

City of Springdale

Hamilton County

Regular Audit

January 1, 2005 through December 31, 2005

Fiscal Year Audited Under GAGAS: 2005

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

Telephone (740) 289-4131
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**Auditor of State
Betty Montgomery**

Honorable Mayor and Members of City Council
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, 2005 through December 31, 2005. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

August 17, 2006

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**CITY OF SPRINGDALE
HAMILTON COUNTY**

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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, 2005, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 8, 2006. 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 8, 2006.

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 black ink on a light-colored, slightly textured background.

Balestra, Harr & Scherer, CPAs, Inc.
June 8, 2006

CITY OF SPRINGDALE, OHIO



***COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2005***



On The Cover

Top Pictures

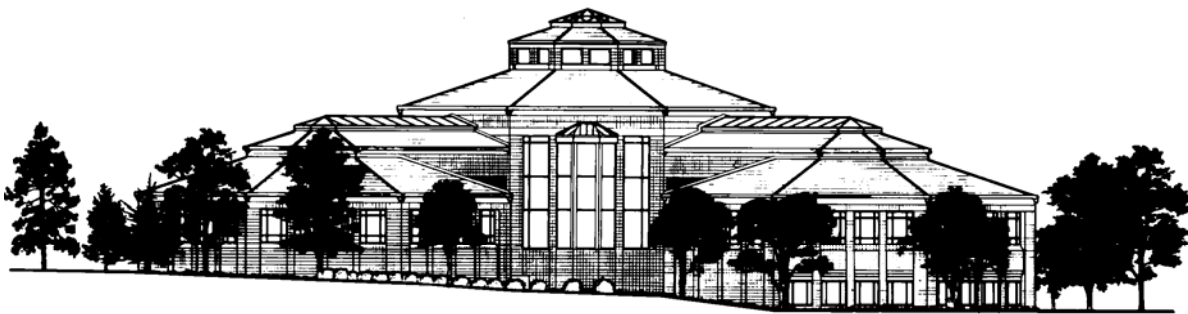
Construction is under way on the State Route 747/CSX Grade Separation Project. At completion, this will allow traffic to flow under the current railroad crossing on State Route 747 near the Tri-County Mall. Construction began in 2004 and is scheduled to be completed in 2006-2007.

Bottom Pictures

Ground-breaking ceremony and the beginning of construction for the Springdale Town Center - In 2004 and 2005, the City purchased certain property located on Springfield Pike. In early 2006 this property was sold to a developer for construction of a shopping plaza. The plaza is planned to be approximately 46,000 square feet and will include restaurants and retail and service shops. Completion is expected in late 2006.

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CITY OF SPRINGDALE, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2005



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

**CITY OF SPRINGDALE, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2005**

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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 8, 2006

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, 2005, 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 forth 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 2005:

- * Community Traffic Safety Award, awarded by the AAA Association,
- * Tree City USA Award,
- * Excellence in Salt Storage Award, awarded by the Salt Institute of America, and
- * Award of Merit from the Ohio Historic Preservation Office of the Ohio Historical Society for preserving and restoring the Old St. Mary's Cemetery.

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. 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 2,900 businesses and organizations. Currently, 19 businesses located in Springdale employ greater than 300 employees (based on the number of W-2's received for 2005). Springdale also has approximately 50 restaurants and 18 theatre screens. The 2005 unemployment rate for the Greater Cincinnati area was 5.7%.

Tri-County Mall, Princeton Plaza, Cassinelli Square and other commercial sites, collectively total more than 4.4 million square feet and 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 2003 and 2004 suffered a number of losses that increased the vacancy rate to 25%. By late 2005, the arrival of new tenants has reduced the vacancy rate to an estimated 9%.

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, 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, Macy's, Circuit City, Costco, Lowes, Best Buy, Target, Sam's Wholesale, Outback Steakhouse, Applebee's, Bahama Breeze, and TGI Fridays. Currently there are six hotels/motels operating in the City, representing approximately 800 rooms.

Future Economic Outlook

The economic outlook for Springdale is strong. Following is a list of future projects that will have a positive affect on the local economy:

- * The Tri-County Mall is undergoing a major multi-million dollar renovation,
- * Road infrastructure improvements on East Kemper Road and State Route 747 will greatly improve traffic circulation,
- * Retenanting of vacant spaces at the Beltway Center will significantly reduce retail vacancies, and
- * Expansion of senior housing at the Maple Knoll Center, Baldwin Grove, and The Park will add over 200 residential units.

MAJOR INITIATIVES

Major Projects for 2005

- * *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. A large portion of the project is funded from Federal and State grant sources. Construction of the grade separation began in 2004 and is scheduled to be completed in 2006-2007. Expenditures for construction in 2005 were \$4,050,743. As of December 31, 2005, accumulative expenditures for construction are \$8,808,570.
- * *State Route 4 Streetscape Project - Phase II:* This phase continues the streetscape project, consisting of sidewalk pavers, landscape walls, historic walls, fountains, and landscaping, north from Kemper Road through the Glensprings Drive intersection. Construction for phase II is scheduled to be completed in 2006 and is budgeted at \$857,000. As of December 31, 2005, accumulative expenditures for construction are \$425,209.
- * *Cincinnati Metropolitan Senior Housing Project - Baldwin Grove:* The Cincinnati Metropolitan Housing Authority purchased land from the City in 2002 for the purpose of constructing a 135 unit low income senior housing complex. Upon completion, the project will be adjacent to the Maple Knoll Retirement Village and will blend architecturally with the Village. Construction began in 2005 and completion is scheduled for 2006.

Future Projects

- * *Pictoria Island Tax Increment Financing (TIF) Project - Phase II:* This phase involves the issuance of \$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. The above mentioned bonds are expected to be issued in 2006.
- * *Springdale Town Center:* In 2004 and 2005, the City purchased certain property located on Springfield Pike. In early 2006 this property was sold to a developer for construction of a shopping plaza. The plaza is planned to be approximately 46,000 square feet and will include restaurants and retail and service shops. Completion is expected in late 2006.
- * *State Route 4 Streetscape Project - Phase III:* This phase will continue the streetscape project, consisting of sidewalk pavers, landscape walls, historic walls, fountains, and landscaping, south from Northland Boulevard to Cameron Road, as well as east and west for a short distance on Kemper Road. Construction for phase III is scheduled to be completed in 2007 and is budgeted at \$500,000.
- * *East Kemper Road Improvements Project – Phase III:* This phase 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. Construction for phase III is scheduled for 2006-2007 and is budgeted at \$2,300,000.

- * *State Route 4 / Crescentville Road Intersection Project:* This project will be a joint strategy with the City of Fairfield to increase traffic capacity through the State Route 4 / Crescentville Road intersection. The existing State Route 4 northbound to eastbound exclusive right turn lane will be converted to an additional northbound through lane. An exclusive right turn lane on State Route 4 south of the intersection will be added. Also, a second dedicated southbound lane to a point opposite the Showcase Cinema entrance will be added. Construction is scheduled for 2007 and is budgeted at \$800,000.
- * *State Route 4 North Lane Addition Project:* This project will begin at the southern terminus of the State Route 4 / Crescentville Road Intersection project and will end at the I-275 Bridge. The project will extend the second dedicated southbound lane to the I-275 ramps and will also repair and resurface that portion of State Route 4. Construction is scheduled for 2007 and is budgeted at \$450,200.
- * *State Route 747 Southbound Lane Addition / Kemper Road Intersection Project:* This project will add an additional travel lane southbound on State Route 747 and create additional left turn capacity from southbound State Route 747 to eastbound Kemper Road. Construction is scheduled for 2007 and is budgeted at \$900,000.
- * *State Route 747 / Crescentville Road Intersection Project:* This project will increase the intersections through movement and turn lane capacity. Construction is scheduled for 2008 and is budgeted at \$1,265,000.

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.

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

During 2005, the City invested in repurchase agreements (deposit sweep account) and the STAR Ohio investment pool operated by the Treasurer of the State of Ohio. 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, and
- * manage bank account relations to secure adequate services while minimizing costs.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING - 2004

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, Ohio for its comprehensive annual financial report for the fiscal year-ended December 31, 2004. This was the fifth 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

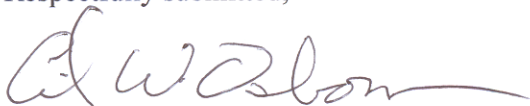
State statute requires that an annual audit be performed by the Auditor of State or by an independent certified public accountant approved by the Auditor of State. The firm of Balestra, Harr, and Scherer, CPA's Inc. has performed the City audit for the year-ended December 31, 2005. Auditing standards generally accepted in the United States of America and the standards set forth in the General Accounting Office's "*Government Auditing Standards*" were used by the auditors in conducting the engagement. The auditors' report on the basic financial statements and the combining and individual fund statements and schedules are included in the financial section of this report. The auditors' report on internal controls and compliance with applicable laws and regulations can be found in a separately issued audit report.

Acknowledgements

The timely preparation of the Comprehensive Annual Financial Report for the year-ended December 31, 2005 was made possible by the efficient and dedicated service of the staff of the Finance Department as well as 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.

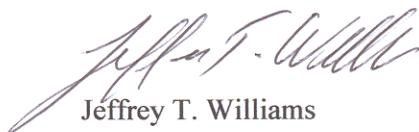
Respectfully submitted,



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, 2005**

ELECTED OFFICIALS

<u>Name</u>	<u>Title</u>	<u>Term of Office</u>	<u>Salary</u>
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	12/01/05-11/30/09	7,290
Marjorie Pollitt	Member	12/01/05-11/30/09	7,290
Robert Wilson Jr.	Member	12/01/05-11/30/09	7,290
Randy Danbury	Member	12/01/05-11/30/09	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

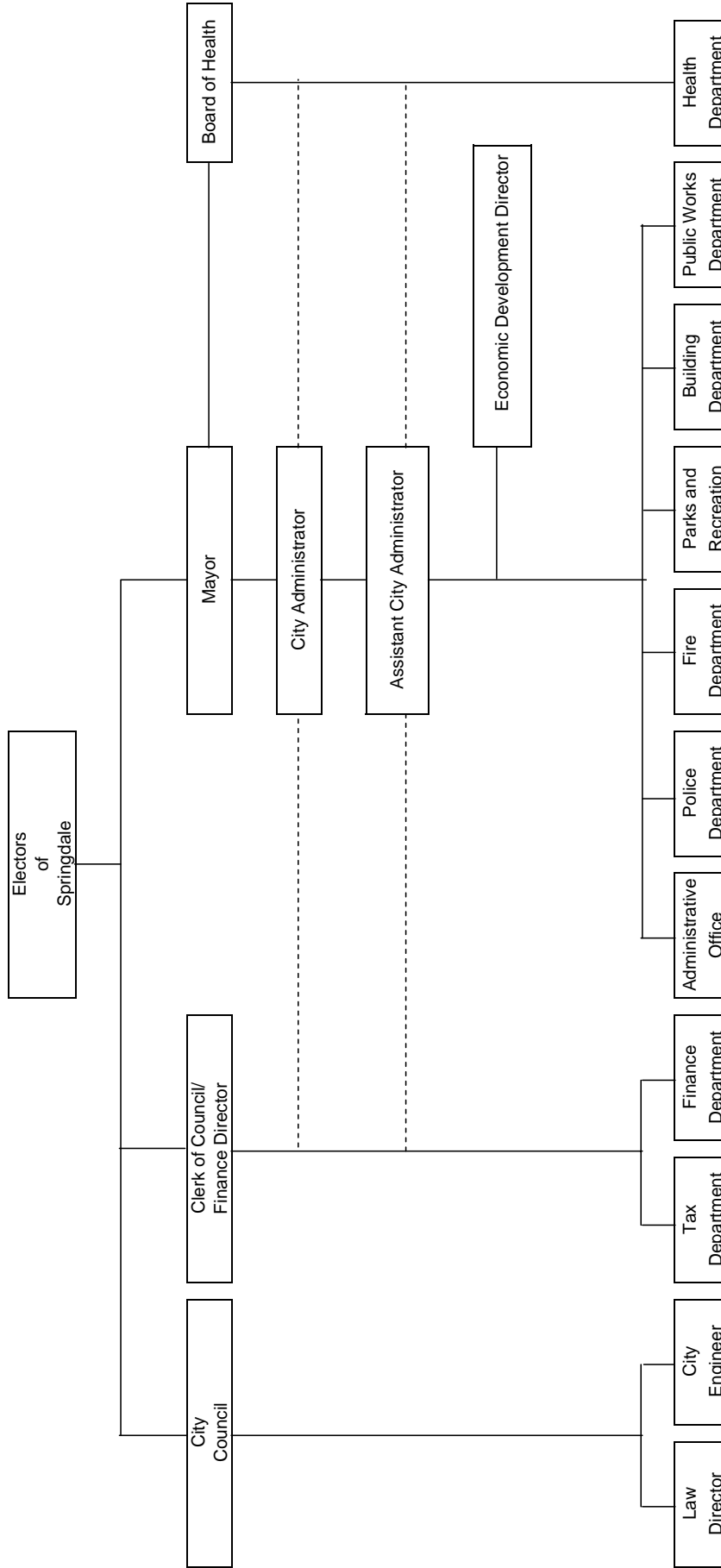
Cecil W. Osborn, City Administrator
Derrick Parham, Assistant City Administrator
Jeff Tulloch, Economic Development Director

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	Donald White, City Magistrate
Cammie Mitrione, Health Commissioner	
Daniel Shroyer, Fire Chief	
Jeffrey T. Williams, Finance Officer/Tax Commissioner*	

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

CITY OF SPRINGDALE

ORGANIZATIONAL TABLE



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Springdale,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2004

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.



Carla E. Perry

President

Jeffrey R. Enow

Executive Director

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FINANCIAL SECTION

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Piketon, Ohio 45661

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www.bhscpas.com

Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

Independent Auditor's Report

City of Springdale
Hamilton County
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, 2005, 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, as of December 31, 2005, and the respective changes in financial position, where applicable 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 8, 2006, 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 and 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.

City of Springdale
Hamilton County
Independent Auditor's Report

The Management's Discussion and Analysis 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 schedules and 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 schedules and 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.

As described in Note 3 to the basic financial statements, the City implemented Governmental Accounting Standards Board Statement Number 40, *Deposit and Investment Risk Disclosures – An amendment of GASB statement No. 3*.



Balestra, Harr & Scherer, CPAs, Inc.
June 8, 2006

**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005**

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, 2005. 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 2005 are as follows:

- * The assets of the City exceeded its liabilities at December 31, 2005 by \$51,038,827 (net assets). Of this amount, \$9,350,967 (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 \$6,829,169, which represents a 15.4% increase from 2004.
- * During the year, the City had revenues for governmental activities that were \$6,829,169 greater than expenses.
- * The City's governmental funds reported a combined ending fund balance of \$6,837,470. Of this amount, \$5,949,549 is available for spending (unreserved fund balance) on behalf of its citizens.
- * During 2005, the City reduced long-term general obligation debt by \$626,213.
- * During 2005, 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 the reader can understand the City's financial position as a whole and also give a detailed view of the City's fiscal condition.

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

REPORTING THE CITY AS A WHOLE

The Statement of Net Assets and the Statement of Activities

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

**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005**

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.

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.

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.

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

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

**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005**

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 2005 as compared to 2004.

Table 1	<u>Governmental Activities</u>	
	<u>2005</u>	<u>2004</u>
<u>Assets</u>		
Current and other assets	\$14,587,135	\$14,385,226
Capital assets, net	50,021,120	44,009,311
Total assets	<u>64,608,255</u>	<u>58,394,537</u>
<u>Liabilities</u>		
Current and other liabilities	4,869,625	4,896,762
Long-term liabilities:		
Due within one year	804,299	788,693
Due in more than one year	7,895,504	8,499,424
Total liabilities	<u>13,569,428</u>	<u>14,184,879</u>
<u>Net Assets</u>		
Invested in capital assets, net of debt	40,720,833	33,757,865
Restricted	967,027	882,327
Unrestricted	9,350,967	9,569,466
Total net assets	<u>\$51,038,827</u>	<u>\$44,209,658</u>

Net assets of the City's governmental activities increased \$6,829,169. This is mainly the result of an increase in capital assets, as follows:

- * In 2005 the City recorded additions to infrastructure construction in progress (CIP) of \$5,047,691. Each project began in 2004 or prior, for either construction or engineering services. Following is a list of CIP additions by project:

<u>CIP Project</u>	<u>Additions in 2005</u>
State Route 747/CSX Grade Separation	\$4,490,481
State Route 4 Streetscape - Phase II	471,930
East Kemper Road Improvements - Phase III	85,280

- * Also in 2005, the City purchased land in the amount of \$1,871,098. \$1,756,652 was for commercial land to be redeveloped for future use, and \$114,446 was for a residential property which had fallen into disrepair.

**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005**

Table 2 provides a summary of the changes in net assets at year-end and revenues and expense for 2005 as compared to 2004.

Table 2	<u>Governmental Activities</u>	
	<u>2005</u>	<u>2004</u>
<u>Revenues and Special Item</u>		
Program revenues:		
Charges for services	\$1,015,425	\$308,169
Operating grants and contributions	85,553	183,025
Capital grants and contributions	4,113,591	4,332,571
Total program revenues	<u>5,214,569</u>	<u>4,823,765</u>
General revenues:		
Municipal income taxes	14,328,990	10,683,944
Property and other taxes	1,719,428	1,883,142
Payments in lieu of taxes	615,809	888,758
Grants and entitlements not restricted	2,668,820	2,379,086
Unrestricted contributions	5,500	11,902
Investment earnings	228,536	69,224
Other	317,532	891,194
Total general revenues	<u>19,884,615</u>	<u>16,807,250</u>
Special item - settlement of lawsuit	<u>0</u>	<u>275,000</u>
Total revenues and special item	<u>25,099,184</u>	<u>21,906,015</u>
<u>Program Expenses</u>		
Governmental activities:		
Security of persons and property	7,530,755	6,787,024
Public health services	271,193	237,012
Leisure time activities	1,780,450	1,561,162
Community environment	898,820	429,532
Basic utility services	0	351,761
Transportation	2,698,600	2,966,044
General government	4,654,747	3,493,078
Interest and fiscal charges	435,450	429,712
Total expenses	<u>18,270,015</u>	<u>16,255,325</u>
Increase in net assets	6,829,169	5,650,690
Beginning net assets	<u>44,209,658</u>	<u>38,558,968</u>
Ending net assets	<u>\$51,038,827</u>	<u>\$44,209,658</u>

**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005**

Governmental Activities

2005 governmental activities total revenues increased \$3,193,169 over 2004, and 2005 total expenses increased \$2,014,690 over 2004. The changes in these categories are addressed below:

Revenues

The largest revenue line item, municipal income taxes, showed an increase of approximately \$3.6 million. On July 1, 2004, the City increased the municipal income tax rate from 1% to 1.5%. Based on the timing of the income tax withholding revenues, only one quarter of the 2004 collections reflected the 1.5% tax rate. In comparison, all of 2005's activity was at the 1.5% tax rate. The total cash basis income tax revenue for 2004 was approximately \$9.5 million, 2005's total cash basis income tax revenue was approximately \$14.2 million. The differences between the cash basis activity and the numbers above are the result of year-end adjustments on the accrual basis of accounting.

Grants and entitlements not restricted showed an increase of approximately \$289,000. This is the result of the amount of estate tax which was available for advance from Hamilton County at year-end. At year-end 2004, \$77,000 was accrued as revenue and at year-end 2005, \$356,000 was accrued as revenue.

Investment earnings showed an increase of approximately \$159,000. This is the result of rising interest rates throughout the year and changing banks as of July 1, 2005. The new bank offered an overnight sweep account which was not available at the prior bank. As a result of the sweep account, more interest was earned.

Charges for services showed an increase of approximately \$707,000. This is the result of revenue items in 2004 which were recorded to the other revenue line item and in 2005 were recorded to the charges for services line item to reflect proper financial presentation.

Expenses

The largest increase in the expense function is the general government line item, which showed an increase of approximately \$1.1 million. This is the mostly the result of a consulting firm contracted to perform an analysis regarding the Tri-County retail district, expenses for general engineering were greater in 2005, and expenses for workers compensation were greater in 2005.

The leisure time activities line item expenses increased approximately \$219,000. This is the combination of an overall general increase in departmental spending (accounted for approximately \$131,000) as well as year-end adjustments for GAAP reporting greater than in 2004.

Also, the community environment line item increased approximately \$469,000, and the basic utility services line item decreased approximately \$350,000. This the result of prior year expenses presented in 2004 as basic utility services and were determined to be more accurately presented as community environment expenses in 2005.

**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005**

Table 3 below shows 2005 percentages of revenues and expenses:

Table 3

	\$	%
<u>Revenues</u>		
Program revenues:		
Charges for services	\$1,015,425	4%
Operating grants and contributions	85,553	-
Capital grants and contributions	4,113,591	16%
Total program revenues	5,214,569	20%
General revenues:		
Municipal income taxes	14,328,990	57%
Property and other taxes	1,719,428	7%
Payments in lieu of taxes	615,809	2%
Grants and entitlements not restricted	2,668,820	11%
Unrestricted contributions	5,500	-
Investment earnings	228,536	1%
Other	317,532	2%
Total general revenues	19,884,615	80%
Total revenues	\$25,099,184	100%
<u>Program Expenses</u>		
Governmental activities:		
Security of persons and property	\$7,530,755	41%
Public health services	271,193	1%
Leisure time activities	1,780,450	10%
Community environment	898,820	5%
Transportation	2,698,600	15%
General government	4,654,747	25%
Interest and fiscal charges	435,450	3%
Total expenses	\$18,270,015	100%

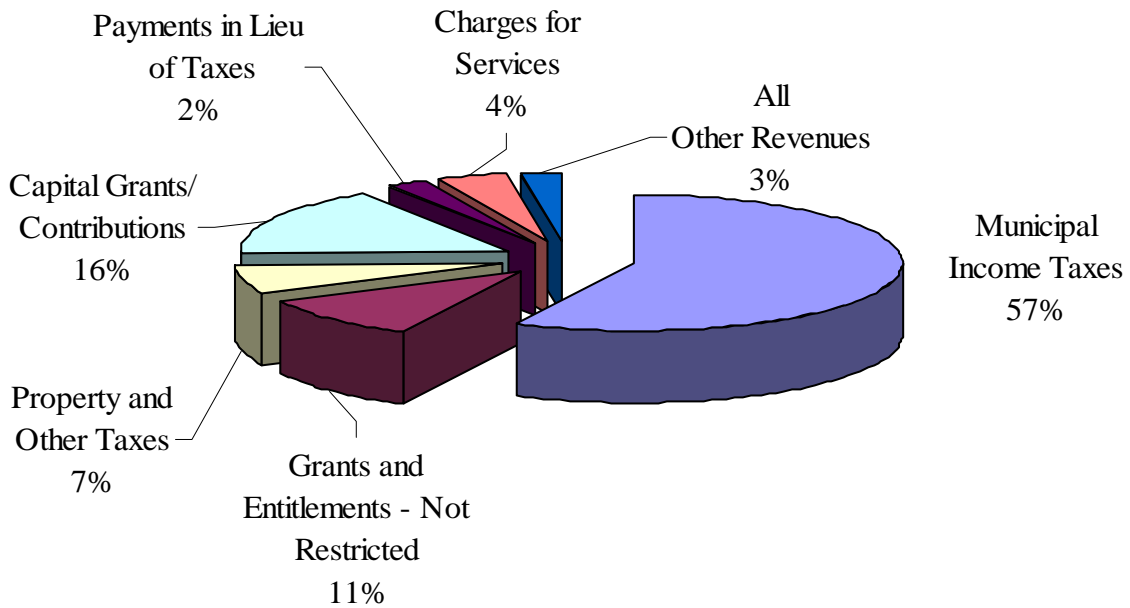
The largest sources of revenue are the municipal income tax, capital grants and contributions, and grants and entitlements not restricted. The municipal income tax is received from business withholdings and net profits returns, resident tax returns, and penalty and interest. Capital grants and contributions 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.

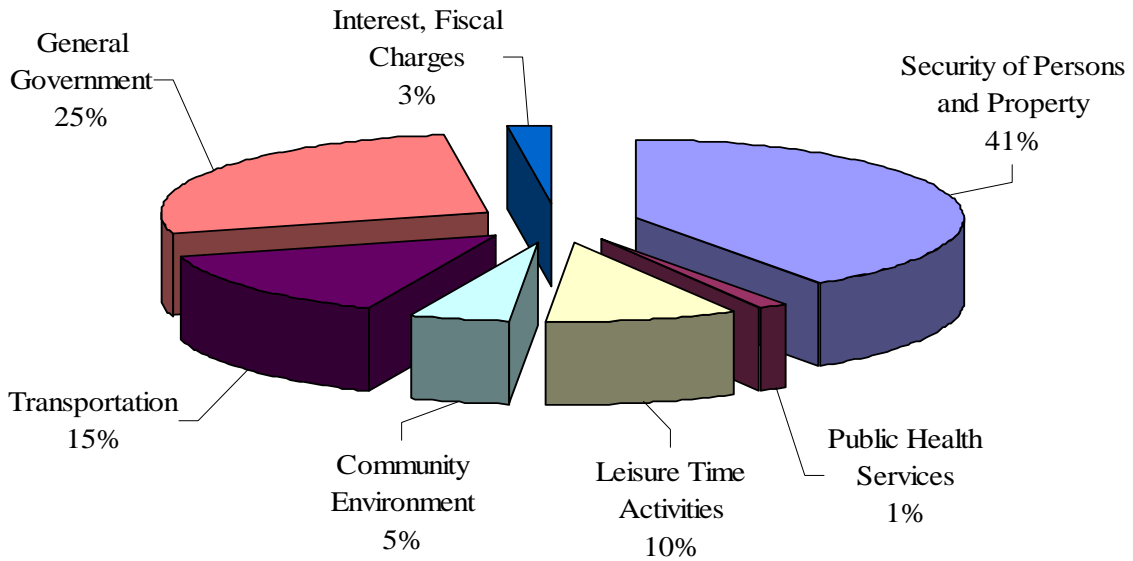
**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005**

Following are charts showing the percentages of revenues and expense for 2005.

Revenues by Source - Governmental Activities



Expenses by Function - Governmental Activities



**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005**

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 2005, the City's governmental funds reported combined ending fund balances of \$6,837,470. Of this amount, \$5,949,549 represents unreserved and undesignated 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 and prepaid items, and is unreserved but designated to indicate balances at year-end for health and liability insurance.

All governmental funds had total revenues of \$25,374,243 and expenditures of \$24,865,953, leaving an excess of revenues over expenditures of \$508,290. Following is an analysis of fund balance for the major funds.

General Fund

At year-end 2005, the total fund balance for the general fund was \$6,623,897, of which \$5,864,970 was unreserved. The general fund is the chief operating fund of the City and its fund balance at year-end 2005 increased approximately \$1.1 million over year-end 2004. This is mainly the result of the increase in municipal income tax revenues as explained above.

Capital Improvements Fund

The total fund deficit for the capital improvements fund at year-end 2005 was \$1,658,152, which represents an increased deficit of \$1,207,116 over year-end 2004. This is mainly the result of expenses for capital outlay which were greater than revenues for the year.

Northwest Business District TIF Fund

The total fund balance of the northwest business district TIF fund at year-end 2005 was \$1,702,539, of which \$1,677,539 was unreserved. The fund balance at year-end 2005 represents an increase of \$620,907 over year-end 2004. This is mainly the result of payments in lieu of taxes revenues which exceeded the debt payment requirements and other expenses.

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 and City Council on a monthly basis in order to review the financial status and measure the effectiveness of budgetary controls. During 2005, one amendment to the City budget was passed by City Council.

For 2005, the original budgeted revenues for the general fund were approximately \$17.7 million and the final budgeted revenues were approximately \$19.1 million. The increase is the result of actual municipal income taxes, estate taxes, and interest being higher than originally budgeted. Also for 2005 the general

**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005**

fund original budgeted expenditures were approximately \$15.5 million and the final budgeted expenditures were \$15.1 million.

As a result of activity in the general fund, the year-end budget amendment increased appropriations \$1.7 million and increased estimated revenue approximately \$1.5 million. Following are general fund items which were also reflected in the year-end supplemental appropriation measure:

- * Transfers-out from the general fund to the capital improvements fund were increased \$884,981,
- * Advances-out from the general fund to the grants fund were increased \$45,168, and
- * Advances-out from the general fund to the capital improvements fund were increased \$750,000.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

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

Table 4	Governmental Activities	
	2005	2004
Land	\$6,649,844	\$4,778,746
Construction in progress	9,333,549	4,285,858
Building	14,857,612	15,158,745
Improvements other than building	1,351,058	1,396,829
Machinery and equipment	434,191	402,832
Furniture and fixtures	8,199	9,055
Vehicles	1,212,550	1,197,109
Infrastructure:		
Sewers	446,241	514,479
Roads	2,612,404	2,824,704
Traffic control	338,270	410,987
Streetscape	1,327,380	1,335,064
Sidewalks	446,007	491,703
Parks	131,015	0
TIF area public improvements	10,872,800	11,203,200
Total capital assets	\$50,021,120	\$44,009,311

The increase in capital assets in 2005 is the direct result of additions to land and construction in progress. Additional information on the City's capital assets can be found in note 8 to the basic financial statements.

**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005**

Debt

As of December 31, 2005, the City had debt of \$9,313,525 in bonds, notes, loans, and capital leases, with \$715,533 due within one year for bonds, loans, and capital leases and \$1,250,000 due within a year for notes.

Outstanding Debt at December 31

Table 5

	Governmental Activities	
	2005	2004
General obligation bonds	\$5,160,692	\$5,786,905
General obligation bond anticipation notes	1,250,000	1,500,000
TIF revenue bonds	2,823,830	2,871,098
Ohio police and fire pension loan	13,238	13,462
Capital leases	65,765	93,443
Total debt	<u>\$9,313,525</u>	<u>\$10,264,908</u>

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, and 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 - \$1,500,000 issued in 2004 for the 2004 Street Program. In 2005 these notes were retired and \$1,250,000 of notes were re-issued.

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 infrastructure 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 2005, the City entered into one lease agreement which was categorized as a capital lease. At year-end 2005 the City has 5 leases categorized as capital leases. Payments for these leases are made from the general fund.

Under the current City Charter, the City’s 2005 general obligation bonded debt was subject to a legal limitation of \$43,091,798 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, 2005**

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. 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) or visit the City website at www.springdale.org.

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BASIC FINANCIAL STATEMENTS

**CITY OF SPRINGDALE, OHIO
STATEMENT OF NET ASSETS
DECEMBER 31, 2005**

	<u>Governmental Activities</u>
Assets:	
Equity in pooled cash and cash equivalents	\$5,543,702
Cash in escrow account	12,086
Cash with fiscal agent	139,983
Receivables (net):	
Taxes	6,277,750
Payments in lieu of taxes	905,082
Accounts	136,818
Intergovernmental	1,205,783
Bond issuance costs	180,502
Prepaid items	30,593
Inventory	154,836
Nondepreciable capital assets	15,983,393
Depreciable capital assets, net	<u>34,037,727</u>
 Total assets	 <u>64,608,255</u>
Liabilities:	
Accounts payable	395,542
Contracts payable	289,116
Accrued wages and benefits payable	597,205
Accrued workers compensation payable	140,757
Intergovernmental payable	53,358
Accrued interest payable	26,003
Undistributed monies payable	52,100
Unclaimed monies payable	13,020
Claims payable	56,323
Deferred revenue	1,996,201
Bond anticipation notes payable	1,250,000
Long-term liabilities:	
Due within one year	804,299
Due in more than one year	<u>7,895,504</u>
 Total liabilities	 <u>13,569,428</u>
Net assets:	
Invested in capital assets, net of related debt	40,720,833
Restricted for:	
Capital projects	500,209
Other purposes	466,818
Unrestricted	<u>9,350,967</u>
 Total net assets	 <u>\$51,038,827</u>

See accompanying notes to the basic financial statements

**CITY OF SPRINGDALE, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2005**

	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	\$7,530,755	\$585,253	\$78,055	\$0	(\$6,867,447)
Public health services	271,193	60,608	7,498	0	(203,087)
Leisure time activities	1,780,450	152,927	0	0	(1,627,523)
Community environment	898,820	112,247	0	0	(786,573)
Transportation	2,698,600	5,032	0	4,113,591	1,420,023
General government	4,654,747	99,358	0	0	(4,555,389)
Interest and fiscal charges	435,450	0	0	0	(435,450)
Total governmental activities	\$18,270,015	\$1,015,425	\$85,553	\$4,113,591	(13,055,446)
General revenues:					
Municipal income taxes					14,328,990
Property and other taxes					1,719,428
Payments in lieu of taxes					615,809
Grants and entitlements not restricted to specific programs					2,668,820
Unrestricted contributions					5,500
Investment earnings					228,536
Other revenues					317,532
Total general revenues					19,884,615
Change in net assets					6,829,169
Net assets - beginning					44,209,658
Net assets - ending					\$51,038,827

See accompanying notes to the basic financial statements

**CITY OF SPRINGDALE, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2005**

	General Fund	Capital Improvements Fund	Northwest Business TIF Fund	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash and cash equivalents	\$3,079,974	\$397,299	\$1,790,333	\$192,424	\$5,460,030
Cash in segregated account	20,652	0	0	0	20,652
Cash in escrow account	0	12,086	0	0	12,086
Cash with fiscal agent	0	139,983	0	0	139,983
Receivables:					
Taxes	6,277,750	0	0	0	6,277,750
Payments in lieu of taxes	0	0	905,082	0	905,082
Accounts	131,818	5,000	0	0	136,818
Intergovernmental	710,661	164,863	0	330,259	1,205,783
Interfund loan receivable	797,418	0	0	0	797,418
Inventory	154,836	0	0	0	154,836
Prepaid items	30,593	0	0	0	30,593
Restricted assets:					
Funds on deposit for unclaimed monies	13,020	0	0	0	13,020
Funds on deposit for performance bonds and plan review fees	50,000	0	0	0	50,000
Total assets	\$11,266,722	\$719,231	\$2,695,415	\$522,683	\$15,204,051
Liabilities:					
Accounts payable	\$233,357	\$69,733	\$87,794	\$4,658	\$395,542
Contracts payable	0	289,116	0	0	289,116
Accrued wages and benefits payable	591,166	0	0	6,039	597,205
Accrued workers compensation payable	140,757	0	0	0	140,757
Accrued interest payable	0	9,115	0	0	9,115
Intergovernmental payable	48,939	4,419	0	0	53,358
Interfund loan payable	0	750,000	0	47,418	797,418
Undistributed monies payable	52,100	0	0	0	52,100
Unclaimed monies payable	13,020	0	0	0	13,020
Claims payable	56,323	0	0	0	56,323
Deferred revenue	3,507,163	5,000	905,082	295,382	4,712,627
Bond anticipation notes payable	0	1,250,000	0	0	1,250,000
Total liabilities	4,642,825	2,377,383	992,876	353,497	8,366,581
Fund balances:					
Reserved for encumbrances	203,000	103,764	25,000	230	331,994
Reserved for inventory	154,836	0	0	0	154,836
Reserved for prepaid items	30,593	0	0	0	30,593
Unreserved, designated:					
Designated for health insurance	76,744	0	0	0	76,744
Designated for liability insurance	293,754	0	0	0	293,754
Unreserved, undesignated, reported in:					
General fund	5,864,970	0	0	0	5,864,970
Special revenue funds	0	0	0	171,206	171,206
Capital projects funds	0	(1,761,916)	1,677,539	(2,250)	(86,627)
Total fund balances (deficit)	6,623,897	(1,658,152)	1,702,539	169,186	6,837,470
Total liabilities and fund balances	\$11,266,722	\$719,231	\$2,695,415	\$522,683	\$15,204,051

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, 2005**

Total governmental fund balances	\$6,837,470
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.	50,021,120
Some long-term assets, such as bond issuance costs are not available for current-period expenditures and therefore are not reflected in the funds.	180,502
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	2,716,426
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.	(636,278)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(8,063,525)
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>(16,888)</u>
Net assets of governmental activities	<u><u>\$51,038,827</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, 2005

	General Fund	Capital Improvements Fund	Northwest Business TIF Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Municipal income taxes	\$14,566,459	\$0	\$0	\$0	\$14,566,459
Property and other taxes	1,685,775	0	0	0	1,685,775
Payments in lieu of taxes	0	0	709,717	0	709,717
Intergovernmental	2,085,423	4,113,591	79,854	543,102	6,821,970
Charges for services	323,797	0	0	0	323,797
Fines and forfeitures	224,005	0	0	50,313	274,318
Fees, licenses and permits	409,883	0	0	9,596	419,479
Interest	173,518	13,010	41,911	97	228,536
Contributions	2,250	0	0	3,250	5,500
Other	148,477	4,225	185,990	0	338,692
Total revenues	19,619,587	4,130,826	1,017,472	606,358	25,374,243
Expenditures:					
Current:					
Security of persons and property	6,957,371	0	0	105,241	7,062,612
Public health services	262,896	0	0	1,430	264,326
Leisure time activities	1,380,393	0	0	9,915	1,390,308
Community environment	765,775	0	0	84,295	850,070
Transportation	870,266	0	0	479,692	1,349,958
General government	3,775,648	5,000	158,367	2,250	3,941,265
Capital outlay	408,442	8,404,357	0	61,967	8,874,766
Debt service:					
Principal retirement	37,065	220,000	47,268	400,000	704,333
Interest and fiscal charges	6,202	54,783	190,930	176,400	428,315
Total expenditures	14,464,058	8,684,140	396,565	1,321,190	24,865,953
Excess (deficiency) of revenues over expenditures	5,155,529	(4,553,314)	620,907	(714,832)	508,290
Other financing sources (uses):					
Inception of capital lease	9,163	0	0	0	9,163
Transfers-in	0	3,346,198	0	632,287	3,978,485
Transfers-out	(3,978,485)	0	0	0	(3,978,485)
Total other financing sources (uses)	(3,969,322)	3,346,198	0	632,287	9,163
Net change in fund balances	1,186,207	(1,207,116)	620,907	(82,545)	517,453
Beginning fund balances (deficit)	5,437,690	(451,036)	1,081,632	251,731	6,320,017
Ending fund balances (deficit)	<u>\$6,623,897</u>	<u>(\$1,658,152)</u>	<u>\$1,702,539</u>	<u>\$169,186</u>	<u>\$6,837,470</u>

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, 2005**

Net change in fund balances - total governmental funds	\$517,453
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.	6,021,790
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, disposal) is to decrease net assets.	(9,981)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(275,059)
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.	704,333
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.	(113,069)
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.	(7,135)
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>(9,163)</u>
Change in net assets of governmental activities	<u><u>\$6,829,169</u></u>

See accompanying notes to the basic financial statements

CITY OF SPRINGDALE, OHIO
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2005

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Municipal income taxes	\$13,700,000	\$14,300,000	\$14,239,849	(\$60,151)
Property and other taxes	1,756,389	1,756,389	1,689,182	(67,207)
Intergovernmental	1,230,171	1,925,171	1,875,945	(49,226)
Charges for services	265,900	265,900	331,076	65,176
Fines and forfeitures	206,500	206,500	218,865	12,365
Fees, licenses and permits	342,300	342,300	387,778	45,478
Interest	45,100	145,100	173,518	28,418
Contributions	850	850	2,250	1,400
Other	193,110	248,110	228,402	(19,708)
Total revenues	<u>17,740,320</u>	<u>19,190,320</u>	<u>19,146,865</u>	<u>(43,455)</u>
Expenditures:				
Current:				
Security of persons and property	7,156,810	6,981,810	6,949,859	31,951
Public health services	252,612	272,612	264,967	7,645
Leisure time activities	1,440,595	1,440,595	1,406,674	33,921
Community environment	838,307	842,307	826,432	15,875
Transportation	1,058,476	1,048,476	923,176	125,300
General government	4,288,873	4,369,474	4,266,624	102,850
Capital outlay	460,517	460,517	474,479	(13,962)
Debt service:				
Principal retirement	37,065	37,065	37,065	0
Interest	6,202	6,202	6,202	0
Total expenditures	<u>15,539,457</u>	<u>15,459,058</u>	<u>15,155,478</u>	<u>303,580</u>
Excess of revenues over expenditures	<u>2,200,863</u>	<u>3,731,262</u>	<u>3,991,387</u>	<u>260,125</u>
Other financing sources (uses):				
Transfers-in	2,894	2,894	2,894	0
Transfers-out	(3,095,504)	(3,978,485)	(3,978,485)	0
Advances-in	419,014	419,014	419,014	0
Advances-out	0	(797,418)	(797,418)	0
Total other financing sources (uses)	<u>(2,673,596)</u>	<u>(4,353,995)</u>	<u>(4,353,995)</u>	<u>0</u>
Net change in fund balance	(472,733)	(622,733)	(362,608)	260,125
Beginning fund balance	3,092,783	3,092,783	3,092,783	0
Prior year encumbrances	154,159	154,159	154,159	0
Ending fund balance	<u>\$2,774,209</u>	<u>\$2,624,209</u>	<u>\$2,884,334</u>	<u>\$260,125</u>

See accompanying notes to the basic financial statements

CITY OF SPRINGDALE, OHIO
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUND
DECEMBER 31, 2005

	<u>Agency</u>
Assets:	
Equity in pooled cash and cash equivalents	<u>\$190</u>
Total assets	<u><u>\$190</u></u>
Liabilities:	
Ohio board of building standards assessment (OBBS) payable	<u>\$190</u>
Total liabilities	<u><u>\$190</u></u>

See accompanying notes to the basic financial statements

CITY OF SPRINGDALE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2005

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

CITY OF SPRINGDALE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2005

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.

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

CITY OF SPRINGDALE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2005

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.

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.

CITY OF SPRINGDALE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2005

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), auction proceeds, fees, licenses and permits, grants, cable franchise fees, admissions tax, transient 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 occupancy 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 includes 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, 2005

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 are at the fund level. Administrative control is maintained through the establishment of detailed line item budgets. For 2005, all appropriations were approved as required and all funds and departments completed the year within the legally authorized appropriations.

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, 2005

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	\$1,186,207
Net adjustment for revenue accruals	(391,505)
Net adjustment for expenditure accruals	(907,576)
2004 prepaids for 2005	26,500
2005 prepaids for 2006	(30,593)
Encumbrances	(245,641)
Budget basis	(\$362,608)

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 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 Mayor's Court activity.

CITY OF SPRINGDALE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2005

The City has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 2005. 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, 2005.

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 expensed 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 expensed 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.

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, parks, and construction in progress. Improvements are capitalized if value is added and the life of the asset is materially extended; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

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 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 2005 was \$228,536. Total interest credited to the general fund during 2005 was \$173,518, which includes \$9,735 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.

Restricted Assets

The balance sheet, general fund assets, reports funds that are restricted for a specific use. These are funds on deposit for unclaimed monies, performance bonds and plan review fees.

Interfund Balances

On fund financial statements, short-term interfund loans are classified as "interfund loan receivable/interfund loan payable" on the balance sheet. These amounts 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. Vacation leave accumulated must be used by year-end.

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.

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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, maintenance and repair 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.

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, 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, and prepaid items are recorded as a reservation of fund balance. Also, the City designates the portion of unreserved fund balance at year-end for health 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. Restricted for other purposes is comprised of net assets restricted for non-capital grants.

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.

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. CHANGE IN ACCOUNTING PRINCIPLE

For fiscal year 2005, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 40, "Deposit and Investment Risk Disclosures". GASB Statement No. 40 establishes and modifies disclosure requirements related to investment risks: credit risk (including custodial credit risk and concentrations of credit risk) and interest rate risk. This statement also establishes and modifies disclosure requirements for custodial credit risk on deposits. This statement applies to all state and local governments. The implementation of GASB Statement No. 40 had no effect on the City's financial statements.

4. FUND DEFICIT

The capital projects, capital improvement fund and the capital projects, tri-county mall tax increment financing fund at December 31, 2005 included fund deficits of \$1,658,152 and \$2,250, respectively. The special revenue, grants fund at December 31, 2005 also included a fund deficit of \$27,733. These deficits are due to the recognition of expenditures on the modified accrual basis of accounting which are greater than expenditures recorded on the cash basis. The general fund is liable for the fund deficits 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 City records all investments at cost and reports Star Ohio and repurchase agreements at cost (which approximates fair value).

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:

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

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

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

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Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year-end, the carrying amount of the City's deposits was \$210,628 and the bank balance was \$525,746. Of the bank balance, \$132,059 was covered by federal deposit insurance. At fiscal year end, \$393,687 in bank deposits were exposed to custodial credit risk because they were uninsured and uncollateralized. Although all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements would potentially subject the City to a successful claim by the FDIC.

The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the City or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Investments

The City's investments at December 31, 2005, are summarized below:

<u>Investment</u>	<u>Fair Value</u>	<u>Investment Maturities</u>	<u>Concentration of Credit Risk</u>
December 31, 2005:			
Star Ohio	\$1,560,959	Overnight	28%
Repurchase agreement	<u>3,924,374</u>	Overnight	72%
Total Investments	<u>\$5,485,333</u>		

Interest Rate Risk – As a means of limiting its exposure to fair value losses caused by rising interest rates, the City attempts, to the extent possible, to match investments with anticipated cash flow requirements.

Credit Risk – Investments in STAR Ohio were rated AAAM by Standard & Poor's. The City limits their investments to those authorized by the City investment policy.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the City's securities are either insured and registered in the name of the City or at least registered in the name of the City, other than the City's repurchase agreements which are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the City's name. The City has no investment policy dealing with investment custodial risk beyond the requirement in state statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

Concentration of Credit Risk - The City places no limit on the amount it may invest in any one issuer. See the table above for the concentration of credit risk for the City's investments.

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

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classifications of cash and cash equivalents and investments on the financial statements and the classifications per GASB Statement No. 40 is as follows:

	Cash and Cash Equivalents	Investments
Equity in pooled cash and cash equivalents per GASB Statement No. 9	\$5,695,961	\$0
Investments	(5,485,333)	5,485,333
GASB Statement 40 (as detailed above)	\$210,628	\$5,485,333

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, 2005 was \$3.08 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2005 property tax receipts were based are as follows:

Real Property – 2004 Assessed Valuation	\$397,960,080
Public Utility Tangible Personal Property – 2004 Assessed Valuation	8,239,230
Tangible Personal Property – 2004 Assessed Valuation	88,825,590
Total	\$495,024,900

Property taxes receivable represent real and tangible personal property taxes, public utility property taxes, and outstanding delinquencies, which are measurable as of December 31, 2005. Although total property tax collections for the next fiscal year are measurable, the City recognizes property taxes as deferred revenue since the first settlement date is more than thirty-one days after year-end and does not meet the availability criteria for accrual and because the taxes are not intended to finance current operations.

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

- Lien date January 1, 2004
- Levy date - first half December 31, 2004
- First installment payment due January 31, 2005
- Levy date - second half March 31, 2005
- Second installment payment due June 20, 2005

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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. 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 2005, the City levied a municipal income tax of 1.5% on substantially all earnings (qualified wages and other personal service compensation) of its residents working both in and out of the City and to earnings of nonresidents working within the City. In conjunction with a mandatory filing requirement, 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 encouraged to pay their estimated tax quarterly and file a declaration annually.

Income tax proceeds are used to provide for general municipal operations, maintenance, new equipment, extension and enlargement of municipal services and facilities and permanent improvements of the City and the discharge of principal and interest of obligations for permanent improvements.

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Intergovernmental Receivables

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

Estate tax	\$356,922
Homestead/rollback	19,500
Local government	304,500
Gasoline tax	176,100
License tax	92,000
Grants	227,022
Other	<u>29,739</u>
Total	<u>\$1,205,783</u>

7. INTERFUND TRANSACTIONS

Interfund Loans Receivable/Payable

Interfund loan asset and liability balances reflected by fund at December 31, 2005, are as follows:

<u>Interfund Loan Receivable</u>	<u>Interfund Loan Payable</u>	<u>Amount</u>
General fund	Special revenue, grants fund	\$45,168
General fund	Capital projects, tri-county mall TIF fund	<u>2,250</u>
		47,418
General fund	Capital projects, capital improvements fund	<u>750,000</u>
		<u>\$797,418</u>

The special revenue, grants fund and the capital projects, tri-county mall TIF fund are nonmajor funds. The capital projects, capital improvements fund is a major fund. All interfund loans were the result of cash flow needs within the fund.

Transfers In/Transfers Out

In 2005 the City had the following interfund transfers:

<u>Transfer-Out Fund</u>	<u>Transfer-In Fund</u>	<u>Amount</u>
General fund	Capital projects, community center debt fund	\$572,287
General fund	Special revenue, residential recycling fund	<u>60,000</u>
		632,287
General fund	Capital projects, capital improvements fund	<u>3,346,198</u>
		<u>\$3,978,485</u>

The capital projects, community center debt fund and the special revenue, residential recycling fund are nonmajor funds. The capital projects, capital improvements fund is a major fund. All transfer activity was the result of cash flow needs within the fund.

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8. CAPITAL ASSETS

Capital asset activity for the current year is summarized below:

<u>Governmental Activities</u>	<u>Balance 1/1/05</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/05</u>
Capital assets, not being depreciated:				
Land	\$4,778,746	\$1,871,098	\$0	\$6,649,844
Construction in progress	4,285,858	5,047,691	0	9,333,549
Total capital assets not being depreciated	<u>9,064,604</u>	<u>6,918,789</u>	<u>0</u>	<u>15,983,393</u>
Capital assets, being depreciated:				
Buildings	19,022,564	0	0	19,022,564
Improvements other than building	2,253,491	48,000	0	2,301,491
Machinery and equipment	1,078,118	112,772	(48,450)	1,142,440
Furniture and fixtures	13,506	0	0	13,506
Vehicles	2,843,114	210,292	(137,477)	2,915,929
Infrastructure	38,190,016	179,231	0	38,369,247
Total capital assets being depreciated	<u>63,400,809</u>	<u>550,295</u>	<u>(185,927)</u>	<u>63,765,177</u>
Less accumulated depreciation:				
Buildings	(3,863,819)	(301,133)	0	(4,164,952)
Improvements other than building	(856,662)	(93,771)	0	(950,433)
Machinery and equipment	(675,286)	(78,305)	45,342	(708,249)
Furniture and fixtures	(4,451)	(856)	0	(5,307)
Vehicles	(1,646,005)	(187,978)	130,604	(1,703,379)
Infrastructure	(21,409,879)	(785,251)	0	(22,195,130)
Total accumulated depreciation	<u>(28,456,102)</u>	<u>(1,447,294)</u>	<u>175,946</u>	<u>(29,727,450)</u>
Total capital assets being depreciated, net	<u>34,944,707</u>	<u>(896,999)</u>	<u>(9,981)</u>	<u>34,037,727</u>
Governmental activities capital assets, net	<u>\$44,009,311</u>	<u>\$6,021,790</u>	<u>(\$9,981)</u>	<u>\$50,021,120</u>

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In 2005, depreciation expense was charged to governmental functions as follows:

Security of persons and property	\$274,544
Leisure time activities	254,002
Community environment	9,093
Transportation	477,563
General government	432,092
	<u>\$1,447,294</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, 2005 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. At retirement, an employee (or the employee's estate in the case of an employee's death) is paid for the accumulated sick leave hours as follows:

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

Compensatory Time

Compensatory time can only be accumulated by full-time employees 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. For non-union employees, the maximum balance of compensatory time to be accumulated at any given time is sixty-eight hours. Employees of the fire department under union contract can accrue and use up to seventy-two hours in a calendar year. Employees of the police department under union contract can accrue and use up to one hundred hours in a calendar year.

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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 1-1-05</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12-31-05</u>	<u>Amount Due Within A Year</u>
General obligation bonds:					
Community center expansion bonds	\$5,113,624	\$0	(\$401,072)	\$4,712,552	\$401,072
Urban renewal district II bonds	673,281	0	(225,141)	448,140	225,141
Total general obligation bonds	<u>5,786,905</u>	<u>0</u>	<u>(626,213)</u>	<u>5,160,692</u>	<u>626,213</u>
Tax increment financing phase I revenue bonds	2,871,098	0	(47,268)	2,823,830	50,254
Police and fire pension loan	13,462	0	(224)	13,238	224
Capital leases	93,443	9,163	(36,841)	65,765	38,842
Compensated absences	<u>523,209</u>	<u>195,544</u>	<u>(82,475)</u>	<u>636,278</u>	<u>88,766</u>
Total governmental activities	<u><u>\$9,288,117</u></u>	<u><u>\$204,707</u></u>	<u><u>(\$793,021)</u></u>	<u><u>\$8,699,803</u></u>	<u><u>\$804,299</u></u>

The 1-1-05 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.

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, 2005 for the Community Center Expansion General Obligation Bonds payable is \$4,712,552 and is recorded in the government-wide financial statements.

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Urban Redevelopment District II General Obligation Bonds Payable

The City issued \$1,100,000 of Urban Redevelopment District II General Obligation Bonds dated August 1, 2002. The bonds mature December 1, 2007 and bear interest at the rate of 3.47%. The bonds were issued for the purpose of paying costs associated with the Urban Redevelopment District II and paying related costs, under authority of the general laws of the State of Ohio and the Uniform Public Securities Law of the Ohio Revised Code, and by virtue of ordinances duly adopted by Council. The liability at December 31, 2005 for the Urban Redevelopment District II General Obligation Bonds payable is \$448,140 and is recorded in the government-wide financial statements.

Tax Increment Financing - Phase I 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, 2005 for the TIF Revenue Bonds Payable is \$2,823,830 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
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	401,072	117,400	65,650	172,548
2011-2015	2,005,360	372,600	402,896	788,093
2016-2020	701,832	41,600	562,700	628,289
2021-2025	0	0	785,888	405,101
2026-2029	0	0	783,871	105,311
Total	\$5,160,692	\$1,152,500	\$2,823,830	\$2,829,308

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11. LEASES

During 2005, the City entered into a lease agreement for a police department copier meeting the requirements of a capital lease. The City's current and prior 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 December 31	
2006	\$42,468
2007	20,260
2008	6,462
2009	2,131
2010	<u>357</u>
Total minimum lease payments	<u>71,678</u>
Less: amount representing interest	<u>(5,913)</u>
Present value of minimum lease payments	<u><u>\$65,765</u></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, \$152,620. In 2005, principal of \$36,841 was paid from the general fund as principal retirement. Capital lease payments have been reclassified and are reflected as debt service in the fund financial statements and on the budgetary basis.

12. BOND ANTICIPATION NOTE PAYABLE

The City issued \$1,500,000 of Street Improvement Bond Anticipation Notes dated October 14, 2004. The notes matured and were retired on October 13, 2005. As part of the transaction, the City retired \$250,000 of principal. Notes in the amount of \$1,250,000 were issued and dated October 13, 2005. The notes mature October 12, 2006 and bear interest at the rate of 3.50%. The notes were issued for the purpose of paying the cost of the 2004 street program 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, 2005 for the Bond Anticipation Notes is \$1,250,000 and is recorded in the capital improvements fund in the fund financial statements and also recorded in the government-wide finance statements. The following shows the Street Improvement Bond Anticipation Note activity for the period January 1, 2005 to December 31, 2005:

	Balance at 1-1-05	Additions	Retirement	Balance at 12-31-05
Street Improvement Bond Anticipation Notes	<u>\$1,500,000</u>	<u>\$1,250,000</u>	<u>(\$1,500,000)</u>	<u>\$1,250,000</u>

CITY OF SPRINGDALE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2005

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:

The Traditional Pension Plan - a cost-sharing, multiple-employer defined benefit pension plan.

The Member-Directed Plan - 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, plus any investment earnings.

The Combined Plan - a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional Pension 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 Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing 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 2005, member and employer contribution rates were consistent across all three plans. Separate divisions for law enforcement and public safety exist only within the Traditional Pension Plan.

The 2005 member contribution rates were 8.5% for members in state and local classifications. 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 2005 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 2005 was 16.7%. The City's contributions to OPERS for the years ended December 31, 2005, 2004, and 2003 were \$503,567, \$475,113, and \$458,570, respectively, equal to the required contribution for each year.

CITY OF SPRINGDALE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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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 benefit 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. In 2005, state employers contributed at a rate of 13.31% of covered payroll, local government employer units contributed at 13.55% of covered payroll, and public safety and law enforcement employer units contributed at 16.70%. The portion of employer contributions for all employers allocated to health care was 4%. 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 OPERS’ latest Actuarial Review performed as of December 31, 2004:

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 to reflect 25% of unrealized market appreciation or depreciation on investment assets annually.

Investment Return - The investment assumption rate for 2004 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).

OPEB’s are advance-funded on an actuarial determined basis. The Tradition Pension and Combined Plans had 376,109 active contributing participants as of December 31, 2005. The number of active contributing participants for both plans used in the December 31, 2004, actuarial version was 355,287. The rates stated above are the actuarially determined contribution rates for OPERS. The employer contributions actually made by the City in 2005 were \$148,653. The amount of \$10.8 billion represents the actuarial value of OPERS’ net assets available for OPEB at December 31, 2004. The Actuarial Valuation as of December

CITY OF SPRINGDALE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2005

31, 2004, reported the actuarially accrued liability and the unfunded actuarially accrued liability for OPEB, based on the actuarial cost method used, were \$29.5 billion and \$18.7 billion, respectively.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, will be effective January 1, 2007. In addition to the HCPP, OPERS has taken additional action to improve the solvency of the Health Care Fund in 2005 by creating a separate investment pool for health care assets. As an additional component of the HCPP, member and employer contribution rates increased as of January 1, 2006, which will allow additional funds to be allocated to the health care plan.

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. 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, 2005, 2004, and 2003 were \$815,120, \$798,697, and \$720,337, respectively, or 88% of the required contributions for 2005, 79% of the required contributions for 2004 and equal to the required contributions for 2003.

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 offer health care coverage to all eligible individuals. Health care funding and accounting is on a pay-as-you-go basis. A percentage of covered payroll, as defined by the Board, is used to pay retiree health care expenses. The Board defined allocation was 7.75% of covered payroll in 2004 and 2005. 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.

CITY OF SPRINGDALE, OHIO
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The number of participants eligible to receive health care benefits as of December 31, 2004, the date of the last actuarial valuation available, are 13,812 for police and 10,528 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 \$184,977 and \$112,785, respectively.

OP&F's total health care expense for the year ending December 31, 2004, the date of the last actuarial valuation available, was \$102,173,796, which was net of member contributions of \$55,665,341.

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 \$200,000 in 2005 with the exception of boiler and machinery for which there was a \$5,000 per-occurrence retention limit in 2005. Liability had a per-occurrence retention limit of \$2,000,000 in 2005 with \$1,000,000 excess, \$1,000,000 reinsured by Government Entities Mutual Inc.

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.

CITY OF SPRINGDALE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2005

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, 2005, 119 employees were enrolled in the plan which covers 313 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 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 claims liability at December 31, 2005 was \$56,323.

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

	<u>2005</u>	<u>2004</u>
Claims payable, beginning of the year	\$116,764	\$57,613
Claims incurred during the year	1,042,535	919,917
Payments:		
Attributable to current year	(1,042,543)	(802,379)
Attributable to prior years	<u>(60,433)</u>	<u>(58,387)</u>
Claims payable, end of year	<u>\$56,323</u>	<u>\$116,764</u>

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.

**CITY OF SPRINGDALE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2005**

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 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, 2005, MVRMA purchased the following types of insurance/reinsurance in excess of its self-insurance retention presented in the previous paragraph:

General liability	\$7,000,000 per occurrence
Police professional liability	2,000,000 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)	200,000,000 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. 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, 2005. 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 12-31-05 are: Beavercreek - 5.2%, Bellbrook - 1.9%, Blue Ash - 5.9%, Centerville - 5.6%, Englewood - 2.9%, Indian Hill - 2.9%, Kettering - 13%, Maderia - 2.3%, Mason - 8.7%, Miamisburg - 7.6%, Montgomery - 2.9%, Piqua - 6.3%, Sidney - 7.2%, Springdale - 3.9%, Tipp - 2.5%, Troy - 6.9%, Vandalia - 4.5%, West Carolton - 2.8%, Wilmington - 4.4%, Wyoming - 2.6%.

CITY OF SPRINGDALE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2005

A summary of audited financial information as of December 31, 2004, is presented below:

	Joint Venture
Total assets	<u>\$8,818,805</u>
Total liabilities	\$6,372,889
Members retained earnings	<u>2,445,916</u>
Total liabilities and members retained earnings	<u>\$8,818,805</u>
Total operating revenues	\$3,753,364
Total operating expenditures	<u>3,893,425</u>
Operating loss	(140,061)
Non-operating revenue	<u>138,406</u>
Change in net assets	(1,655)
Beginning members retained earnings	<u>2,447,571</u>
Ending members retained earnings	<u>\$2,445,916</u>

17. CONSTRUCTION COMMITMENTS

As of December 31, 2005, the City had the following construction commitments with respect to capital projects:

<u>Project</u>	<u>Original Contract Amount</u>	<u>Amount Paid at 12/31/05</u>	<u>Remaining Construction Commitment</u>
State Route 747/CSX Railroad Grade Separation Project	\$11,176,407	\$8,808,570	\$2,367,837
2005 Street Program	558,875	384,732	174,143
State Route 4 Streetscape - Phase II	619,868	425,209	194,659

The State Route 747/CSX Railroad Grade Separation and the State Route 4 Streetscape - Phase II projects are 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 projects, capital improvements fund.

18. 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.

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.

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

Tri-County Mall Tax Increment Financing (TIF) Fund - To account for the activity related to the Tri-County Mall TIF Project.

Community Center Debt Fund - To account for the outstanding debt payments related to the Community Center Expansion project.

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**CITY OF SPRINGDALE, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2005**

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Assets:			
Equity in pooled cash and cash equivalents	\$192,424	\$0	\$192,424
Receivable:			
Intergovernmental	<u>330,259</u>	<u>0</u>	<u>330,259</u>
Total assets	<u><u>\$522,683</u></u>	<u><u>\$0</u></u>	<u><u>\$522,683</u></u>
Liabilities:			
Accounts payable	\$4,658	\$0	\$4,658
Accrued wages and benefits payable	6,039	0	6,039
Interfund loan payable	45,168	2,250	47,418
Deferred revenue	<u>295,382</u>	<u>0</u>	<u>295,382</u>
Total liabilities	<u>351,247</u>	<u>2,250</u>	<u>353,497</u>
Fund balances:			
Reserved for encumbrances	230	0	230
Unreserved, undesignated, reported in:			
Special revenue funds	171,206	0	171,206
Capital projects fund	<u>0</u>	<u>(2,250)</u>	<u>(2,250)</u>
Total fund balances (deficit)	<u>171,436</u>	<u>(2,250)</u>	<u>169,186</u>
Total liabilities and fund balances	<u><u>\$522,683</u></u>	<u><u>\$0</u></u>	<u><u>\$522,683</u></u>

CITY OF SPRINGDALE, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Intergovernmental	\$543,102	\$0	\$543,102
Fines and forfeitures	50,313	0	50,313
Fees, licenses and permits	9,596	0	9,596
Interest	97	0	97
Contributions	3,250	0	3,250
	<u>606,358</u>	<u>0</u>	<u>606,358</u>
Total revenues			
Expenditures:			
Current:			
Security of persons and property	105,241	0	105,241
Public health services	1,430	0	1,430
Leisure time activities	9,915	0	9,915
Community environment	84,295	0	84,295
Transportation	479,692	0	479,692
General government	0	2,250	2,250
Capital outlay	61,967	0	61,967
Debt service:			
Principal retirement	0	400,000	400,000
Interest and fiscal charges	0	176,400	176,400
	<u>742,540</u>	<u>578,650</u>	<u>1,321,190</u>
Total expenditures			
Deficiency of revenues over expenditures	<u>(136,182)</u>	<u>(578,650)</u>	<u>(714,832)</u>
Other financing sources:			
Transfers-in	60,000	572,287	632,287
	<u>60,000</u>	<u>572,287</u>	<u>632,287</u>
Total other financing sources			
Net change in fund balances	(76,182)	(6,363)	(82,545)
Beginning fund balances	247,618	4,113	251,731
Ending fund balances (deficit)	<u>\$171,436</u>	<u>(\$2,250)</u>	<u>\$169,186</u>

**CITY OF SPRINGDALE, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2005**

	Street Construction, Maintenance and Repair Fund	State Highway Fund	Grants Fund	Drug Law Enforcement Fund	Law Enforcement Fund
Assets:					
Equity in pooled cash and cash equivalents	\$79,662	\$6,446	\$20,968	\$1,812	\$46,818
Receivable:					
Intergovernmental	<u>248,000</u>	<u>20,100</u>	<u>55,221</u>	<u>0</u>	<u>0</u>
Total assets	<u>\$327,662</u>	<u>\$26,546</u>	<u>\$76,189</u>	<u>\$1,812</u>	<u>\$46,818</u>
Liabilities:					
Accounts payable	\$2,211	\$0	\$1,252	\$0	\$0
Accrued wages and benefits payable	6,039	0	0	0	0
Interfund loans payable	0	0	45,168	0	0
Deferred revenue	<u>213,628</u>	<u>17,314</u>	<u>57,502</u>	<u>0</u>	<u>0</u>
Total liabilities	<u>221,878</u>	<u>17,314</u>	<u>103,922</u>	<u>0</u>	<u>0</u>
Fund balances:					
Reserved for encumbrances	0	0	230	0	
Unreserved - undesignated, reported in:					
Special revenue funds	<u>105,784</u>	<u>9,232</u>	<u>(27,963)</u>	<u>1,812</u>	<u>46,818</u>
Total fund balances (deficit)	<u>105,784</u>	<u>9,232</u>	<u>(27,733)</u>	<u>1,812</u>	<u>46,818</u>
Total liabilities and fund balances	<u>\$327,662</u>	<u>\$26,546</u>	<u>\$76,189</u>	<u>\$1,812</u>	<u>\$46,818</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
\$8,363	\$18,228	\$1,399	\$4,531	\$4,197	\$192,424
0	6,938	0	0	0	330,259
<u>\$8,363</u>	<u>\$25,166</u>	<u>\$1,399</u>	<u>\$4,531</u>	<u>\$4,197</u>	<u>\$522,683</u>
\$1,195	\$0	\$0	\$0	\$0	\$4,658
0	0	0	0	0	6,039
0	0	0	0	0	45,168
0	6,938	0	0	0	295,382
<u>1,195</u>	<u>6,938</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>351,247</u>
0	0	0	0	0	230
<u>7,168</u>	<u>18,228</u>	<u>1,399</u>	<u>4,531</u>	<u>4,197</u>	<u>171,206</u>
<u>7,168</u>	<u>18,228</u>	<u>1,399</u>	<u>4,531</u>	<u>4,197</u>	<u>171,436</u>
<u>\$8,363</u>	<u>\$25,166</u>	<u>\$1,399</u>	<u>\$4,531</u>	<u>\$4,197</u>	<u>\$522,683</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, 2005

	Street Construction, Maintenance and Repair Fund	State Highway Fund	Grants Fund	Drug Law Enforcement Fund	Law Enforcement Fund
Revenues:					
Intergovernmental	\$432,406	\$35,060	\$62,848	\$0	\$0
Fines and forfeitures	0	0	0	468	46,698
Fees, licenses and permits	0	0	0	0	0
Interest	0	0	0	0	0
Contributions	0	0	0	0	0
Total revenues	432,406	35,060	62,848	468	46,698
Expenditures:					
Current:					
Security of persons and property	0	0	103,089	0	0
Public health services	0	0	1,430	0	0
Leisure time activities	0	0	0	0	0
Community environment	0	0	0	0	0
Transportation	410,446	37,229	32,017	0	0
Capital outlay	0	0	61,967	0	0
Total expenditures	410,446	37,229	198,503	0	0
Excess (deficiency) of revenues over expenditures	21,960	(2,169)	(135,655)	468	46,698
Other financing sources:					
Transfers-in	0	0	0	0	0
Total other financing sources	0	0	0	0	0
Net change in fund balances	21,960	(2,169)	(135,655)	468	46,698
Beginning fund balances	83,824	11,401	107,922	1,344	120
Ending fund balances (deficit)	<u>\$105,784</u>	<u>\$9,232</u>	<u>(\$27,733)</u>	<u>\$1,812</u>	<u>\$46,818</u>

Driving Under the Influence Fund	Residential Recycling Fund	Vehicle Immobilization Fee Fund	Parks and Urban Forestry Fund	Adult Sports Fund	Total Nonmajor Special Revenue Funds
\$0	\$12,488	\$300	\$0	\$0	\$543,102
3,147	0	0	0	0	50,313
0	0	0	0	9,596	9,596
0	0	0	97	0	97
0	0	0	3,250	0	3,250
<u>3,147</u>	<u>12,488</u>	<u>300</u>	<u>3,347</u>	<u>9,596</u>	<u>606,358</u>
2,152	0	0	0	0	105,241
0	0	0	0	0	1,430
0	0	0	0	9,915	9,915
0	74,295	0	10,000	0	84,295
0	0	0	0	0	479,692
0	0	0	0	0	61,967
<u>2,152</u>	<u>74,295</u>	<u>0</u>	<u>10,000</u>	<u>9,915</u>	<u>742,540</u>
<u>995</u>	<u>(61,807)</u>	<u>300</u>	<u>(6,653)</u>	<u>(319)</u>	<u>(136,182)</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>
995	(1,807)	300	(6,653)	(319)	(76,182)
<u>6,173</u>	<u>20,035</u>	<u>1,099</u>	<u>11,184</u>	<u>4,516</u>	<u>247,618</u>
<u>\$7,168</u>	<u>\$18,228</u>	<u>\$1,399</u>	<u>\$4,531</u>	<u>\$4,197</u>	<u>\$171,436</u>

**CITY OF SPRINGDALE, OHIO
BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUND
DECEMBER 31, 2005**

	Tri-County Mall TIF Fund	Total Nonmajor Capital Projects Fund
Liabilities:		
Interfund loan payable	\$2,250	\$2,250
Total liabilities	2,250	2,250
Fund balance:		
Unreserved - undesignated	(2,250)	(2,250)
Total fund deficit	(2,250)	(2,250)
Total liabilities and fund balance	\$0	\$0

**CITY OF SPRINGDALE, OHIO
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005**

	Tri-County Mall TIF Fund	Community Center Debt Fund	Total Capital Projects Funds
Expenditures:			
Current:			
General government	\$2,250	\$0	\$2,250
Debt service:			
Principal retirement	0	400,000	400,000
Interest and fiscal charges	0	176,400	176,400
Total expenditures	<u>2,250</u>	<u>576,400</u>	<u>578,650</u>
Deficiency of revenues over expenditures	<u>(2,250)</u>	<u>(576,400)</u>	<u>(578,650)</u>
Other financing sources:			
Transfers-in	<u>0</u>	<u>572,287</u>	<u>572,287</u>
Total other financing sources	<u>0</u>	<u>572,287</u>	<u>572,287</u>
Net change in fund balance	(2,250)	(4,113)	(6,363)
Beginning fund balance	<u>0</u>	<u>4,113</u>	<u>4,113</u>
Ending fund balances (deficit)	<u><u>(\$2,250)</u></u>	<u><u>\$0</u></u>	<u><u>(\$2,250)</u></u>

SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUND

An agency fund is used to account for assets held by the City in the capacity of an agent for individuals, private organizations, other governmental units, and or other funds. The City had the following agency fund at year-end 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, 2005**

OHIO BOARD OF BUILDING STANDARDS ASSESSMENT FUND

	Balance 1-1-05	Additions	Deductions	Balance 12-31-05
Assets:				
Equity in pooled cash and cash equivalents	\$62	\$2,488	(\$2,360)	\$190
Total assets	\$62	\$2,488	(\$2,360)	\$190
Liabilities:				
OBBS assessment payable	\$62	\$2,488	(\$2,360)	\$190
Total liabilities	\$62	\$2,488	(\$2,360)	\$190

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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 BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2005

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Municipal income taxes	\$13,700,000	\$14,300,000	\$14,239,849	(\$60,151)
Property and other taxes	1,756,389	1,756,389	1,689,182	(67,207)
Intergovernmental	1,230,171	1,925,171	1,875,945	(49,226)
Charges for services	265,900	265,900	331,076	65,176
Fines and forfeitures	206,500	206,500	218,865	12,365
Fees, licenses and permits	342,300	342,300	387,778	45,478
Interest	45,100	145,100	173,518	28,418
Contributions	850	850	2,250	1,400
Other	193,110	248,110	228,402	(19,708)
Total revenues	17,740,320	19,190,320	19,146,865	(43,455)
Expenditures:				
Police department	4,547,994	4,547,993	4,516,057	31,936
Fire department	2,881,517	2,706,517	2,661,972	44,545
Health department	254,612	274,612	266,521	8,091
Parks and recreation department	1,606,317	1,606,317	1,574,163	32,154
Building department	842,707	846,707	830,634	16,073
Public works department	1,074,026	1,064,026	999,955	64,071
Finance department	291,754	300,754	294,567	6,187
Tax department	706,764	686,765	675,522	11,243
Administration department	3,333,766	3,425,367	3,336,087	89,280
Total expenditures	15,539,457	15,459,058	15,155,478	303,580
Excess of revenues over expenditures	2,200,863	3,731,262	3,991,387	260,125
Other financing sources (uses):				
Transfers-in	2,894	2,894	2,894	0
Transfers-out	(3,095,504)	(3,978,485)	(3,978,485)	0
Advances-In	419,014	419,014	419,014	0
Advances-Out	0	(797,418)	(797,418)	0
Total other financing sources (uses)	(2,673,596)	(4,353,995)	(4,353,995)	0
Net change in fund balance	(472,733)	(622,733)	(362,608)	260,125
Beginning fund balance	3,092,783	3,092,783	3,092,783	0
Prior years encumbrances	154,159	154,159	154,159	0
Ending fund balance	\$2,774,209	\$2,624,209	\$2,884,334	\$260,125

**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, 2005**

	Capital Improvements Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$7,736,258	\$5,447,052	\$4,247,277	(\$1,199,775)
Expenditures	10,376,953	11,176,953	9,971,626	1,205,327
Excess (deficiency) of revenues over expenditures	(2,640,695)	(5,729,901)	(5,724,349)	5,552
Other financing sources (uses):				
Proceeds from the sale of notes	0	1,254,225	1,254,225	0
Transfers-in	2,461,217	3,346,198	3,346,198	0
Advances-in	0	750,000	750,000	0
Advances-out	(412,500)	(412,500)	(412,500)	0
Total other financing sources (uses)	2,048,717	4,937,923	4,937,923	0
Net change in fund balance	(591,978)	(791,978)	(786,426)	5,552
Beginning fund balance	301,257	301,257	301,257	0
Prior year encumbrances	591,977	591,977	591,977	0
Ending fund balance	<u>\$301,256</u>	<u>\$101,256</u>	<u>\$106,808</u>	<u>\$5,552</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, 2005**

	Northwest Business District TIF Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$850,457	\$850,457	\$1,017,472	\$167,015
Expenditures	11,121,106	345,874	334,771	11,103
Excess (deficiency) of revenues over expenditures	(10,270,649)	504,583	682,701	178,118
Other financing sources:				
Proceeds from the sale of notes	10,000,000	0	0	0
Total other financing sources	10,000,000	0	0	0
Net change in fund balance	(270,649)	504,583	682,701	178,118
Beginning fund balance	1,082,632	1,082,632	1,082,632	0
Ending fund balance	\$811,983	\$1,587,215	\$1,765,333	\$178,118

**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, 2005**

	Street Construction, Maintenance and Repair Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$380,000	\$430,000	\$430,721	\$721
Expenditures	380,000	410,000	408,808	1,192
Net change in fund balance	0	20,000	21,913	1,913
Beginning fund balance	57,749	57,749	57,749	0
Ending fund balance	\$57,749	\$77,749	\$79,662	\$1,913

**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, 2005**

	State Highway Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$31,000	\$35,000	\$34,924	(\$76)
Expenditures	31,000	37,500	37,229	271
Net change in fund balance	0	(2,500)	(2,305)	195
Beginning fund balance	8,751	8,751	8,751	0
Ending fund balance	<u>\$8,751</u>	<u>\$6,251</u>	<u>\$6,446</u>	<u>\$195</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, 2005

	Grants Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$27,300	\$63,132	\$62,848	(\$284)
Expenditures	127,723	202,723	198,481	4,242
Excess (deficiency) of revenues over expenditures	(100,423)	(139,591)	(135,633)	3,958
Other financing sources (uses):				
Advances-in	0	45,168	45,168	0
Advances-out	(6,514)	(6,514)	(6,514)	0
Total other financing sources (uses)	(6,514)	38,654	38,654	0
Net change in fund balance	(106,937)	(100,937)	(96,979)	3,958
Beginning fund balance	17,293	17,293	17,293	0
Prior year encumbrances	100,424	100,424	100,424	0
Ending fund balance	<u>\$10,780</u>	<u>\$16,780</u>	<u>\$20,738</u>	<u>\$3,958</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, 2005

	Drug Law Enforcement Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$400	\$400	\$468	\$68
Expenditures	200	200	0	200
Net change in fund balance	200	200	468	268
Beginning fund balance	1,344	1,344	1,344	0
Ending fund balance	\$1,544	\$1,544	\$1,812	\$268

**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, 2005**

	<u>Law Enforcement Fund</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues	\$0	\$0	\$46,698	\$46,698
Expenditures	<u>100</u>	<u>100</u>	<u>0</u>	<u>100</u>
Net change in fund balance	(100)	(100)	46,698	46,798
Beginning fund balance	<u>120</u>	<u>120</u>	<u>120</u>	<u>0</u>
Ending fund balance	<u><u>\$20</u></u>	<u><u>\$20</u></u>	<u><u>\$46,818</u></u>	<u><u>\$46,798</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, 2005**

	Driving Under the Influence Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$2,000	\$3,100	\$3,147	\$47
Expenditures	100	1,000	957	43
Net change in fund balance	1,900	2,100	2,190	90
Beginning fund balance	6,173	6,173	6,173	0
Ending fund balance	\$8,073	\$8,273	\$8,363	\$90

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, 2005

	<u>Residential Recycling Incentive Fund</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues	\$12,000	\$12,000	\$12,488	\$488
Expenditures	74,000	81,000	80,012	988
Excess (deficiency) of revenues over expenditures	<u>(62,000)</u>	<u>(69,000)</u>	<u>(67,524)</u>	<u>1,476</u>
Other financing sources:				
Transfers-in	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>0</u>
Total other financing sources	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>0</u>
Net change in fund balance	(2,000)	(9,000)	(7,524)	1,476
Beginning fund balance	<u>25,753</u>	<u>25,753</u>	<u>25,753</u>	<u>0</u>
Ending fund balance	<u><u>\$23,753</u></u>	<u><u>\$16,753</u></u>	<u><u>\$18,229</u></u>	<u><u>\$1,476</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, 2005**

	Vehicle Immobilization Fee Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$300	\$300	\$300	\$0
Expenditures	100	100	0	100
Net change in fund balance	200	200	300	100
Beginning fund balance	1,099	1,099	1,099	0
Ending fund balance	\$1,299	\$1,299	\$1,399	\$100

**CITY OF SPRINGDALE, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED DECEMBER 31, 2005**

	Parks and Urban Forestry Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$220	\$3,470	\$3,347	(\$123)
Expenditures	10,000	10,000	10,000	0
Net change in fund balance	(9,780)	(6,530)	(6,653)	(123)
Beginning fund balance	11,184	11,184	11,184	0
Ending fund balance	\$1,404	\$4,654	\$4,531	(\$123)

**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, 2005**

	<u>Adult Sports Fund</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues	\$9,500	\$9,500	\$9,596	\$96
Expenditures	<u>12,100</u>	<u>12,100</u>	<u>9,915</u>	<u>2,185</u>
Net change in fund balance	(2,600)	(2,600)	(319)	2,281
Beginning fund balance	<u>4,115</u>	<u>4,115</u>	<u>4,115</u>	<u>0</u>
Ending fund balance	<u><u>\$1,515</u></u>	<u><u>\$1,515</u></u>	<u><u>\$3,796</u></u>	<u><u>\$2,281</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, 2005

	Tri-County Mall TIF Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Expenditures	\$0	\$2,250	\$2,250	\$0
Deficiency of revenues over expenditures	0	(2,250)	(2,250)	0
Other financing sources:				
Advances-in	0	2,250	2,250	0
Total other financing sources	0	2,250	2,250	0
Net change in fund balance	0	0	0	0
Beginning fund balance	0	0	0	0
Ending fund balance	\$0	\$0	\$0	\$0

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, 2005

	<u>Community Center Debt Fund</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Expenditures	\$576,400	\$576,400	\$576,400	\$0
Deficiency of revenues over expenditures	(576,400)	(576,400)	(576,400)	0
Other financing sources:				
Transfers-in	574,287	572,287	572,287	0
Total other financing sources	574,287	572,287	572,287	0
Net change in fund balance	(2,113)	(4,113)	(4,113)	0
Beginning fund balance	4,113	4,113	4,113	0
Ending fund balance	<u>\$2,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</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
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
2005	7,062,612	264,326	1,390,308	850,070	0	1,349,958	3,775,648	470,409	43,267	15,206,598

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	Inter -										Total
	Municipal Income Taxes	Property and Other Taxes	Inter - governmental Revenues	Charges for Services	Fines and Forfeitures	Fees, Licenses and Permits	Interest	Contrib - utions	Other		
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	
2005	14,566,459	1,685,775	2,628,525	323,797	274,318	419,479	173,615	5,500	148,477	20,225,945	

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

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

Tax Year/ Collection Year	Current Levy	Delinquent Levy	Total Tax Levy	Current Tax Levy Collections	Percent of Current Tax Levy Collected	Delinquent Tax Levy Collections	Total Tax Collections	Ratio of		
								Total Tax Collections to Total Tax Levy	Delinquent Taxes to Total Tax Levy	
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%
2004/2005	1,536,064	332,387	1,868,451	1,476,075	96.09%	58,350	1,534,425	82.12%	329,068	17.61%

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	
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%
2004/2005	397,960,080	1,137,028,800	8,239,230	8,239,230	88,825,590	355,302,360	495,024,900	1,500,570,390	32.99%

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
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
2004/2005	3.08	21.06	49.03	78.03	2.70

Source: Hamilton County, Ohio: County Auditor.

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

<u>Tax Year/ Collection Year</u>	<u>Amount Billed</u>	<u>Amount Collected</u>	<u>Percent Collected</u>
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%
2004/2005	2,085	1,832	87.87%

Source: Hamilton County Auditor.

NA - Not available from the Hamilton County Auditor.

**CITY OF SPRINGDALE, OHIO
 COMPUTATION OF LEGAL DEBT MARGIN
 DECEMBER 31, 2005**

Assessed Value of Taxable Property (A)		<u>\$495,024,900</u>
3.5% of Assessed Value		\$17,325,872
Total Debt Outstanding Subject to the 3.5% Limitation	(1)	<u>6,410,692</u>
Legal 3.5% Debt Margin		<u>\$10,915,180</u>
10% of Assessed Value		\$49,502,490
Total Debt Outstanding Subject to the 10% Limitation	(1)	<u>6,410,692</u>
Legal 10% Debt Margin		<u>\$43,091,798</u>

Source: City of Springdale, Finance Department.

(A) - Obtained from Hamilton County, Ohio: Auditor's Office.

(1) - amount includes bond premium

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		Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
				In General Obligation Bond Retirement Fund (C)	Net General Bonded Debt (C)		
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
2005	10,130	495,024,900	5,160,692	0	5,160,692	1.04%	509

(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
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%
2005	620,000	231,183	851,183	15,206,598	5.60%

Source: City of Springdale, Finance Department.

**CITY OF SPRINGDALE, OHIO
 COMPUTATION OF DIRECT AND OVERLAPPING DEBT
 DECEMBER 31, 2005**

	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to City of Springdale</u>	<u>Amount Applicable to City of Springdale</u>
<u>Direct:</u>			
City of Springdale	\$6,390,000	100%	\$6,390,000
<u>Overlapping:</u>			
Hamilton County	111,605,000	2.64%	2,946,372
Princeton City School District	83,430,000	26.26%	21,908,718
Great Oaks Joint Vocational School	4,340,000	2.84%	<u>123,256</u>
Subtotal			<u>24,978,346</u>
Total			<u><u>\$31,368,346</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	
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
2005	1,017,472	158,367	859,105	47,268	190,930	238,198	3.61

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)
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%
2005	10,130	40,287	862	5.70%

(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	
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
2005	375	4,854,928	307	27,131,533	144,600,565

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

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

**CITY OF SPRINGDALE, OHIO
PRINCIPAL PROPERTY TAXPAYERS
DECEMBER 31, 2005**

<u>Taxpayer</u>	<u>2005 Real Property Assessed Valuation (A) (Tax Duplicate)</u>	<u>Percent of Total Assessed Valuation</u>
Thor Gallery at Tri County LLC	\$62,915,900	12.71%
NRFC Cinn Investor LLC	16,611,550	3.36%
Merchant Street 27 LLC	10,650,510	2.15%
Springdale-Kemper Association	7,726,890	1.56%
Kimco 420 Inc.	7,221,200	1.46%
Kir Tri-County 018 LLC	7,180,640	1.45%
Avon Capital Corporation	6,824,550	1.38%
Cincinnati Gas and Electric Co.	5,899,210	1.19%
National Amusements Inc.	5,704,620	1.15%
Lazarus Real Estate Inc.	<u>5,418,040</u>	<u>1.09%</u>
Subtotal	136,153,110	27.50%
All Others	<u>358,871,790</u>	<u>72.50%</u>
Total	<u><u>\$495,024,900</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, 2005**

<u>Employer</u>	<u>Number of Employees (A)</u>
Avon Products, Inc.	1,552
General Electric	1,481
M R Temporary Services, Inc.	1,274
John Morrell and Company	1,013
Adecco USA, Inc.	890
Lifesphere	687
Abercrombie and Fitch Stores Inc.	657
Mercantile Stores Co. Inc.	642
Minute Men Inc.	598
Wal-Mart Associates, Inc.	561

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, 2005**

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	23
Number of Part-time Firefighter/Paramedics	23
Police Protection:	
Number of Stations	1
Number of Full-time Police Officers	35
Number of Part-time Police Officers	6
Sewers:	
Miles of Storm Sewers	13.93
Buildings:	
2005 Permits Issued	682
2005 Valuation of Construction	\$31,986,461
Parks and Recreation:	
Number of Parks	6
Number of Acres	100
Employees:	
Full-Time	118
Part-Time	60
Education: (A)	
Number of Schools	2
Number of Teachers	72
Number of Students	862

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 29, 2006**