia, West Carrollton, Wilmington, and Wyoming, and the City of the Village of Indian Hill, have entered a joint venture for the purpose of providing various types of insurance coverage. This association is organized as an Ohio not-for-profit corporation operating under the name of Miami Valley Risk Management Association (MVRMA). The association exists for the public purpose of enabling its member political subdivisions to obtain insurance coverage, provide methods for paying claims, and provide a formalized, jointly administered self-insurance pool. In addition to the self-insurance pool, the Association provides risk management services, loss prevention programs, and various other educational materials.

MVRMA was incorporated December 1, 1988 under Section 2744.081 of the Ohio Revised Code and is governed by a sixteen-member Board of Trustees, consisting of a trustee appointed by each of the member cities with each trustee having a single vote. The Board of Trustees elects the officers of the corporation, and is responsible for its own financial matters including budgeting. The City exercises no significant influence over the Board of Trustees and there is no liability on the part of the City for MVRMA's fiscal matters. MVRMA issues a stand-alone Comprehensive Annual Financial Report. Interested parties may obtain a copy by making a written request to 4625 Presidential Way, Kettering, OH 45429 or by calling (937) 438-8878.

MVRMA retains responsibility for the payment of claims within specified self-insured retention limits prior to the application of coverage provided by excess reinsurance contracts. During 2003, MRVMA's

**CITY OF SPRINGDALE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2003**

per-occurrence retention limit for property was \$250,000, with the exception of boiler and machinery for which there was a \$5,000 per-occurrence retention limit.

MVRMA maintains excess reinsurance contracts with insurance carriers who provide various limits of coverage over MVRMA's self-insured retention limits. For the year ended December 31, 2003, MVRMA purchased the following types of reinsurance in excess of its self-insurance retention presented in the previous paragraph:

<u>Excess Reinsurance</u>	<u>Pre-Occurrence Limits</u>
General liability (including law enforcement)	\$12,000,000 per occurrence
Automobile liability	12,000,000 per occurrence
Public officials liability	1,000,000 per occurrence
Employment practices liability	1,000,000 per occurrence
Boiler and machinery	100,000,000 per occurrence
Property (excluding flood and earthquake)	100,000,000 per occurrence
Property – flood and earthquake	25,000,000 annual aggregate

MVRMA has established a Shock Loss Fund (SLF) to replace the aggregate stop-loss policy. MVRMA members contribute based on a moving target equal to the annual loss fund. MVRMA members annually fund approximately 15% of the moving target with an expectation that within six years the balance of the SLF would be equivalent to the current year's annual loss fund. Once the fund reaches the total of the current year's annual loss fund, additional deposits from members who had contributed for the entire six-year period would be discontinued until such time as the balance falls below the target amount.

During 2002, MVRMA purchased an umbrella policy which covered any loss, excluding property, in excess of the per-occurrence retention limit up to \$10,000,000 per occurrence and in aggregate.

As of December 31, 2002, the pool contribution factors are: Beavercreek 8.135%, Blue Ash 7.958%, Indian Hill 2.538%, Kettering 16.134%, Madeira 1.218%, Mason 8.196%, Miamisburg 8.190%, Montgomery 2.821%, Piqua 5.946%, Sidney 7.350%, Springdale 4.687%, Tipp City 2.494%, Troy 7.459%, Vandalia 4.625%, West Carrollton 3.766%, Wilmington 5.978%, and Wyoming 2.505%. There was no joint venture debt at December 31, 2002. MVRMA was created to enable its members to share risk, and it is reasonably possible that MVRMA, Inc. may make additional assessments to the City.

A summary of audited financial information as of December 31, 2002, is presented below:

**CITY OF SPRINGDALE, OHIO
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DECEMBER 31, 2003**

	Joint Venture	City's Share 4.687%
Total assets	<u>\$6,644,241</u>	<u>\$311,415</u>
Total liabilities	\$4,214,645	\$197,540
Members retained earnings	<u>2,429,596</u>	<u>113,875</u>
Total liabilities and members retained earnings	<u>\$6,644,241</u>	<u>\$311,415</u>
Total operating revenues	\$3,310,039	\$155,141
Total operating expenditures	<u>3,464,686</u>	<u>162,390</u>
Deficiency of revenues over expenditures	(154,647)	(7,249)
Beginning members retained earnings	<u>2,584,243</u>	<u>121,124</u>
Ending members retained earnings	<u>\$2,429,596</u>	<u>\$113,875</u>

16. CONTINGENT LIABILITIES

The City's attorney is of the opinion that ultimate disposition of actual or potential claims against the City and other actual or potential legal proceedings will not materially affect the financial condition of the City. Therefore, the financial statements do not present estimated claims.

17. CONSTRUCTION COMMITMENTS

As of December 31, 2003, the City had the following commitments with respect to capital projects:

<u>Project</u>	<u>Original Contract Amount</u>	<u>Amount Paid at 12/31/03</u>	<u>Remaining Construction Commitment</u>
State Route 4 Streetscape – Phase I	\$1,106,332	\$1,061,975	\$44,357
East Kemper Road Improvements – Phase II	1,170,899	684,812	486,087
Beaver Run Riparian Corridor Restoration	315,228	55,436	259,792

These remaining commitments will be paid from the capital improvement capital projects fund and the parks and urban forestry special revenue fund.

18. SUBSEQUENT EVENT

In accordance with the results of the general election of the City held on March 2, 2004, the City has raised its municipal income tax rate from 1% to 1.5% effective July 1, 2004.

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds - used to account for the proceeds of specific revenue sources (other than capital projects) that are legally restricted to expenditures for specified purposes.

Street Construction, Maintenance and Repair Fund - To account for that portion of the state gasoline tax and motor vehicle registration fees designated for maintenance of streets within the City. Ninety-two and one-half percent of gasoline and auto license taxes are allocated to this fund.

State Highway Fund - To account for that portion of the state gasoline and motor vehicle registration fees designated for maintenance of state highways within the City. Seven and one-half percent of gasoline and auto license taxes are allocated to this fund.

Grants Fund - To account for grants obtained from outside agencies for other than capital purposes.

Drug Law Enforcement Fund - To account for mandatory fines collected for drug agencies.

Law Enforcement Fund - To account for the proceeds from the confiscation of contraband.

Driving Under the Influence Fund - To account for fines imposed on DUI offenders. Under state law disbursements may be made from this fund for law enforcement purposes related to informing the public of laws governing the operation of a motor vehicle while under the influence of alcohol. Disbursements may also be made for other information relating to the operation of a motor vehicle and the consumption of alcoholic beverages.

Residential Recycling Incentive Fund - To account for payments received from the Hamilton County Solid Waste Management District incentive funds and expenditures made for solid waste management activities.

Vehicle Immobilization Fee Fund - To account for the vehicle immobilization fee received by the State and make expenditures for law enforcement purposes relating to the costs incurred in enforcing Ohio Revised Code Section 4503.233.

Parks and Urban Forestry Fund - To account for the costs of purchasing and planting municipal street trees.

Adult Sports Fund - To account for the fees collected and the costs incurred for adults who participate in league sports at the City Community Center.

Capital Projects Fund - used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Community Center Debt Fund - To account for the outstanding debt related to the Community Center Expansion project, as well as the remaining expenditures associated with the Community Center Expansion Project.

**CITY OF SPRINGDALE, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2003**

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Assets:			
Equity in pooled cash and cash equivalents	\$204,464	\$4,113	\$208,577
Receivables:			
Accounts	1,242	0	1,242
Intergovernmental	<u>472,376</u>	<u>0</u>	<u>472,376</u>
 Total assets	 <u>\$678,082</u>	 <u>\$4,113</u>	 <u>\$682,195</u>
 Liabilities:			
Accounts payable	\$6,320	\$0	\$6,320
Contracts payable	292,282	0	292,282
Accrued wages and benefits payable	3,032	0	3,032
Intergovernmental payable	758	0	758
Interfund loan payable	22,168	0	22,168
Deferred revenue	<u>321,572</u>	<u>0</u>	<u>321,572</u>
 Total liabilities	 <u>646,132</u>	 <u>0</u>	 <u>646,132</u>
 Fund balances:			
Reserved for encumbrances	323	0	323
Unreserved, undesignated, reported in:			
Special revenue funds	31,627	0	31,627
Capital projects fund	<u>0</u>	<u>4,113</u>	<u>4,113</u>
 Total fund balances	 <u>31,950</u>	 <u>4,113</u>	 <u>36,063</u>
 Total liabilities and fund balances	 <u>\$678,082</u>	 <u>\$4,113</u>	 <u>\$682,195</u>

CITY OF SPRINGDALE, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues:			
Intergovernmental	\$659,296	\$0	\$659,296
Fines and forfeitures	3,615	0	3,615
Fees, licenses and permits	9,556	0	9,556
Interest	665	327	992
Other	1,442	2,700	4,142
Total revenues	674,574	3,027	677,601
Expenditures:			
Current:			
Security of persons and property	77,800	0	77,800
Public health services	6,856	0	6,856
Leisure time activities	8,988	0	8,988
Community environment	343,118	0	343,118
Basic utility services	68,267	0	68,267
Transportation	379,844	0	379,844
Capital outlay	5,725	0	5,725
Debt Service:			
Principal retirement	0	400,000	400,000
Interest and fiscal charges	0	180,900	180,900
Total expenditures	890,598	580,900	1,471,498
Deficiency of revenues over expenditures	(216,024)	(577,873)	(793,897)
Other financing sources:			
Transfers-in	111,800	566,639	678,439
Total other financing sources	111,800	566,639	678,439
Net change in fund balance	(104,224)	(11,234)	(115,458)
Beginning fund balances	136,174	15,347	151,521
Ending fund balances	\$31,950	\$4,113	\$36,063

**CITY OF SPRINGDALE, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2003**

	Street Construction, Maintenance and Repair Fund	State Highway Fund	Grants Fund	Drug Law Enforcement Fund	Law Enforcement Fund
Assets:					
Equity in pooled cash and cash equivalents	\$56,145	\$6,525	\$31,118	\$2,460	\$1,725
Receivables:					
Accounts	0	0	0	0	0
Intergovernmental	196,200	15,905	43,839	0	1,380
Total assets	<u>\$252,345</u>	<u>\$22,430</u>	<u>\$74,957</u>	<u>\$2,460</u>	<u>\$3,105</u>
Liabilities:					
Accounts payable	\$1,472	\$0	\$0	\$0	\$0
Contracts payable	0	0	17,000	0	0
Accrued wages and benefits payable	3,032	0	0	0	0
Intergovernmental payable	0	0	758	0	0
Interfund loans payable	0	0	22,168	0	0
Deferred revenue	166,761	13,518	24,551	0	0
Total liabilities	<u>171,265</u>	<u>13,518</u>	<u>64,477</u>	<u>0</u>	<u>0</u>
Fund balances:					
Reserved for encumbrances	0	0	323	0	0
Unreserved - undesignated, reported in:					
Special revenue funds	81,080	8,912	10,157	2,460	3,105
Total fund balances (deficit)	<u>81,080</u>	<u>8,912</u>	<u>10,480</u>	<u>2,460</u>	<u>3,105</u>
Total liabilities and fund balances	<u>\$252,345</u>	<u>\$22,430</u>	<u>\$74,957</u>	<u>\$2,460</u>	<u>\$3,105</u>

Driving Under the Influence Fund	Residential Recycling Fund	Vehicle Immobilization Fee Fund	Parks and Urban Forestry Fund	Adult Sports Fund	Total Nonmajor Special Revenue Funds
\$10,420	\$19,208	\$2,346	\$71,153	\$3,364	\$204,464
0	0	0	1,242	0	1,242
0	6,231	0	208,821	0	472,376
<u>\$10,420</u>	<u>\$25,439</u>	<u>\$2,346</u>	<u>\$281,216</u>	<u>\$3,364</u>	<u>\$678,082</u>
\$0	\$4,848	\$0	\$0	\$0	\$6,320
0	0	0	275,282	0	292,282
0	0	0	0	0	3,032
0	0	0	0	0	758
0	0	0	0	0	22,168
0	6,231	0	110,511	0	321,572
0	11,079	0	385,793	0	646,132
0	0	0	0	0	323
10,420	14,360	2,346	(104,577)	3,364	31,627
10,420	14,360	2,346	(104,577)	3,364	31,950
<u>\$10,420</u>	<u>\$25,439</u>	<u>\$2,346</u>	<u>\$281,216</u>	<u>\$3,364</u>	<u>\$678,082</u>

CITY OF SPRINGDALE, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

	Street Construction, Maintenance and Repair Fund	State Highway Fund	Grants Fund	Drug Law Enforcement Fund	Law Enforcement Fund
Revenues:					
Intergovernmental	\$376,345	\$30,514	\$127,585	\$0	\$1,380
Fines and forfeitures	0	0	0	1,047	0
Fees, licenses and permits	0	0	0	0	0
Interest	0	0	0	0	0
Other	0	0	200	0	0
Total revenues	376,345	30,514	127,785	1,047	1,380
Expenditures:					
Current:					
Security of persons and property	0	0	76,700	100	1,000
Public health services	0	0	6,856	0	0
Leisure time activities	0	0	0	0	0
Community environment	0	0	0	0	0
Basic utility services	0	0	5,105	0	0
Transportation	351,523	28,321	0	0	0
Capital outlay	0	0	5,725	0	0
Total expenditures	351,523	28,321	94,386	100	1,000
Excess (deficiency) of revenues over expenditures	24,822	2,193	33,399	947	380
Other financing sources:					
Transfers-in	0	0	0	0	0
Total other financing sources	0	0	0	0	0
Net change in fund balance	24,822	2,193	33,399	947	380
Beginning fund balances (restated)	56,258	6,719	(22,919)	1,513	2,725
Ending fund balances (deficit)	<u>\$81,080</u>	<u>\$8,912</u>	<u>\$10,480</u>	<u>\$2,460</u>	<u>\$3,105</u>

Driving Under the Influence Fund	Residential Recycling Fund	Vehicle Immobilization Fee Fund	Parks and Urban Forestry Fund	Adult Sports Fund	Total Nonmajor Special Revenue Funds
\$0	\$12,362	\$400	\$110,710	\$0	\$659,296
2,568	0	0	0	0	3,615
0	0	0	0	9,556	9,556
0	0	0	665	0	665
0	0	0	1,242	0	1,442
<u>2,568</u>	<u>12,362</u>	<u>400</u>	<u>112,617</u>	<u>9,556</u>	<u>674,574</u>
0	0	0	0	0	77,800
0	0	0	0	0	6,856
0	0	0	0	8,988	8,988
0	0	0	343,118	0	343,118
0	63,162	0	0	0	68,267
0	0	0	0	0	379,844
0	0	0	0	0	5,725
<u>0</u>	<u>63,162</u>	<u>0</u>	<u>343,118</u>	<u>8,988</u>	<u>890,598</u>
<u>2,568</u>	<u>(50,800)</u>	<u>400</u>	<u>(230,501)</u>	<u>568</u>	<u>(216,024)</u>
<u>0</u>	<u>60,000</u>	<u>0</u>	<u>51,800</u>	<u>0</u>	<u>111,800</u>
<u>0</u>	<u>60,000</u>	<u>0</u>	<u>51,800</u>	<u>0</u>	<u>111,800</u>
2,568	9,200	400	(178,701)	568	(104,224)
7,852	5,160	1,946	74,124	2,796	136,174
<u>\$10,420</u>	<u>\$14,360</u>	<u>\$2,346</u>	<u>(\$104,577)</u>	<u>\$3,364</u>	<u>\$31,950</u>

**CITY OF SPRINGDALE, OHIO
BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUND
DECEMBER 31, 2003**

	<u>Community Center Debt Fund</u>
Assets:	
Equity in pooled cash and cash equivalents	<u>\$4,113</u>
Total assets	<u><u>\$4,113</u></u>
Fund balances	
Unreserved - undesignated	<u>\$4,113</u>
Total fund balance	<u><u>\$4,113</u></u>

**CITY OF SPRINGDALE, OHIO
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Community Center Debt Fund</u>
Revenues:	
Interest	\$327
Other	<u>2,700</u>
Total revenues	<u>3,027</u>
Expenditures:	
Debt service:	
Principal retirement	400,000
Interest and fiscal charges	<u>180,900</u>
Total expenditures	<u>580,900</u>
Deficiency of revenues over expenditures	<u>(577,873)</u>
Other financing sources:	
Transfers-in	<u>566,639</u>
Total other financing sources	<u>566,639</u>
Net change in fund balance	(11,234)
Beginning fund balance	<u>15,347</u>
Ending fund balance	<u><u>\$4,113</u></u>

SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUND

An agency fund is used to account for assets held by the City in the capacity of an agent for individuals, private organizations, other governmental units, and or other funds. The City had the following agency fund at year-end 2003:

Ohio Board of Building Standards Assessment Fund – To account for the collection of the Ohio Board of Building Standards Assessments on building permits in the amount of three percent. The amounts collected are remitted to the State on a monthly basis.

**CITY OF SPRINGDALE, OHIO
 SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2003**

OHIO BOARD OF BUILDING STANDARDS ASSESSMENT FUND

	Balance <u>January 1, 2003</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>December 31, 2003</u>
Assets:				
Restricted assets:				
Funds on deposit for OBBS assessment	<u>\$46</u>	<u>\$1,704</u>	<u>(\$1,515)</u>	<u>\$235</u>
Total assets	<u><u>\$46</u></u>	<u><u>\$1,704</u></u>	<u><u>(\$1,515)</u></u>	<u><u>\$235</u></u>
Liabilities:				
OBBS assessment payable	<u>\$46</u>	<u>\$1,704</u>	<u>(\$1,515)</u>	<u>\$235</u>
Total liabilities	<u><u>\$46</u></u>	<u><u>\$1,704</u></u>	<u><u>(\$1,515)</u></u>	<u><u>\$235</u></u>

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**Individual Fund Schedules of Revenues,
Expenditures and Changes in Fund Balances –
Budget and Actual (Non-GAAP Basis)**

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CITY OF SPRINGDALE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2003

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Municipal income taxes	\$9,756,926	\$9,756,926	\$9,564,956	(\$191,970)
Property and other taxes	1,754,335	1,754,335	1,836,591	82,256
Intergovernmental	1,080,699	1,493,199	1,637,324	144,125
Charges for services	227,700	227,700	295,603	67,903
Fines and forfeitures	199,500	199,500	207,147	7,647
Fees, licenses and permits	374,725	374,725	343,185	(31,540)
Interest	95,800	95,800	46,205	(49,595)
Contributions	0	0	3,350	3,350
Other	116,650	112,800	364,922	252,122
Total revenues	13,606,335	14,014,985	14,299,283	284,298
Expenditures:				
Security of persons and property:				
Police department:				
Personal services	3,367,330	3,251,330	3,187,613	63,717
Travel and transportation	33,580	18,580	16,537	2,043
Contractual services	429,414	385,414	377,833	7,581
Materials and supplies	97,339	97,339	78,388	18,951
Capital outlay	138,651	102,651	95,044	7,607
Other	116,433	87,433	74,294	13,139
Total police department	4,182,747	3,942,747	3,829,709	113,038
Fire department:				
Personal services	2,147,344	2,077,344	2,037,455	39,889
Travel and transportation	13,305	13,305	6,815	6,490
Contractual services	159,098	153,098	162,738	(9,640)
Materials and supplies	53,156	53,156	46,865	6,291
Capital outlay	30,000	26,000	21,105	4,895
Other	42,831	42,831	44,158	(1,327)
Total fire department	2,445,734	2,365,734	2,319,136	46,598
Total security of persons and property	6,628,481	6,308,481	6,148,845	159,636
Public health services:				
Health department:				
Personal services	182,874	173,874	170,189	3,685
Travel and transportation	6,200	6,200	3,766	2,434
Contractual services	24,905	10,905	6,975	3,930
Materials and supplies	8,950	8,950	8,148	802

**CITY OF SPRINGDALE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2003**

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Capital outlay	1,000	1,000	699	301
Other	26,409	24,409	22,586	1,823
Total health department	<u>250,338</u>	<u>225,338</u>	<u>212,363</u>	<u>12,975</u>
Total public health services	<u>250,338</u>	<u>225,338</u>	<u>212,363</u>	<u>12,975</u>
Leisure time activities:				
Parks and recreation department:				
Personal services	965,859	946,859	932,158	14,701
Travel and transportation	5,460	5,460	2,636	2,824
Contractual services	124,801	104,801	100,546	4,255
Materials and supplies	100,143	89,143	77,250	11,893
Capital outlay	10,000	10,000	5,791	4,209
Debt service:				
Principal retirement	60,000	10,000	9,952	48
Other	172,200	172,200	176,979	(4,779)
Total parks and recreation department	<u>1,438,463</u>	<u>1,338,463</u>	<u>1,305,312</u>	<u>33,151</u>
Total leisure time activities	<u>1,438,463</u>	<u>1,338,463</u>	<u>1,305,312</u>	<u>33,151</u>
Community environment:				
Building department:				
Personal services	375,500	375,500	368,562	6,938
Travel and transportation	3,260	3,260	2,866	394
Contractual services	3,700	3,700	2,778	922
Materials and supplies	5,500	5,500	5,373	127
Capital outlay	0	0	171	(171)
Debt service:				
Principal retirement	3,898	3,898	3,393	505
Other	38,150	33,150	22,195	10,955
Total building department	<u>430,008</u>	<u>425,008</u>	<u>405,338</u>	<u>19,670</u>
Total community environment	<u>430,008</u>	<u>425,008</u>	<u>405,338</u>	<u>19,670</u>
Basic utility services:				
Contractual services	285,000	285,000	277,404	7,596
Total public works department	<u>285,000</u>	<u>285,000</u>	<u>277,404</u>	<u>7,596</u>
Total basic utility services	<u>285,000</u>	<u>285,000</u>	<u>277,404</u>	<u>7,596</u>

CITY OF SPRINGDALE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2003

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Transportation:				
Public works department:				
Personal services	653,341	620,341	608,159	12,182
Travel and transportation	7,000	7,000	1,122	5,878
Contractual services	152,058	152,058	133,676	18,382
Materials and supplies	174,466	167,466	169,812	(2,346)
Capital outlay	20,000	20,000	17,994	2,006
Other	56,300	56,300	29,253	27,047
Total public works department	<u>1,063,165</u>	<u>1,023,165</u>	<u>960,016</u>	<u>63,149</u>
Total transportation	<u>1,063,165</u>	<u>1,023,165</u>	<u>960,016</u>	<u>63,149</u>
General government:				
Administration department:				
Personal services	625,684	625,684	614,410	11,274
Travel and transportation	5,100	5,100	2,652	2,448
Contractual services	996,556	1,006,556	834,557	171,999
Materials and supplies	30,198	30,198	19,248	10,950
Capital outlay	28,000	28,000	19,967	8,033
Other	1,170,908	1,527,403	1,459,430	67,973
Total administration department	<u>2,856,446</u>	<u>3,222,941</u>	<u>2,950,264</u>	<u>272,677</u>
Finance department:				
Personal services	158,138	158,138	159,260	(1,122)
Travel and transportation	1,500	1,500	1,097	403
Contractual services	30,347	35,347	32,515	2,832
Materials and supplies	3,700	3,700	3,396	304
Other	27,300	27,300	21,220	6,080
Total finance department	<u>220,985</u>	<u>225,985</u>	<u>217,488</u>	<u>8,497</u>
Tax department:				
Personal services	307,878	307,878	309,723	(1,845)
Travel and transportation	460	460	544	(84)
Contractual services	7,200	7,200	6,082	1,118
Materials and supplies	27,500	27,500	23,036	4,464
Other	301,147	312,147	297,002	15,145
Total tax department	<u>644,185</u>	<u>655,185</u>	<u>636,387</u>	<u>18,798</u>
Total general government	<u>3,721,616</u>	<u>4,104,111</u>	<u>3,804,139</u>	<u>299,972</u>
Total expenditures	<u>13,817,071</u>	<u>13,709,566</u>	<u>13,113,417</u>	<u>596,149</u>
Excess (deficiency) of revenues over expenditures	<u>(210,736)</u>	<u>305,419</u>	<u>1,185,866</u>	<u>880,447</u>
Other financing sources (uses):				

**CITY OF SPRINGDALE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2003**

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Transfers-in	558	558	558	0
Transfers-out	(1,883,252)	(1,965,052)	(1,965,052)	0
Advances-In	877,300	468,650	468,650	0
Advances-Out	0	(25,705)	(22,168)	3,537
	(1,005,394)	(1,521,549)	(1,518,012)	3,537
Total other financing sources (uses)				
Net change in fund balance	(1,216,130)	(1,216,130)	(332,146)	883,984
Beginning fund balance	3,396,683	3,396,683	3,396,683	0
Prior years encumbrances	146,828	146,828	146,828	0
Ending fund balance	\$2,327,381	\$2,327,381	\$3,211,365	\$883,984

**CITY OF SPRINGDALE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2003**

	Capital Improvements Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$4,324,964	\$972,042	\$817,219	(\$154,823)
Special assessments	0	0	5,600	5,600
Interest	24,000	24,000	13,938	(10,062)
Other	5,000	5,000	51,464	46,464
Total revenues	<u>4,353,964</u>	<u>1,001,042</u>	<u>888,221</u>	<u>(112,821)</u>
Expenditures:				
Capital outlay	6,137,149	3,116,727	2,882,456	234,271
Debt service:				
Principal retirement	220,000	220,000	220,000	0
Interest and fiscal charges	49,640	49,640	49,280	360
Total expenditures	<u>6,406,789</u>	<u>3,386,367</u>	<u>3,151,736</u>	<u>234,631</u>
Excess (deficiency) of revenues over expenditures	<u>(2,052,825)</u>	<u>(2,385,325)</u>	<u>(2,263,515)</u>	<u>121,810</u>
Other financing sources (uses):				
Proceeds from the sale of capital assets	675,000	575,000	0	(575,000)
Transfers-in	1,266,613	1,286,613	1,286,613	0
Advances-out	(825,000)	(412,500)	(412,500)	0
Total other financing sources (uses)	<u>1,116,613</u>	<u>1,449,113</u>	<u>874,113</u>	<u>(575,000)</u>
Net change in fund balance	(936,212)	(936,212)	(1,389,402)	(453,190)
Beginning fund balance	638,739	638,739	638,739	0
Prior year encumbrances	936,212	936,212	936,212	0
Ending fund balance (deficit)	<u>\$638,739</u>	<u>\$638,739</u>	<u>\$185,549</u>	<u>(\$453,190)</u>

**CITY OF SPRINGDALE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2003**

	Northwest Business District TIF Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Payments in lieu of taxes	\$835,000	\$835,000	\$715,444	(\$119,556)
Intergovernmental	75,000	75,000	79,494	4,494
Interest	4,000	4,000	3,200	(800)
Total revenues	<u>914,000</u>	<u>914,000</u>	<u>798,138</u>	<u>(115,862)</u>
Expenditures:				
Current:				
General government	9,419,877	75,877	20,494	55,383
Debt service:				
Principal retirement	41,356	41,356	41,356	0
Interest and fiscal charges	196,842	196,842	196,842	0
Total expenditures	<u>9,658,075</u>	<u>314,075</u>	<u>258,692</u>	<u>55,383</u>
Excess (deficiency) of revenues over expenditures	<u>(8,744,075)</u>	<u>599,925</u>	<u>539,446</u>	<u>(60,479)</u>
Other financing sources:				
Proceeds from the sale of notes	<u>10,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total other financing sources	<u>10,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balance	1,255,925	599,925	539,446	(60,479)
Beginning fund balance	<u>37,728</u>	<u>37,728</u>	<u>37,728</u>	<u>0</u>
Ending fund balance (deficit)	<u>\$1,293,653</u>	<u>\$637,653</u>	<u>\$577,174</u>	<u>(\$60,479)</u>

**CITY OF SPRINGDALE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2003**

	Street Construction, Maintenance and Repair Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$384,000	\$384,000	\$376,713	(\$7,287)
Total revenues	384,000	384,000	376,713	(7,287)
Expenditures:				
Current:				
Transportation	389,000	389,000	350,930	38,070
Total expenditures	389,000	389,000	350,930	38,070
Net change in fund balance	(5,000)	(5,000)	25,783	30,783
Beginning fund balance	30,361	30,361	30,361	0
Ending fund balance	\$25,361	\$25,361	\$56,144	\$30,783

**CITY OF SPRINGDALE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2003**

	State Highway Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$31,000	\$31,000	\$30,544	(\$456)
Total revenues	<u>31,000</u>	<u>31,000</u>	<u>30,544</u>	<u>(456)</u>
Expenditures:				
Current:				
Transportation	31,000 #	31,000	28,321	2,679
Total expenditures	<u>31,000</u>	<u>31,000</u>	<u>28,321</u>	<u>2,679</u>
Net change in fund balance	0	0	2,223	2,223
Beginning fund balance	<u>4,302</u>	<u>4,302</u>	<u>4,302</u>	<u>0</u>
Ending fund balance	<u><u>\$4,302</u></u>	<u><u>\$4,302</u></u>	<u><u>\$6,525</u></u>	<u><u>\$2,223</u></u>

**CITY OF SPRINGDALE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2003**

	Grants Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$127,207	\$127,207	\$131,502	\$4,295
Other	0	0	200	200
Total revenues	<u>127,207</u>	<u>127,207</u>	<u>131,702</u>	<u>4,495</u>
Expenditures:				
Current:				
Security of persons and property	60,997	60,997	58,942	2,055
Public health services	2,682	2,682	7,179	(4,497)
Basic utility services	6,000	6,000	7,118	(1,118)
Capital outlay	5,725	11,875	5,725	6,150
Total expenditures	<u>75,404</u>	<u>81,554</u>	<u>78,964</u>	<u>2,590</u>
Excess of revenues over expenditures	<u>51,803</u>	<u>45,653</u>	<u>52,738</u>	<u>7,085</u>
Other financing sources (uses):				
Advances-in	0	25,705	22,168	(3,537)
Advances-out	(52,300)	(56,150)	(56,150)	0
Total other financing sources (uses)	<u>(52,300)</u>	<u>(30,445)</u>	<u>(33,982)</u>	<u>(3,537)</u>
Net change in fund balance	(497)	15,208	18,756	3,548
Beginning fund balance	11,542	11,542	11,542	0
Prior year encumbrances	497	497	497	0
Ending fund balance	<u>\$11,542</u>	<u>\$27,247</u>	<u>\$30,795</u>	<u>\$3,548</u>

**CITY OF SPRINGDALE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2003**

	Drug Law Enforcement Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Fines and forfeitures	\$400	\$400	\$1,047	\$647
Total revenues	400	400	1,047	647
Expenditures:				
Current:				
Security of persons and property	200	200	100	100
Total expenditures	200	200	100	100
Net change in fund balance	200	200	947	747
Beginning fund balance	1,513 #	1,513	1,513	0
Ending fund balance	\$1,713	\$1,713	\$2,460	\$747

**CITY OF SPRINGDALE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2003**

	Law Enforcement Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Expenditures:				
Current:				
Security of persons and property	\$0	\$1,000	\$1,000	\$0
Capital outlay	100	100	0	100
Total expenditures	100	1,100	1,000	100
Net change in fund balance	(100)	(1,100)	(1,000)	100
Beginning fund balance	2,724	2,724	2,724	0
Ending fund balance	\$2,624	\$1,624	\$1,724	\$100

**CITY OF SPRINGDALE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2003**

	Driving Under the Influence Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Fines and forfeitures	\$2,000	\$2,000	\$2,568	\$568
Total revenues	2,000	2,000	2,568	568
Expenditures:				
Capital outlay	100	100	0	100
Total expenditures	100	100	0	100
Net change in fund balance	1,900	1,900	2,568	668
Beginning fund balance	7,852	7,852	7,852	0
Ending fund balance	<u>\$9,752</u>	<u>\$9,752</u>	<u>\$10,420</u>	<u>\$668</u>

**CITY OF SPRINGDALE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2003**

	Residential Recycling Incentive Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$15,000	\$15,000	\$12,362	(\$2,638)
Total revenues	15,000	15,000	12,362	(2,638)
Expenditures:				
Current:				
Basic utility services	65,000	70,000	63,136	6,864
Total expenditures	65,000	70,000	63,136	6,864
Excess (deficiency) of revenues over expenditures	(50,000)	(55,000)	(50,774)	4,226
Other financing sources:				
Transfers-in	50,000	60,000	60,000	0
Total other financing sources	50,000	60,000	60,000	0
Net change in fund balance	0	5,000	9,226	4,226
Beginning fund balance	9,982	9,982	9,982	0
Ending fund balance	<u>\$9,982</u>	<u>\$14,982</u>	<u>\$19,208</u>	<u>\$4,226</u>

**CITY OF SPRINGDALE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2003**

	Vehicle Immobilization Fee Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$300	\$300	\$400	\$100
Total revenues	300	300	400	100
Expenditures:				
Current:				
Security of persons and property	100	100	0	100
Total expenditures	100	100	0	100
Net change in fund balance	200	200	400	200
Beginning fund balance	1,946	1,946	1,946	0
Ending fund balance	\$2,146	\$2,146	\$2,346	\$200

**CITY OF SPRINGDALE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2003**

	Parks and Urban Forestry Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$208,821	\$12,400	\$12,400	\$0
Interest	1,600	1,600	665	(935)
Total revenues	210,421	14,000	13,065	(935)
Expenditures:				
Current:				
Community environment	276,223	125,000	121,307	3,693
Total expenditures	276,223	125,000	121,307	3,693
Excess (deficiency) of revenues over expenditures	(65,802)	(111,000)	(108,242)	2,758
Other financing sources:				
Transfers-in	0	51,800	51,800	0
Total other financing sources	0	51,800	51,800	0
Net change in fund balance	(65,802)	(59,200)	(56,442)	2,758
Beginning fund balance	74,124	74,124	74,124	0
Ending fund balance	\$8,322	\$14,924	\$17,682	\$2,758

CITY OF SPRINGDALE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2003

	Adult Sports Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Fees, license and permits	\$10,000	\$10,000	\$9,556	(\$444)
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>9,556</u>	<u>(444)</u>
Expenditures:				
Current:				
Leisure time activities	11,400	11,400	8,988	2,412
Total expenditures	<u>11,400</u>	<u>11,400</u>	<u>8,988</u>	<u>2,412</u>
Net change in fund balance	(1,400)	(1,400)	568	1,968
Beginning fund balance	<u>2,795</u>	<u>2,795</u>	<u>2,795</u>	<u>0</u>
Ending fund balance	<u><u>\$1,395</u></u>	<u><u>\$1,395</u></u>	<u><u>\$3,363</u></u>	<u><u>\$1,968</u></u>

CITY OF SPRINGDALE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2003

	Community Center Debt Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Interest	\$0	\$0	\$327	\$327
Other	0	0	2,700	2,700
Total revenues	<u>0</u>	<u>0</u>	<u>3,027</u>	<u>3,027</u>
Expenditures:				
Debt service:				
Principal retirement	400,000	400,000	400,000	0
Interest and fiscal charges	194,400	194,400	194,400	0
Total expenditures	<u>594,400</u>	<u>594,400</u>	<u>594,400</u>	<u>0</u>
Excess (deficiency) of revenues over expenditures	<u>(594,400)</u>	<u>(594,400)</u>	<u>(591,373)</u>	<u>3,027</u>
Other financing sources:				
Transfers-in	566,639	566,639	566,639	0
Total other financing sources	<u>566,639</u>	<u>566,639</u>	<u>566,639</u>	<u>0</u>
Net change in fund balance	(27,761)	(27,761)	(24,734)	3,027
Beginning fund balance	<u>28,846</u>	<u>28,846</u>	<u>28,846</u>	<u>0</u>
Ending fund balance	<u><u>\$1,085</u></u>	<u><u>\$1,085</u></u>	<u><u>\$4,112</u></u>	<u><u>\$3,027</u></u>

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STATISTICAL SECTION

**CITY OF SPRINGDALE, OHIO
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (A)
LAST TEN FISCAL YEARS**

Year	Security of Persons and Property	Public Health Services	Leisure Time Activities	Community Environment	Basic Utility Services	Transportation	General Government	Capital Outlay (B)	Debt Service	Total
1994	\$3,702,961	\$153,168	\$721,626	\$279,946	\$228,989	\$972,263	\$1,974,599	\$0	\$0	\$8,033,552
1995	3,990,737	161,004	821,988	405,692	203,366	1,101,485	2,078,682	0	0	8,762,954
1996	4,239,974	171,070	858,352	328,867	249,898	1,134,122	2,312,679	0	0	9,294,962
1997	4,499,691	195,090	879,946	289,179	319,491	1,215,369	2,451,513	0	0	9,850,279
1998	4,739,747	206,326	987,007	324,894	327,915	1,227,893	2,285,743	0	0	10,099,525
1999	5,166,718	223,293	959,916	364,744	331,385	1,301,797	2,671,665	0	0	11,019,518
2000	5,352,896	243,067	992,255	501,117	340,792	1,245,609	2,636,218	537,577	0	11,849,531
2001	5,700,856	244,481	1,201,121	395,609	344,587	1,275,896	2,835,402	440,474	0	12,438,426
2002	5,890,142	240,994	1,318,863	411,324	344,241	1,253,692	3,322,953	373,356	0	13,155,565
2003	6,115,425	219,686	1,302,775	743,674	346,257	1,315,080	3,188,394	207,618	13,553	13,452,462

Source: City of Springdale, Finance Department.

(A) - Includes General Fund and Special Revenue Funds.

(B) - Years 1994 to 1999, Capital Outlay expenditures were reported within the other expenditure line items, as applicable.

**CITY OF SPRINGDALE, OHIO
GENERAL GOVERNMENTAL REVENUES BY SOURCE (A)
LAST TEN FISCAL YEARS**

Year	Municipal Income Taxes	Property and Other Taxes	Inter - governmental Revenues	Charges for Services	Fines and Forfeitures	Fees, Licenses and Permits	Interest	Contrib - utions	Other	Total
1994	\$5,412,201	\$1,688,469	\$1,079,756	\$149,617	\$152,815	\$360,090	\$167,399	\$2,233	\$48,687	\$9,061,267
1995	5,810,200	1,529,667	1,428,354	249,011	139,604	238,393	297,044	50,400	27,455	9,770,128
1996	5,802,291	1,597,501	1,215,294	271,420	235,278	203,931	309,598	25	30,699	9,666,037
1997	6,086,176	2,739,804	576,386	195,373	254,091	257,716	349,438	1,800	8,940	10,469,724
1998	3,812,417	3,125,868	609,835	287,356	203,659	363,302	361,238	825	55,299	8,819,799
1999	9,422,000	3,620,759	643,997	253,829	196,447	268,842	279,006	37,480	11,483	14,733,843
2000	9,444,629	1,955,520	1,863,086	223,021	200,780	488,475	408,468	67,047	101,706	14,752,732
2001	10,444,042	1,768,396	2,057,687	314,034	227,678	432,009	259,010	7,501	77,336	15,587,693
2002	9,259,493	1,801,239	1,607,078	264,265	217,872	368,405	91,776	4,950	39,478	13,654,556
2003	7,949,572	1,817,457	2,347,621	292,263	210,759	350,538	46,311	3,350	18,515	13,036,386

Source: City of Springdale, Finance Department.
(A) - Includes General Fund and Special Revenue Funds.

**CITY OF SPRINGDALE, OHIO
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Tax Year/ Collection Year	Current Levy	Delinquent Levy	Total Tax Levy	Current Tax Levy Collections	Percent of Current Tax Levy Collected	Delinquent Tax Levy Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Tax	Ratio of Delinquent Taxes to Total Tax Levy
1993/1994	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1994/1995	\$1,213,910	\$63,839	\$1,277,749	\$1,146,507	94.45%	\$32,797	\$1,179,304	92.30%	\$79,580	6.23%
1995/1996	1,223,225	82,321	1,305,546	1,167,040	95.41%	28,060	1,195,100	91.54%	111,240	8.52%
1996/1997	1,276,594	125,595	1,402,189	1,215,720	95.23%	44,056	1,259,776	89.84%	65,293	4.66%
1997/1998	1,265,939	73,135	1,339,074	1,236,004	97.64%	42,540	1,278,544	95.48%	55,292	4.13%
1998/1999	1,265,561	63,266	1,328,827	1,237,697	97.80%	35,573	1,273,270	95.82%	56,277	4.24%
1999/2000	1,485,660	73,553	1,559,213	1,441,447	97.02%	44,369	1,485,816	95.29%	74,498	4.78%
2000/2001	1,468,062	94,639	1,562,701	1,434,979	97.75%	49,281	1,484,260	94.98%	79,643	5.10%
2001/2002	1,499,295	132,084	1,631,379	1,450,468	96.74%	75,601	1,526,069	93.54%	107,560	6.59%
2002/2003	1,566,369	147,353	1,713,722	1,507,336	96.23%	60,359	1,567,695	91.48%	142,605	8.32%

Source: Hamilton County, Ohio: County Auditor.
NA - Information not available from the Hamilton County Auditor.

**CITY OF SPRINGDALE, OHIO
ASSESSED AND ESTIMATED ACTUAL VALUE OF PROPERTY
LAST TEN FISCAL YEARS**

Tax Year/ Collection Year	Real Property		Public Utility - Personal		Tangible Personal Property		Total		Assessed Value as a Percent of Actual Value
	Assessed Value	Estimated Actual Value (A)	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value (B)	Assessed Value	Estimated Actual Value	
1993/1994	\$291,354,370	\$832,441,057	\$11,457,780	\$11,457,780	\$83,902,700	\$335,610,800	\$386,714,850	\$1,179,509,637	32.79%
1994/1995	303,466,610	867,047,457	11,770,380	11,770,380	80,085,980	320,343,920	395,322,970	1,199,161,757	32.97%
1995/1996	299,965,020	857,042,914	11,754,170	11,754,170	78,959,650	315,838,600	390,678,840	1,184,635,684	32.98%
1996/1997	314,393,350	898,266,714	12,057,760	12,057,760	84,096,170	336,384,680	410,547,280	1,246,709,154	32.93%
1997/1998	309,151,390	883,289,686	11,284,670	11,284,670	87,693,690	350,774,760	408,129,750	1,245,349,116	32.77%
1998/1999	308,240,570	880,687,343	11,814,990	11,814,990	90,197,480	360,789,920	410,253,040	1,253,292,253	32.73%
1999/2000	375,686,900	1,073,391,143	11,956,870	11,956,870	91,196,770	364,787,080	478,840,540	1,450,135,093	33.02%
2000/2001	376,996,840	1,077,133,829	10,908,270	10,908,270	93,718,500	374,874,000	481,623,610	1,462,916,099	32.92%
2001/2002	382,430,560	1,092,658,743	7,487,710	7,487,710	92,046,250	368,185,000	481,964,520	1,468,331,453	32.82%
2002/2003	409,639,450	1,170,398,429	6,900,910	6,900,910	97,091,650	388,366,600	513,632,010	1,565,665,939	32.81%

Source: Hamilton County, Ohio, County Auditor.

(A) - Estimated actual value based on assessment level of 35 percent.

(B) - Estimated actual value based on assessment level of 25 percent.

CITY OF SPRINGDALE, OHIO
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
 (Per \$1,000 of Assessed Valuation)
LAST TEN FISCAL YEARS

Tax Year/ Collection Year	City of Springdale	Hamilton County	Princeton City School District	Winton Woods City School District	Great Oaks Joint Vocational School
1993/1994	3.08	18.33	42.24	62.12	2.70
1994/1995	3.08	18.30	42.24	62.12	2.70
1995/1996	3.08	18.30	42.24	62.12	2.70
1996/1997	3.08	19.44	42.24	62.12	2.70
1997/1998	3.08	19.01	42.24	62.13	2.70
1998/1999	3.08	19.54	42.24	70.08	2.70
1999/2000	3.08	20.83	46.19	70.08	2.70
2000/2001	3.08	19.92	46.19	70.08	2.70
2001/2002	3.08	21.47	46.19	70.08	2.70
2002/2003	3.08	21.87	45.79	70.08	2.70

Source: Hamilton County, Ohio: County Auditor.

**CITY OF SPRINGDALE, OHIO
SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
LAST TEN FISCAL YEARS**

Tax Year/ Collection Year	Amount Billed	Amount Collected	Percent Collected
1993/1994	NA	NA	NA
1994/1995	NA	NA	NA
1995/1996	NA	NA	NA
1996/1997	NA	NA	NA
1997/1998	\$20,806	\$19,578	94.10%
1998/1999	29,648	27,360	92.28%
1999/2000	2,596	2,025	78.00%
2000/2001	790	613	77.59%
2001/2002	186	186	100.00%
2002/2003	2,861	2,478	86.61%

Source: Hamilton County Auditor.

NA - Not available from the Hamilton County Auditor.

**CITY OF SPRINGDALE, OHIO
 COMPUTATION OF LEGAL DEBT MARGIN
 DECEMBER 31, 2003**

Assessed Value of Taxable Property (A)	<u><u>\$513,632,010</u></u>
3.5% of Assessed Value	\$17,977,120
Total Debt Outstanding Subject to the 3.5% Limitation	<u>6,413,118</u>
Legal 3.5% Debt Margin	<u><u>\$11,564,002</u></u>
10% of Assessed Value	\$51,363,201
Total Debt Outstanding Subject to the 10% Limitation	<u>6,413,118</u>
Legal 10% Debt Margin	<u><u>\$44,950,083</u></u>

Source: City of Springdale, Finance Department.
 (A) - Obtained from Hamilton County, Ohio: Auditor's Office.

CITY OF SPRINGDALE, OHIO
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED
VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

Year	Population (A)	Assessed Value (B)	General Bonded Debt (C)	Less Balance In General Obligation Bond Retirement Fund (C)	Net General Bonded Debt (C)	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1994	10,600	\$386,714,850	\$0	\$0	\$0	0%	\$0
1995	10,600	395,322,970	0	0	0	0%	0
1996	10,600	390,678,840	0	0	0	0%	0
1997	10,600	410,547,280	0	0	0	0%	0
1998	10,600	408,129,750	0	0	0	0%	0
1999	10,600	410,253,040	0	0	0	0%	0
2000	10,600	478,840,540	0	0	0	0%	0
2001	10,600	481,623,610	0	0	0	0%	0
2002	10,600	481,964,520	7,000,000	0	7,000,000	1.45%	660
2003	10,130	513,632,010	6,413,118	0	6,413,118	1.25%	633

(A) - Source: 1990 U.S. Census, 2000 U.S. Census, 2003 U.S. Census
(B) - Source: Hamilton County, Ohio: County Auditor.
(C) - Source: City of Springdale, Finance Department.

CITY OF SPRINGDALE, OHIO
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL
BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN FISCAL YEARS

Year	Principal	Interest	Total Debt Service	General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
1994	\$0	\$0	\$0	\$8,033,552	0%
1995	0	0	0	8,762,954	0%
1996	0	0	0	9,294,962	0%
1997	0	0	0	9,850,279	0%
1998	0	0	0	10,099,525	0%
1999	0	0	0	11,019,518	0%
2000	0	0	0	11,849,531	0%
2001	0	0	0	12,438,426	0%
2002	0	168,508	168,508	13,155,565	1.28%
2003	620,000	225,047	845,047	13,452,462	6.28%

Source: City of Springdale, Finance Department.

**CITY OF SPRINGDALE, OHIO
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
DECEMBER 31, 2003**

	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to City of Springdale</u>	<u>Amount Applicable to City of Springdale</u>
<u>Direct:</u>			
City of Springdale	\$6,413,118	100%	\$6,413,118
<u>Overlapping:</u>			
Hamilton County	121,095,000	2.71%	3,281,675
Princeton City School District	85,000,000	26.67%	22,669,500
Great Oaks Joint Vocational School	6,240,000	3.03%	<u>189,072</u>
Subtotal			<u>26,140,247</u>
Total			<u><u>\$32,553,365</u></u>

Source: Ohio Municipal Advisory Council.

**CITY OF SPRINGDALE, OHIO
REVENUE BOND COVERAGE
NORTHWEST BUSINESS CENTER TAX INCREMENT FINANCING FUND
LAST TEN FISCAL YEARS**

Year	Gross Revenue	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1994	NA	NA	NA	NA	NA	NA	NA
1995	NA	NA	NA	NA	NA	NA	NA
1996	NA	NA	NA	NA	NA	NA	NA
1997	NA	NA	NA	NA	NA	NA	NA
1998	NA	NA	NA	NA	NA	NA	NA
1999	NA	NA	NA	NA	NA	NA	NA
2000	\$3,084,837	\$574,274	\$2,510,563	\$5,559	\$103,249	\$108,808	23.07
2001	51,926	439,557	(387,631)	39,090	202,216	241,306	(1.61)
2002	239,770	304,987	(65,217)	38,652	199,134	237,786	(0.27)
2003	798,139	258,694	539,445	41,356	196,842	238,198	2.26

Source: City of Springdale, Finance Department.
NA - Not Applicable, revenue bonds issued in 2000.

**CITY OF SPRINGDALE, OHIO
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS**

Year	Population (A)	Average Income (B)	School Enrollment (C)	Unemployment Rate (D)
1994	10,600	\$32,632	1,001	4.80%
1995	10,600	31,798	1,015	4.00%
1996	10,600	35,770	980	3.60%
1997	10,600	38,280	939	3.20%
1998	10,600	39,427	940	2.90%
1999	10,600	41,414	983	3.00%
2000	10,600	42,177	948	2.90%
2001	10,600	41,788	1,078	3.60%
2002	10,600	41,709	1,003	5.10%
2003	10,130	41,906	962	5.10%

(A) - Source: 1990 U.S. Census, 2000 U.S. Census, 2003 U.S. Census.

(B) - Source: City of Springdale, Tax Department.

(C) - Source: Princeton City School District.

(D) - Source: Ohio Bureau of Employment Services, rates are for Hamilton County.

**CITY OF SPRINGDALE, OHIO
PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS
LAST TEN FISCAL YEARS**

Fiscal Year	Residential (A)		Commercial Construction (A)		Bank Deposits (B) (In Thousands)
	Number of Permits Issued	Permit Value	Number of Permits Issued	Permit Value	
1994	387	\$6,008,433	409	\$20,439,887	\$17,301,493
1995	329	2,226,565	429	17,478,574	18,661,138
1996	499	4,846,521	399	25,574,955	21,598,936
1997	366	2,212,098	428	17,692,270	18,070,437
1998	596	1,496,378	541	30,766,866	24,305,322
1999	329	8,753,157	409	16,314,160	41,302,569
2000	282	1,447,357	481	51,977,785	76,137,192
2001	277	1,551,650	453	28,461,863	133,025,841
2002	229	1,129,614	409	20,129,821	145,359,134
2003	278	1,361,489	346	7,374,016	147,868,600

(A) - Source: City of Springdale, Building Department.

(B) - Source: Federal Reserve Bank of Cleveland.

**CITY OF SPRINGDALE, OHIO
PRINCIPAL PROPERTY TAXPAYERS
DECEMBER 31, 2003**

<u>Taxpayer</u>	<u>2003 Real Property Assessed Valuation (A) (Tax Duplicate)</u>	<u>Percent of Total Assessed Valuation</u>
Concordia Properties LLC	\$57,028,880	11.10%
G & I Executive Centre LLC	17,503,800	3.41%
Kimco 420 Incorporated	8,258,110	1.61%
Springdale-Kemper Association	7,695,640	1.50%
Kir Tri-County 018 LLC	7,411,630	1.44%
Duke Realty	7,313,970	1.42%
Avon Capital Corporation	7,187,780	1.40%
National Amusement Incorporated	5,571,320	1.08%
Vineyard Community Church	5,267,760	1.03%
Lazarus Real Estate Incorporated	<u>5,192,360</u>	<u>1.01%</u>
Subtotal	128,431,250	25.00%
All Others	<u>385,200,760</u>	<u>75.00%</u>
Total	<u><u>\$513,632,010</u></u>	<u><u>100.00%</u></u>

Source: Hamilton County Auditor.

(A) - Property assessed at 35 percent of estimated actual value.

**CITY OF SPRINGDALE, OHIO
PRINCIPAL EMPLOYERS
DECEMBER 31, 2003**

<u>Employer</u>	<u>Number of Employees (A)</u>
Avon Products, Inc.	1,609
M R Temorary Services, Inc.	1,044
John Morrell and Company	1,024
Adecco USA, Inc.	906
General Electric	860
Mercantile Stores Company, Inc.	759
Wal-Mart Associates, Inc.	728
Lifesphere	693
Rich's Department Stores	625
Sears Roebuck and Company	578

Source: City of Springdale, Tax Department.

(A) - Based on the number of W-2's received, includes both full-time and part-time employees.

**CITY OF SPRINGDALE, OHIO
OTHER STATISTICS
DECEMBER 31, 2003**

Year of Incorporation	1959
Form of Government	Council/Mayor
Area	5.08 Miles
Miles of Street	109.2 Lane Miles
Fire Protection and Emergency Rescue:	
Number of Stations	1
Number of Full-time Officers and Firefighter/Paramedics	20
Number of Part-time Firefighter/Paramedics	22
Police Protection:	
Number of Stations	1
Number of Full-time Police Officers	34
Number of Part-time Police Officers	2
Sewers:	
Miles of Storm Sewers	13.93
Buildings:	
2003 Permits Issued	624
2003 Valuation of Construction	\$8,735,505
Parks and Recreation:	
Number of Parks	6
Number of Acres	100
Employees:	
Full-Time	116
Part-Time	60
Education: (A)	
Number of Schools	2
Number of Teachers	87
Number of Students	962

Source: City of Springdale.

(A) - Source: Princeton City School District.



**Auditor of State
Betty Montgomery**

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Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

CITY OF SPRINGDALE

HAMILTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 7, 2004**