

City of Springdale

Hamilton County

Regular Audit

January 1, 2004 through December 31, 2004

Fiscal Year Audited Under GAGAS: 2004

**BALESTRA, HARR & SCHERER, CPAs, INC.**  
528 South West Street, P.O. Box 687  
Piketon, Ohio 45661

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Telephone (740) 289-4131  
Fax (740) 289-3639, [www.bhscpas.com](http://www.bhscpas.com)





**Auditor of State  
Betty Montgomery**

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

We have reviewed the *Independent Auditor's Report* of the City of Springdale, Hamilton County, prepared by Balestra, Harr & Scherer CPAs, Inc., for the audit period January 1, 2004 through December 31, 2004. 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.

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

BETTY MONTGOMERY  
Auditor of State

August 8, 2005

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**CITY OF SPRINGDALE  
HAMILTON COUNTY**

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# BALESTRA, HARR & SCHERER, CPAs, INC.

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Piketon, Ohio 45661

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Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

## **Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of 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 financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Springdale as of and for the year ended December 31, 2004, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 10, 2005. 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.

### **Internal Control over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion 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 that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud 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.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the City's management in a separate letter dated June 10, 2005.

Members of Council and Mayor  
City of Springdale  
Report on Internal Control Over Financial Reporting and on Compliance  
and Other Matters Based on an Audit of Financial Statements Performed  
in Accordance with *Governmental Auditing Standards*  
Page 2

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.

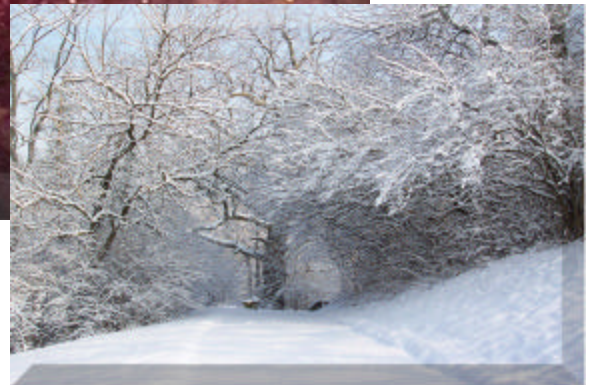
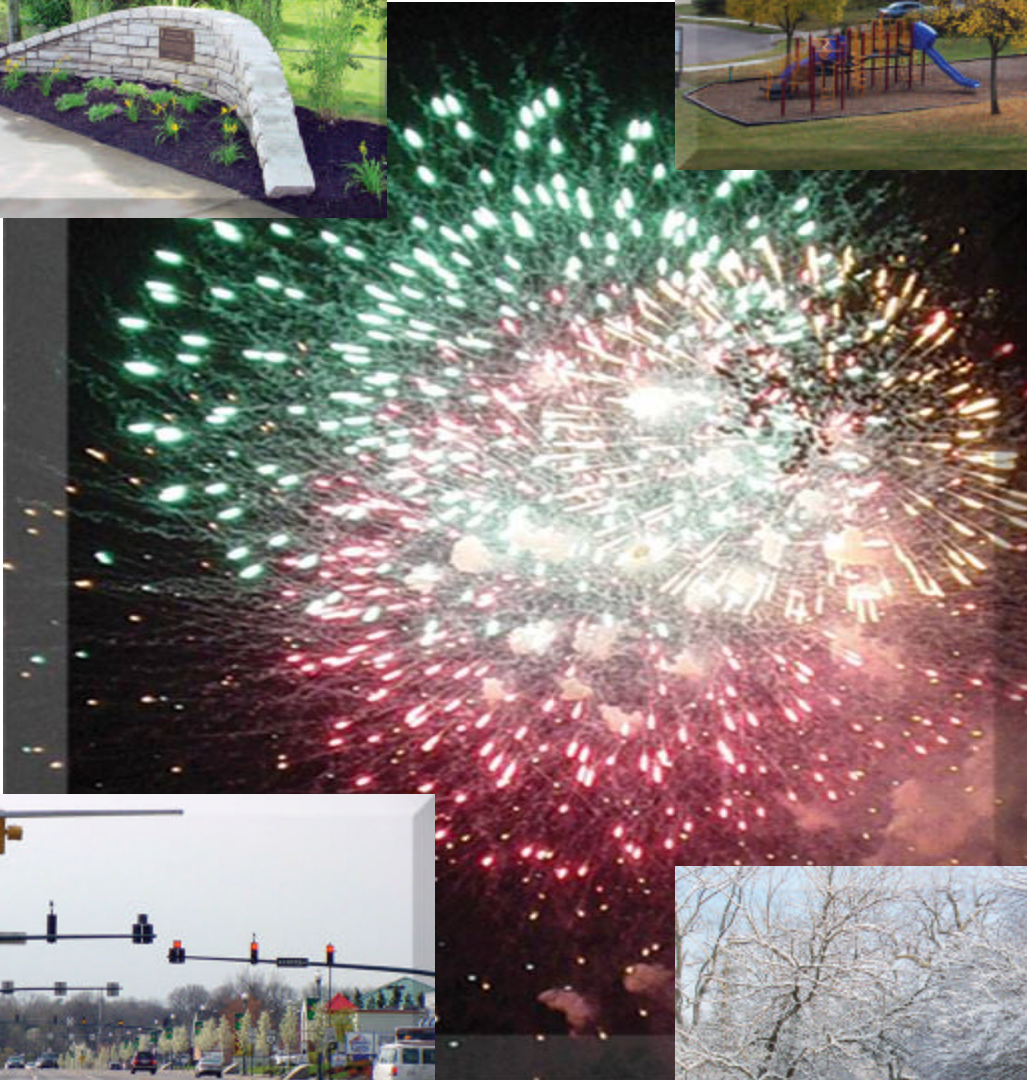
A handwritten signature in cursive script that reads "Balestra, Harr & Scherer". The signature is written in dark ink on a light-colored background.

Balestra, Harr & Scherer, CPAs, Inc.  
June 10, 2005





# CITY OF SPRINGDALE, OHIO

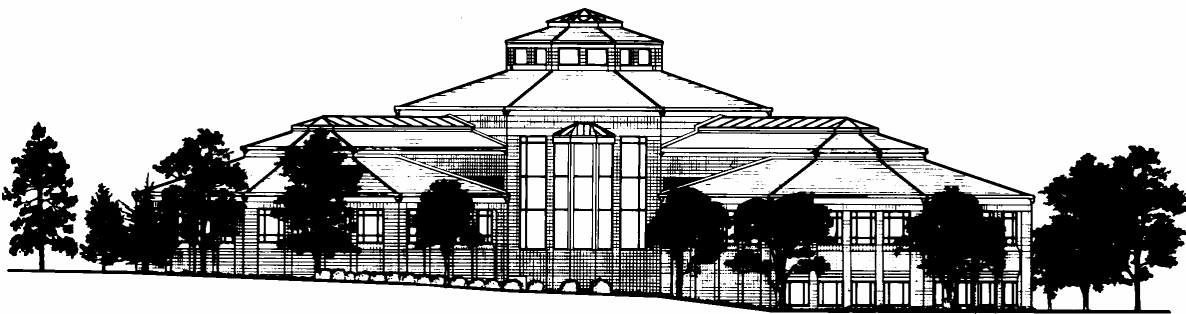


## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2004

# CITY OF SPRINGDALE, OHIO

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2004



### 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

Center picture - fireworks display at the Spirit of Springdale celebration held annually at the Springdale Community Center.

Other pictures (clockwise from left):

Landscape wall as part of the State Route 4 Streetscape - Phase I,

Neighborhood playground at Beacon Hill Park located at the end of Weymouth Court,

Winter landscape in Chamberlain Park,

Looking southbound on State Route 4 at Kemper Road.

**CITY OF SPRINGDALE, OHIO  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2004**

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# **INTRODUCTORY SECTION**



# 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

June 10, 2005

Honorable Doyle H. Webster, Members of City Council, and  
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, 2004, 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 the 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, Management’s Discussion and Analysis, 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.

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

## **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 2004:

- \* Tree City USA award (the City has received this award for the past twelve years),
- \* Community Traffic Safety Award, Gold Level, awarded by the AAA Association, and
- \* Excellence in Salt Storage Award, awarded by the Salt Institute of America.

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.

*Economic Development Department* - responsible for contributing to the economic health and vitality of all segments of the City's commercial, industrial, and retail business sectors.

*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 2,850 businesses and organizations. Currently, 19 businesses with operations in Springdale employ greater than 300 employees. Springdale also has approximately 100 restaurants and 18 theatre screens. The unemployment rate for the Greater Cincinnati area for the year 2004 was 5.2%.

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.

The Springdale office space market during the 2003-2004 period suffered a number of losses that increased the vacancy rate to 25%. By late 2004 to early 2005, the arrival of new tenants has improved the vacancy rate to an estimated 14%.

### Industries Affecting the Local Economy

Springdale is fortunate to have local and national businesses included as part of the corporate citizenry, including General Electric, Thor Equities, Proctor and Gamble, Avon, Wal-Mart, J.C. Penny, Cincom Systems, Federated Stores, and the 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

A major project under construction is the Pictoria Island Business District located at Interstate 275 and State Route 4. Completed construction for this project includes an eight-story two-hundred fifty-six thousand square foot class A office building, a five-level public parking garage, and two high-end restaurants. Remaining to be constructed in this area includes a six-story, one hundred ninety-one thousand square foot class A office tower, another five level parking garage, three five-story, 100,000 square foot class B office towers, and another high-end restaurant.

## MAJOR INITIATIVES

### Major Projects for 2004

- \* *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 approximately \$11,900,000. Of the budgeted amount, a large portion of the project is funded from Federal and State grant sources. 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. \$4,056,854 was spent on construction in 2004.
- \* *East Kemper Road Improvements Project – Phase Two:* Phase two of the project 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. \$494,789 was spent in 2004. Construction of phase two is complete.

### Future Projects

- \* *Pictoria Island Tax Increment Financing (TIF) Project - Phase Two:* Phase two of this project involves the City issuing \$10,000,000 of TIF long-term bonds 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 bonds are expected to be issued in 2005.
- \* *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 streetscape project, consisting of sidewalk pavers, landscape walls, historic walls, fountains, and landscaping, 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 \$909,000. Phase III is scheduled to be completed in 2006 and is budgeted at \$265,360.
- \* *East Kemper Road Improvements Project – Phase Three:* Phase three will include adding an additional eastbound lane on Kemper Road from Tri-County Parkway to Century Boulevard, and widening of the bridge over the CSX railroad. Phase three is scheduled for 2005 and 2006 and is budgeted at \$2,300,000.
- \* *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 2005 and completion is scheduled for 2006.

## **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 principal 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 2004, the City invested in deposit accounts and the STAR Ohio investment pool operated by the Treasurer of the State of Ohio. The City earned \$69,224 of interest income on all investments and deposit

accounts for the year ended December 31, 2004. 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, 2004 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 105 percent of uninsured deposits has been pledged.

#### Risk Management

The City is one of twenty 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 twenty-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 accounting records. Budgeting and financing of MVRMA are subject to the approval of the board of trustees.

### **CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING - 2003**

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, 2003. This was the fourth 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. The firm of Balestra, Harr, and Scherer, CPA's Inc. has performed the City audit for the year-ended December 31, 2004. 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

Acknowledgements

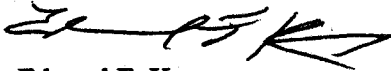
The timely preparation of the Comprehensive Annual Financial Report for the year ended December 31, 2004 was made possible by the efficient and dedicated service of the staff of the Finance Department as well as the other City departments. We express our sincere appreciation for the contributions made 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.

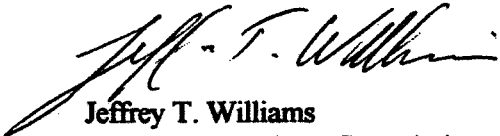
Respectfully submitted,



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, 2004**

**ELECTED OFFICIALS**

<b><u>Name</u></b>	<b><u>Title</u></b>	<b><u>Term of Office</u></b>	<b><u>Salary</u></b>
Doyle H. Webster	Mayor	12/01/03-11/30/07	\$19,444
Kathy McNear	President	12/01/03-11/30/07	7,890
Thomas Vanover	Vice-President	12/01/01-11/30/05	7,290
Marjorie Pollitt	Member	12/01/01-11/30/05	7,290
Robert Wilson Jr.	Member	12/01/01-11/30/05	7,290
Randy Danbury	Member	12/01/01-11/30/05	7,290
James Squires	Member	12/01/03-11/30/07	7,290
Steven Galster	Member	12/01/03-11/30/07	7,290
Edward F. Knox*	Clerk of Council/ Finance Director	12/01/03-11/30/07	15,552

**ADMINISTRATIVE PERSONNEL**

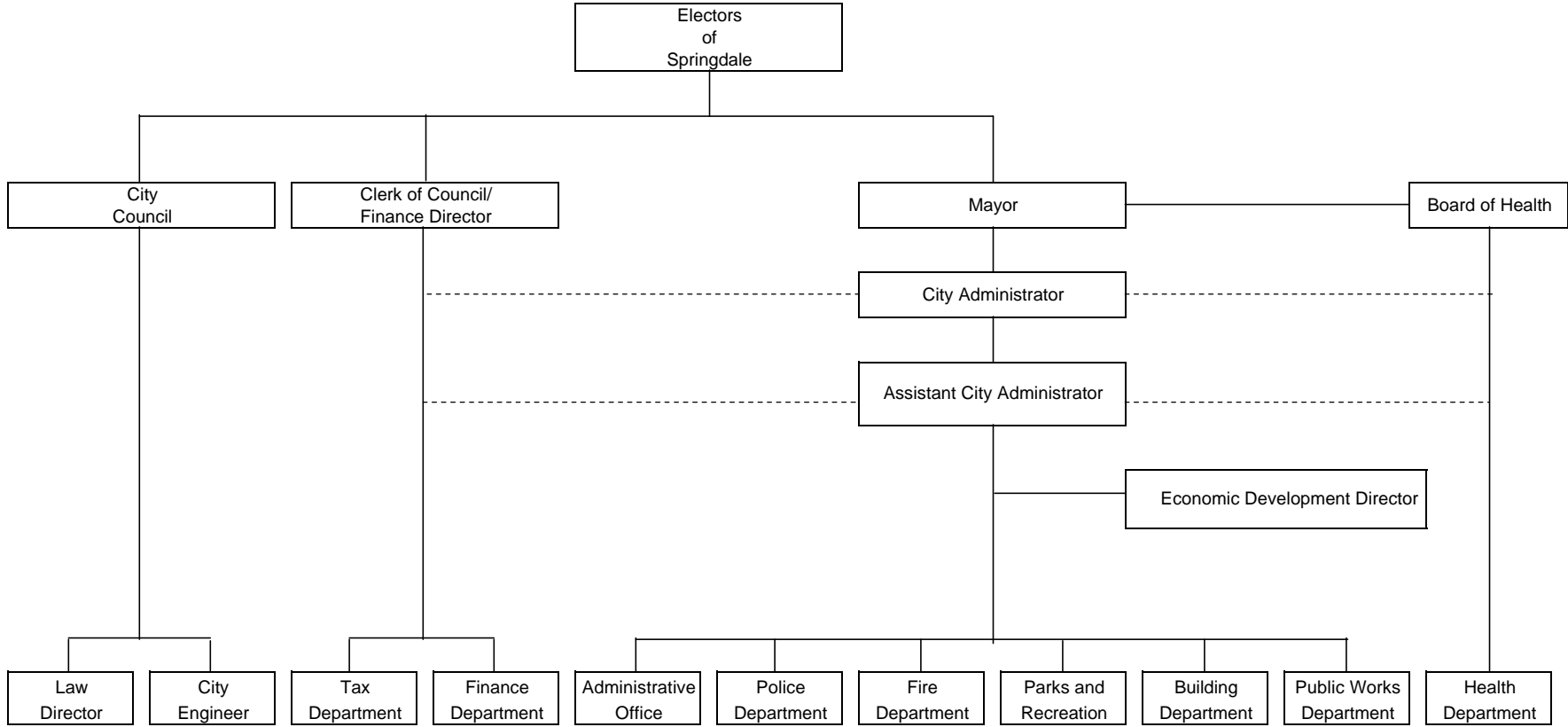
Cecil W. Osborn, City Administrator  
Derrick Parham, Assistant City Administrator  
Jeff Tulloch, Economic Development Director

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 Mitrone, 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, 2003

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



*Nancy L. Zielke*

President

*Jeffrey R. Enos*

Executive Director

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# **FINANCIAL SECTION**

# BALESTRA, HARR & SCHERER CPAs, INC.

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Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

## 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, 2004, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We 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 respective 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, 2004, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2005, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Members of Council and Mayor  
City of Springdale  
Independent Auditor's Report  
Page 2

The Management's Discussion and Analysis on pages 15 through 24 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 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 fund 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.



Balestra, Harr & Scherer CPAs, Inc.  
June 10, 2005

**CITY OF SPRINGDALE, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

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, 2004. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, and the basic financial statements to enhance their understanding of the City's financial performance.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for 2004 are as follows:

- \* The assets of the City exceeded its liabilities at year-end December 31, 2004 by \$44,209,658 (net assets). Of this amount, \$9,569,466 (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 \$5,650,690, which represents a 14.6% increase from 2003.
- \* During the year, the City had revenues for governmental activities that were \$5,650,690 greater than expenses.
- \* The City's governmental funds reported a combined ending fund balance of \$6,320,017. Of this amount, \$4,152,149 is available for spending (unreserved fund balance) on behalf of its citizens.
- \* During 2004, the City issued \$1,500,000 of Street Improvement Bond Anticipation Notes for the 2004 Street Program. The City also decreased long-term general obligation debt by \$626,213.
- \* During 2004, 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



**CITY OF SPRINGDALE, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

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.

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 (TIF) fund.

*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 one 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 Basic Financial Statements:* The notes provide additional information that is essential to a full understanding of the data provided in the government-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, 2004**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As stated earlier, the statement of net assets and the statement of activities present information about the City as a whole. Table 1 provides a summary of the City's net assets for 2004 as compared to 2003.

<b>Table 1</b>	<u>Governmental Activities</u>	
	<u>2004</u>	<u>2003</u>
<b><u>Assets</u></b>		
Current and other assets	\$14,385,226	\$12,056,848
Capital assets, net	44,009,311	40,305,276
Total assets	<u>58,394,537</u>	<u>52,362,124</u>
<b><u>Liabilities</u></b>		
Current and other liabilities	4,896,762	3,908,291
Long-term liabilities:		
Due within one year	788,693	753,566
Due in more than one year	8,499,424	9,141,299
Total liabilities	<u>14,184,879</u>	<u>13,803,156</u>
<b><u>Net Assets</u></b>		
Invested in capital assets, net of debt	33,757,865	30,910,745
Restricted	882,327	800,807
Unrestricted	9,569,466	6,847,416
Total net assets	<u>\$44,209,658</u>	<u>\$38,558,968</u>

Net assets of the City's governmental activities increased \$5,650,690. This is mainly the result of receivables and capital assets, as follows:

- \* In 2004, the City increased its municipal income tax rate from 1% to 1.5%. As a result of the increase, approximately \$1.3 million more was accrued for the current asset taxes receivable at 12-31-04 as compared to 12-31-03.
- \* Also, in 2004 the City began the State Route 747/CSX Grade Separation project. As a result of this project, approximately \$4.1 million was included as a capital asset addition.

**CITY OF SPRINGDALE, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

Table 2 provides a summary of the changes in net assets at year-end and revenues and expense for 2004 as compared to 2003.

<b>Table 2</b>	Governmental Activities	
	2004	2003
<b><u>Revenues and Special Item</u></b>		
Program revenues:		
Charges for services	\$308,169	\$325,139
Operating grants and contributions	183,025	86,237
Capital grants and contributions	4,332,571	1,198,695
Total program revenues	4,823,765	1,610,071
General revenues:		
Municipal income taxes	10,683,944	9,370,885
Property and other taxes	1,883,142	1,847,701
Payments in lieu of taxes	888,758	715,444
Grants and entitlements not restricted	2,379,086	2,215,435
Unrestricted contributions	11,902	3,350
Investment earnings	69,224	64,280
Other	891,194	618,591
Total general revenues	16,807,250	14,835,686
Special item - settlement of lawsuit	275,000	0
Total revenues and special item	21,906,015	16,445,757
<b><u>Program Expenses</u></b>		
Governmental activities:		
Security of persons and property	6,787,024	6,680,416
Public health services	237,012	238,119
Leisure time activities	1,561,162	1,599,793
Community environment	429,532	815,457
Basic utility services	351,761	346,257
Transportation	2,966,044	1,903,066
General government	3,493,078	4,019,434
Interest and fiscal charges	429,712	451,051
Total expenses	16,255,325	16,053,593
Increase in net assets	\$5,650,690	\$392,164

**Governmental Activities**

Governmental activities net assets increased \$5,650,690. While expenses remained consistent, revenues increased approximately \$5.4 million. This is primarily the result of increases in the municipal income tax and capital grants, as follows:

\* On July 1, 2004, the City increased its municipal income tax rate from 1% to 1.5%. The incremental tax revenue was received in October when the 3<sup>d</sup> quarter withholdings were due. But, at the beginning of October, the municipal income taxes to-date, as compared to prior year,

**CITY OF SPRINGDALE, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

were down enough to offset the incremental inflows. As a result, on a cash accounting basis, municipal income tax remained down for the year-end. On the GAAP basis of accounting, when the year-end receivable is accrued, municipal income revenue was recognized at the higher 1.5% rate. Therefore, municipal income tax reported increased approximately \$1.3 million.

\* Also in 2004, the City began the State Route 747/CSX Grade Separation project. As a result of this project, approximately \$4 million was recorded as grant revenue. Therefore, capital grants and contributions increased approximately \$3.1 million.

Table 3 below shows 2004 percentages of revenues and expenses:

**Table 3**

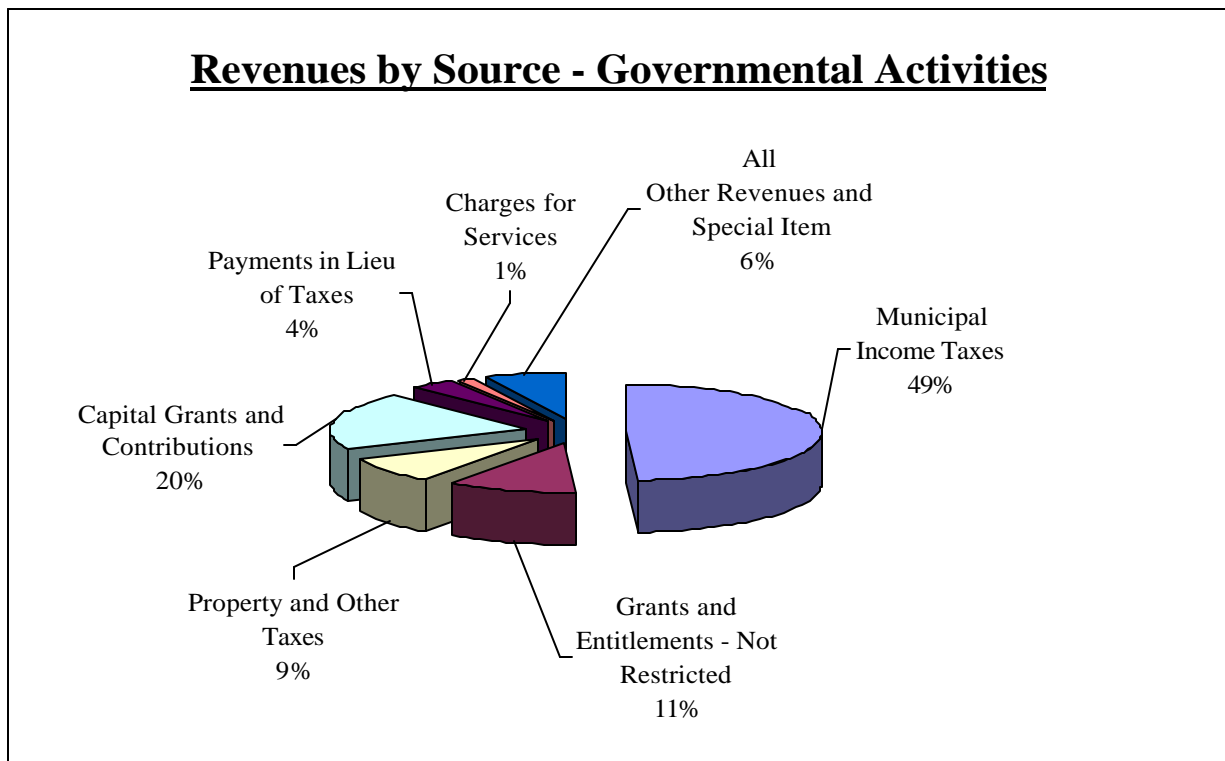
	\$	%
<b><u>Revenues and Special Item</u></b>		
Program revenues:		
Charges for services	\$308,169	1%
Operating grants and contributions	183,025	.7%
Capital grants and contributions	4,332,571	20%
Total program revenues	4,823,765	21.7%
General revenues:		
Municipal income taxes	10,683,944	49%
Property and other taxes	1,883,142	9%
Payments in lieu of taxes	888,758	4%
Grants and entitlements not restricted	2,379,086	11%
Unrestricted contributions	11,902	.1%
Investment earnings	69,224	.2%
Other	891,194	4%
Total general revenues	16,807,250	77.3%
Special item - settlement of lawsuit	275,000	1%
Total revenues and special items	\$21,906,015	100%
<b><u>Program Expenses</u></b>		
Governmental activities:		
Security of persons and property	\$6,787,024	42%
Public health services	237,012	1%
Leisure time activities	1,561,162	10%
Community environment	429,532	3%
Basic utility services	351,761	2%
Transportation	2,966,044	18%
General government	3,493,078	21%
Interest and fiscal charges	429,712	3%
Total expenses	\$16,255,325	100%

**CITY OF SPRINGDALE, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

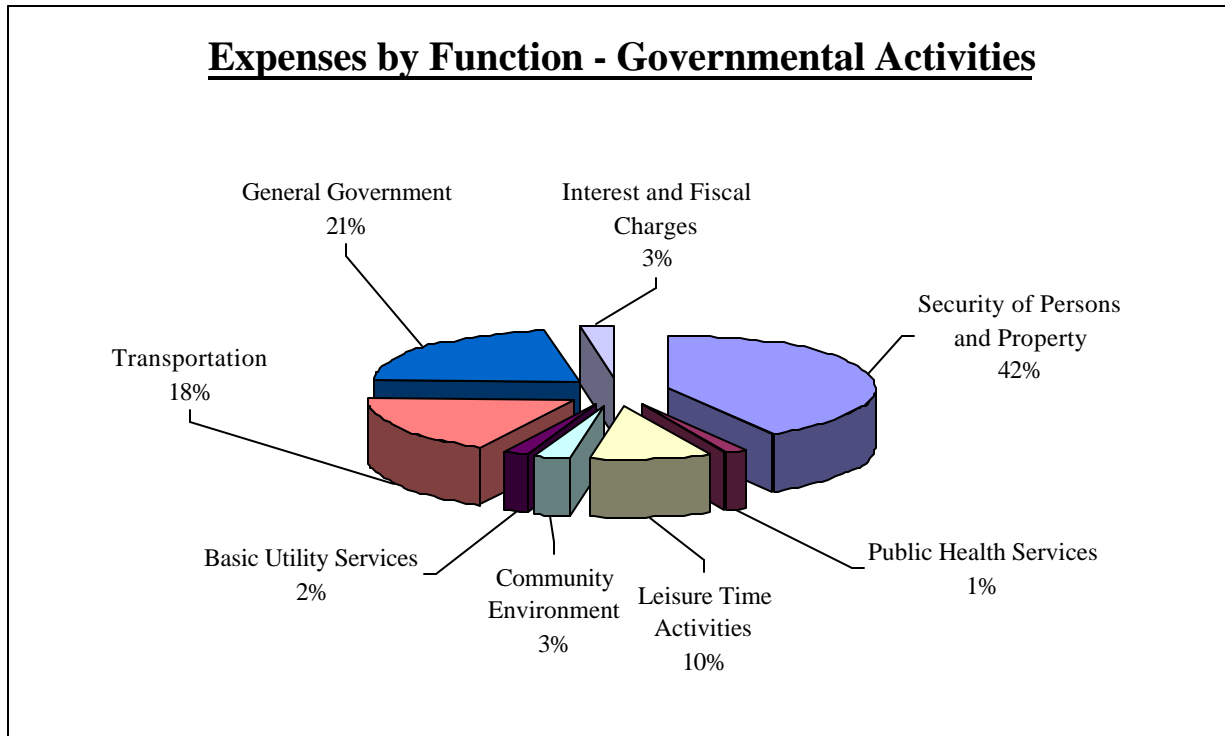
The largest sources of revenue are the municipal earnings tax, capital grants and contributions, and grants and entitlements not restricted. The municipal earnings tax is received from business withholdings and net profits returns, resident tax returns, and penalty and interest. Capital grants and contributions are received from federal, state, and county grants obtained for the construction of a project, mostly road improvement and expansion projects. Grants and entitlements not restricted are received from the state and county as local government funds, homestead and rollback entitlement, gasoline tax, and license tax.

The largest sources of expense are security of persons and property, transportation, and general government. Security of persons and property represents the Police and Fire departments, transportation represents the Public Works department, and general government represents Administration as well as the Tax and Finance departments.

Following are charts showing the percentages of revenues and expense for 2004.



**CITY OF SPRINGDALE, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2004**



**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.

At year-end 2004, the City's governmental funds reported combined ending fund balances of \$6,320,017. Of this amount, \$4,152,149 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 \$22,077,359 and expenditures of \$20,614,301, leaving an excess of revenues over expenditures of \$1,463,058. At year-end 2004, the total fund balance for the general fund was \$5,437,690, of which \$3,916,729 was unreserved. Also, the total fund deficit for the capital improvements fund was \$451,036, and the total fund balance of the northwest business TIF fund was \$1,081,632, all unreserved, and the other governmental funds total fund balance was \$251,731, of which \$151,582 was unreserved.

The general fund is the chief operating fund of the City. The fund balance of the general fund at year-end 2004 increased approximately \$1.7 million over year-end 2003. This is mainly the result of the increase in municipal income tax revenues year-end accrual at the higher income tax rate, as explained above.

**CITY OF SPRINGDALE, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

**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 cash receipts, disbursements, and encumbrance basis. Month-end financial reports, which compare budgeted projections 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 2004, one amendment to the City budget was passed by City Council.

For 2004, the general fund original budgeted revenues were \$13.4 million and the final budgeted revenues were \$14.4 million. Also for 2004 the general fund original expenditures were \$14.1 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 are general fund items reflected in the year-end supplemental appropriation measure:

- \* Transfers-out from the general fund to the capital improvements fund were increased in the amount of \$621,278,
- \* Advances-out from the general fund to the grants fund were increased in the amount of \$3,514,
- \* Advances-in to the general fund from the grants fund were decreased in the amount of \$3,537.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

Capital Assets

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

<b>Table 4</b>	Governmental Activities	
	2004	2003
Land	\$4,778,746	\$4,559,425
Construction in progress	4,285,858	0
Building	15,158,745	15,352,842
Improvements other than building	1,396,829	1,187,902
Machinery and equipment	402,832	474,750
Furniture and fixtures	9,055	9,911
Vehicles	1,197,109	1,354,254
Infrastructure:		
Sewers	514,479	585,674
Roads	2,824,704	2,904,213
Traffic control	410,987	492,815
Streetscape	1,335,064	1,333,055
Sidewalks	491,703	516,835
TIF area public improvements	11,203,200	11,533,600
Total capital assets	\$44,009,311	\$40,305,276

**CITY OF SPRINGDALE, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

The increase in capital assets in 2004 was the direct result of additions to construction in progress. Additional information on the City's capital assets can be found in note 8 to the basic financial statements.

Debt

As of December 31, 2004, the City had debt of \$10,264,908 in bonds, notes, loans, and capital leases, with \$708,253 due within one year for the bonds, loans, and capital leases and \$1,500,000 due within a year for the notes.

**Outstanding Debt at December 31**

**Table 5**

	Governmental Activities	
	2004	2003
General obligation bonds	\$5,786,905	\$6,413,118
General obligation bond anticipation notes	1,500,000	0
TIF revenue bonds	2,871,098	2,915,311
Ohio police and fire pension loan	13,462	13,677
Capital leases	93,443	66,102
Total debt	\$10,264,908	\$9,408,208

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 were 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 general obligation notes are Street Improvement Bond Anticipation Notes - issued in 2004 for the 2004 Street Program.

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 a 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 2004, the City entered into a lease agreement, categorized as a capital lease. At year-end 2004 the City has 4 leases categorized as capital leases. Payments for these leases are made from City funds.

Under the current City Charter, the City's 2004 general obligation bonded debt issuance was subject to a legal limitation of \$42,601,971 based on 10 percent of the total assessed value of real and personal property located within the City.



**CITY OF SPRINGDALE, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2004**

Additional information concerning the City's debt can be found in notes 10, 11, and 12 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. From May to 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.

From October to 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.

From November to December of the current year the one-year budget is prepared. This document becomes the basis for the appropriation/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 budget is final. At or near the first day of the fiscal year, the budget appropriation and estimated revenue ordinance is passed by Council.

**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](mailto:jwilliams@springdale.org)) or visit the City website at [www.springdale.org](http://www.springdale.org).



# **BASIC FINANCIAL STATEMENTS**

**CITY OF SPRINGDALE, OHIO  
STATEMENT OF NET ASSETS  
DECEMBER 31, 2004**

	<u>Governmental Activities</u>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents	\$5,486,462
Cash in escrow account	92,056
Cash with fiscal agent	500,973
Receivables (net):	
Taxes	5,799,299
Payments in lieu of taxes	910,990
Accounts	158,170
Intergovernmental	1,071,546
Bond issuance costs	196,386
Prepaid items	26,500
Inventory	142,844
Nondepreciable capital assets	9,064,604
Depreciable capital assets, net	<u>34,944,707</u>
 Total assets	 <u>58,394,537</u>
<b>Liabilities:</b>	
Accounts payable	295,218
Contracts payable	265,993
Accrued wages and benefits payable	648,041
Accrued workers compensation payable	92,714
Intergovernmental payable	33,484
Accrued interest payable	25,268
Undistributed monies payable	91,689
Unclaimed monies payable	7,906
Claims payable	116,764
Deferred revenue	1,819,685
Bond anticipation notes payable	1,500,000
Long-term liabilities:	
Due within one year	788,693
Due in more than one year	<u>8,499,424</u>
 Total liabilities	 <u>14,184,879</u>
<b>Net assets:</b>	
Invested in capital assets, net of related debt	33,757,865
Restricted for:	
Capital projects	634,709
Other purposes	247,618
Unrestricted	<u>9,569,466</u>
 Total net assets	 <u><u>\$44,209,658</u></u>

See accompanying notes to the basic financial statements

**CITY OF SPRINGDALE, OHIO**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

		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	\$6,787,024	\$295,960	\$141,294	\$0	(\$6,349,770)
Public health services	237,012	4,170	6,238	0	(226,604)
Leisure time activities	1,561,162	8,039	0	0	(1,553,123)
Community environment	429,532	0	0	0	(429,532)
Basic utility services	351,761	0	0	0	(351,761)
Transportation	2,966,044	0	35,493	4,332,571	1,402,020
General government	3,493,078	0	0	0	(3,493,078)
Interest and fiscal charges	429,712	0	0	0	(429,712)
 Total governmental activities	 \$16,255,325	 \$308,169	 \$183,025	 \$4,332,571	 (11,431,560)
 General revenues:					
Municipal income taxes					10,683,944
Property and other taxes					1,883,142
Payments in lieu of taxes					888,758
Grants and entitlements not restricted to specific programs					2,379,086
Unrestricted contributions					11,902
Investment earnings					69,224
Other revenues					891,194
					16,807,250
 Total general revenues					16,807,250
 Special item - proceeds from settlement of lawsuit					275,000
 Total general revenues and special item					17,082,250
 Change in net assets					5,650,690
 Net assets - beginning (restated)					38,558,968
 Net assets - ending					\$44,209,658

See accompanying notes to the basic financial statements

**CITY OF SPRINGDALE, OHIO  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2004**

	General Fund	Capital Improvements Fund	Northwest Business TIF Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>					
Equity in pooled cash and cash equivalents	\$3,157,552	\$893,234	\$1,082,632	\$238,518	\$5,371,936
Cash in segregated account	17,232	0	0	0	17,232
Cash in escrow account	0	92,056	0	0	92,056
Cash with fiscal agent	0	500,973	0	0	500,973
<b>Receivables:</b>					
Taxes	5,799,299	0	0	0	5,799,299
Payments in lieu of taxes	0	0	910,990	0	910,990
Accounts	158,170	0	0	0	158,170
Intergovernmental	479,967	285,539	40,600	265,440	1,071,546
Interfund loan receivable	6,514	0	0	0	6,514
Inventory	142,844	0	0	0	142,844
Prepaid items	26,500	0	0	0	26,500
Advance to other fund	412,500	0	0	0	412,500
<b>Restricted assets:</b>					
Funds on deposit for unclaimed monies	7,906	0	0	0	7,906
Funds on deposit for performance bonds and plan review fees	89,389	0	0	0	89,389
<b>Total assets</b>	<b>\$10,297,873</b>	<b>\$1,771,802</b>	<b>\$2,034,222</b>	<b>\$503,958</b>	<b>\$14,607,855</b>
<b>Liabilities:</b>					
Accounts payable	\$248,311	\$38,501	\$1,000	\$7,406	\$295,218
Contracts payable	0	265,993	0	0	265,993
Accrued wages and benefits payable	643,118	0	0	4,923	648,041
Accrued workers compensation payable	92,714	0	0	0	92,714
Accrued Interest payable	0	5,844	0	0	5,844
Intergovernmental payable	32,484	0	0	1,000	33,484
Interfund loan payable	0	0	0	6,514	6,514
Undistributed monies payable	91,689	0	0	0	91,689
Unclaimed monies payable	7,906	0	0	0	7,906
Claims payable	116,764	0	0	0	116,764
Advance from other fund	0	412,500	0	0	412,500
Deferred revenue	3,627,197	0	951,590	232,384	4,811,171
Bond anticipation notes payable	0	1,500,000	0	0	1,500,000
<b>Total liabilities</b>	<b>4,860,183</b>	<b>2,222,838</b>	<b>952,590</b>	<b>252,227</b>	<b>8,287,838</b>
<b>Fund balances:</b>					
Reserved for encumbrances	111,647	546,758	0	100,149	758,554
Reserved for inventory	142,844	0	0	0	142,844
Reserved for prepaid items	26,500	0	0	0	26,500
Reserved for advance	412,500	0	0	0	412,500
Designated for health insurance	64,959	0	0	0	64,959
Designated for liability insurance	762,511	0	0	0	762,511
<b>Unreserved, undesignated, reported in:</b>					
General fund	3,916,729	0	0	0	3,916,729
Special revenue funds	0	0	0	147,469	147,469
Capital projects funds	0	(997,794)	1,081,632	4,113	87,951
<b>Total fund balances (deficit)</b>	<b>5,437,690</b>	<b>(451,036)</b>	<b>1,081,632</b>	<b>251,731</b>	<b>6,320,017</b>
<b>Total liabilities and fund balances</b>	<b>\$10,297,873</b>	<b>\$1,771,802</b>	<b>\$2,034,222</b>	<b>\$503,958</b>	<b>\$14,607,855</b>

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, 2004**

Total governmental fund balances	\$6,320,017
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.	44,009,311
Some long-term assets, such as bond issuance costs are not available for current-period expenditures and therefore are not reflected in the funds.	196,386
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	2,991,486
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.	(523,209)
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds.	(8,764,908)
Accrued interest payable on long-term debt is not due and payable in the current period and therefore is not reported in the funds.	<u>(19,425)</u>
Net assets of governmental activities	<u><u>\$44,209,658</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, 2004**

	General Fund	Capital Improvements Fund	Northwest Business TIF Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Municipal income taxes	\$11,180,495	\$0	\$0	\$0	\$11,180,495
Property and other taxes	1,701,993	0	0	0	1,701,993
Payments in lieu of taxes	0	0	702,767	0	702,767
Intergovernmental	1,858,286	4,579,326	81,378	736,049	7,255,039
Charges for services	313,901	0	0	0	313,901
Fines and forfeitures	216,161	0	0	2,416	218,577
Fees, licenses and permits	351,971	0	0	10,914	362,885
Special assessments	0	0	0	0	0
Interest	49,174	10,081	9,796	173	69,224
Contributions	6,825	0	0	5,077	11,902
Other	204,613	54,763	0	1,200	260,576
<b>Total revenues</b>	<b>15,883,419</b>	<b>4,644,170</b>	<b>793,941</b>	<b>755,829</b>	<b>22,077,359</b>
<b>Expenditures:</b>					
<b>Current:</b>					
Security of persons and property	6,383,473	0	0	60,579	6,444,052
Public health services	226,912	0	0	6,300	233,212
Leisure time activities	1,259,387	0	0	9,763	1,269,150
Community environment	415,126	0	0	0	415,126
Basic utility services	282,373	0	0	69,388	351,761
Transportation	822,746	0	0	437,035	1,259,781
General government	3,230,301	0	51,284	0	3,281,585
Capital outlay	177,131	6,044,200	0	17,096	6,238,427
<b>Debt service:</b>					
Principal retirement	36,884	220,000	44,213	400,000	701,097
Interest and fiscal charges	4,961	35,764	193,985	185,400	420,110
<b>Total expenditures</b>	<b>12,839,294</b>	<b>6,299,964</b>	<b>289,482</b>	<b>1,185,561</b>	<b>20,614,301</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>3,044,125</b>	<b>(1,655,794)</b>	<b>504,459</b>	<b>(429,732)</b>	<b>1,463,058</b>
<b>Other financing sources (uses):</b>					
Inception of capital lease	64,011	0	0	0	64,011
Transfers-in	0	980,244	0	645,400	1,625,644
Transfers-out	(1,625,644)	0	0	0	(1,625,644)
<b>Total other financing sources (uses)</b>	<b>(1,561,633)</b>	<b>980,244</b>	<b>0</b>	<b>645,400</b>	<b>64,011</b>
Special item - proceeds from settlement of lawsuit	275,000	0	0	0	275,000
<b>Net change in fund balances</b>	<b>1,757,492</b>	<b>(675,550)</b>	<b>504,459</b>	<b>215,668</b>	<b>1,802,069</b>
<b>Beginning fund balances</b>	<b>3,680,198</b>	<b>224,514</b>	<b>577,173</b>	<b>36,063</b>	<b>4,517,948</b>
<b>Ending fund balances (deficit)</b>	<b>\$5,437,690</b>	<b>(\$451,036)</b>	<b>\$1,081,632</b>	<b>\$251,731</b>	<b>\$6,320,017</b>

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, 2004**

Net change in fund balances - total governmental funds	\$1,802,069
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.	3,728,987
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, disposal) is to decrease net assets.	(24,952)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(446,344)
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduced long-term liabilities in the statement of net assets.	701,097
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.	(36,555)
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.	(9,601)
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.	<u>(64,011)</u>
Change in net assets of governmental activities	<u><u>\$5,650,690</u></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, 2004**

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Municipal income taxes	\$9,579,850	\$9,579,850	\$9,543,347	(\$36,503)
Property and other taxes	1,848,335	1,848,335	1,720,625	(127,710)
Intergovernmental	1,074,615	1,874,615	1,857,784	(16,831)
Charges for services	264,575	264,575	309,343	44,768
Fines and forfeitures	201,000	201,000	214,788	13,788
Fees, licenses and permits	342,300	342,300	395,193	52,893
Interest	43,600	43,600	49,174	5,574
Contributions	850	850	6,825	5,975
Other	110,710	310,710	651,905	341,195
Total revenues	<u>13,465,835</u>	<u>14,465,835</u>	<u>14,748,984</u>	<u>283,149</u>
Expenditures:				
Current:				
Security of persons and property	6,715,868	6,660,868	6,514,720	146,148
Public health services	235,140	235,140	225,829	9,311
Leisure time activities	1,317,538	1,307,538	1,254,968	52,570
Community environment	481,320	466,320	449,224	17,096
Basic utility services	295,800	285,800	282,567	3,233
Transportation	1,038,757	918,757	857,809	60,948
General government	3,887,427	3,656,149	3,565,027	91,122
Capital outlay	142,535	162,535	163,222	(687)
Debt service:				
Principal retirement	40,230	40,230	37,539	2,691
Interest	4,522	4,522	5,103	(581)
Total expenditures	<u>14,159,137</u>	<u>13,737,859</u>	<u>13,356,008</u>	<u>381,851</u>
Excess (deficiency) of revenues over expenditures	<u>(693,302)</u>	<u>727,976</u>	<u>1,392,976</u>	<u>665,000</u>
Other financing sources (uses):				
Transfers-in	2,235	2,235	2,236	1
Transfers-out	(1,004,366)	(1,625,644)	(1,625,644)	0
Advances-in	25,705	25,705	22,168	(3,537)
Advances-out	(3,000)	(3,000)	(6,514)	(3,514)
Total other financing sources (uses)	<u>(979,426)</u>	<u>(1,600,704)</u>	<u>(1,607,754)</u>	<u>(7,050)</u>
Net change in fund balance	(1,672,728)	(872,728)	(214,778)	657,950
Beginning fund balance	3,211,365	3,211,365	3,211,365	0
Prior year encumbrances	96,198	96,198	96,198	0
Ending fund balance	<u>\$1,634,835</u>	<u>\$2,434,835</u>	<u>\$3,092,785</u>	<u>\$657,950</u>

See accompanying notes to the basic financial statements

**CITY OF SPRINGDALE, OHIO  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
FIDUCIARY FUND  
DECEMBER 31, 2004**

	<u>Agency</u>
Assets:	
Equity in pooled cash and cash equivalents	<u>\$62</u>
Total assets	<u><u>\$62</u></u>
Liabilities:	
Ohio board of building standards assessment (OBBS) payable	<u>\$62</u>
Total liabilities	<u><u>\$62</u></u>

See accompanying notes to the basic financial statements

**CITY OF SPRINGDALE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2004**

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. The comparison of direct expenses with program revenues identifies

**CITY OF SPRINGDALE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2004**

that extent to which each governmental function is self-financing or draws from the general revenues of the City. The effect of interfund activity has been eliminated from the government-wide financial statements.

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, 2004**

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 that accounts for the collection and payments associated with the Ohio Board of Building Standards Assessments on building permits.

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 use the accrual 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, 2004**

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, 2004**

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 2004, 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.

**CITY OF SPRINGDALE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2004**

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

- \* Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
- \* Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
- \* Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).

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	\$1,757,492
Net adjustment for revenue accruals	(1,449,042)
Net adjustment for expenditure accruals	(369,691)
2003 prepaids for 2004	27,122
2004 prepaids for 2005	(26,500)
Encumbrances	(154,159)
Budget basis	(\$214,778)

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.



**CITY OF SPRINGDALE, OHIO**  
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The City has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 2004. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. Star Ohio is not registered with the SEC as an investment company, 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, 2004.

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. 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, sidewalks, and construction in progress. 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:

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Buildings	15 - 60 years
Improvements other than building	10 - 25 years
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 2004 was \$69,224. Total interest credited to the general fund during 2004 was \$49,174, which includes \$2,950 assigned from other funds.

Payments In Lieu Of Taxes

Payments in lieu of taxes represent service payments received from the Hamilton County Auditor in lieu of property taxes based on the Tax Increment Financing (TIF) Service Agreement for the purpose of making TIF bond payments.

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. In prior years, the liability for compensated absences has been liquidated from the general fund, street construction and maintenance fund, and the state highway fund. The noncurrent portion of the liability is not reported. The City reported no compensated absences payable in the fund financial statements.

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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 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. Transfers are eliminated in the statement of activities.

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. The City had no extraordinary items that occurred in 2004. The City had a special item that occurred during 2004, see footnote 19 for further explanation.

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.

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**3. PRIOR PERIOD ADJUSTMENT**

During the review of capital assets, adjustments to prior year amounts were needed to correct balances. The adjustment increased net assets by \$69,471, from the previously reported amount of \$38,489,497 to \$38,558,968, as of January 1, 2004. See the capital asset activity at footnote 8.

**4. FUND DEFICIT**

The capital projects, capital improvement fund at December 31, 2004 included a fund deficit of \$451,036. This deficit is due to the recognition of expenditures on the modified accrual basis of accounting which is 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 be maintained either as cash in the City Treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of "inactive" funds – those funds not required for use within the current 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;

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- \* 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 105 percent of the total value of public 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 \$3,444,396 and the bank balance was \$3,694,446. Of the bank balance, \$489,715 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.

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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, 2004, were as follows:

Category 1	\$489,715
Category 2	-
Category 3	<u>3,204,731</u>
Total bank balance of deposits	<u>\$3,694,446</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:

- 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, 2004, are summarized below:

	<u>Carrying Amount</u>	<u>Fair Value</u>
State Treasurer’s Asset Reserve (Star Ohio)	<u>\$2,635,157</u>	<u>\$2,635,157</u>

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

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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	\$6,079,553	\$0
Investments (Star Ohio)	(2,635,157)	2,635,157
GASB Statement 3 (as detailed above)	\$3,444,396	\$2,635,157

**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, grants, and accounts.

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, 2004, was \$3.08 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2004 property tax receipts were based are as follows:

Real Property – 2003 Assessed Valuation	\$402,402,890
Public Utility Tangible Personal Property – 2003 Assessed Valuation	6,920,450
Tangible Personal Property – 2003 Assessed Valuation	89,565,420
Total	\$498,888,760

Property taxes receivable represent real and tangible personal property taxes, public utility property taxes, and outstanding delinquencies, which are measurable as of December 31, 2004. 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:

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- Lien date January 1, 2003
- Levy date - first half December 31, 2003
- First installment payment due January 31, 2004
- Levy date - second half March 31, 2004
- Second installment payment due June 20, 2004

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 property taxes, which are 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 are presented as property tax revenue.

Income Taxes

In 2004, the City levied a municipal income tax of 1% from January 1 to June 30, and 1.5% thereafter, 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.



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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:

<u>Governmental Activities</u>	
Estate tax	\$77,578
Homestead/rollback	105,940
Local government	303,591
Gasoline tax	140,500
License tax	85,500
Grants	293,599
Other	<u>64,838</u>
Total	<u><u>\$1,071,546</u></u>

**7. INTERFUND TRANSACTIONS**

Interfund Loans Receivable/Payable

Interfund loan asset and liability balances at December 31, 2004, are as follows:

<u>Interfund Loans Receivable Fund</u>	<u>Interfund Loans Payable Fund</u>	<u>Amount</u>
General fund	Special revenue grants fund	\$6,514

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 2004, \$412,500 is reported as a long-term advance to/from other fund on the fund financial statements.

Transfers In/Transfers Out

In 2004 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	\$980,244
General fund	Community center debt fund	585,400
General fund	Residential recycling fund	<u>60,000</u>
Total transfers		<u><u>\$1,625,644</u></u>

The capital improvements fund and the community center debt fund are capital projects funds. The capital improvements fund is a major fund. The community center debt fund is a nonmajor fund. The residential recycling fund is a nonmajor special revenue fund.

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**8. CAPITAL ASSETS**

Capital asset activity for the current year is summarized below:

<u>Governmental Activities</u>	Balance 1/1/04 (restated)	Additions	Deletions	Balance 12/31/04
Capital assets, not being depreciated:				
Land	\$4,559,425	\$219,321	\$0	\$4,778,746
Construction in progress	0	4,285,858	0	4,285,858
Total capital assets not being depreciated	<u>4,559,425</u>	<u>4,505,179</u>	<u>0</u>	<u>9,064,604</u>
Capital assets, being depreciated:				
Buildings	18,916,549	106,015	0	19,022,564
Improvements other than building	1,957,567	295,924	0	2,253,491
Machinery and equipment	1,076,099	14,690	(12,671)	1,078,118
Furniture and fixtures	13,506	0	0	13,506
Vehicles	3,093,258	64,011	(314,155)	2,843,114
Infrastructure	37,978,624	211,392	0	38,190,016
Total capital assets being depreciated	<u>63,035,603</u>	<u>692,032</u>	<u>(326,826)</u>	<u>63,400,809</u>
Less accumulated depreciation:				
Buildings	(3,563,707)	(300,112)	0	(3,863,819)
Improvements other than building	(769,665)	(86,997)	0	(856,662)
Machinery and equipment	(601,349)	(80,218)	6,281	(675,286)
Furniture and fixtures	(3,595)	(856)	0	(4,451)
Vehicles	(1,739,004)	(202,594)	295,593	(1,646,005)
Infrastructure	(20,612,432)	(797,447)	0	(21,409,879)
Total accumulated depreciation	<u>(27,289,752)</u>	<u>(1,468,224)</u>	<u>301,874</u>	<u>(28,456,102)</u>
Total capital assets being depreciated, net	<u>35,745,851</u>	<u>(776,192)</u>	<u>(24,952)</u>	<u>34,944,707</u>
Governmental activities capital assets, net	<u>\$40,305,276</u>	<u>\$3,728,987</u>	<u>(\$24,952)</u>	<u>\$44,009,311</u>

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As a result of prior year omissions, the balance of capital assets have been restated from the 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.

	Beginning Balance as Previously Stated	Adjustments	Restated Beginning Balance
Land	\$4,559,425	\$0	\$4,559,425
Buildings	18,916,549	0	18,916,549
Improvements other than building	1,856,064	101,503	1,957,567
Machinery and equipment	1,076,099	0	1,076,099
Furniture and fixtures	13,506	0	13,506
Vehicles	3,093,258	0	3,093,258
Infrastructure	38,008,626	(30,002)	37,978,624
Capital assets at cost	<u>67,523,527</u>	<u>71,501</u>	<u>67,595,028</u>
Less:			
Accumulated depreciation	<u>(27,287,722)</u>	<u>(2,030)</u>	<u>(27,289,752)</u>
Capital assets, net	<u>\$40,235,805</u>	<u>\$69,471</u>	<u>\$40,305,276</u>

In 2004, depreciation expense was charged to governmental functions as follows:

Security of persons and property	\$290,733
Leisure time activities	246,971
Community environment	10,908
Transportation	488,111
General government	431,501
	<u>\$1,468,224</u>

**9. COMPENSATED ABSENCES**

Accumulated Unpaid Vacation Leave

Full-time 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, 2004 for unpaid vacation leave.

Accumulated Unpaid Sick Leave

Full-time 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:

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

<u>Governmental Activities</u>	<u>Balance</u> 1-1-04	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> 12-31-04	<u>Amount</u> Due Within A Year
General obligation bonds:					
Community center expansion Bonds	\$5,514,696	\$0	(\$401,072)	\$5,113,624	\$401,072
Urban renewal district II Bonds	898,422	0	(225,141)	673,281	225,141
Total general obligation bonds	<u>6,413,118</u>	<u>0</u>	<u>(626,213)</u>	<u>5,786,905</u>	<u>626,213</u>
Tax increment financing phase I revenue bonds	2,915,311	0	(44,213)	2,871,098	47,006
Police and fire pension loan	13,677	0	(215)	13,462	215
Capital leases	66,102	64,011	(36,670)	93,443	34,819
Compensated absences	<u>486,654</u>	<u>115,788</u>	<u>(79,233)</u>	<u>523,209</u>	<u>80,440</u>
Total governmental activities	<u><u>\$9,894,862</u></u>	<u><u>\$179,799</u></u>	<u><u>(\$786,544)</u></u>	<u><u>\$9,288,117</u></u>	<u><u>\$788,693</u></u>

The 1-1-04 balance reflects 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.

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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, 2004 for the Community Center Expansion General Obligation Bonds payable is \$5,113,624 and is recorded in the government-wide financial statements.

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, 2004 for the Urban Redevelopment District II General Obligation Bonds payable is \$673,281 and is recorded in the government-wide financial statements.

Tax Increment Financing Revenue Bonds Payable

The City issued \$3,040,000 of Pictoria Island Phase I 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 owners 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, 2004 for the TIF Revenue Bonds Payable is \$2,871,098 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 are as follows:

Year-Ending December 31	General Obligation Bonds		TIF Revenue Bonds	
	Principal	Interest	Principal	Interest
2005	\$626,213	\$199,940	\$47,006	\$191,192
2006	626,213	183,120	50,254	187,944
2007	624,071	163,980	53,726	184,472
2008	401,072	143,400	57,438	180,759
2009	401,072	130,400	61,407	176,791
2010-2014	2,005,360	445,400	376,857	814,133
2015-2019	1,102,904	86,200	526,332	664,656
2020-2024	0	0	735,096	455,893
2025-2029	0	0	962,982	164,659
Total	\$5,786,905	\$1,352,440	\$2,871,098	\$3,020,499

**CITY OF SPRINGDALE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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An ordinance was passed by Council on September 1, 2004, authorizing the issuance of Pictoria Island Phase II Tax Increment Financing Revenue Bonds for an amount not to exceed \$10,000,000. As of December 31, 2004, the bonds were not issued.

**11. LEASES**

During 2004, the City entered into a lease agreement for police 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:

Year Ending	
<u>December 31</u>	
2005	\$40,118
2006	40,516
2007	18,130
2008	<u>4,728</u>
Total minimum lease payments	<u>103,492</u>
Less: amount representing interest	<u>(10,049)</u>
Present value of minimum lease payments	<u>\$93,443</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, \$143,457.

In 2004, principal of \$36,670 was paid from the general fund as principal retirement and interest and fiscal charges. Capital lease payments have been reclassified and are reflected as debt service in the fund financial statements and on the budgetary basis.

**12. BOND ANTICIPATIONS NOTE PAYABLE**

The City issued \$1,500,000 of Street Improvement Bond Anticipation Notes dated October 14, 2004. The notes mature October 13, 2005 and bear interest at the rate of 1.87%. The notes were issued for the purpose of paying the cost of the 2004 street program which consists of designated street maintenance items, 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, 2004 for the Bond Anticipation Notes is \$1,500,000 and is recorded in the capital improvements fund. The following shows the Street Improvement Bond Anticipation Note activity for the period January 1, 2004 to December 31, 2004.

	Balance at 1-1-04	Additions	Retirement	Balance at 12-31-04
2004 Street Improvement Bond Anticipation Notes	\$0	\$1,500,000	\$0	\$1,500,000

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**13. 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 Pension 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.

*Combined Plan (CO)* - a cost-sharing multiple-employer defined benefit pension plan. Under the Combined Plan employer contributions are invested by OPERS to provide a formula retirement benefit similar in nature to the Traditional Plan benefit. Member 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. Members of the Member-Directed Plan do not qualify for ancillary benefits. 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 OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6701 or (800) 222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2004, 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 2004 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 2004 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 2004 was 16.7%. The City's contributions to OPERS for the years ended December 31, 2004, 2003, and 2002 were \$475,113, \$458,570, and \$458,791, 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.

**CITY OF SPRINGDALE, OHIO**  
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OPERS provides retirement, disability, and survivor benefits as well as postretirement health care coverage to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. In order to qualify for post-retirement health care coverage, age and service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and qualified survivor benefit recipients is available. The health care coverage provided by the OPERS 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 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 2004 employer contribution rate for state employers was 13.31% of covered payroll of which 4.00% was used to fund health care for the year. For local government employer units the rate was 13.55% of covered payroll and 4.00% was used to fund health care for the year. For both the public safety and law enforcement divisions, the 2004 employer rate was 16.70% and 4.00% was used to fund health care.

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 OPERS’ latest Actuarial Review performed as of December 31, 2003.

**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 annually.

**Investment Return** - The investment assumption rate for 2003 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 at the projected wage inflation rate plus an additional factor ranging from 1% to 6% for the next 8 years. In subsequent years (9 and beyond) health care costs were assumed to increase at 4% (the projected wage inflation rate).



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OPEB's are advance-funded on an actuarial determined basis. At year-end 2004, the number of active contributing participants in the Traditional and Combined Plans totaled 369,885. The rates stated above are the actuarially determined contribution rates for OPERS. The employer contributions actually made by the City in 2004 were \$140,253. The amount of \$10.5 billion represents the actuarial value of OPERS' net assets available for OPEB at December 31, 2003. The actuarially accrued liability and the unfunded actuarially accrued liability, based on the actuarial cost method used, were \$26.9 billion and \$16.4 billion, respectively.

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

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

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 pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. 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 ended December 31, 2004, 2003, and 2002 were \$798,697, \$720,337, and \$697,974, respectively, or 79% of the required contributions for 2003 and equal to the required contributions for 2002.

The OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. 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 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.

**CITY OF SPRINGDALE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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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 2003 and 2004. 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, 2003, the date of the last actuarial valuation available, are 13,662 for police and 10,474 for firefighters. The portion of the employer contributions that were used to pay post-employment benefits were 39.70% of employer's contributions for police and 32.30% of employer's contributions for firefighters which amounted to \$183,549 and \$108,644 respectively.

OP&F's total health care expense for the year ending December 31, 2003, the date of the last actuarial valuation available, was \$150,853,148, which was net of member contributions of \$17,207,506.

#### **14. 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.

#### **15. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, 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 2004 with the exception of boiler and machinery for which there was a \$5,000 per-occurrence retention limit in 2004. Liability had a per-occurrence retention limit of \$1,000,000 in 2004.

**CITY OF SPRINGDALE, OHIO**  
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Settled claims have not exceeded commercial coverage in any of the past three years. There have been no significant reductions in insurance coverage from the 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. In October of 2004, employees began contributing to cover a portion of the health care costs, paying \$25 per month for single coverage and \$50 per month for family coverage. At December 31, 2004, 116 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 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, 2004 was \$116,764.

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

	Balance 12/31/04	Balance 12/31/03
Claims payable, beginning of the year	\$57,613	\$149,040
Claims incurred during the year	919,917	1,001,911
Payments:		
Attributable to current year	(802,379)	(974,554)
Attributable to prior years	(58,387)	(118,784)
Claims payable, end of year	<u>\$116,764</u>	<u>\$57,613</u>

**CITY OF SPRINGDALE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2004**

**16. JOINT VENTURE**

The cities of Beavercreek, Bellbrook, Blue Ash, Centerville, Englewood, 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 twenty-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 2004, MRVMA's 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, 2004, MVRMA purchased the following types of insurance/reinsurance in excess of its self-insurance retention presented in the previous paragraph:

General liability (including law enforcement)	\$7,000,000 per occurrence
Automobile liability	7,000,000 per occurrence
Public officials liability	7,000,000 per occurrence and annual aggregate
Employment practices liability	7,000,000 per occurrence and annual aggregate
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. Each year a moving target equal to the annual loss fund is established. MVRMA members will fund approximately 15% of that amount annually with the expectation that over a period of time, the balance of the SLF will be equivalent to the current year's annual loss fund. Contributions to the SLF will be recorded with separate accounting designed to preserve each member municipality's percentage ownership. Each member's SLF balance will be reviewed annually in conjunction with MVRMA's preliminary budget process. Any member whose balance is equivalent to its upcoming annual loss fund contribution will not be required to make an additional deposit.

**CITY OF SPRINGDALE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2004**

Unless otherwise waived by the MVRMA Board, any member whose balance falls below its targeted amount, will be required to contribute the amount needed to reach the targeted amount or 15% of the annual loss year contribution, whichever is less.

There was no joint venture debt at December 31, 2004. 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.

The pool contribution factors at 12-31-04 are, Beavercreek - 5.4%, Bellbrook - 1.9%, Blue Ash - 6.2%, Centerville - 1.9%, Englewood - 3%, Indian Hill - 2.4%, Kettering - 15.5%, Maderia - 1.6%, Mason - 8.7%, Miamisburg - 6%, Montgomery - 3.2%, Piqua - 6.2%, Sidney - 7.2%, Springdale - 4.1%, Tipp - 2.4%, Troy - 6.7%, Vandalia - 5.6%, West Carolton - 3.1%, Wilmington - 5.7%, Wyoming - 3.2%.

A summary of audited financial information as of December 31, 2003, is presented below:

	Joint Venture
Total assets	<u>\$7,462,934</u>
Total liabilities	\$5,015,363
Members retained earnings	<u>2,447,571</u>
Total liabilities and members retained earnings	<u>\$7,462,934</u>
Total operating revenues	\$4,268,152
Total operating expenditures	<u>4,250,177</u>
Excess of revenues over expenditures	17,975
Beginning members retained earnings	<u>2,429,596</u>
Ending members retained earnings	<u>\$2,447,571</u>

**17. 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 from legal proceedings.

**CITY OF SPRINGDALE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2004**

**18. CONSTRUCTION COMMITMENTS**

As of December 31, 2004, the City had the following commitments with respect to capital projects:

<u>Project</u>	<u>Original Contract Amount</u>	<u>Amount Paid at 12/31/04</u>	<u>Remaining Construction Commitment</u>
State Route 747/CSX Railroad Grade Separation Project	\$11,877,380	\$4,757,827	\$7,119,553
2004 Street Program	1,450,145	935,060	515,085
State Route 4 Streetscape Traffic Signal Poles - Phase I & II	334,558	0	334,558

The State Route 747/CSX Railroad Grade Separation Project is administered by the Ohio Department of Transportation (ODOT). The City records transactions as ODOT makes on behalf of payments to the contractors. ODOT has encumbered these transactions on their internal system, therefore, no amounts are encumbered by the City at year-end.

The remaining construction commitments will be paid from the capital improvement capital projects fund.

**19. SPECIAL ITEM**

The city received a settlement of \$275,000 from a lawsuit that was filed as a result of a real estate purchase by the City in which the purchased property soil was contaminated with chemicals prior to purchasing the land in which the property owners failed to disclose.

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## **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 payments related to the Community Center Expansion project.



**CITY OF SPRINGDALE, OHIO  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 DECEMBER 31, 2004**

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents	\$234,405	\$4,113	\$238,518
Receivable:			
Intergovernmental	<u>265,440</u>	<u>0</u>	<u>265,440</u>
Total assets	<u>\$499,845</u>	<u>\$4,113</u>	<u>\$503,958</u>
<b>Liabilities:</b>			
Accounts payable	\$7,406	\$0	\$7,406
Accrued wages and benefits payable	4,923	0	4,923
Intergovernmental payable	1,000	0	1,000
Interfund loan payable	6,514	0	6,514
Deferred revenue	<u>232,384</u>	<u>0</u>	<u>232,384</u>
Total liabilities	<u>252,227</u>	<u>0</u>	<u>252,227</u>
<b>Fund balances:</b>			
Reserved for encumbrances	100,149	0	100,149
Unreserved, undesignated, reported in:			
Special revenue funds	147,469	0	147,469
Capital projects fund	<u>0</u>	<u>4,113</u>	<u>4,113</u>
Total fund balances	<u>247,618</u>	<u>4,113</u>	<u>251,731</u>
Total liabilities and fund balances	<u>\$499,845</u>	<u>\$4,113</u>	<u>\$503,958</u>

**CITY OF SPRINGDALE, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<b>Revenues:</b>			
Intergovernmental	\$736,049	\$0	\$736,049
Fines and forfeitures	2,416	0	2,416
Fees, licenses and permits	10,914	0	10,914
Interest	173	0	173
Contributions	5,077	0	5,077
Other	1,200	0	1,200
	<u>755,829</u>	<u>0</u>	<u>755,829</u>
<b>Total revenues</b>			
<b>Expenditures:</b>			
<b>Current:</b>			
Security of persons and property	60,579	0	60,579
Public health services	6,300	0	6,300
Leisure time activities	9,763	0	9,763
Basic utility services	69,388	0	69,388
Transportation	437,035	0	437,035
Capital outlay	17,096	0	17,096
<b>Debt service:</b>			
Principal retirement	0	400,000	400,000
Interest and fiscal charges	0	185,400	185,400
	<u>600,161</u>	<u>585,400</u>	<u>1,185,561</u>
<b>Total expenditures</b>			
Excess (deficiency) of revenues over expenditures	<u>155,668</u>	<u>(585,400)</u>	<u>(429,732)</u>
<b>Other financing sources:</b>			
Transfers-in	<u>60,000</u>	<u>585,400</u>	<u>645,400</u>
<b>Total other financing sources</b>			
	<u>60,000</u>	<u>585,400</u>	<u>645,400</u>
Net change in fund balances	215,668	0	215,668
Beginning fund balances	<u>31,950</u>	<u>4,113</u>	<u>36,063</u>
Ending fund balances	<u>\$247,618</u>	<u>\$4,113</u>	<u>\$251,731</u>

**CITY OF SPRINGDALE, OHIO  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2004**

	Street Construction, Maintenance and Repair Fund	State Highway Fund	Grants Fund	Drug Law Enforcement Fund	Law Enforcement Fund
<b>Assets:</b>					
Equity in pooled cash and cash equivalents	\$57,749	\$8,751	\$117,717	\$1,344	\$120
<b>Receivable:</b>					
Intergovernmental	<u>209,000</u>	<u>17,000</u>	<u>32,516</u>	<u>0</u>	<u>0</u>
<b>Total assets</b>	<u><u>\$266,749</u></u>	<u><u>\$25,751</u></u>	<u><u>\$150,233</u></u>	<u><u>\$1,344</u></u>	<u><u>\$120</u></u>
<b>Liabilities:</b>					
Accounts payable	\$1,689	\$0	\$0	\$0	\$0
Accrued wages and benefits payable	4,923	0	0	0	0
Intergovernmental payable	0	0	1,000	0	0
Interfund loans payable	0	0	6,514	0	0
Deferred revenue	<u>176,313</u>	<u>14,350</u>	<u>34,797</u>	<u>0</u>	<u>0</u>
<b>Total liabilities</b>	<u>182,925</u>	<u>14,350</u>	<u>42,311</u>	<u>0</u>	<u>0</u>
<b>Fund balances:</b>					
Reserved for encumbrances	0	0	99,749	0	0
<b>Unreserved - undesignated, reported in:</b>					
Special revenue funds	<u>83,824</u>	<u>11,401</u>	<u>8,173</u>	<u>1,344</u>	<u>120</u>
<b>Total fund balances</b>	<u>83,824</u>	<u>11,401</u>	<u>107,922</u>	<u>1,344</u>	<u>120</u>
<b>Total liabilities and fund balances</b>	<u><u>\$266,749</u></u>	<u><u>\$25,751</u></u>	<u><u>\$150,233</u></u>	<u><u>\$1,344</u></u>	<u><u>\$120</u></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
\$6,173	\$25,753	\$1,099	\$11,184	\$4,515	\$234,405
0	6,924	0	0	0	265,440
<u>\$6,173</u>	<u>\$32,677</u>	<u>\$1,099</u>	<u>\$11,184</u>	<u>\$4,515</u>	<u>\$499,845</u>
\$0	\$5,717	\$0	\$0	\$0	\$7,406
0	0	0	0	0	4,923
0	0	0	0	0	1,000
0	0	0	0	0	6,514
0	6,924	0	0	0	232,384
0	12,641	0	0	0	252,227
0	0	0	0	400	100,149
<u>6,173</u>	<u>20,036</u>	<u>1,099</u>	<u>11,184</u>	<u>4,115</u>	<u>147,469</u>
<u>6,173</u>	<u>20,036</u>	<u>1,099</u>	<u>11,184</u>	<u>4,515</u>	<u>247,618</u>
<u>\$6,173</u>	<u>\$32,677</u>	<u>\$1,099</u>	<u>\$11,184</u>	<u>\$4,515</u>	<u>\$499,845</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, 2004**

	Street Construction, Maintenance and Repair Fund	State Highway Fund	Grants Fund	Drug Law Enforcement Fund	Law Enforcement Fund
Revenues:					
Intergovernmental	\$409,098	\$33,170	\$171,579	\$0	\$0
Fines and forfeitures	0	0	0	484	85
Fees, licenses and permits	0	0	0	0	0
Interest	0	0	0	0	0
Contributions	0	0	0	0	0
Other	0	0	1,200	0	0
<b>Total revenues</b>	<b>409,098</b>	<b>33,170</b>	<b>172,779</b>	<b>484</b>	<b>85</b>
Expenditures:					
Current:					
Security of persons and property	0	0	54,538	0	1,000
Public health services	0	0	6,300	0	0
Leisure time activities	0	0	0	0	0
Basic utility services	0	0	3,473	0	0
Transportation	406,354	30,681	0	0	0
Capital outlay	0	0	11,026	1,600	2,070
<b>Total expenditures</b>	<b>406,354</b>	<b>30,681</b>	<b>75,337</b>	<b>1,600</b>	<b>3,070</b>
Excess (deficiency) of revenues over expenditures	2,744	2,489	97,442	(1,116)	(2,985)
Other financing sources:					
Transfers-in	0	0	0	0	0
<b>Total other financing sources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net change in fund balances	2,744	2,489	97,442	(1,116)	(2,985)
Beginning fund balances (deficit)	81,080	8,912	10,480	2,460	3,105
Ending fund balances	<u>\$83,824</u>	<u>\$11,401</u>	<u>\$107,922</u>	<u>\$1,344</u>	<u>\$120</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	\$11,591	\$100	\$110,511	\$0	\$736,049
1,847	0	0	0	0	2,416
0	0	0	0	10,914	10,914
0	0	0	173	0	173
0	0	0	5,077	0	5,077
0	0	0	0	0	1,200
<u>1,847</u>	<u>11,591</u>	<u>100</u>	<u>115,761</u>	<u>10,914</u>	<u>755,829</u>
3,694	0	1,347	0	0	60,579
0	0	0	0	0	6,300
0	0	0	0	9,763	9,763
0	65,915	0	0	0	69,388
0	0	0	0	0	437,035
2,400	0	0	0	0	17,096
<u>6,094</u>	<u>65,915</u>	<u>1,347</u>	<u>0</u>	<u>9,763</u>	<u>600,161</u>
<u>(4,247)</u>	<u>(54,324)</u>	<u>(1,247)</u>	<u>115,761</u>	<u>1,151</u>	<u>155,668</u>
<u>0</u>	<u>60,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>60,000</u>
<u>0</u>	<u>60,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>60,000</u>
(4,247)	5,676	(1,247)	115,761	1,151	215,668
10,420	14,360	2,346	(104,577)	3,364	31,950
<u>\$6,173</u>	<u>\$20,036</u>	<u>\$1,099</u>	<u>\$11,184</u>	<u>\$4,515</u>	<u>\$247,618</u>

**CITY OF SPRINGDALE, OHIO  
BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUND  
DECEMBER 31, 2004**

	<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, 2004**

	Community Center Debt Fund
Expenditures:	
Debt service:	
Principal retirement	\$400,000
Interest and fiscal charges	185,400
	585,400
Total expenditures	585,400
Deficiency of revenues over expenditures	(585,400)
Other financing sources:	
Transfers-in	585,400
Total other financing sources	585,400
Net change in fund balance	0
Beginning fund balance	4,113
Ending fund balance	\$4,113



## **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 2004:

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, 2004**

OHIO BOARD OF BUILDING STANDARDS ASSESSMENT FUND

	<u>Balance</u> <u>January 1, 2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>December 31, 2004</u>
Assets:				
Restricted assets:				
Equity in pooled cash and cash equivalents	\$235	\$2,477	(\$2,650)	\$62
Total assets	<u>\$235</u>	<u>\$2,477</u>	<u>(\$2,650)</u>	<u>\$62</u>
Liabilities:				
OBBS assessment payable	\$235	\$2,477	(\$2,650)	\$62
Total liabilities	<u>\$235</u>	<u>\$2,477</u>	<u>(\$2,650)</u>	<u>\$62</u>

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

**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, 2004**

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
<b>Revenues:</b>				
Municipal income taxes	\$9,579,850	\$9,579,850	\$9,543,347	(\$36,503)
Property and other taxes	1,848,335	1,848,335	1,720,625	(127,710)
Intergovernmental	1,074,615	1,874,615	1,857,784	(16,831)
Charges for services	264,575	264,575	309,343	44,768
Fines and forfeitures	201,000	201,000	214,788	13,788
Fees, licenses and permits	342,300	342,300	395,193	52,893
Interest	43,600	43,600	49,174	5,574
Contributions	850	850	6,825	5,975
Other	110,710	310,710	651,905	341,195
<b>Total revenues</b>	<b>13,465,835</b>	<b>14,465,835</b>	<b>14,748,984</b>	<b>283,149</b>
<b>Expenditures:</b>				
Security of persons and property:				
Police department:				
Personal services	3,443,358	3,528,358	3,519,734	8,624
Travel and transportation	22,683	22,683	33,784	(11,101)
Contractual services	415,348	415,348	402,073	13,275
Materials and supplies	88,985	88,985	93,523	(4,538)
Capital outlay	57,615	87,615	59,975	27,640
Debt service:				
Principal retirement	30,251	30,251	27,424	2,827
Interest	1,148	1,148	1,873	(725)
Other	110,030	110,030	76,245	33,785
<b>Total police department</b>	<b>4,169,418</b>	<b>4,284,418</b>	<b>4,214,631</b>	<b>69,787</b>
Fire department:				
Personal services	2,350,692	2,210,692	2,159,056	51,636
Travel and transportation	11,000	11,000	7,424	3,576
Contractual services	172,812	172,812	126,333	46,479
Materials and supplies	56,296	56,296	55,509	787
Capital outlay	9,120	9,120	8,516	604
Other	44,664	44,664	41,038	3,626
<b>Total fire department</b>	<b>2,644,584</b>	<b>2,504,584</b>	<b>2,397,876</b>	<b>106,708</b>
<b>Total security of persons and property</b>	<b>6,814,002</b>	<b>6,789,002</b>	<b>6,612,507</b>	<b>176,495</b>
Public health services:				
Health department:				
Personal services	185,942	185,942	180,377	5,565
Travel and transportation	5,100	5,100	3,599	1,501
Contractual services	7,595	7,595	7,540	55
Materials and supplies	13,000	13,000	12,190	810
Capital outlay	0	0	1,566	(1,566)

**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, 2004**

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Other	23,503	23,503	22,123	1,380
Total health department	235,140	235,140	227,395	7,745
Total public health services	235,140	235,140	227,395	7,745
Leisure time activities:				
Parks and recreation department:				
Personal services	927,226	917,226	890,745	26,481
Travel and transportation	2,350	2,350	3,055	(705)
Contractual services	117,500	117,500	117,447	53
Materials and supplies	88,452	88,452	65,507	22,945
Capital outlay	0	0	35,078	(35,078)
Debt service:				
Principal retirement	7,621	7,621	7,621	0
Interest	2,331	2,331	2,331	0
Other	182,010	182,010	178,214	3,796
Total parks and recreation department	1,327,490	1,317,490	1,299,998	17,492
Total leisure time activities	1,327,490	1,317,490	1,299,998	17,492
Community environment:				
Building department:				
Personal services	402,493	397,493	387,167	10,326
Travel and transportation	1,200	1,200	1,316	(116)
Contractual services	4,312	4,312	2,695	1,617
Materials and supplies	5,156	5,156	5,673	(517)
Capital outlay	0	0	2,332	(2,332)
Debt service:				
Principal retirement	2,501	2,501	2,494	7
Interest	899	899	899	0
Other	68,159	58,159	52,373	5,786
Total building department	484,720	469,720	454,949	14,771
Total community environment	484,720	469,720	454,949	14,771
Basic utility services:				
Contractual services	295,800	285,800	282,567	3,233
Total basic utility services	295,800	285,800	282,567	3,233

**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, 2004**

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Transportation:				
Public works department:				
Personal services	682,600	582,600	558,215	24,385
Travel and transportation	3,726	3,725	2,033	1,692
Contractual services	146,645	146,645	141,509	5,136
Materials and supplies	158,187	138,187	125,058	13,129
Capital outlay	12,300	12,300	3,120	9,180
Other	47,600	47,600	30,996	16,604
Total public works department	<u>1,051,058</u>	<u>931,057</u>	<u>860,931</u>	<u>70,126</u>
Total transportation	<u>1,051,058</u>	<u>931,057</u>	<u>860,931</u>	<u>70,126</u>
General government:				
Administration department:				
Personal services	668,361	668,361	645,405	22,956
Travel and transportation	2,350	2,350	6,477	(4,127)
Contractual services	812,737	767,459	710,190	57,269
Materials and supplies	33,600	22,600	28,882	(6,282)
Capital outlay	52,500	27,500	25,898	1,602
Other	1,434,208	1,309,208	1,303,723	5,485
Total administration department	<u>3,003,756</u>	<u>2,797,478</u>	<u>2,720,575</u>	<u>76,903</u>
Finance department:				
Personal services	175,877	175,877	168,387	7,490
Travel and transportation	1,200	1,200	1,376	(176)
Contractual services	33,540	43,540	53,238	(9,698)
Materials and supplies	3,700	3,700	2,255	1,445
Capital outlay	11,000	26,000	22,125	3,875
Other	25,865	25,865	25,457	408
Total finance department	<u>251,182</u>	<u>276,182</u>	<u>272,838</u>	<u>3,344</u>
Tax department:				
Personal services	338,854	338,855	321,697	17,158
Travel and transportation	800	800	702	98
Contractual services	4,100	4,100	3,574	526
Materials and supplies	28,235	28,235	26,626	1,609
Capital outlay	0	0	4,611	(4,611)
Other	324,000	264,000	267,038	(3,038)
Total tax department	<u>695,989</u>	<u>635,990</u>	<u>624,248</u>	<u>11,742</u>
Total general government	<u>3,950,927</u>	<u>3,709,650</u>	<u>3,617,661</u>	<u>91,989</u>
Total expenditures	<u>14,159,137</u>	<u>13,737,859</u>	<u>13,356,008</u>	<u>381,851</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, 2004**

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Excess (deficiency) of revenues over expenditures	(693,302)	727,976	1,392,976	665,000
Other financing sources (uses):				
Transfers-in	2,235	2,235	2,236	1
Transfers-out	(1,004,366)	(1,625,644)	(1,625,644)	0
Advances-In	25,705	25,705	22,168	(3,537)
Advances-Out	(3,000)	(3,000)	(6,514)	(3,514)
Total other financing sources (uses)	(979,426)	(1,600,704)	(1,607,754)	(7,050)
Net change in fund balance	(1,672,728)	(872,728)	(214,778)	657,950
Beginning fund balance	3,211,365	3,211,365	3,211,365	0
Prior years encumbrances	96,198	96,198	96,198	0
Ending fund balance	<u>\$1,634,835</u>	<u>\$2,434,835</u>	<u>\$3,092,785</u>	<u>\$657,950</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, 2004**

	Capital Improvements Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$3,621,266	\$4,331,374	\$4,325,177	(\$6,197)
Interest	16,000	16,000	10,081	(5,919)
Other	0	0	25,873	25,873
Total revenues	<u>3,637,266</u>	<u>4,347,374</u>	<u>4,361,131</u>	<u>13,757</u>
Expenditures:				
Current:				
General government	0	0	5,786	(5,786)
Capital outlay	4,281,045	6,950,080	6,854,944	95,136
Debt service:				
Principal retirement	220,000	220,000	220,000	0
Interest and fiscal charges	29,920	29,920	29,920	0
Total expenditures	<u>4,530,965</u>	<u>7,200,000</u>	<u>7,110,650</u>	<u>89,350</u>
Excess (deficiency) of revenues over expenditures	<u>(893,699)</u>	<u>(2,852,626)</u>	<u>(2,749,519)</u>	<u>103,107</u>
Other financing sources:				
Proceeds from the sale of notes	0	1,500,000	1,500,000	0
Transfers-in	358,966	980,244	980,244	0
Total other financing sources	<u>358,966</u>	<u>2,480,244</u>	<u>2,480,244</u>	<u>0</u>
Net change in fund balance	(534,733)	(372,382)	(269,275)	103,107
Beginning fund balance	185,549	185,549	185,549	0
Prior year encumbrances	<u>384,985</u>	<u>384,985</u>	<u>384,985</u>	<u>0</u>
Ending fund balance	<u><u>\$35,801</u></u>	<u><u>\$198,152</u></u>	<u><u>\$301,259</u></u>	<u><u>\$103,107</u></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, 2004**

	Northwest Business District TIF Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Payments in lieu of taxes	\$736,737	\$736,737	\$702,767	(\$33,970)
Intergovernmental	81,860	81,860	81,378	(482)
Interest	2,300	2,300	9,796	7,496
	<u>820,897</u>	<u>820,897</u>	<u>793,941</u>	<u>(26,956)</u>
Expenditures:				
Current:				
General government	9,447,998	103,998	50,284	53,714
Debt service:				
Principal retirement	44,213	44,213	44,213	0
Interest and fiscal charges	193,985	193,985	193,985	0
	<u>9,686,196</u>	<u>342,196</u>	<u>288,482</u>	<u>53,714</u>
Excess (deficiency) of revenues over expenditures	<u>(8,865,299)</u>	<u>478,701</u>	<u>505,459</u>	<u>26,758</u>
Other financing sources:				
Proceeds from the sale of notes	10,000,000	0	0	0
Total other financing sources	<u>10,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balance	1,134,701	478,701	505,459	26,758
Beginning fund balance	<u>577,174</u>	<u>577,174</u>	<u>577,174</u>	<u>0</u>
Ending fund balance	<u>\$1,711,875</u>	<u>\$1,055,875</u>	<u>\$1,082,633</u>	<u>\$26,758</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, 2004**

Street Construction, Maintenance and Repair Fund				
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$360,000	\$390,000	\$405,850	\$15,850
Total revenues	360,000	390,000	405,850	15,850
Expenditures:				
Current:				
Transportation	370,000	406,000	404,246	1,754
Total expenditures	370,000	406,000	404,246	1,754
Net change in fund balance	(10,000)	(16,000)	1,604	17,604
Beginning fund balance	56,144	56,144	56,144	0
Ending fund balance	\$46,144	\$40,144	\$57,748	\$17,604

**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, 2004**

	State Highway Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$30,000	\$30,000	\$32,906	\$2,906
Total revenues	30,000	30,000	32,906	2,906
Expenditures:				
Current:				
Transportation	31,000 #	31,000	30,681	319
Total expenditures	31,000	31,000	30,681	319
Net change in fund balance	(1,000)	(1,000)	2,225	3,225
Beginning fund balance	6,525	6,525	6,525	0
Ending fund balance	<u>\$5,525</u>	<u>\$5,525</u>	<u>\$8,750</u>	<u>\$3,225</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, 2004**

	Grants Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$61,258	\$197,744	\$196,953	(\$791)
Other	0	0	1,200	1,200
Total revenues	<u>61,258</u>	<u>197,744</u>	<u>198,153</u>	<u>409</u>
Expenditures:				
Current:				
Security of persons and property	45,800	76,800	71,971	4,829
Public health services	5,586	12,123	10,951	1,172
Basic utility services	6,000	6,000	7,278	(1,278)
Capital outlay	<u>3,648</u>	<u>106,648</u>	<u>106,123</u>	<u>525</u>
Total expenditures	<u>61,034</u>	<u>201,571</u>	<u>196,323</u>	<u>5,248</u>
Excess (deficiency) of revenues over expenditures	<u>224</u>	<u>(3,827)</u>	<u>1,830</u>	<u>5,657</u>
Other financing sources (uses):				
Advances-in	3,000	6,514	6,514	0
Advances-out	<u>(25,705)</u>	<u>(22,168)</u>	<u>(22,168)</u>	<u>0</u>
Total other financing sources (uses)	<u>(22,705)</u>	<u>(15,654)</u>	<u>(15,654)</u>	<u>0</u>
Net change in fund balance	(22,481)	(19,481)	(13,824)	5,657
Beginning fund balance	30,795	30,795	30,795	0
Prior year encumbrances	<u>323</u>	<u>323</u>	<u>323</u>	<u>0</u>
Ending fund balance	<u><u>\$8,637</u></u>	<u><u>\$11,637</u></u>	<u><u>\$17,294</u></u>	<u><u>\$5,657</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, 2004**

	<u>Drug Law Enforcement Fund</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:				
Fines and forfeitures	\$400	\$400	\$484	\$84
Total revenues	<u>400</u>	<u>400</u>	<u>484</u>	<u>84</u>
Expenditures:				
Current:				
Security of persons and property	200	200	0	200
Capital outlay	<u>0</u>	<u>1,400</u>	<u>1,600</u>	<u>(200)</u>
Total expenditures	<u>200</u>	<u>1,600</u>	<u>1,600</u>	<u>0</u>
Net change in fund balance	200	(1,200)	(1,116)	84
Beginning fund balance	<u>2,460</u>	<u>2,460</u>	<u>2,460</u>	<u>0</u>
Ending fund balance	<u><u>\$2,660</u></u>	<u><u>\$1,260</u></u>	<u><u>\$1,344</u></u>	<u><u>\$84</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, 2004**

	Law Enforcement Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$0	\$1,466	\$1,380	(\$86)
Fines and forfeitures	0	0	86	86
Total revenues	<u>0</u>	<u>1,466</u>	<u>1,466</u>	<u>0</u>
Expenditures:				
Current:				
Security of persons and property	0	0	1,000	(1,000)
Capital outlay	100	3,100	2,070	1,030
Total expenditures	<u>100</u>	<u>3,100</u>	<u>3,070</u>	<u>30</u>
Net change in fund balance	(100)	(1,634)	(1,604)	30
Beginning fund balance	<u>1,724</u>	<u>1,724</u>	<u>1,724</u>	<u>0</u>
Ending fund balance	<u><u>\$1,624</u></u>	<u><u>\$90</u></u>	<u><u>\$120</u></u>	<u><u>\$30</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, 2004**

	Driving Under the Influence Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Fines and forfeitures	\$2,000	\$2,000	\$1,847	(\$153)
Total revenues	2,000	2,000	1,847	(153)
Expenditures:				
Security of persons and property	0	0	3,693	(3,693)
Capital outlay	100	6,100	2,400	3,700
Total expenditures	100	6,100	6,093	7
Net change in fund balance	1,900	(4,100)	(4,246)	(146)
Beginning fund balance	10,420	10,420	10,420	0
Ending fund balance	<u>\$12,320</u>	<u>\$6,320</u>	<u>\$6,174</u>	<u>(\$146)</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, 2004**

	Residential Recycling Incentive Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$13,500	\$13,500	\$11,591	(\$1,909)
Total revenues	13,500	13,500	11,591	(1,909)
Expenditures:				
Current:				
Basic utility services	66,000	66,000	65,046	954
Total expenditures	66,000	66,000	65,046	954
Deficiency of revenues over expenditures	(52,500)	(52,500)	(53,455)	(955)
Other financing sources:				
Transfers-in	60,000	60,000	60,000	0
Total other financing sources	60,000	60,000	60,000	0
Net change in fund balance	7,500	7,500	6,545	(955)
Beginning fund balance	19,208	19,208	19,208	0
Ending fund balance	<u>\$26,708</u>	<u>\$26,708</u>	<u>\$25,753</u>	<u>(\$955)</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, 2004**

Vehicle Immobilization Fee Fund				
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$300	\$300	\$100	(\$200)
Total revenues	300	300	100	(200)
Expenditures:				
Current:				
Security of persons and property	100	1,350	1,347	3
Total expenditures	100	1,350	1,347	3
Net change in fund balance	200	(1,050)	(1,247)	(197)
Beginning fund balance	2,346	2,346	2,346	0
Ending fund balance	\$2,546	\$1,296	\$1,099	(\$197)

**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, 2004**

	<u>Parks and Urban Forestry Fund</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:				
Intergovernmental	\$208,821	\$208,821	\$208,821	\$0
Interest	700	700	173	(527)
Contributions	0	5,783	6,319	536
Total revenues	<u>209,521</u>	<u>215,304</u>	<u>215,313</u>	<u>9</u>
Expenditures:				
Capital outlay	<u>262,292</u>	<u>275,292</u>	<u>275,281</u>	<u>11</u>
Total expenditures	<u>262,292</u>	<u>275,292</u>	<u>275,281</u>	<u>11</u>
Net change in fund balance	(52,771)	(59,988)	(59,968)	20
Beginning fund balance	17,682	17,682	17,682	0
Prior year encumbrances	<u>53,471</u>	<u>53,471</u>	<u>53,471</u>	<u>0</u>
Ending fund balance	<u><u>\$18,382</u></u>	<u><u>\$11,165</u></u>	<u><u>\$11,185</u></u>	<u><u>\$20</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, 2004**

	Adult Sports Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Fees, license and permits	\$9,500	\$9,500	\$10,914	\$1,414
Total revenues	9,500	9,500	10,914	1,414
Expenditures:				
Current:				
Leisure time activities	11,200	11,200	10,163	1,037
Total expenditures	11,200	11,200	10,163	1,037
Net change in fund balance	(1,700)	(1,700)	751	2,451
Beginning fund balance	3,363	3,363	3,363	0
Ending fund balance	\$1,663	\$1,663	\$4,114	\$2,451

**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, 2004**

	Community Center Debt Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Expenditures:				
Debt service:				
Principal retirement	\$400,000	\$400,000	\$400,000	\$0
Interest and fiscal charges	185,400	185,400	185,400	0
Total expenditures	<u>585,400</u>	<u>585,400</u>	<u>585,400</u>	<u>0</u>
Deficiency of revenues over expenditures	<u>(585,400)</u>	<u>(585,400)</u>	<u>(585,400)</u>	<u>0</u>
Other financing sources:				
Transfers-in	<u>585,400</u>	<u>585,400</u>	<u>585,400</u>	<u>0</u>
Total other financing sources	<u>585,400</u>	<u>585,400</u>	<u>585,400</u>	<u>0</u>
Net change in fund balance	0	0	0	0
Beginning fund balance	<u>4,112</u>	<u>4,112</u>	<u>4,112</u>	<u>0</u>
Ending fund balance	<u><u>\$4,112</u></u>	<u><u>\$4,112</u></u>	<u><u>\$4,112</u></u>	<u><u>\$0</u></u>



# **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
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
2004	6,444,052	233,212	1,269,150	415,126	351,761	1,259,781	3,230,301	194,227	41,845	13,439,455

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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
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
2004	11,180,495	1,701,993	2,594,335	313,901	218,577	362,885	49,347	11,902	480,813	16,914,248

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**

<u>Tax Year/ Collection Year</u>	<u>Current Levy</u>	<u>Delinquent Levy</u>	<u>Total Tax Levy</u>	<u>Current Tax Levy Collections</u>	<u>Percent of Current Tax Levy Collected</u>	<u>Delinquent Tax Levy Collections</u>	<u>Total Tax Collections</u>	<u>Ratio of Total Tax Collections to Total Tax Levy</u>	<u>Outstanding Delinquent Tax</u>	<u>Ratio of Delinquent Taxes to Total Tax Levy</u>
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%
2003/2004	1,537,364	313,482	1,850,846	1,468,355	95.51%	74,515	1,542,870	83.36%	307,976	16.64%

Source: Hamilton County, Ohio: 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	
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%
2003/2004	402,402,890	1,149,722,543	6,920,450	6,920,450	89,565,420	358,261,680	498,888,760	1,514,904,673	32.93%

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
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
2003/2004	3.08	21.51	49.03	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
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%
2003/2004	2,132	2,132	100.00%

Source: Hamilton County Auditor.

NA - Not available from the Hamilton County Auditor.

**CITY OF SPRINGDALE, OHIO  
COMPUTATION OF LEGAL DEBT MARGIN  
DECEMBER 31, 2004**

Assessed Value of Taxable Property (A)	<u><u>\$498,888,760</u></u>
3.5% of Assessed Value	\$17,461,107
Total Debt Outstanding Subject to the 3.5% Limitation	<u>7,286,905</u>
Legal 3.5% Debt Margin	<u><u>\$10,174,202</u></u>
10% of Assessed Value	\$49,888,876
Total Debt Outstanding Subject to the 10% Limitation	<u>7,286,905</u>
Legal 10% Debt Margin	<u><u>\$42,601,971</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
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
2004	10,130	498,888,760	5,786,905	0	5,786,905	1.16%	571

(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
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%
2004	620,000	221,164	841,164	13,439,455	6.26%

Source: City of Springdale, Finance Department.

**CITY OF SPRINGDALE, OHIO  
 COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
 DECEMBER 31, 2004**

	<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	\$7,260,000	100%	\$7,260,000
<u>Overlapping:</u>			
Hamilton County	123,690,000	2.67%	3,302,523
Princeton City School District	84,755,000	26.67%	22,604,159
Great Oaks Joint Vocational School	5,310,000	2.92%	<u>155,052</u>
Subtotal			<u>26,061,734</u>
Total			<u><u>\$33,321,734</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
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
2004	793,941	289,482	504,459	44,213	193,985	238,198	2.12

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)
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	43,098	962	5.10%
2004	10,130	42,177	849	5.20%

(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	
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
2004	266	1,512,000	422	19,286,071	149,199,466

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

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

**CITY OF SPRINGDALE, OHIO  
PRINCIPAL PROPERTY TAXPAYERS  
DECEMBER 31, 2004**

<u>Taxpayer</u>	<u>2004 Real Property Assessed Valuation (A) (Tax Duplicate)</u>	<u>Percent of Total Assessed Valuation</u>
Concoria Properties LLC	\$57,028,880	11.43%
G & I Executive Centre LLC	16,450,000	3.30%
Springdale-Kemper Association	7,695,640	1.54%
Avon Capital Corporation	7,187,780	1.44%
KIR Tri-County 018 LLC	7,105,030	1.42%
Duke Realty	7,023,110	1.41%
Kimco 420 Inc.	6,972,160	1.40%
National Amusements Incorporated	5,571,320	1.12%
Vineyard Community Church	5,274,690	1.06%
Lazarus Real Estate Incorporated	<u>5,192,360</u>	<u>1.04%</u>
Subtotal	125,500,970	25.16%
All Others	<u>373,387,790</u>	<u>74.84%</u>
Total	<u><u>\$498,888,760</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, 2004**

<u>Employer</u>	<u>Number of Employees (A)</u>
Avon Products, Inc.	1,613
John Morrell and Company	1,060
Adecco USA, Inc.	969
General Electric	916
M R Temporary Services, Inc.	872
Wal-Mart Associates, Inc.	688
Lifesphere	678
Rich's Department Stores	583
Direct Personnel Solutions	565
A & F Ohio Inc.	548

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, 2004**

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	21
Number of Part-time Firefighter/Paramedics	22
Police Protection:	
Number of Stations	1
Number of Full-time Police Officers	37
Number of Part-time Police Officers	3
Sewers:	
Miles of Storm Sewers	13.93
Buildings:	
2003 Permits Issued	688
2003 Valuation of Construction	\$20,798,071
Parks and Recreation:	
Number of Parks	6
Number of Acres	100
Employees:	
Full-Time	
Part-Time	
Education: (A)	
Number of Schools	2
Number of Teachers	66
Number of Students	849

Source: City of Springdale.

(A) - Source: Princeton City School District.



**Auditor of State  
Betty Montgomery**

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**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  
AUGUST 18, 2005**