

City of Springdale

Hamilton County

Regular Audit

January 1, 2006 Through December 31, 2006

Fiscal Year Audited Under GAGAS: 2006

BALESTRA, HARR & SCHERER, CPAs, Inc.

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Mary Taylor, CPA
Auditor of State

Honorable Mayor and 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, 2006 through December 31, 2006. 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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

July 16, 2007

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*City of Springdale
Hamilton County*

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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, Ohio (the City), as of and for the year ended December 31, 2006 and have issued our report thereon dated June 20, 2007, wherein we noted the City implemented GASB Statements No. 44, 46 and 47. 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 the Comptroller General of the United States' *Governmental Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control over financial reporting. We consider the deficiency described in the accompanying schedule of findings and responses as item number 2006-001 to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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 *Government Auditing Standards*

Page 2

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiency described above is not a material weakness.

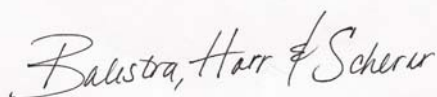
Compliance and Other Matters

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 management of the City in a separate letter dated June 20, 2007.

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did audit the City's response and, accordingly, we express no opinion on it.

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



Balestra, Harr & Scherer, CPAs, Inc.

June 20, 2007

CITY OF SPRINGDALE
HAMILTON COUNTY

SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended December 31, 2006

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

Finding Number 2006-001

Capital Asset Policy

The City does not have a comprehensive capital assets policies and procedures manual to assist in defining items to be capitalized and depreciated. The lack of a comprehensive capital assets policies and procedures manual can result in errors or irregularities occurring and not being detected in a timely manner.

In order to address the items mentioned above, the City should implement the following procedures:

- Develop a comprehensive capital assets policies and procedures manual which, encompasses all types of capital assets, including land, land improvements, buildings, infrastructure, machinery and equipment, and any other capital assets. This manual needs to address capitalization areas such as dollar amounts over which items will be capitalized, potential capitalization or large batch purchases of capital assets under the dollar threshold, estimated useful lives for various types of capital assets, defining which networks of infrastructure will and will not be reported and how much information should be maintained for these items, incorporation of infrastructure capital assets for governmental activities into the capital asset management system, and other pertinent areas. Procedures for the disposal of capital assets should also be addressed.
- Reconcile the detailed capital asset report with the capital asset amounts report in the financial statements and make appropriate corrections and adjustments to the City's capital asset records. Maintain a detailed file documenting differences noted, how items were corrected, and explanations regarding all changes made to the City's capital asset system.
- Provide or obtain appropriate training for all City personnel who will be involved in capital asset accounting and reporting.

Response

The City recognizes the importance of a written capital asset policy, which describe the policies and procedures for capital asset inclusion on the year-end financial statements. The City feels the capital assets, which are reported at year-end 2006, are in accordance with governmental standards of reporting. What the City needs to prepare is a written policy to back up the procedures that have been used to prepare the capital asset figures in the financial statements. It is the City's intent to comply with the recommendation as outlined in a timely manner.

City of Springdale, Ohio



**Comprehensive Annual Financial Report
For the Year Ended December 31, 2006**



On The Cover

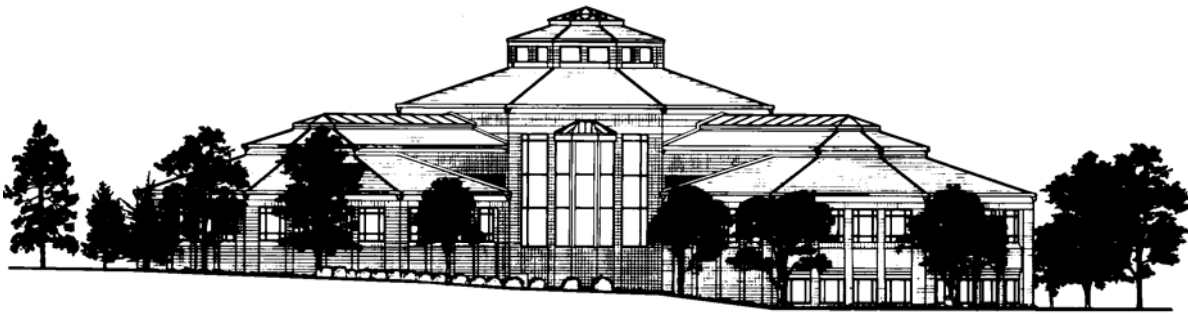
From August through September of 2006, the City of Springdale celebrated its bicentennial as a community. The bicentennial celebration began with a parade that coincided with the 200th anniversary of the official platting by John Baldwin on August 23, 1806.

Following the parade throughout August and September featured a variety of family-oriented events, including:

- * Christian recording artist Jim Cole performed at the Community Center Amphitheater,
- * Ice cream social and antique car and bicycle display, along with a skateboarding demo, and big band concert,
- * Frame USA art show,
- * Springdale Business and Community Expo,
- * Quilt show and judged flower show,
- * Bicentennial golf outing,
- * Dedication of the newly constructed Springdale Elementary School,
- * The Taste of Springdale Celebration included a hot air balloon demonstration, a performance from the Cincinnati Civic Orchestra, and a fireworks display from Rozzi's Famous Fireworks.

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CITY OF SPRINGDALE, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2006



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, 2006**

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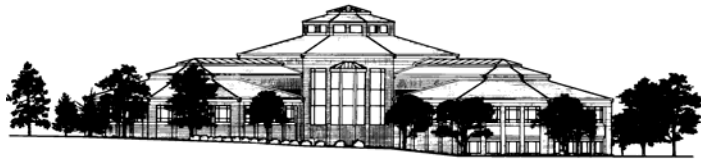
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INTRODUCTORY SECTION



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 20, 2007

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, 2006, 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 2006:

- * Community Traffic Safety Award, Platinum Level, awarded by the AAA Association,
- * Tree-City USA Award (the City has received this award for the past fourteen years),
- * Excellence in Salt Storage Award, awarded by the Salt Institute of America,
- * Honorable mention in the Ohio Parks and Recreation Association Awards for Excellence, 2006, in Senior Programs and Events Ages 55 and Over for the “Senior Celebration Days” activities, and
- * Parks and Recreation department was recognized as a “Most Effective Departmental Risk Management Program” by the Miami Valley Risk Management Association (the department has received this award in four of the five past years).

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 2900 businesses and organizations. Currently, 21 businesses located in Springdale employ greater than 300 employees (based on W-2's received for 2006). Springdale also has approximately 90 restaurants and 18 theatre screens. The 2006 unemployment rate for the Greater Cincinnati area was 5%.

Tri-County Mall and over ten other shopping centers and retail establishments, 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%. In 2006, the vacancy rate has remained 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, 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,
- * Retenancing 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 2006

- * *State Route 747/CSX Grade Separation Project:* While not 100% complete, in October of 2006 this project was completed to the point where traffic was open to the public 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 began in 2004 and is scheduled to be completed in 2007. Expenditures for construction in 2006 were \$1,685,912. As of December 31, 2006, accumulative expenditures for construction are \$10,202,509.
- * *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 was substantially completed in 2006. The budget for this project was initially \$857,000. As of December 31, 2006, accumulative expenditures for construction were \$889,903.
- * *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 approximately \$5.6 million. As of December 31, 2006, accumulative expenditures for construction were \$2,661,068 million.
- * *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 2007.
- * *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 Springdale Town Center was completed in early 2007 and is approximately 46,000 square feet and includes restaurants and retail and service shops.

Future Projects

- * *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 in total at \$1,450,000. The City of Springdale share of this project 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 2006, 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 - 2005

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, 2005. This was the sixth 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, 2006. 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, 2006 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.

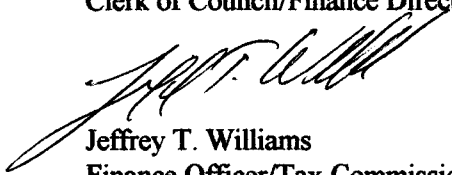
Respectfully submitted,



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, 2006**

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

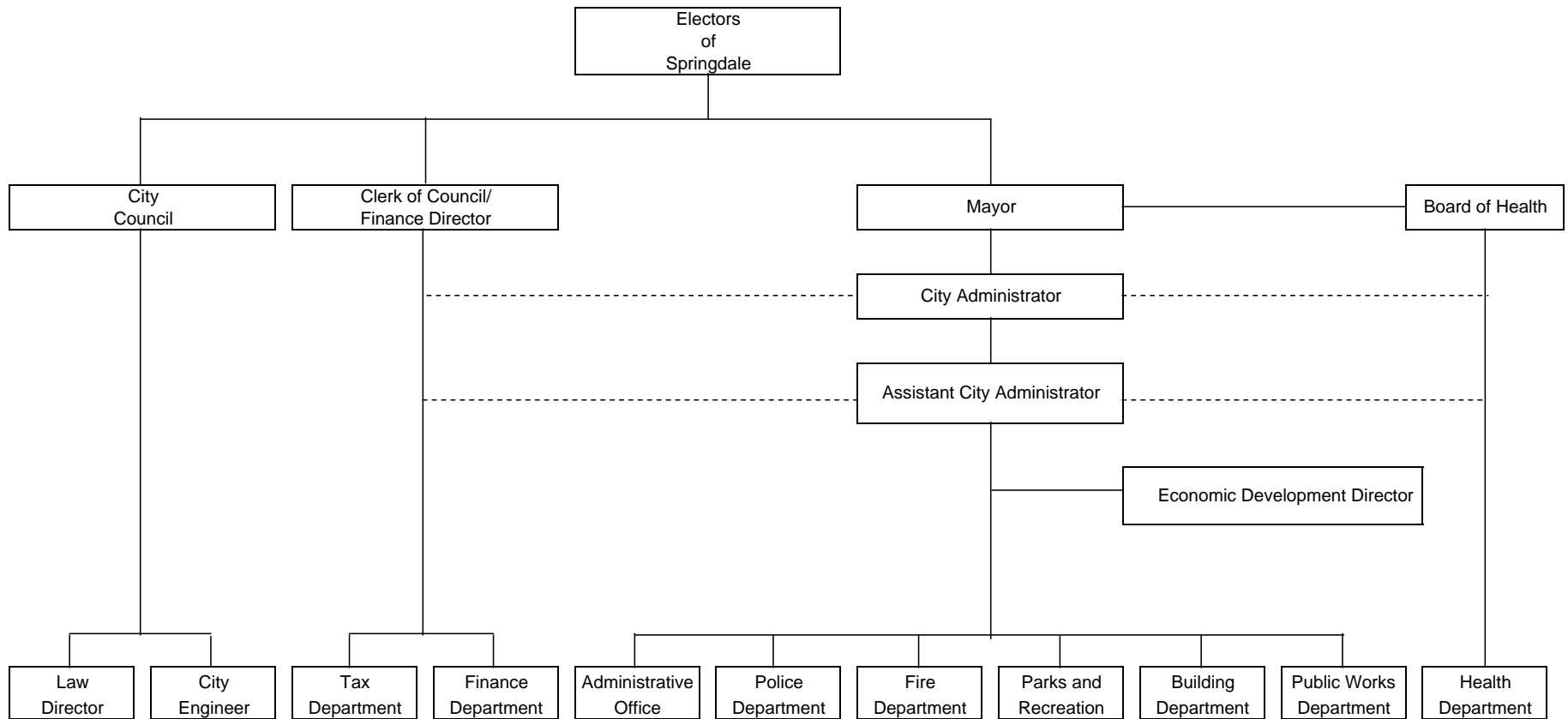
Cecil W. Osborn, City Administrator
Derrick Parham, Assistant City Administrator
Jeff Tulloch, Economic Development Director

David Butsch, Superintendent of Public Works	Kenneth J. Schneider, Law Director
Greg Karle, Parks and Recreation Director	Don Shvezgda, City Engineer
Michael Laage, Chief of Police	Mark Piepmeier, 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 Travelers Casualty and Surety Company of America for the amount of \$25,000. 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, 2005

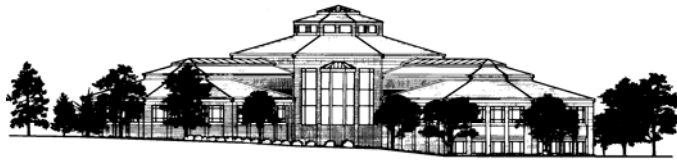
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

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FINANCIAL SECTION

BALESTRA, HARR & SCHERER, CPAs, INC.

528 South West Street, P.O. Box 687

Piketon, Ohio 45661

Telephone (740) 289-4131

Fax (740) 289-3639

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, Ohio, (the City) as of and for the year ended December 31, 2006, 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 the *Governmental 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 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, 2006, and the respective changes in financial position, 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 20, 2007, 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.

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 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'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, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 44, *Economic Condition Reporting: The Statistical Section*, GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation*, and GASB Statement No. 47, *Accounting for Termination Benefits*.



Balestra, Harr & Scherer, CPAs, Inc.
June 20, 2007

**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006**

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, 2006. 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 2006 are as follows:

- * The assets of the City exceeded its liabilities at December 31, 2006 by \$44,947,303 (net assets). Of this amount, \$10,137,553 (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 \$4,376,142 which represents a 10.7% increase from 2005.
- * During the year, the City had revenues for governmental activities that were \$4,376,142 greater than expenses.
- * The City's governmental funds reported a combined ending fund balance of \$8,718,755. Of this amount, \$6,057,906 is available for spending (unreserved fund balance) on behalf of its citizens.
- * During 2006, the City reduced long-term general obligation debt by \$626,213.
- * During 2006, 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, 2006**

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 separate 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 fund and the capital improvements 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, 2006**

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 2006 as compared to 2005.

Table 1	Governmental Activities	
	2006	2005
<u>Assets</u>		
Current and other assets	\$17,403,390	\$14,587,135
Capital assets, net (1)	41,895,098	39,553,454
Total assets	<u>59,298,488</u>	<u>54,140,589</u>
<u>Liabilities</u>		
Current and other liabilities	6,319,209	4,869,625
Long-term liabilities:		
Due within one year	729,607	804,299
Due in more than one year	7,302,369	7,895,504
Total liabilities	<u>14,351,185</u>	<u>13,569,428</u>
<u>Net Assets</u>		
Invested in capital assets, net of debt (1)	33,926,252	30,253,167
Restricted	883,498	967,027
Unrestricted	10,137,553	9,350,967
Total net assets	<u>\$44,947,303</u>	<u>\$40,571,161</u>

(1) - A restatement was made that affected capital assets, net and invested in capital assets, net of debt as of year-end 2005. See the footnotes to the basic financial statements, footnote 8, for further explanation.

Net assets of the City's governmental activities increased \$4,376,142. This is mainly the result of capital asset additions exceeding deletions in 2006 by approximately \$2.3 million, as a result of capital asset construction in progress (CIP) activity. In 2006, the following projects were included as CIP additions (list does not reflect all additions to CIP):

State Route 747/CSX Grade Separation CIP	\$1,729,586
East Kemper Road Improvements, Phase III CIP	2,765,624
State route 747 Road Improvements CIP	340,424
State Route 4 Streetscape, Phase II CIP	464,694

Also, equity in pooled cash and cash equivalents increased approximately \$1.9 million, as a result of an increase in revenue activity.

**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006**

Table 2 provides a summary of the changes in net assets at year-end and revenues and expense for 2006 as compared to 2005.

Table 2	<u>Governmental Activities</u>	
	<u>2006</u>	<u>2005</u>
<u>Revenues</u>		
Program revenues:		
Charges for services	\$1,095,217	\$1,015,425
Operating grants and contributions	52,343	85,553
Capital grants and contributions	6,777,664	4,113,591
Total program revenues	<u>7,925,224</u>	<u>5,214,569</u>
General revenues:		
Municipal income taxes	15,882,753	14,328,990
Property and other taxes	1,627,413	1,719,428
Payments in lieu of taxes	712,138	615,809
Special assessments	39,000	-
Grants and entitlements not restricted	2,020,579	2,668,820
Contributions	52,297	5,500
Investment earnings	549,867	228,536
Other	445,524	317,532
Total general revenues	<u>21,329,571</u>	<u>19,884,615</u>
Total revenues	<u>29,254,795</u>	<u>25,099,184</u>
<u>Program Expenses</u>		
Governmental activities:		
Security of persons and property	7,736,040	7,530,755
Public health services	291,719	271,193
Leisure time activities	1,982,092	1,780,450
Community environment	550,008	898,820
Transportation	4,040,086	2,698,600
General government	9,856,646	4,654,747
Interest and fiscal charges	422,062	435,450
Total expenses	<u>24,878,653</u>	<u>18,270,015</u>
Change in net assets	4,376,142	6,829,169
Beginning net assets - restated (1)	<u>40,571,161</u>	<u>33,741,992</u>
Ending net assets	<u>\$44,947,303</u>	<u>\$40,571,161</u>

(1) - A restatement was made that affected beginning net assets as of year-end 2005. See the footnotes to the basic financial statements, footnote 8, for further explanation.

**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006**

Governmental Activities

2006 governmental activities total revenues increased \$4,155,611 over 2005, and 2006 total expenses increased \$6,608,638 over 2005. The changes in these categories are addressed below:

Revenues

The largest revenue line item, municipal income taxes, showed an increase of approximately \$1.5 million. The total cash basis income tax revenue for 2006 was approximately \$15.6 million. The 2005 total cash basis income tax revenue was approximately \$14.2 million. A cash basis increase of approximately \$1.4 million. The difference between the cash basis activity and the accrual basis are the result of year-end adjustments to convert the cash basis figures to the accrual basis of accounting.

Capital grants and contributions increased approximately \$2.6 million from 2005 to 2006. This is mostly due to approximately \$3.3 million received in 2006 as part of the East Kemper Road Improvements phase III project. These funds were provided up front to the City from Cincinnati Water Works so the City could include that portion of the work into the project contract.

Investment earnings increased \$321,331 from 2005 to 2006 as a result of rising interest rates and increasing cash and investment balances.

Grants and entitlements not restricted decreased approximately \$648,000 from 2005 to 2006. This is mostly due to lower amounts received in 2006 for estate taxes and the homestead and rollback entitlement.

Expenses

The largest increase in the expense function is the general government line item, which showed an increase of approximately \$5.2 million. This is mostly due to the following:

- * In 2006, as part of the TIF phase II bond issue closing (bonds issued by the Port of Greater Cincinnati Development Authority), the surplus funds for phase II (received from service payments) held by the City were expended to the Port Authority. The amount of that transaction was \$2,420,229.
- * In prior years, parcels of commercial property and a parcel of residential property were purchased and held for sale. In 2006 the properties were sold, and as a result a loss on sale was incurred in the amount of \$1,847,662.

The transportation line item increased approximately \$1.3 million from 2005 to 2006. This is mostly due to an overall increase in the cash basis transportation line item activity (public works department) and also from an increase in year-end accruals.

**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006**

Table 3 below shows 2006 percentages of revenues and expenses:

Table 3

	\$	%
<u>Revenues</u>		
Program revenues:		
Charges for services	\$1,095,217	4%
Operating grants and contributions	52,343	-
Capital grants and contributions	<u>6,777,664</u>	<u>24%</u>
Total program revenues	7,925,224	28%
General revenues:		
Municipal income taxes	15,882,753	55%
Property and other taxes	1,627,413	5%
Payments in lieu of taxes	712,138	2%
Special assessments	39,000	-
Grants and entitlements not restricted	2,020,579	7%
Contributions	52,297	-
Investment earnings	549,867	2%
Other	<u>445,524</u>	<u>1%</u>
Total general revenues	<u>21,329,571</u>	<u>72%</u>
Total revenues	<u><u>\$29,254,795</u></u>	<u><u>100%</u></u>
<u>Program Expenses</u>		
Governmental activities:		
Security of persons and property	\$7,736,040	31%
Public health services	291,719	1%
Leisure time activities	1,982,092	8%
Community environment	550,008	2%
Transportation	4,040,086	16%
General government	9,856,646	40%
Interest and fiscal charges	<u>422,062</u>	<u>2%</u>
Total expenses	<u><u>24,878,653</u></u>	<u><u>100%</u></u>

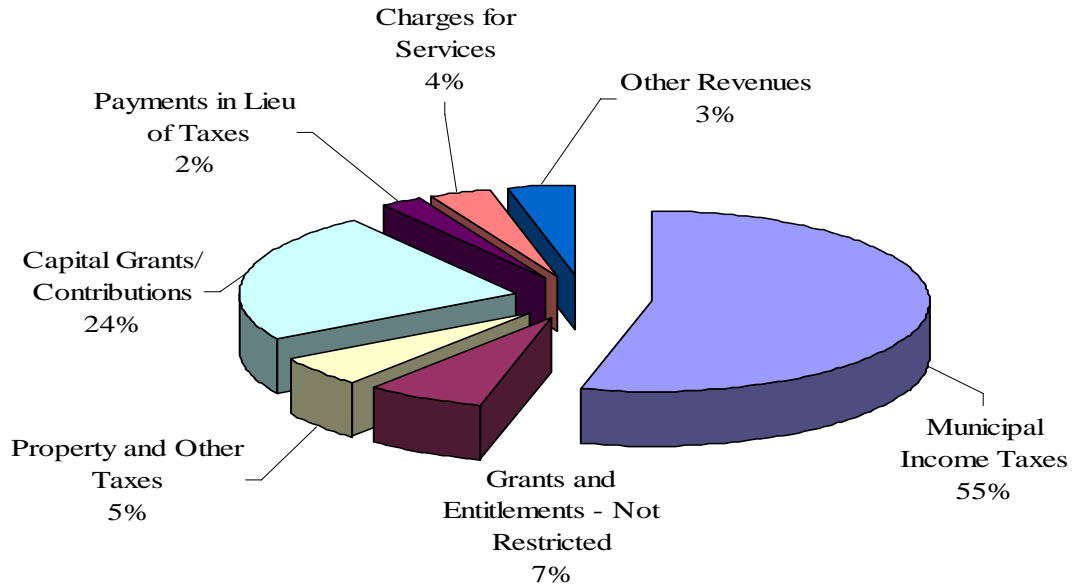
The largest sources of revenue are the municipal income tax, capital grants and contributions, and grants and entitlements not restricted. The municipal income tax is received from business withholdings and net profits returns, resident tax returns, and penalty and interest. Capital grants and contributions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

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

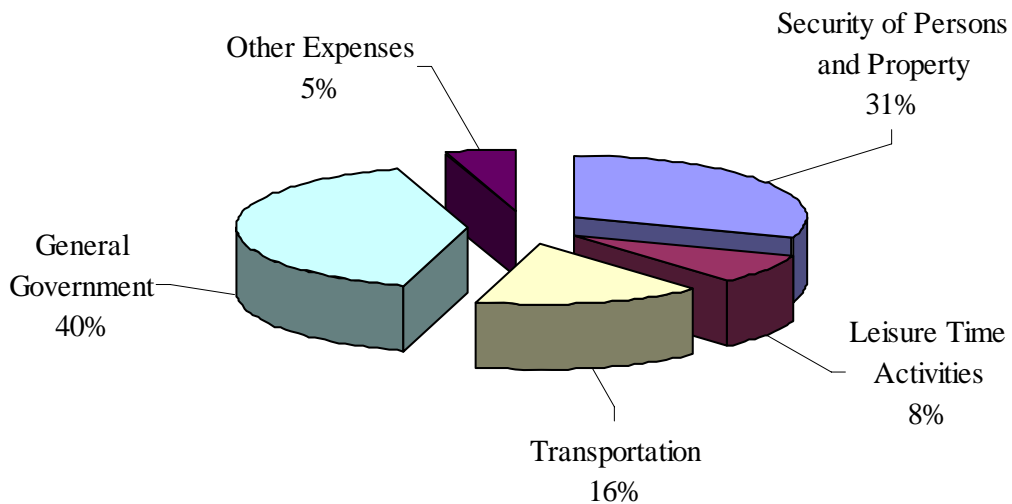
**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006**

Following are charts showing the percentages of revenue and expense for 2006.

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, 2006**

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 2006, the City's governmental funds reported combined ending fund balances of \$8,718,755. Of this amount, \$6,057,906 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 \$29,757,395 and expenditures of \$29,261,166, leaving an excess of revenues over expenditures of \$496,229. Following is an analysis of fund balance for the major funds.

General Fund

At year-end 2006, the total fund balance for the general fund was \$8,104,975, of which \$6,760,794 was unreserved. The general fund is the chief operating fund of the City and its fund balance at year-end 2006 increased approximately \$1.48 million over year-end 2005. This is mainly the result of the increase in municipal income tax revenues.

Capital Improvements Fund

The total fund balance for the capital improvements fund at year-end 2006 was \$288,432, which represents an increase of approximately \$1.9 million over year-end 2005 (at year-end 2005, the capital improvements fund had a fund deficit of \$1,658,152). This is mainly the result of an increase in intergovernmental revenues and proceeds from the sale of assets.

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 2006, one amendment to the City budget was passed by City Council.

For 2006, the original budgeted revenues for the general fund were approximately 19.6 million and the final budgeted revenues were approximately \$21.8 million. The increase is the result of actual municipal income taxes, estate taxes, and interest being higher than originally budgeted. Also, the general fund original budgeted 2006 expenditures were approximately \$20.7 million and the final budgeted expenditures did not change.

**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006**

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 \$125,350,
- * Transfer-out from the general fund to the grants fund was increased \$240,
- * Transfer-out from unclaimed money fund to the general fund decreased \$440,
- * Advances-out from the general fund to the grants fund were increased \$19,020,
- * Advances-out from the general fund to the Tri-County Mall TIF fund were increased \$56,200,
- * Advances-out from the grants fund to the general fund were increased \$16,000.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

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

Table 4	Governmental Activities	
	2006	2005 (1)
Land	\$1,944,739	\$1,944,739
Real estate held for development	624,747	3,536,005
Construction in progress	14,757,098	9,333,549
Building	15,120,529	14,857,612
Improvements other than building	1,295,743	1,352,492
Machinery and equipment	443,016	434,191
Furniture and fixtures	12,997	8,199
Vehicles	1,223,165	1,212,550
Infrastructure:		
Sewers	458,790	446,241
Roads	2,400,104	2,612,404
Traffic control	314,945	338,270
Streetscape	1,328,499	1,327,380
Pedestrian traffic	401,752	446,007
Parks	126,574	131,015
TIF area public improvements	1,442,400	1,572,800
Total capital assets	<u>\$41,895,098</u>	<u>\$39,553,454</u>

(1) - A restatement was made that affected capital assets, net, as of year-end 2005. See the footnotes to the basic financial statements, footnote 8, for further explanation.

The increase in capital assets in 2006 is the direct result of additions to construction in progress. Additional information on the City's capital assets can be found in note 8 to the basic financial statements.

**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006**

Debt

As of December 31, 2006, the City had debt of \$7,981,850 in bonds, notes, loans, and capital leases, with \$699,534 due within one year for bonds, loans, and capital leases and \$625,000 due within a year for notes.

Outstanding Debt at December 31

Table 5

	Governmental Activities	
	2006	2005
General obligation bonds	\$4,534,479	\$5,160,692
General obligation bond Anticipation notes	625,000	1,250,000
TIF revenue bonds	2,773,494	2,823,830
Ohio police and fire pension loan	13,004	13,238
Capital leases	35,873	65,765
Total debt	\$7,981,850	\$9,313,525

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 issued. In 2006 those notes were retired and \$625,000 of notes were 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 2006, the City entered into a lease agreement which was categorized as a capital lease. At year-end 2006 the City has five leases categorized as capital leases. Payments for these leases are made from the general fund.

Under the current City Charter, the City’s 2006 general obligation bonded debt was subject to a legal limitation of \$50,571,155, based on 10.5 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, 2006**

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 as 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 appropriations and estimated revenues 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, 2006**

	<u>Governmental Activities</u>
Assets:	
Equity in pooled cash and cash equivalents	\$7,512,631
Cash with fiscal agent	14,983
Receivables (net):	
Taxes	6,553,204
Payments in lieu of taxes	805,000
Special assessments	39,000
Accounts	191,375
Intergovernmental	1,885,196
Bond issuance costs	164,618
Prepaid items	27,640
Inventory	209,743
Nondepreciable capital assets	17,326,584
Depreciable capital assets, net	<u>24,568,514</u>
 Total assets	 <u>59,298,488</u>
Liabilities:	
Accounts payable	399,105
Contracts payable	2,036,560
Accrued wages and benefits payable	587,175
Accrued workers compensation payable	398,990
Intergovernmental payable	30,222
Accrued interest payable	19,628
Undistributed monies payable	121,896
Unclaimed monies payable	11,475
Claims payable	132,300
Unearned revenue	1,956,858
Bond anticipation notes payable	625,000
Long-term liabilities:	
Due within one year	729,607
Due in more than one year	<u>7,302,369</u>
 Total liabilities	 <u>14,351,185</u>
Net assets:	
Invested in capital assets, net of related debt	33,926,252
Restricted for:	
Capital projects	405,459
Other purposes	478,039
Unrestricted	<u>10,137,553</u>
 Total net assets	 <u><u>\$44,947,303</u></u>

See accompanying notes to the basic financial statements

CITY OF SPRINGDALE, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2006

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental activities:					
Security of persons and property	\$7,736,040	\$624,188	\$21,294	\$0	(\$7,090,558)
Public health services	291,719	54,279	29,049	0	(208,391)
Leisure time activities	1,982,092	204,824	1,000	88,080	(1,688,188)
Community environment	550,008	105,286	0	0	(444,722)
Transportation	4,040,086	6,328	0	6,689,584	2,655,826
General government	9,856,646	100,312	1,000	0	(9,755,334)
Interest and fiscal charges	422,062	0	0	0	(422,062)
Total governmental activities	\$24,878,653	\$1,095,217	\$52,343	\$6,777,664	(16,953,429)
General revenues:					
Municipal income taxes					15,882,753
Property and other taxes					1,627,413
Payments in lieu of taxes					712,138
Special assessments					39,000
Grants and entitlements not restricted to specific programs					2,020,579
Contributions					52,297
Investment earnings					549,867
Other revenues					445,524
Total general revenues					21,329,571
Change in net assets					4,376,142
Net assets - beginning (restated)					40,571,161
Net assets - ending					\$44,947,303

See accompanying notes to the basic financial statements

**CITY OF SPRINGDALE, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2006**

	General Fund	Capital Improvements Fund	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	\$5,001,694	\$1,982,920	\$366,324	\$7,350,938
Cash in segregated account	32,823	0	0	32,823
Cash with fiscal agent	0	14,983	0	14,983
Receivables:				
Taxes	6,553,206	0	0	6,553,206
Payments in lieu of taxes	0	0	805,000	805,000
Special assessments	0	0	39,000	39,000
Accounts	191,375	0	0	191,375
Intergovernmental	548,839	1,080,690	255,667	1,885,196
Interfund loan receivable	4,020	0	0	4,020
Inventory	209,743	0	0	209,743
Prepaid items	27,640	0	0	27,640
Advance to other fund	58,450	0	0	58,450
Restricted assets:				
Funds on deposit for unclaimed monies	11,475	0	0	11,475
Funds on deposit for performance bonds and plan review fees	117,396	0	0	117,396
Total assets	\$12,756,661	\$3,078,593	\$1,465,991	\$17,301,245
Liabilities:				
Accounts payable	\$281,194	\$108,404	\$9,507	\$399,105
Contracts payable	0	2,036,560	0	2,036,560
Accrued wages and benefits payable	580,233	0	6,942	587,175
Compensated absences payable	1,073	0	0	1,073
Accrued workers compensation payable	398,990	0	0	398,990
Accrued interest payable	0	5,534	0	5,534
Intergovernmental payable	28,554	1,668	0	30,222
Interfund loan payable	0	0	4,020	4,020
Undistributed monies payable	121,896	0	0	121,896
Unclaimed monies payable	11,475	0	0	11,475
Claims payable	132,300	0	0	132,300
Advances from other fund	0	0	58,450	58,450
Deferred revenue	3,095,971	12,995	1,061,724	4,170,690
Bond anticipation notes payable	0	625,000	0	625,000
Total liabilities	4,651,686	2,790,161	1,140,643	8,582,490
Fund balances:				
Reserved for encumbrances	124,197	1,304,311	12,357	1,440,865
Reserved for inventory	209,743	0	0	209,743
Reserved for prepaid items	27,640	0	0	27,640
Unreserved, designated:				
Designated for health insurance	72,784	0	0	72,784
Designated for liability insurance	909,817	0	0	909,817
Unreserved, undesignated, reported in:				
General fund	6,760,794	0	0	6,760,794
Special revenue funds	0	0	259,959	259,959
Capital projects funds	0	(1,015,879)	53,032	(962,847)
Total fund balances	8,104,975	288,432	325,348	8,718,755
Total liabilities and fund balances	\$12,756,661	\$3,078,593	\$1,465,991	\$17,301,245

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, 2006**

Total governmental fund balances	\$8,718,755
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.	41,895,098
Some long-term assets, such as bond issuance costs are not available for current-period expenditures and therefore are not reflected in the funds.	164,618
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	2,213,832
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.	(674,056)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(7,356,850)
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>(14,094)</u>
Net assets of governmental activities	<u><u>\$44,947,303</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, 2006

	General Fund	Capital Improvements Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Municipal income taxes	\$16,078,321	\$0	\$0	\$16,078,321
Property and other taxes	1,820,299	0	0	1,820,299
Payments in lieu of taxes	0	0	804,220	804,220
Intergovernmental	1,566,994	6,764,668	617,532	8,949,194
Charges for services	363,065	0	0	363,065
Fines and forfeitures	299,378	0	16,211	315,589
Fees, licenses and permits	441,291	0	9,641	450,932
Interest	488,395	2,618	58,854	549,867
Contributions	32,348	0	3,250	35,598
Other	175,622	8,606	206,082	390,310
Total revenues	21,265,713	6,775,892	1,715,790	29,757,395
Expenditures:				
Current:				
Security of persons and property	7,284,201	22,061	53,748	7,360,010
Public health services	290,266	0	14,413	304,679
Leisure time activities	1,577,505	10,023	10,270	1,597,798
Community environment	474,748	0	75,180	549,928
Transportation	1,011,728	2,065,698	471,589	3,549,015
General government	4,590,144	559,620	2,421,229	7,570,993
Capital outlay	534,788	6,617,954	47,993	7,200,735
Debt service:				
Principal retirement	42,488	220,000	450,335	712,823
Interest and fiscal charges	4,369	56,767	354,049	415,185
Total expenditures	15,810,237	9,552,123	3,898,806	29,261,166
Excess (deficiency) of revenues over expenditures	5,455,476	(2,776,231)	(2,183,016)	496,229
Other financing sources (uses):				
Inception of capital lease	12,362	0	0	12,362
Proceeds from the sale of assets	19,233	1,353,462	0	1,372,695
Transfers-in	0	3,369,353	636,640	4,005,993
Transfers-out	(4,005,993)	0	0	(4,005,993)
Total other financing sources (uses)	(3,974,398)	4,722,815	636,640	1,385,057
Net change in fund balances	1,481,078	1,946,584	(1,546,376)	1,881,286
Beginning fund balances (deficit)	6,623,897	(1,658,152)	1,871,724	6,837,469
Ending fund balances	\$8,104,975	\$288,432	\$325,348	\$8,718,755

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, 2006

Net change in fund balances - total governmental funds	\$1,881,286
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.	5,562,001
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, disposal) is to decrease net assets.	(3,220,357)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(502,598)
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.	712,823
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.	(37,775)
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.	(6,876)
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>(12,362)</u>
Change in net assets of governmental activities	<u><u>\$4,376,142</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, 2006

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Municipal income taxes	\$14,484,000	\$15,984,000	\$15,677,233	(\$306,767)
Property and other taxes	1,765,450	1,765,450	1,812,253	46,803
Intergovernmental	1,217,447	1,601,887	1,692,872	90,985
Charges for services	315,100	315,100	361,921	46,821
Fines and forfeitures	211,500	211,500	290,015	78,515
Fees, licenses and permits	421,450	421,450	513,880	92,430
Interest	201,100	501,100	488,395	(12,705)
Contributions	850	850	20,348	19,498
Other	238,796	238,796	318,014	79,218
Total revenues	<u>18,855,693</u>	<u>21,040,133</u>	<u>21,174,931</u>	<u>134,798</u>
Expenditures:				
Current:				
Security of persons and property	7,540,228	7,375,228	7,302,909	72,319
Public health services	267,560	302,560	298,052	4,508
Leisure time activities	1,743,117	1,648,117	1,590,773	57,344
Community environment	529,926	504,926	494,445	10,481
Transportation	1,220,349	1,095,349	1,049,474	45,875
General government	4,936,643	5,148,833	4,762,625	386,208
Capital outlay	580,921	542,921	548,592	(5,671)
Debt service:				
Principal retirement	39,345	39,345	42,488	(3,143)
Interest	3,321	3,321	4,369	(1,048)
Total expenditures	<u>16,861,410</u>	<u>16,660,600</u>	<u>16,093,727</u>	<u>566,873</u>
Excess of revenues over expenditures	<u>1,994,283</u>	<u>4,379,533</u>	<u>5,081,204</u>	<u>701,671</u>
Other financing sources (uses):				
Proceeds from the sale of assets	0	0	19,233	19,233
Transfers-in	2,180	1,740	1,740	0
Transfers-out	(3,880,403)	(4,005,993)	(4,005,993)	0
Advances-in	794,168	810,168	810,168	0
Advances-out	0	(75,220)	(75,220)	0
Total other financing sources (uses)	<u>(3,084,055)</u>	<u>(3,269,305)</u>	<u>(3,250,072)</u>	<u>19,233</u>
Net change in fund balance	(1,089,772)	1,110,228	1,831,132	720,904
Beginning fund balance	2,884,333	2,884,333	2,884,333	0
Prior year encumbrances	<u>245,641</u>	<u>245,641</u>	<u>245,641</u>	<u>0</u>
Ending fund balance	<u><u>\$2,040,202</u></u>	<u><u>\$4,240,202</u></u>	<u><u>\$4,961,106</u></u>	<u><u>\$720,904</u></u>

See accompanying notes to the basic financial statements

CITY OF SPRINGDALE, OHIO
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUND
DECEMBER 31, 2006

	<u>Agency</u>
Assets:	
Equity in pooled cash and cash equivalents	<u>\$198</u>
Total assets	<u><u>\$198</u></u>
Liabilities:	
Ohio board of building standards assessment (OBBS) payable	<u>\$198</u>
Total liabilities	<u><u>\$198</u></u>

See accompanying notes to the basic financial statements

CITY OF SPRINGDALE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2006

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

CITY OF SPRINGDALE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2006

self-financing or draws from the general revenues of the City. The effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements

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

Fund Accounting

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

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

The City utilizes governmental funds and a fiduciary fund.

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities are accounted for through governmental funds. The City maintains records showing revenues, actual and accrued expenditures and encumbrances to assure legal and accounting compliance and to assure that budgetary authority is not exceeded. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the City's major governmental funds:

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

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

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, 2006

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

Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

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

Basis of Accounting

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

Revenues – Exchange and Non-Exchange Transactions

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

CITY OF SPRINGDALE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2006

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

Under the modified accrual basis of accounting, the following revenue sources are considered to be both measurable and available at year-end: state-levied locally shared taxes (including gasoline tax and motor vehicle license tax), certain reimbursements, pledges, fees, licenses and permits, grants, 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, fees, pledges, transient occupancy tax, payments in lieu of tax, special assessments, 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.

Unearned Revenue

Unearned revenue represents amounts under the accrual basis of accounting for which asset recognition criteria has been met, but for which revenue recognition has not yet been met because such amounts have not yet been earned.

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

CITY OF SPRINGDALE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2006

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.

All funds, other than agency funds, are legally required to be budgeted and appropriated. The City adopts a budget and approves 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 2006, 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.

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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 statement 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	\$1,481,078
Net adjustment for revenue accruals	289,925
Net adjustment for expenditure accruals	215,161
2005 prepaids for 2006	30,593
2006 prepaids for 2007	(27,640)
Encumbrances	(157,985)
Budget basis	\$1,831,132

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 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.

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The City has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 2006. 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, 2006.

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, real estate held for development, 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 2006 was \$549,867. Total interest credited to the general fund during 2006 was \$488,395, which includes \$27,350 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.

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

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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 has reported compensated absences payable in the fund financial statements, general fund.

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. Of the City's \$883,498 restricted net assets, \$0 is restricted for enabling legislation.

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 PRINCIPLES

For the fiscal year 2006, the City implemented GASB Statement No. 44, *Economic Condition Reporting: The Statistical Section*, GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation*, and GASB Statement No. 47, *Accounting for Termination Benefits*.

GASB Statement No. 44 amends the portions of NCGA Statement 1, *Governmental Accounting and Financial Reporting Principles*, that guide the preparation of the statistical section. GASB Statement No. 46 requires that limitations on the use of net assets imposed by enabling legislation be reported as restricted net assets. GASB Statement No. 47 establishes accounting standards for termination benefits.

The application of these new standards did not have a material effect on the financial statements, nor did their implementation require a restatement of prior year balances.

4. FUND DEFICIT

The capital projects, Tri-County Mall tax increment financing fund at December 31, 2006 included a fund deficit of \$46,450. This is 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.

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

- * Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest thereon;
- * 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. Of the bank balance of \$383,446, \$132,578 was covered by federal deposit insurance. The remaining amount, \$250,868 was covered by provided collateral and not subject to custodial credit risk. 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 105 percent of the deposits being secured.

Investments

The City's investments at December 31, 2006, are summarized below:

<u>Investment</u>	<u>Fair Value</u>	<u>Investment Maturities</u>	<u>Concentration of Credit Risk</u>
December 31, 2006:			
Star Ohio	\$110,767	Overnight	1.5%
Repurchase agreement	<u>7,417,045</u>	Overnight	98.5%
Total Investments	<u>\$7,527,812</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.

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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.

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, special assessments, grants, and accounts.

Property taxes

The assessed valuation of property within the City is 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, 2006 was \$3.08 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2006 property tax receipts were based are as follows:

Real Property – 2005 Assessed Valuation	\$433,234,010
Public Utility Tangible Personal Property – 2005 Assessed Valuation	7,980,030
Tangible Personal Property – 2005 Assessed Valuation	89,553,900
Total	<u>\$530,767,940</u>

Property taxes receivable represent real and tangible personal property taxes, public utility property taxes, and outstanding delinquencies, which are measurable as of December 31, 2006. 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, 2005
- Levy date - first half December 31, 2005
- First installment payment due January 31, 2006
- Levy date - second half March 31, 2006
- Second installment payment due June 20, 2006

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 2005 with the results affecting collections beginning in 2006.

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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 2006, 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.

**CITY OF SPRINGDALE, OHIO
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Intergovernmental Receivables

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

Estate tax	\$185,003
Homestead/rollback	25,300
Local government	308,790
Gasoline tax	169,750
License tax	70,164
Grants	1,095,690
Other	30,499
Total	<u>\$1,885,196</u>

7. INTERFUND TRANSACTIONS

Interfund Loans Receivable/Payable

Interfund loan asset and liability balances reflected by fund at December 31, 2006, are as follows:

<u>Interfund Loan Receivable</u>	<u>Interfund Loan Payable</u>	<u>Amount</u>
General fund	Special revenue, grants fund	\$4,020

The special revenue, grants fund is a nonmajor fund. Interfund loans were the result of cash flow needs within the fund.

Advance To/From Other Fund

In 2005, an interfund loan was made from the general fund to the Tri-County Mall tax increment financing fund in the amount of \$2,250. In 2006, an additional \$56,200 was advanced. At the time the advances were made, it was management's intent that the advances be repaid within a year. Based on subsequent information the advances will be repaid when service payments are received to the fund. At year-end 2006, \$58,450 is reported as a long-term advance to/from other fund on the balance sheet.

Transfers In/Transfers Out

In 2006, 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	\$566,400
General fund	Special revenue, residential recycling fund	70,000
General fund	Special revenue, grants fund	240
		<u>636,640</u>
General fund	Capital projects, capital improvements fund	3,369,353
		<u>\$4,005,993</u>

The capital projects, community center debt fund and the special revenue, residential recycling fund and grants 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.

CITY OF SPRINGDALE, OHIO
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8. CAPITAL ASSETS

Capital asset activity for the current year is summarized below:

<u>Governmental Activities</u>	Balance 1/1/06 (Restated)	Additions	Deletions	Balance 12/31/06
Capital assets, not being depreciated:				
Land	\$1,944,739	\$0	\$0	\$1,944,739
Real estate held for development	3,536,005	275,707	(3,186,965)	624,747
Construction in progress	9,333,549	5,423,549	0	14,757,098
Total capital assets not being depreciated	14,814,293	5,699,256	(3,186,965)	17,326,584
Capital assets, being depreciated:				
Buildings	19,022,564	585,892	(108,932)	19,499,524
Improvements other than building	2,301,491	38,691	0	2,340,182
Machinery and equipment	1,142,440	88,883	(28,838)	1,202,485
Furniture and fixtures	13,506	5,700	0	19,206
Vehicles	2,915,929	209,890	(121,694)	3,004,125
Infrastructure	28,369,247	190,263	0	28,559,510
Total capital assets being depreciated	53,765,177	1,119,319	(259,464)	54,625,032
Less accumulated depreciation:				
Buildings	(4,164,952)	(300,576)	86,533	(4,378,995)
Improvements other than building	(948,999)	(95,440)	0	(1,044,439)
Machinery and equipment	(708,249)	(75,149)	23,929	(759,469)
Furniture and fixtures	(5,307)	(902)	0	(6,209)
Vehicles	(1,703,379)	(193,191)	115,610	(1,780,960)
Infrastructure	(21,495,130)	(591,316)	0	(22,086,446)
Total accumulated depreciation	(29,026,016)	(1,256,574)	226,072	(30,056,518)
Total capital assets being depreciated, net	24,739,161	(137,255)	(33,392)	24,568,514
Governmental activities capital assets, net	\$39,553,454	\$5,562,001	(\$3,220,357)	\$41,895,098

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As a result of prior year errors regarding classification and omissions, the balance of capital assets have been restated from prior year. Following is a summary of capital assets by category, which were affected, documenting the beginning balance as previously stated, adjustments noted, and the restated beginning balance.

	Beginning Balance as Previously Stated	Adjustments	Restated Beginning Balance
Capital assets, not being depreciated:			
Land	\$6,649,844	(\$4,705,105)	\$1,944,739
Real property held for development	0	3,536,005	3,536,005
Capital assets, being depreciated:			
Infrastructure	38,369,247	(10,000,000)	28,369,247
Accumulated depreciation:			
Improvements other than building	(950,433)	1,434	(948,999)
Infrastructure	(22,195,130)	700,000	(21,495,130)

The above restatements had the following affect on net assets, as previously stated:

Net assets at 12/31/05	\$51,038,827
Adjustments per above	<u>10,467,666</u>
Net assets at 12/31/05, restated	<u>\$40,571,161</u>

The adjustment to capital assets, not being depreciated, land and real property held for development, was due to recording transactions in prior years as land that should have been recorded to real property held for development.

The adjustment to capital assets, being depreciated, infrastructure, is due to, as part of the Pictoria Island Tax Increment Financing (TIF), phase II project, a public purpose parking garage, which was constructed by the property developers in 2001. In 2003 when the City implemented GASB 34, the garage was included as an infrastructure capital asset, with an estimated value of \$10,000,000. The cost of construction of the garage was bore by the developers, who were to be reimbursed when the TIF phase II bonds were issued. In 2005, it was determined that the Port of Greater Cincinnati Development Authority would issue the TIF phase II bonds. In 2006 the bonds were issued. At closing the Port of Greater Cincinnati Development Authority became the owner of the parcel of property which included the parking garage (previously the parcel was not in the name of the City). Therefore the garage should not have been included on the records of the City. The adjustment to accumulated depreciation, infrastructure is also a result of the above.

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The adjustment to accumulated depreciation, improvements other than building, is the result of an error in the applicable internal system.

In 2006, depreciation expense was charged to governmental functions as follows:

Security of persons and property	\$286,500
Leisure time activities	254,879
Community environment	5,545
Transportation	475,774
General government	233,876
	<u>\$1,256,574</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. A vacation leave liability of \$1,073 has been accrued based on a terminating event that existed at December 31, 2006 that was paid out in the available period.

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.

CITY OF SPRINGDALE, OHIO
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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:

Governmental Activities	Balance 1-1-06	Additions	Deletions	Balance 12-31-06	Amount Due Within A Year
General obligation bonds:					
Community center expansion bonds	\$4,712,552	\$0	(\$401,072)	\$4,311,480	\$401,072
Urban renewal district II bonds	448,140	0	(225,141)	222,999	222,999
Total general obligation bonds	<u>5,160,692</u>	<u>0</u>	<u>(626,213)</u>	<u>4,534,479</u>	<u>624,071</u>
Tax increment financing phase I revenue bonds	2,823,830	0	(50,336)	2,773,494	53,726
Police and fire pension loan	13,238	0	(234)	13,004	224
Capital leases	65,765	12,362	(42,254)	35,873	21,513
Compensated absences	<u>636,278</u>	<u>205,322</u>	<u>(166,474)</u>	<u>675,126</u>	<u>30,073</u>
Total governmental activities	<u>\$8,699,803</u>	<u>\$217,684</u>	<u>(\$885,511)</u>	<u>\$8,031,976</u>	<u>\$729,607</u>

The 1-1-06 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, 2006 for the Community Center Expansion General Obligation Bonds payable is \$4,311,480 and is recorded in the government-wide financial statements.

CITY OF SPRINGDALE, OHIO
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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 program 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, 2006 for the Urban Redevelopment District II General Obligation Bonds payable is \$222,999 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, 2006 for the TIF Revenue Bonds Payable is \$2,773,494 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:

<u>Year-Ending December 31</u>	<u>General Obligation Bonds</u>		<u>TIF Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
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	172,547
2011	401,072	103,800	70,186	168,012
2012-2016	2,005,360	297,800	430,735	760,255
2017-2021	300,759	12,600	601,580	589,409
2022-2026	0	0	840,190	350,799
2027-2029	0	0	592,582	58,320
Total	\$4,534,479	\$969,380	\$2,773,494	\$2,641,364

CITY OF SPRINGDALE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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11. LEASES

During 2006, the City entered into a lease agreement for a health department staff vehicle 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 <u>December 31</u>	
2007	\$23,671
2008	9,874
2009	5,542
2010	355
	<hr/>
Total minimum lease payments	39,442
	<hr/>
Less: amount representing interest	(3,569)
	<hr/>
Present value of minimum lease payments	<u>\$35,873</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. \$91,808 represents the amount of capital assets under capital lease obligation. In 2006, principal of \$42,254 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

In 2004, 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.

Therefore, 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%. As part of the transaction, the City retired \$625,000 of principal.

Therefore, notes in the amount of \$625,000 were issued and dated October 12, 2006. The notes mature October 11, 2007 and bear interest at the rate of 4.25%.

CITY OF SPRINGDALE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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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, 2006 for the Bond Anticipation Notes is \$625,000 and is recorded in the capital improvements fund in the fund financial statements and also recorded in the government-wide financial statements. The following shows the Street Improvement Bond Anticipation Note activity for the period January 1, 2006 to December 31, 2006:

	Balance at 1-1-06	Additions	Retirement	Balance at 12-31-06
Street Improvement Bond Anticipation Notes	\$1,250,000	\$625,000	(\$1,250,000)	\$625,000

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 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) 222-5601 or (800) 222-7377.

CITY OF SPRINGDALE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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The Ohio Revised Code provides statutory authority for member and employer contributions. For 2006, 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 2006 member contribution rates were 9.0% for members in state, local, and public safety classifications. Members in the law enforcement classification, which consists generally of sheriffs, deputy sheriffs, and township police, contributed at a rate of 10.1%.

The 2006 employer contribution rate for state employers was 13.54% of covered payroll. For local government employer units that rate was 13.70% of covered payroll. For both the law enforcement and public safety divisions, the employer contribution rate for 2006 was 16.93%. The City's contributions to OPERS for the years ended December 31, 2006, 2005, and 2004 were \$534,022, \$503,567, and \$475,113, respectively, equal to the required contribution for each year.

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 2006, state employers contributed at a rate of 13.54% of covered payroll, local government employer units contributed at 13.70% of covered payroll, and public safety and law enforcement employer units contributed at 16.93%. The portion of employer contributions for all employers allocated to health care was 4.50%. 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, 2005:

Funding Method - The individual entry age 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, not to exceed a 12% corridor.

Investment Return - The investment assumption rate for 2005 was 6.50%.

CITY OF SPRINGDALE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Active Employee Total Payroll - An annual increase of 4% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. In addition, annual pay increases over and above the 4% 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 .50% to 6% for the next 9 years. In subsequent years (10 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 369,214 active contributing participants as of December 31, 2006. The number of active contributing participants for both plans used in the December 31, 2005, actuarial version was 358,804.

The rates stated above are the actuarially determined contribution requirements for OPERS. The employer contributions actually made by the City in 2006 were \$175,426. The amount of \$11.1 billion represents the actuarial value of OPERS' net assets available for OPEB at December 31, 2005. Based on the actuarial cost method used, the actuarial valuation as of December 31, 2005 reported the actuarially accrued liability and the unfunded actuarially accrued liability for OPEB at \$31.3 billion and \$20.2 billion, respectively.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, is effective on January 1, 2007. OPERS took additional actions to improve the solvency of the Health Care Fund in 2005 by creating a separate investment pool for health care assets. Member and employer contribution rates increased as of January 1, 2006, and January 1, 2007, 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, 2006, 2005, and 2004 were \$871,713, \$815,120, and \$798,697, respectively, or 79% of the required contributions for 2005, 88% of the required contributions for 2004 and 79% of the required contributions for 2003.

CITY OF SPRINGDALE, OHIO
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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 Post-employment 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 2005 and in 2006. In addition, since July 1, 1992 most retirees and survivors were required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The number of participants eligible to receive health care benefits as of December 31, 2005, the date of the last actuarial valuation available, are 13,922 for police and 10,537 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 \$191,154 and \$126,040, respectively.

OP&F's total health care expense for the year ending December 31, 2005, the date of the last actuarial valuation available, was \$108,039,449, which was net of member contributions of \$55,271,881.

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.

CITY OF SPRINGDALE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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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 2006 with the exception of boiler and machinery for which there was a \$5,000 per-occurrence retention limit. Liability had a per-occurrence retention limit of \$2,000,000 in 2006 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.

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, 2006, 126 employees were enrolled in the plan which covers 330 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 then, are 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 claims liability at December 31, 2006 was \$132,300.

CITY OF SPRINGDALE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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The following is a reconciliation of the changes in aggregate liabilities for claims payable for the past two fiscal years:

	<u>2006</u>	<u>2005</u>
Claims payable, beginning of the year	\$56,323	\$116,764
Claims incurred during the year	1,372,202	1,042,535
Payments:		
Attributable to current year	(1,242,160)	(1,042,543)
Attributable to prior years	<u>(54,065)</u>	<u>(60,433)</u>
Claims payable, end of year	<u>\$132,300</u>	<u>\$56,323</u>

16. JOINT VENTURE

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

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

MVRMA 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, 2006, MVRMA purchased the following types of insurance/reinsurance in excess of its self-insurance retention presented in the previous paragraph:

General liability	\$10,000,000 per occurrence
Police professional liability	10,000,000 per occurrence
Automobile liability	10,000,000 per occurrence
Public officials liability	1,000,000 per occurrence and annual aggregate
Employment practices liability	1,000,000 per occurrence and annual aggregate
Boiler and machinery	100,000,000 per occurrence
Property (excluding flood and earthquake)	350,000,000 per occurrence
Property – flood and earthquake	20,000,000 per occurrence and annual aggregate

CITY OF SPRINGDALE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2006

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, 2006. 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 December 31, 2006 are: Beaver creek - 6.97%, Bellbrook - .64%, Blue Ash - 7.12%, Centerville - 1.78%, Englewood - .99%, Indian Hill - 2.96%, Kettering - 14.22%, Maderia - 1.90%, Mason - 6.5%, Miamisburg - 9.25%, Montgomery - 3.49%, Piqua - 3.96%, Sidney - 7.84%, Springdale - 4.89%, Tipp - 2.38%, Troy - 7.81%, Vandalia - 5.30%, West Carolton - 3.98%, Wilmington - 5.50%, Wyoming - 2.52%.

A summary of audited financial information as of December 31, 2005, is presented below:

	Joint Venture
Total assets	<u>\$10,526,113</u>
Total liabilities	\$6,050,268
Total net assets	<u>4,475,845</u>
Total liabilities and net assets	<u>\$10,526,113</u>
Total operating revenues	\$4,097,896
Total operating expenditures	2,278,005
Operating income	<u>1,819,891</u>
Non-operating revenue	<u>210,038</u>
Change in net assets	2,029,929
Beginning net assets	2,445,916
Ending net assets	<u>\$4,475,845</u>

CITY OF SPRINGDALE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2006

17. CONSTRUCTION COMMITMENTS

As of December 31, 2006, the City had the following construction commitments with respect to capital projects:

<u>Project</u>	<u>Original Contract Amount</u>	<u>Amount Paid at 12/31/06</u>	<u>Remaining Construction Commitment</u>
State Route 747/CSX Railroad Grade Separation Project	\$11,176,407	\$10,202,509	\$973,898
East Kemper Road Improvements, Phase III	5,616,427	2,658,061	2,958,366
State Route 4 Streetscape, Phase II	619,868	588,101	31,767
State Route 747 Road Improvements	1,083,838	253,149	830,689
Community Center Remodel	179,482	136,717	42,765

The State Route 747/CSX Railroad Grade Separation Project and the State Route 4 Streetscape Phase II project are administered by the Ohio Department of Transportation (ODOT), except for the City's local obligation. 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 East Kemper Road Improvements, Phase III project and the State Route 747 Road Improvements project are administered by the City through local funds and state and county grants. The City records these transactions as paid and grant reimbursement is obtained as applicable. All payment transactions are encumbered on the City's internal system.

The community center remodel project is administered through local funds and a federal grant administered by Hamilton County. For the grant portion, the City records transactions as the County makes on behalf of payments to the contractor. At year-end 2006, the county had made all payments to the contractor under the grant agreement, therefore only the local obligation was encumbered on the city's internal system.

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.

Northwest Business District Tax Increment Financing (TIF) Fund - To account for the activity regarding the Northwest Business District TIF Project, including the issuance of debt, as well as public improvements.

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, 2006**

	<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	\$242,842	\$123,482	\$366,324
Receivable:			
Payments in lieu of taxes	0	805,000	805,000
Special assessments	0	39,000	39,000
Intergovernmental	<u>255,667</u>	<u>0</u>	<u>255,667</u>
 Total assets	 <u>\$498,509</u>	 <u>\$967,482</u>	 <u>\$1,465,991</u>
 Liabilities:			
Accounts payable	\$9,507	\$0	\$9,507
Accrued wages and benefits payable	6,942	0	6,942
Interfund loan payable	4,020	0	4,020
Advances from other fund	0	58,450	58,450
Deferred revenue	<u>217,724</u>	<u>844,000</u>	<u>1,061,724</u>
 Total liabilities	 <u>238,193</u>	 <u>902,450</u>	 <u>1,140,643</u>
 Fund balances:			
Reserved for encumbrances	357	12,000	12,357
Unreserved, undesignated, reported in:			
Special revenue funds	259,959	0	259,959
Capital projects fund	<u>0</u>	<u>53,032</u>	<u>53,032</u>
 Total fund balances	 <u>260,316</u>	 <u>65,032</u>	 <u>325,348</u>
 Total liabilities and fund balances	 <u>\$498,509</u>	 <u>\$967,482</u>	 <u>\$1,465,991</u>

CITY OF SPRINGDALE, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Payments in lieu of taxes	\$0	\$804,220	\$804,220
Intergovernmental	617,532	0	617,532
Fines and forfeitures	16,211	0	16,211
Fees, licenses and permits	9,641	0	9,641
Interest	0	58,854	58,854
Contributions	3,250	0	3,250
Other	2,000	204,082	206,082
	<u>648,634</u>	<u>1,067,156</u>	<u>1,715,790</u>
Expenditures:			
Current:			
Security of persons and property	53,748	0	53,748
Public health services	14,413	0	14,413
Leisure time activities	10,270	0	10,270
Community environment	75,180	0	75,180
Transportation	471,589	0	471,589
General government	1,000	2,420,229	2,421,229
Capital outlay	3,793	44,200	47,993
Debt service:			
Principal retirement	0	450,335	450,335
Interest and fiscal charges	0	354,049	354,049
	<u>629,993</u>	<u>3,268,813</u>	<u>3,898,806</u>
Excess (deficiency) of revenues over expenditures	<u>18,641</u>	<u>(2,201,657)</u>	<u>(2,183,016)</u>
Other financing sources:			
Transfers-in	<u>70,240</u>	<u>566,400</u>	<u>636,640</u>
Total other financing sources	<u>70,240</u>	<u>566,400</u>	<u>636,640</u>
Net change in fund balances	88,881	(1,635,257)	(1,546,376)
Beginning fund balances	<u>171,435</u>	<u>1,700,289</u>	<u>1,871,724</u>
Ending fund balances	<u><u>\$260,316</u></u>	<u><u>\$65,032</u></u>	<u><u>\$325,348</u></u>

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**CITY OF SPRINGDALE, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2006**

	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	\$110,664	\$11,028	\$27,130	\$2,172	\$40,261
Receivable:					
Intergovernmental	<u>223,153</u>	<u>17,514</u>	<u>9,038</u>	<u>0</u>	<u>0</u>
Total assets	<u><u>\$333,817</u></u>	<u><u>\$28,542</u></u>	<u><u>\$36,168</u></u>	<u><u>\$2,172</u></u>	<u><u>\$40,261</u></u>
Liabilities:					
Accounts payable	\$2,385	\$0	\$1,163	\$0	\$0
Accrued wages and benefits payable	6,942	0	0	0	0
Interfund loan payable	0	0	4,020	0	0
Deferred revenue	<u>185,945</u>	<u>14,498</u>	<u>11,319</u>	<u>0</u>	<u>0</u>
Total liabilities	<u>195,272</u>	<u>14,498</u>	<u>16,502</u>	<u>0</u>	<u>0</u>
Fund balances:					
Reserved for encumbrances	0	0	357	0	0
Unreserved - undesignated, reported in:					
Special revenue funds	<u>138,545</u>	<u>14,044</u>	<u>19,309</u>	<u>2,172</u>	<u>40,261</u>
Total fund balances	<u>138,545</u>	<u>14,044</u>	<u>19,666</u>	<u>2,172</u>	<u>40,261</u>
Total liabilities and fund balances	<u><u>\$333,817</u></u>	<u><u>\$28,542</u></u>	<u><u>\$36,168</u></u>	<u><u>\$2,172</u></u>	<u><u>\$40,261</u></u>

Driving Under the Influence Fund	Residential Recycling Fund	Vehicle Immobilization Fee Fund	Parks and Urban Forestry Fund	Adult Sports Fund	Total Nonmajor Special Revenue Funds
\$6,989	\$30,550	\$1,699	\$7,781	\$4,568	\$242,842
<u>0</u>	<u>5,962</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>255,667</u>
<u>\$6,989</u>	<u>\$36,512</u>	<u>\$1,699</u>	<u>\$7,781</u>	<u>\$4,568</u>	<u>\$498,509</u>
\$0	\$5,959	\$0	\$0	\$0	\$9,507
0	0	0	0	0	6,942
0	0	0	0	0	4,020
<u>0</u>	<u>5,962</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>217,724</u>
<u>0</u>	<u>11,921</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>238,193</u>
0	0	0	0	0	357
<u>6,989</u>	<u>24,591</u>	<u>1,699</u>	<u>7,781</u>	<u>4,568</u>	<u>259,959</u>
<u>6,989</u>	<u>24,591</u>	<u>1,699</u>	<u>7,781</u>	<u>4,568</u>	<u>260,316</u>
<u>\$6,989</u>	<u>\$36,512</u>	<u>\$1,699</u>	<u>\$7,781</u>	<u>\$4,568</u>	<u>\$498,509</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, 2006

	Street Construction, Maintenance and Repair Fund	State Highway Fund	Grants Fund	Drug Law Enforcement Fund	Law Enforcement Fund
Revenues:					
Intergovernmental	\$471,515	\$37,648	\$96,526	\$0	\$0
Fines and forfeitures	0	0	0	360	13,314
Fees, licenses and permits	0	0	0	0	0
Contributions	0	0	0	0	0
Other	0	0	2,000	0	0
Total revenues	471,515	37,648	98,526	360	13,314
Expenditures:					
Current:					
Security of persons and property	0	0	31,161	0	19,871
Public health services	0	0	14,413	0	0
Leisure time activities	0	0	1,000	0	0
Community environment	0	0	0	0	0
Transportation	438,754	32,835	0	0	0
General government	0	0	1,000	0	0
Capital outlay	0	0	3,793	0	0
Total expenditures	438,754	32,835	51,367	0	19,871
Excess (deficiency) of revenues over expenditures	32,761	4,813	47,159	360	(6,557)
Other financing sources:					
Transfers-in	0	0	240	0	0
Total other financing sources	0	0	240	0	0
Net change in fund balances	32,761	4,813	47,399	360	(6,557)
Beginning fund balances (deficit)	105,784	9,231	(27,733)	1,812	46,818
Ending fund balances	<u>\$138,545</u>	<u>\$14,044</u>	<u>\$19,666</u>	<u>\$2,172</u>	<u>\$40,261</u>

Driving Under the Influence Fund	Residential Recycling Fund	Vehicle Immobilization Fee Fund	Parks and Urban Forestry Fund	Adult Sports Fund	Total Nonmajor Special Revenue Funds
\$0	\$11,543	\$300	\$0	\$0	\$617,532
2,537	0	0	0	0	16,211
0	0	0	0	9,641	9,641
0	0	0	3,250	0	3,250
0	0	0	0	0	2,000
<u>2,537</u>	<u>11,543</u>	<u>300</u>	<u>3,250</u>	<u>9,641</u>	<u>648,634</u>
2,716	0	0	0	0	53,748
0	0	0	0	0	14,413
0	0	0	0	9,270	10,270
0	75,180	0	0	0	75,180
0	0	0	0	0	471,589
0	0	0	0	0	1,000
0	0	0	0	0	3,793
<u>2,716</u>	<u>75,180</u>	<u>0</u>	<u>0</u>	<u>9,270</u>	<u>629,993</u>
(179)	(63,637)	300	3,250	371	18,641
<u>0</u>	<u>70,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>70,240</u>
<u>0</u>	<u>70,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>70,240</u>
(179)	6,363	300	3,250	371	88,881
<u>7,168</u>	<u>18,228</u>	<u>1,399</u>	<u>4,531</u>	<u>4,197</u>	<u>171,435</u>
<u>\$6,989</u>	<u>\$24,591</u>	<u>\$1,699</u>	<u>\$7,781</u>	<u>\$4,568</u>	<u>\$260,316</u>

**CITY OF SPRINGDALE, OHIO
BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUND
DECEMBER 31, 2006**

	Tri-County Mall TIF Fund	Northwest Business TIF Fund	Total Nonmajor Capital Projects Fund
Assets:			
Equity in pooled cash and cash equivalents	\$12,000	\$111,482	\$123,482
Receivable:			
Payments in lieu of taxes	0	805,000	805,000
Special assessments	0	39,000	39,000
	<u>\$12,000</u>	<u>\$955,482</u>	<u>\$967,482</u>
Liabilities:			
Advances from other fund	\$58,450	\$0	\$58,450
Deferred revenue	0	844,000	844,000
	<u>58,450</u>	<u>844,000</u>	<u>902,450</u>
Fund balance:			
Reserved for encumbrances	12,000	0	12,000
Unreserved - undesignated, reported in:			
Capital projects funds	(58,450)	111,482	53,032
	<u>(46,450)</u>	<u>111,482</u>	<u>65,032</u>
Total fund balance (deficit)	<u>(46,450)</u>	<u>111,482</u>	<u>65,032</u>
Total liabilities and fund balances	<u>\$12,000</u>	<u>\$955,482</u>	<u>\$967,482</u>

CITY OF SPRINGDALE, OHIO
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006

	Tri-County Mall TIF Fund	Northwest Business TIF Fund	Community Center Debt Fund	Total Capital Projects Funds
Revenues:				
Payments in lieu of taxes	\$0	\$804,220	\$0	\$804,220
Interest	0	58,854	0	58,854
Other	0	204,082	0	204,082
Total revenues	0	1,067,156	0	1,067,156
Expenditures:				
Current:				
General government	0	2,420,229	0	2,420,229
Capital outlay	44,200	0	0	44,200
Debt service:				
Principal retirement	0	50,335	400,000	450,335
Interest and fiscal charges	0	187,649	166,400	354,049
Total expenditures	44,200	2,658,213	566,400	3,268,813
Deficiency of revenues over expenditures	(44,200)	(1,591,057)	(566,400)	(2,201,657)
Other financing sources:				
Transfers-in	0	0	566,400	566,400
Total other financing sources	0	0	566,400	566,400
Net change in fund balance	(44,200)	(1,591,057)	0	(1,635,257)
Beginning fund balances (deficit)	(2,250)	1,702,539	0	1,700,289
Ending fund balances (deficit)	(\$46,450)	\$111,482	\$0	\$65,032

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, 2006

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Municipal income taxes	\$14,484,000	\$15,984,000	\$15,677,233	(\$306,767)
Property and other taxes	1,765,450	1,765,450	1,812,253	46,803
Intergovernmental	1,217,447	1,601,887	1,692,872	90,985
Charges for services	315,100	315,100	361,921	46,821
Fines and forfeitures	211,500	211,500	290,015	78,515
Fees, licenses and permits	421,450	421,450	513,880	92,430
Interest	201,100	501,100	488,395	(12,705)
Contributions	850	850	20,348	19,498
Other	238,796	238,796	318,014	79,218
Total revenues	18,855,693	21,040,133	21,174,931	134,798
Expenditures:				
Police department	4,680,477	4,560,477	4,533,626	26,851
Fire department	3,069,189	3,004,189	2,974,999	29,190
Health department	274,060	309,060	304,278	4,782
Parks and recreation department	1,953,454	1,858,454	1,821,447	37,007
Building department	535,745	505,746	498,537	7,209
Public works department	1,367,342	1,242,342	1,169,809	72,533
Finance department	273,929	268,929	263,844	5,085
Tax department	708,282	713,281	708,828	4,453
Administration department	3,998,932	4,198,122	3,818,359	379,763
Total expenditures	16,861,410	16,660,600	16,093,727	566,873
Excess of revenues over expenditures	1,994,283	4,379,533	5,081,204	701,671
Other financing sources (uses):				
Proceeds from the sale of assets	0	0	19,233	19,233
Transfers-in	2,180	1,740	1,740	0
Transfers-out	(3,880,403)	(4,005,993)	(4,005,993)	0
Advances-In	794,168	810,168	810,168	0
Advances-Out	0	(75,220)	(75,220)	0
Total other financing sources (uses)	(3,084,055)	(3,269,305)	(3,250,072)	19,233
Net change in fund balance	(1,089,772)	1,110,228	1,831,132	720,904
Beginning fund balance	2,884,333	2,884,333	2,884,333	0
Prior years encumbrances	245,641	245,641	245,641	0
Ending fund balance	\$2,040,202	\$4,240,202	\$4,961,106	\$720,904

**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, 2006**

	Capital Improvements Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$6,075,686	\$5,950,336	\$5,996,541	\$46,205
Expenditures	11,105,181	11,105,181	10,796,918	308,263
Excess (deficiency) of revenues over expenditures	(5,029,495)	(5,154,845)	(4,800,377)	354,468
Other financing sources (uses):				
Proceeds from the sale of notes	625,000	625,000	628,606	3,606
Proceeds from the sale of land	1,520,000	1,520,000	1,353,462	(166,538)
Transfers-in	3,244,003	3,369,353	3,369,353	0
Advances-out	(750,000)	(750,000)	(750,000)	0
Total other financing sources (uses)	4,639,003	4,764,353	4,601,421	(162,932)
Net change in fund balance	(390,492)	(390,492)	(198,956)	191,536
Beginning fund balance	106,807	106,807	106,807	0
Prior year encumbrances	290,492	290,492	290,492	0
Ending fund balance	\$6,807	\$6,807	\$198,343	\$191,536

**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, 2006**

	Street Construction, Maintenance and Repair Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$400,000	\$460,000	\$468,679	\$8,679
Expenditures	430,000	438,000	437,676	324
Net change in fund balance	(30,000)	22,000	31,003	9,003
Beginning fund balance	79,662	79,662	79,662	0
Ending fund balance	\$49,662	\$101,662	\$110,665	\$9,003

**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, 2006**

	State Highway Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$33,000	\$33,000	\$37,418	\$4,418
Expenditures	33,000	33,000	32,835	165
Net change in fund balance	0	0	4,583	4,583
Beginning fund balance	6,446	6,446	6,446	0
Ending fund balance	\$6,446	\$6,446	\$11,029	\$4,583

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, 2006

	Grants Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$115,300	\$96,040	\$98,526	\$2,486
Expenditures	75,530	59,530	52,976	6,554
Excess of revenues over expenditures	39,770	36,510	45,550	9,040
Other financing sources (uses):				
Transfer-in	0	240	240	0
Advances-in	0	19,020	19,020	0
Advances-out	(44,168)	(60,168)	(60,168)	0
Total other financing sources (uses)	(44,168)	(40,908)	(40,908)	0
Net change in fund balance	(4,398)	(4,398)	4,642	9,040
Beginning fund balance	20,738	20,738	20,738	0
Prior year encumbrances	230	230	230	0
Ending fund balance	<u>\$16,570</u>	<u>\$16,570</u>	<u>\$25,610</u>	<u>\$9,040</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, 2006

	Drug Law Enforcement Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$400	\$400	\$360	(\$40)
Expenditures	200	200	0	200
Net change in fund balance	200	200	360	160
Beginning fund balance	1,812	1,812	1,812	0
Ending fund balance	\$2,012	\$2,012	\$2,172	\$160

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, 2006

	Law Enforcement Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$100	\$100	\$1,664	\$1,564
Expenditures	100	22,100	19,871	2,229
Excess (deficiency) of revenues over expenditures	0	(22,000)	(18,207)	3,793
Other financing sources (uses):				
Proceeds from the sale of assets	0	13,400	11,650	(1,750)
Total other financing sources (uses)	0	13,400	11,650	(1,750)
Net change in fund balance	0	(8,600)	(6,557)	2,043
Beginning fund balance	46,818	46,818	46,818	0
Ending fund balance	<u>\$46,818</u>	<u>\$38,218</u>	<u>\$40,261</u>	<u>\$2,043</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, 2006**

	Driving Under the Influence Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$2,000	\$2,000	\$2,536	\$536
Expenditures	100	4,000	3,911	89
Net change in fund balance	1,900	(2,000)	(1,375)	625
Beginning fund balance	8,363	8,363	8,363	0
Ending fund balance	\$10,263	\$6,363	\$6,988	\$625

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, 2006

	Residential Recycling Incentive Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$11,500	\$11,500	\$11,542	\$42
Expenditures	74,750	74,750	69,221	5,529
Excess (deficiency) of revenues over expenditures	(63,250)	(63,250)	(57,679)	5,571
Other financing sources:				
Transfers-in	70,000	70,000	70,000	0
Total other financing sources	70,000	70,000	70,000	0
Net change in fund balance	6,750	6,750	12,321	5,571
Beginning fund balance	18,228	18,228	18,228	0
Ending fund balance	<u>\$24,978</u>	<u>\$24,978</u>	<u>\$30,549</u>	<u>\$5,571</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, 2006**

	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	1,399	1,399	1,399	0
Ending fund balance	\$1,599	\$1,599	\$1,699	\$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, 2006**

	Parks and Urban Forestry Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$100	\$3,250	\$3,250	\$0
Expenditures	0	0	0	0
Net change in fund balance	100	3,250	3,250	0
Beginning fund balance	4,531	4,531	4,531	0
Ending fund balance	\$4,631	\$7,781	\$7,781	\$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, 2006**

	Adult Sports Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$12,100	\$12,100	\$9,642	(\$2,458)
Expenditures	12,100	12,100	9,270	2,830
Net change in fund balance	0	0	372	372
Beginning fund balance	4,197	4,197	4,197	0
Ending fund balance	\$4,197	\$4,197	\$4,569	\$372

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, 2006

	Tri-County Mall TIF Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Expenditures	\$0	\$56,200	\$56,200	\$0
Deficiency of revenues over expenditures	0	(56,200)	(56,200)	0
Other financing sources:				
Advances-in	0	56,200	56,200	0
Total other financing sources	0	56,200	56,200	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, 2006**

	Northwest Business District TIF Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$920,699	\$1,070,699	\$1,067,157	(\$3,542)
Expenditures	343,622	2,803,622	2,746,009	57,613
Excess (deficiency) of revenues over expenditures	577,077	(1,732,923)	(1,678,852)	54,071
Net change in fund balance	577,077	(1,732,923)	(1,678,852)	54,071
Beginning fund balance	1,765,333	1,765,333	1,765,333	0
Prior year encumbrances	25,000	25,000	25,000	0
Ending fund balance	\$2,367,410	\$57,410	\$111,481	\$54,071

**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, 2006**

	Community Center Debt Func			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Expenditures	\$566,400	\$566,400	\$566,400	\$0
Deficiency of revenues over expenditures	(566,400)	(566,400)	(566,400)	0
Other financing sources:				
Transfers-in	566,400	566,400	566,400	0
Total other financing sources	566,400	566,400	566,400	0
Net change in fund balance	0	0	0	0
Beginning fund balance	0	0	0	0
Ending fund balance	\$0	\$0	\$0	\$0

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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 2006:

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, 2006**

OHIO BOARD OF BUILDING STANDARDS ASSESSMENT FUND

	Balance 1-1-06	Additions	Deductions	Balance 12-31-06
Assets:				
Equity in pooled cash and cash equivalents	\$190	\$3,016	(\$3,008)	\$198
Total assets	\$190	\$3,016	(\$3,008)	\$198
Liabilities:				
OBBS assessment payable	\$190	\$3,016	(\$3,008)	\$198
Total liabilities	\$190	\$3,016	(\$3,008)	\$198



STATISTICAL SECTION

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STATISTICAL TABLES

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

CONTENTS	PAGES
Financial Trends	96 - 101
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	102 - 107
These schedules contain information to help the reader assess the City's most significant local revenue sources.	
Debt Capacity	108 - 112
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	113 - 114
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating information	115 - 119
These schedules contain service and capital asset data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The city implemented GASB Statement No. 34 during fiscal year 2003. Fiscal year 2006 is the City's first year implementation of the GASB 44 stat tables.

CITY OF SPRINGDALE, OHIO
NET ASSETS BY COMPONENT
LAST FOUR FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year			
	2006	2005 (1)	2004	2003
Governmental Activities:				
Invested in capital assets, net of related debt	\$33,926,252	\$30,253,167	\$33,757,865	\$30,481,274
Restricted:				
Capital projects	405,459	500,209	634,709	530,535
Other purposes	478,039	466,818	247,618	270,272
Unrestricted	10,137,553	9,350,967	9,569,466	6,847,416
Total governmental activities net assets	<u>\$44,947,303</u>	<u>\$40,571,161</u>	<u>\$44,209,658</u>	<u>\$38,129,497</u>

(1) - restated from originally reported, see the notes to the basic financial statements, footnote 8.

Note - The figures above reflect the primary government

Source: City of Springdale, Finance Department.

CITY OF SPRINGDALE, OHIO
CHANGES IN NET ASSETS
LAST FOUR FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year			
	2006	2005	2004	2003
Expenses:				
Governmental activities:				
Security of persons and property	\$7,736,040	\$7,530,755	\$6,787,024	\$6,680,416
Public health services	291,719	271,193	237,012	238,119
Leisure time activities	1,982,092	1,780,450	1,561,162	1,599,793
Community environment	550,008	898,820	429,532	815,457
Basic utility services	0	0	351,761	346,257
Transportation	4,040,086	2,698,600	2,966,044	1,903,066
General government	9,856,646	4,654,747	3,493,078	4,019,434
Interest and fiscal charges	422,062	435,450	429,712	451,051
Total governmental activities	<u>24,878,653</u>	<u>18,270,015</u>	<u>16,255,325</u>	<u>16,053,593</u>
Program revenues:				
Governmental activities:				
Charges for services:				
Security of persons and property	624,188	585,253	295,960	312,763
Public health services	54,279	60,608	4,170	2,250
Leisure time activities	204,824	152,927	8,039	10,126
Community environment	105,286	112,247	0	0
Transportation	6,328	5,032	0	0
General government	100,312	99,358	0	0
Operating grants and contributions:				
Security of persons and property	21,294	78,055	141,294	79,499
Public health services	29,049	7,498	6,238	1,633
Leisure time activities	1,000	0	0	0
Transportation	0	0	35,493	5,105
General government	1,000	0	0	0
Capital grants and contributions:				
Leisure time activities	88,080	0	0	0
Transportation	6,689,584	4,113,591	4,332,571	839,874
General government	0	0	0	358,821
Total governmental activities program revenues	<u>7,925,224</u>	<u>5,214,569</u>	<u>4,823,765</u>	<u>1,610,071</u>
Net expense	<u>(16,953,429)</u>	<u>(13,055,446)</u>	<u>(11,431,560)</u>	<u>(14,443,522)</u>
General revenues and other changes in net assets:				
Governmental activities:				
Municipal income taxes	15,882,753	14,328,990	10,683,944	9,370,885
Property and other taxes	1,627,413	1,719,428	1,883,142	1,847,701
Payments in lieu of taxes	712,138	615,809	888,758	715,444
Special assessments	39,000	0	0	0
Grants and entitlements - not restricted	2,020,579	2,668,820	2,379,086	2,215,435
Contributions	52,297	5,500	11,902	3,350
Investment earnings	549,867	228,536	69,224	64,280
Other revenues	445,524	317,532	891,194	618,591
Total general revenues	<u>21,329,571</u>	<u>19,884,615</u>	<u>16,807,250</u>	<u>14,835,686</u>
Special item	<u>0</u>	<u>0</u>	<u>275,000</u>	<u>0</u>
Change in net assets:				
Governmental activities	<u>\$4,376,142</u>	<u>\$6,829,169</u>	<u>\$5,650,690</u>	<u>\$392,164</u>

Note - The above figures reflect the primary government
Source: City of Springdale, Finance Department.

**CITY OF SPRINGDALE, OHIO
CHANGES IN NET ASSETS
LAST FOUR FISCAL YEARS
(Accrual Basis of Accounting)
Page 2**

Explanation of large and/or unusual changes as noted in the components of changes in net assets :

Expenses:

Basic utility services:	2003 and 2004 show expenditures, 2005 and 2006 show \$0. Change due to determination that transactions should be reflected as community environment expense.
Transportation:	Increase of \$1,341,486 from 2005 - 2006 Increase due to the following: - increase in payroll expenses per hiring of Public Works Assistant Superintendent. - increase in expense accruals at year-end 2006 that were not applicable for capital asset inclusion related to road projects.
General government:	Increase of \$5,201,899 from 2005 - 2006 Increase due to the following: - In 2006 as part of the Pictoria Island TIF phase II bond issue closing (bonds issued by the Port of Greater Cincinnati Development Authority), the surplus funds for phase II (received from service payments) held by the City were expensed to the Port Authority. The amount of the transaction was \$2,420,229. - In prior years, parcels of commercial property and a parcel of residential property were purchased and held for sale. In 2006, the properties were sold, and as a result a loss on sale was incurred in the amount of \$1,847,662.

Program revenues:

Capital grants and contributions:	
Transportation:	Increase of \$2,575,993 from 2005 - 2006. - Increase in the amount of grant funding received for road projects. In 2006 \$3,335,175 was received up front from Cincinnati Water Works for their portion of the East Kemper phase III project to be included in the contract amount.

General revenues:

Municipal income taxes:	Increase in the amount of \$3,645,046 from 2004 - 2005. - This is the direct result of an increase of the tax rate which was effective July 1, 2004. The rate was increased from 1% to 1.5%. Increase in the amount of \$1,553,763 from 2005 - 2006. - This is the result of an increase in business net profits returns, business declarations, and business employee withholdings.
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**CITY OF SPRINGDALE, OHIO
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
General fund:										
Reserved	\$361,580	\$391,429	\$693,491	\$636,607	\$257,261	\$330,347	\$324,066	\$283,719	\$140,533	\$150,037
Unreserved, designated	982,601	370,498	827,470	942,556	701,454	1,624,593	1,871,791	2,027,556	1,926,726	2,027,556
Unreserved, undesignated	6,760,794	5,864,970	3,916,729	2,101,035	4,757,956	5,092,469	4,455,335	3,581,949	3,718,246	4,850,723
Total general fund	\$8,104,975	\$6,626,897	\$5,437,690	\$3,680,198	\$5,716,671	\$7,047,409	\$6,651,192	\$5,893,224	\$5,785,505	\$7,028,316
All other governmental funds:										
Reserved	\$1,316,668	\$128,994	\$646,907	\$141,110	\$588,495	\$635,451	\$490,400	\$3,768,211	\$1,447,667	\$107,682
Unreserved, reported in:										
Special revenue funds	259,959	171,206	147,469	31,627	124,476	159,490	184,669	169,001	241,793	261,432
Capital projects funds	(962,847)	(86,627)	87,951	665,013	739,883	(5,609,132)	(4,244,773)	(6,040,080)	(1,915,193)	(2,070,403)
Total all other governmental funds	\$613,780	\$213,573	\$882,327	\$837,750	\$1,452,854	(\$4,814,191)	(\$3,569,704)	(\$2,102,868)	(\$225,733)	(\$1,701,289)
Total governmental funds	\$8,718,755	\$6,840,470	\$6,320,017	\$4,517,948	\$7,169,525	\$2,233,218	\$3,081,488	\$3,790,356	\$5,559,772	\$5,327,027

Source: City of Springdale, Finance Department.

CITY OF SPRINGDALE, OHIO
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Revenues:										
Municipal income taxes	\$16,078,321	\$14,566,459	\$11,180,495	\$7,949,572	\$9,259,493	\$10,444,042	\$9,444,629	\$9,422,000	\$8,775,610	\$7,721,752
Property and other taxes	1,820,299	1,685,775	1,701,993	1,817,457	1,801,239	1,768,396	1,955,520	3,622,913	3,125,868	2,739,804
Payments in lieu of taxes	804,220	709,717	702,767	715,444	0	0	0	0	0	0
Special assessments	0	0	0	5,600	222,212	41,481	48,743	68,963	107,884	106,760
Intergovernmental	8,949,194	6,821,970	7,255,039	3,173,085	2,479,949	2,783,359	2,034,580	643,997	609,835	576,386
Charges for services	363,065	323,797	313,901	292,263	264,265	314,034	223,021	253,829	287,356	195,373
Fines and forfeitures	315,589	274,318	218,577	210,759	217,872	227,678	200,780	196,447	203,659	254,091
Fees, licenses and permits	450,932	419,479	362,885	350,538	368,405	432,009	488,475	268,842	363,302	257,716
Interest	549,867	228,536	69,224	64,280	113,149	350,591	722,307	433,653	400,373	378,778
Contributions	35,598	5,500	11,902	3,350	4,950	7,501	67,047	37,480	825	6,700
Other	390,310	338,692	260,576	21,215	41,548	249,043	113,873	42,937	54,911	8,940
Total revenues	29,757,395	25,374,243	22,077,359	14,603,563	14,773,082	16,618,134	15,298,975	14,991,061	13,929,623	12,246,300
Expenditures:										
Current:										
Security of persons and property	7,360,010	7,062,612	6,444,052	6,115,425	5,890,142	5,700,856	5,352,896	5,358,148	4,884,095	4,499,691
Public health services	304,679	264,326	233,212	219,686	240,994	244,481	243,067	223,293	206,326	195,090
Leisure time activities	1,597,798	1,390,308	1,269,150	1,302,775	1,318,863	1,201,121	993,821	5,264,178	2,115,751	1,133,616
Community environment	549,928	850,070	415,126	743,674	411,324	395,609	501,117	364,744	324,894	289,179
Basic utility services	0	0	351,761	346,257	344,241	344,587	340,792	331,385	327,915	319,491
Transportation	3,549,015	1,349,958	1,259,781	1,315,080	1,253,692	1,275,896	1,245,609	3,395,699	3,478,448	2,598,495
General government	7,570,993	3,941,265	3,281,585	3,232,456	3,514,816	3,039,672	3,101,844	4,138,505	3,608,472	2,676,776
Capital outlay	7,200,735	8,874,766	6,238,427	3,015,420	4,662,285	4,723,895	6,894,374	0	0	0
Debt service:										
Principal retirement	712,823	704,333	701,097	674,909	38,652	39,090	5,559	0	0	0
Interest and fiscal charges	415,185	428,315	420,110	421,889	367,642	456,209	390,250	151,971	81,458	84,954
Total expenditures	29,261,166	24,865,953	20,614,301	17,387,571	18,042,651	17,421,416	19,069,329	19,227,923	15,027,359	11,797,292
Excess (deficiency) of revenues over expenditures	496,229	508,290	1,463,058	(2,784,008)	(3,269,569)	(803,282)	(3,770,354)	(4,236,862)	(1,097,736)	449,008
Other financing sources (uses):										
Proceeds from the sale of bonds	0	0	0	0	7,000,000	0	3,040,000	0	0	0
Premium/accrued interest on sale of bonds	0	0	0	0	19,161	0	0	0	0	0
Proceeds from the sale of assets	1,372,695	0	0	0	1,186,715	0	21,486	0	0	0
Inception of capital lease	12,362	9,163	64,011	79,446	0	0	0	0	0	0
Transfers-in	4,005,993	3,978,485	1,625,644	1,965,052	1,905,379	2,887,264	2,233,045	3,740,832	70,096	48,476
Transfers-out	(4,005,993)	(3,978,485)	(1,625,644)	(1,965,052)	(1,905,379)	(2,887,264)	(2,233,045)	(3,737,116)	(70,096)	(50,254)
Total other financing sources (uses)	1,385,057	9,163	64,011	79,446	8,205,876	0	3,061,486	3,716	0	(1,778)
Special Item	0	0	275,000	0	0	0	0	0	0	0
Net change in fund balances	1,881,286	517,453	1,802,069	(2,704,562)	4,936,307	(803,282)	(708,868)	(4,233,146)	(1,097,736)	447,230
Beginning fund balance	6,837,469	6,320,017	4,517,948	7,222,510	2,233,218	3,036,500	3,790,356	3,971,572	5,069,308	4,622,078
Ending fund balance (deficit)	\$8,718,755	\$6,837,470	\$6,320,017	\$4,517,948	\$7,169,525	\$2,233,218	\$3,081,488	(\$261,574)	\$3,971,572	\$5,069,308
Debt service as a percentage of noncapital expenditures	5%	7%	8%	8%	3%	4%	3%	1%	1%	1%

Source: City of Springdale, Finance Department.

CITY OF SPRINGDALE, OHIO
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

Page 2

Explanation of large and/or unusual changes as noted in the components of changes in fund balances.

Revenues:

Municipal income taxes: Decrease in the amount of \$1,309,921 from 2002 - 2003.

- This is the result of a down trend in the economy after the events of September 11, 2001.

Increase in the amount of \$3,385,964 from 2004 - 2005.

- This is the result of an increase of the tax rate, from 1% to 1.5%, which was effective July 1, 2004.

Increase in the amount of \$1,511,862 from 2005 - 2006.

- This is the result of an increase in business net profits returns, business declarations, and business employee withholdings.

Payments in lieu of taxes: \$0 until 2003, then shows \$715,444.

- In 2003, it was determined that service payments received from Hamilton County under the Pictoria Island Tax Increment Financing agreement should be presented as payments in lieu of taxes. Prior to this these transaction were presented as special assessments.

Expenditures:

Transportation: Increase of \$2,199,057 from 2005 - 2006

Increase due to the following:

- increase in payroll expenses per hiring of Public Works Assistant Superintendent.

- increase in expense accruals at year-end 2006.

General government: Increase of \$3,629,728 from 2005 - 2006

Increase mostly due to the following:

- In 2006 as part of the Pictoria Island TIF phase II bond issue closing (bonds issued by the Port of Greater Cincinnati Development Authority), the surplus funds for phase II (received from service payments) held by the City were expensed to the Port Authority. The amount of the transaction was \$2,420,229.

Capital Outlay: In 2000, capital outlay was presented as a separate line item.

**CITY OF SPRINGDALE, OHIO
 ASSESSED VALUATION AND ESTIMATED ACTUAL VALUES OF TAXABLE 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	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
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%
2005/2006	433,234,010	1,237,811,457	7,980,030	7,980,030	89,553,900	358,215,600	530,767,940	1,604,007,087	33.09%

Source - Hamilton County Auditor

The assessed valuation of property within the City is subject to the levy of ad valorem taxes and 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, 2006 was \$3.08 per \$1,000 of assessed value.

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.

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.

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	Overlapping Rates				Total Full Rate
		Hamilton County	Princeton City School District	Winton Woods City School District	Great Oaks Joint Vocational School	
1996/1997	3.08	19.44	42.24	62.12	2.70	67.46
1997/1998	3.08	19.01	42.24	62.13	2.70	67.03
1998/1999	3.08	19.54	42.24	70.08	2.70	67.56
1999/2000	3.08	20.83	46.19	70.08	2.70	72.80
2000/2001	3.08	19.92	46.19	70.08	2.70	71.89
2001/2002	3.08	21.47	46.19	70.08	2.70	73.44
2002/2003	3.08	21.87	45.79	70.08	2.70	73.44
2003/2004	3.08	21.51	49.03	70.08	2.70	76.32
2004/2005	3.08	21.06	49.03	78.03	2.70	75.87
2005/2006	3.08	20.81	49.03	78.03	2.70	75.62

Source: Hamilton County, Ohio: County Auditor.

Notes: The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Values Table, generated the property tax revenue billed in that year. The City's basic property tax rate may be increased only by the majority vote of the City residents.

Overlapping rates are those of the local and county governments that apply to property owners within the City.

**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	Percent of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Tax	Percent of Delinquent Taxes to Total Tax Levy
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%
2005/2006	1,546,413	183,797	1,730,210	1,475,484	95.41%	109,178	1,584,662	91.59%	149,660	8.65%

Source: Hamilton County, Ohio: County Auditor.

**CITY OF SPRINGDALE, OHIO
PRINCIPAL PROPERTY TAXPAYERS
DECEMBER 31, 2006**

Taxpayer	Fiscal Year 2006		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Thor Gallery at Tri-County LLC	\$62,940,400	1	12%
NRFC Cinn Investor LLC	16,611,550	2	3%
Merchant Street 27 LLC	11,000,510	3	2%
Springdale-Kemper Association	7,726,890	4	1%
Kimco 420 Inc.	7,221,200	5	1%
Kir Tri-County 018 LLC	7,180,640	6	1%
Avon Capital Corporation	6,824,550	7	1%
Cincinnati Gas and Electric Co.	6,061,780	8	1%
National Amusements Inc.	5,704,620	9	1%
Gilhart Charles C Jr Inc.	5,249,790	10	1%
All Others	<u>394,246,010</u>	-	<u>74%</u>
Total Assessed Valuation	<u><u>\$530,767,940</u></u>		<u><u>100%</u></u>

Source: Hamilton County Auditor.

Information for 1997 was not available from the Hamilton County Auditor

CITY OF SPRINGDALE, OHIO
GENERAL ACTIVITIES TAX REVENUES BY SOURCE
LAST FOUR FISCAL YEARS
(Accrual Basis of Accounting)

<u>Year</u>	<u>Municipal Income Taxes</u>	<u>Property and Other Taxes</u>	<u>Total</u>
2003	\$9,370,885	\$1,847,701	\$11,218,586
2004	10,683,944	1,883,142	12,567,086
2005	14,328,990	1,719,428	16,048,418
2006	15,882,753	1,627,413	17,510,166

Source: City of Springdale, Finance Department.

**CITY OF SPRINGDALE, OHIO
INCOME TAX REVENUE BY PAYER TYPE
LAST TEN FISCAL YEARS
(Budget (Cash) Basis of Accounting)**

Fiscal Year	Tax Rate (1)						Percentage of Total				
		Withholding	Business	Individuals	Penalty/ Interest	Total	Withholding	Business	Individual	Penalty/ Interest	Total
1997	1.0%	\$5,867,270	\$1,001,951	\$384,356	\$199,493	\$7,453,070	79%	13%	5%	3%	100%
1998	1.0%	6,671,074	1,405,523	358,876	245,192	8,680,665	77%	16%	4%	3%	100%
1999	1.0%	7,319,200	1,406,972	373,922	223,475	9,323,569	79%	15%	4%	2%	100%
2000	1.0%	7,487,358	1,648,923	379,761	181,335	9,697,377	77%	17%	4%	2%	100%
2001	1.0%	7,412,190	2,624,309	418,310	351,508	10,806,317	69%	24%	4%	3%	100%
2002	1.0%	7,385,399	1,810,504	430,402	119,800	9,746,105	76%	19%	4%	1%	100%
2003	1.0%	7,353,205	1,658,689	420,360	132,701	9,564,955	77%	17%	4%	1%	100%
2004	1.5%	7,954,118	1,089,399	437,379	68,451	9,549,347	83%	11%	5%	1%	100%
2005	1.5%	10,951,054	2,533,670	648,207	106,919	14,239,850	77%	18%	5%	1%	100%
2006	1.5%	11,469,191	3,513,412	598,308	96,326	15,677,237	73%	22%	4%	1%	100%

Source: City of Springdale, Tax Department

(1) - Effective July 1, 2004, City electors voted to increase the City income tax from 1% to 1.5%.

Note: The City is prohibited by statute from presenting information regarding individual taxpayers.

**CITY OF SPRINGDALE, OHIO
RATIO OF OUTSTANDING DEBT BY TYPE
TO TOTAL PERSONAL INCOME AND DEBT PER CAPITA
LAST TEN FISCAL YEARS**

Governmental Activities										
Year	General Obligation Bonds	General Obligation Bond Anticipation Notes	TIF Revenue Bonds	TIF Revenue Bond Anticipation Notes	Ohio Police/Fire Pension Loan	Capital Leases	Total Debt	Estimated Personal Income (1)	Percentage of Personal Income (2)	Per Capita
1997	\$0	\$0	\$0	\$2,000,000	\$0	\$0	\$2,000,000	\$151,820,100	7591%	\$189
1998	0	0	0	2,000,000	0	0	2,000,000	151,597,100	7580%	189
1999	0	7,000,000	0	2,000,000	0	0	9,000,000	152,984,600	1700%	849
2000	0	6,400,000	3,034,440	0	14,285	0	9,448,725	166,094,500	1758%	891
2001	0	5,800,000	2,995,350	0	14,096	0	8,809,446	166,776,200	1893%	831
2002	7,000,000	0	2,956,667	0	13,890	0	9,970,557	153,279,600	1537%	941
2003	6,413,118	0	2,915,311	0	13,680	66,102	9,408,211	152,999,400	1626%	929
2004	5,786,905	1,500,000	2,871,098	0	13,462	93,443	10,264,908	124,347,280	1211%	1,013
2005	5,160,692	1,250,000	2,823,830	0	13,238	65,765	9,313,525	147,145,333	1580%	919
2006	4,534,479	625,000	2,773,494	0	13,004	35,873	7,981,850	151,559,693	1899%	788

Source: City of Springdale, finance department

(1): Obtained from the Springdale Tax departmental - total residential tax liability

(2): Calculated as estimated personal income divided by total debt

Note: Details regarding the City's outstanding debt can be found in the notes to the basic financial statements.

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

<u>Year</u>	<u>Population (A)</u>	<u>Estimated Actual Value (B)</u>	<u>General Bonded Debt (C)</u>	<u>Less Balance In General Obligation Bond Retirement Fund (C)</u>	<u>Net General Bonded Debt (C)</u>	<u>Ratio of Net Bonded Debt to Estimated Actual Value</u>	<u>Net Bonded Debt Per Capita</u>
1997	10,600	\$1,246,709,154	0	0	0	0%	\$0
1998	10,600	1,245,349,116	0	0	0	0%	0
1999	10,600	1,253,292,253	0	0	0	0%	0
2000	10,600	1,450,135,093	0	0	0	0%	0
2001	10,600	1,462,916,099	0	0	0	0%	0
2002	10,600	1,468,331,453	7,000,000	0	7,000,000	0.48%	660
2003	10,130	1,565,665,939	6,413,118	0	6,413,118	0.41%	633
2004	10,130	1,514,904,673	5,786,905	0	5,786,905	0.38%	571
2005	10,130	1,500,570,390	5,160,692	0	5,160,692	0.34%	509
2006	10,130	1,604,007,087	4,534,479	0	4,534,479	0.28%	448

(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 OBLIGATION
BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN FISCAL YEARS

Year	Principal	Interest	Total Debt Service	General Governmental Expenditures (1)	Ratio of Debt Service to General Governmental Expenditures
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%
2006	620,000	183,120	803,120	16,440,230	4.89%

(1): Includes general and special revenue funds
Source: City of Springdale, Finance Department.

**CITY OF SPRINGDALE, OHIO
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
DECEMBER 31, 2006**

	<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	\$5,145,000	100%	\$5,145,000
<u>Overlapping:</u>			
Hamilton County	121,855,000	2.49%	3,034,190
Princeton City School District	80,960,000	26.38%	21,357,248
Great Oaks Joint Vocational School	13,325,000	2.70%	<u>359,775</u>
Subtotal			<u>24,751,213</u>
Total			<u><u>\$29,896,213</u></u>

All information above was obtained from the Ohio Municipal Advisory Council.

**CITY OF SPRINGDALE, OHIO
COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS**

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Total assessed property value (1)	\$530,767,940	\$495,024,900	\$498,888,760	\$513,632,010	\$481,964,520	\$481,623,610	\$478,840,540	\$410,253,040	\$408,129,750	\$410,547,280
Total debt limit (10.5% of assessed value):	\$55,730,634	\$51,977,615	\$52,383,320	\$53,931,361	\$50,606,275	\$50,570,479	\$50,278,257	\$43,076,569	\$42,853,624	\$43,107,464
Total net debt applicable to limit:										
General obligation bonds (2)	4,534,479	5,160,905	5,786,905	6,413,118	7,000,000	0	0	0	0	0
General obligation notes	625,000	1,250,000	1,500,000	0	0	5,800,000	6,400,000	7,000,000	0	0
Legal debt limit margin	\$50,571,155	\$45,566,710	\$45,096,415	\$47,518,243	\$43,606,275	\$44,770,479	\$43,878,257	\$36,076,569	\$42,853,624	\$43,107,464
Total net debt applicable to the limit as a percentage of total debt limit	9%	12%	14%	12%	14%	11%	13%	16%	0%	0%
Total unvoted debt limit (5.5% of assessed value):	\$29,192,237	\$27,226,370	\$27,438,882	\$28,249,761	\$26,508,049	\$26,489,299	\$26,336,230	\$22,563,917	\$22,447,136	\$22,580,100
Total net debt applicable to limit:										
General obligation bonds (2)	4,534,479	5,160,905	5,786,905	6,413,118	7,000,000	0	0	0	0	0
General obligation notes	625,000	1,250,000	1,500,000	0	0	5,800,000	6,400,000	7,000,000	0	0
Legal debt limit margin	\$24,032,758	\$20,815,465	\$20,151,977	\$21,836,643	\$19,508,049	\$20,689,299	\$19,936,230	\$15,563,917	\$22,447,136	\$22,580,100
Total net debt applicable to the limit as a percentage of total debt limit	18%	24%	27%	23%	26%	22%	24%	31%	0%	0%

Source: City of Springdale, Finance Department.

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

(2) - amount includes bond premium, if applicable

Note: Direct debt limitation is based on Section 133, the Uniform Bond Act of the Ohio Revised Code. The total debt limit should not exceed 10.5% of assessed property value. The total unvoted debt limit should not exceed 5.5% of assessed property value. Revenue bonds and notes related to Pictoria Island Tax Increment Financing is not considered in the computation of legal debt margin.

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

Year	Area - Square Miles (A)	Population (B)	Estimated Personal Income (C)	Per Capita Personal Income (D)	Median Age (B)	School Enrollment (E)	Unemployment Rate (F)
1997	5.08	10,600	\$151,820,100	\$14,323	35	939	3.20%
1998	5.08	10,600	151,597,100	14,302	35	940	2.90%
1999	5.08	10,600	152,984,600	14,433	35	983	3.00%
2000	5.08	10,600	166,094,500	15,669	39	948	2.90%
2001	5.08	10,600	166,776,200	15,734	39	1,078	3.60%
2002	5.08	10,600	153,279,600	14,460	39	1,003	5.10%
2003	5.08	10,130	152,999,400	15,104	39	962	5.10%
2004	5.08	10,130	124,347,280	12,275	39	849	5.20%
2005	5.08	10,130	147,145,333	14,526	39	862	5.70%
2006	5.08	10,130	151,559,693	14,961	39	480	5.00%

- (A): Obtained from the Springdale Public Works department.
- (B): Obtained from 1990 U.S. Census, 2000 U.S. Census, 2003 U.S. Census.
- (C): Obtained from the Springdale Tax departmental - total residential tax liability
- (D): Calculated as estimated personal income (C) divided by population (B).
- (E): Source: Princeton City School District.
- (F): Source: Ohio Bureau of Employment Services, rates are for Hamilton County.

**CITY OF SPRINGDALE, OHIO
PRINCIPAL EMPLOYERS
DECEMBER 31, 2006**

<u>Employer</u>	<u>Number of Employees (A)</u>	<u>Percent of Total</u>
General Electric	1,653	4.0%
Avon Products Inc.	1,282	3.1%
John Morrell and Company	910	2.2%
Abercrombie and Fitch Stores Inc.	802	2.0%
Lifesphere	670	1.6%
Pappas Restaurants Inc.	594	1.4%
Wal-Mart Associates, Inc.	593	1.4%
Mercantile Stores Co. Inc.	569	1.4%
Minute Men Inc.	504	1.2%
Federated Retail Holding Inc.	499	1.2%
All others	<u>32,990</u>	<u>80.3%</u>
Total employment within the City	<u><u>41,066</u></u>	<u><u>100%</u></u>

Source: City of Springdale, Tax Department.

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

Information for 1997 was not available from the Springdale tax department.

**CITY OF SPRINGDALE, OHIO
 FULL TIME EMPLOYEES BY FUNCTION/DEPARTMENT
 AS OF YEAR END
 LAST TEN FISCAL YEARS**

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Full-time positions at December 31	123	117	117	116	120	117	114	110	102	111
Security of Persons and Property										
Police Department:										
Police Chief	1	1	1	1	1	1	1	1	1	1
Police Captain	1	1	1	1	1	1	1	1	1	1
Sworn Officers	36	33	36	32	34	32	33	30	25	31
Office Administrator	1	1	1	1	1	1	1	1	1	1
Clerks	7	7	6	7	7	8	6	6	6	8
Custodian	1	1	1	1	1	1	1	1	1	1
Fire Department:										
Fire Chief	1	1	1	1	1	1	1	1	1	1
Assistant Fire Chief	-	1	-	-	-	-	1	1	1	1
Fire Captain	3	3	4	2	3	3	3	3	3	3
Fire Inspector	1	1	1	1	1	1	1	1	1	1
Firefighter	4	5	4	6	6	5	6	6	5	5
Firefighters/Paramedic	15	12	11	12	12	10	8	10	10	10
Administrative Secretary	1	1	-	1	1	1	1	-	-	-
Public Health Services										
Health Department:										
Health Commissioner	1	1	1	1	1	1	1	1	1	1
Health Nurse	1	1	1	1	1	1	1	1	1	1
Administrative Assistant	1	1	1	1	1	1	1	1	1	1
Leisure Time Activities										
Parks and Recreation Department:										
Parks and Recreation Director	1	1	1	1	1	1	1	1	1	1
Assistant Recreation Director	3	2	2	2	3	3	3	3	3	3
Fitness Center Manager	1	1	1	1	1	1	-	-	-	-
Parks Maintenance	4	4	5	5	5	5	5	4	4	5
Adult/Senior Programmer	1	-	-	-	-	-	-	-	-	-
Administrative Assistant	1	1	1	1	1	1	1	1	1	1
Custodian	1	1	1	1	1	1	1	1	1	1
Community Environment										
Building Department:										
Building Official	1	1	1	1	1	1	1	1	1	1
Building Inspector	2	2	2	2	2	2	2	2	2	2
Property Inspector	1	1	1	1	1	1	1	-	-	-
Administrative Assistant	1	1	1	1	1	1	1	1	1	1

**CITY OF SPRINGDALE, OHIO
 FULL TIME EMPLOYEES BY FUNCTION/DEPARTMENT
 AS OF YEAR END
 LAST TEN FISCAL YEARS
 PAGE 2**

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Transportation										
Public Works Department:										
Superintendent of Public Works	1	1	1	1	1	1	1	1	1	1
Assistant Superintendent	1	-	-	-	-	-	-	-	-	1
Public Works Inspector	1	1	1	1	1	1	1	1	1	-
Mechanic	2	2	2	2	2	2	2	2	2	2
Maintenance Worker	10	11	11	11	11	13	12	12	11	11
Administrative Assistant	1	1	1	1	1	1	1	1	1	1
General Government										
Administration Department:										
City Administrator	1	1	1	1	1	1	1	1	1	1
Assistant City Administrator	1	1	1	1	1	1	1	1	1	1
Economic Development Director	1	1	1	1	1	-	-	-	-	-
Senior Administrative Assistant	1	1	1	1	1	1	1	1	1	1
Administrative Assistant	1	1	1	1	1	1	1	1	-	-
Administrative Secretary	1	1	1	1	1	1	1	1	1	1
Custodian	1	1	1	1	1	1	1	1	1	1
Finance Department:										
Finance Officer/Tax Commissioner	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Account Clerk	2	2	2	2	2	2	2	2	2	2
Tax Department:										
Finance Officer/Tax Commissioner	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Account Clerk	4	4	4	4	4	4	4	4	4	4
Administrative Secretary	1	1	1	1	1	1	1	1	1	1
Total Full Time Positions	31	31	31	31	31	32	31	31	29	29

Source: City of Springdale, Finance Department

**CITY OF SPRINGDALE, OHIO
OPERATING INDICATORS BY FUNCTION/DEPARTMENT
LAST SEVEN FISCAL YEARS**

	2006	2005	2004	2003	2002	2001	2000
<u>Security of Persons and Property</u>							
Police Department							
Number of stations	1	1	1	1	1	1	1
Total patrol calls for services:	15,239	15,372	15,948	18,895	19,649	21,070	19,531
- 911	237	278	268	322	361	565	503
- Arrests	2,197	1,923	1,948	2,024	1,935	2,128	1,952
- Auto accidents	1,180	1,343	1,425	1,473	1,369	1,459	1,396
- Traffic violations	419	269	273	293	132	189	247
- Offense report	2,361	2,421	2,605	2,958	3,011	3,175	2,804
Mayor's court cases heard	4,089	3,533	3,148	3,825	3,939	3,578	3,266
Fire Department							
Number of stations	1	1	1	1	1	1	1
Fire responses	912	893	806	846	792	954	903
Emergency medical services (EMS) responses	2,056	2,142	1,816	2,100	1,907	1,979	1,986
Fire losses	\$121,985	\$132,450	\$169,335	\$85,395	\$197,298	\$615,378	\$294,660
<u>Public Health Services</u>							
Health Department							
Number of health food protection inspections	556	618	486	417	546	525	633
Animal nuisance removals	132	127	71	56	320	255	191
Home health care visits (1)	263	366	444	49	51	49	68
<u>Leisure Time Activities</u>							
Parks and Recreation Department							
Number of parks	6	6	6	6	6	6	6
Total park acreage	100	100	100	100	100	100	100
Number of community center memberships	2,663	2,125	1,984	2,137	2,177	2,052	1,201
Community center membership dollars (cash basis)	\$121,699	\$116,106	\$117,783	\$112,874	\$122,183	\$111,634	\$53,588
Active member fitness center visits (2)	53,787	50,662	51,621	50,173	49,324	49,615	6,140
Average visit per fitness center member	28.7	28.2%	32.7	26.5	NA	NA	NA
<u>Community Environment</u>							
Building Department							
Total number of permits issued	950	682	688	624	638	730	764
Number of residential permits issued	618	375	266	278	229	258	264
Value of residential permits issued	\$16,050,007	\$4,854,928	\$1,512,000	\$1,361,489	\$1,129,614	\$1,219,825	\$1,188,025
Number of commercial permits issued	332	307	422	346	409	471	500
Value of commercial permits issued	\$29,386,840	\$27,131,533	\$19,286,071	\$7,374,016	\$20,129,821	\$28,793,688	\$51,934,117
Number of building inspections	2,212	2,308	1,256	1,163	1,765	2,047	2,676
Number of certificates of occupancy issued	72	72	82	78	98	93	84

**CITY OF SPRINGDALE, OHIO
OPERATING INDICATORS BY FUNCTION/DEPARTMENT
LAST SEVEN FISCAL YEARS
PAGE 2**

	2006	2005	2004	2003	2002	2001	2000
<u>Transportation</u>							
Public Works Department							
Chipper man hours	2,615	2,475	2,564	2,565	1,781	2,406	2,260
Debris removal requests	225	255	274	311	304	291	322
Cubic yards of mulch delivered to residents	1,476	1,098	1,926	268	NA	NA	NA
Tons of salt used	683	1,186	1,299	2,257	671	409	1,534
Snow and ice control callouts	12	19	12	34	11	11	21
<u>General Government</u>							
Finance Department							
Average number of business days to post receipts	5.1	4.1	5.2	3.5	4.7	3.8	NA
Average number of business days to pay invoices	8.2	9.4	9.6	6.2	9.0	6.7	NA
Number of non-payroll checks written	4,018	3,706	3,386	3,591	3,924	4,100	3,882
Number of payroll checks written	1,979	2,210	2,373	2,290	2,675	2,417	2,543
Tax Department							
Number of business accounts at year-end	2,879	2,910	2,857	2,837	2,917	2,796	2,699
Number of resident accounts at year-end	4,365	3,894	3,887	4,391	4,410	4,630	4,601
Current year no-file % (at due date):							
Business returns	44%	51%	33%	45%	NA	NA	NA
Resident returns	29%	24.5%	29%	29%	NA	NA	NA
Average days to process and mail tax refund	32	31	28	23	23	26	NA
Tax accounts assigned to mayor's court	157	152	196	218	190	168	NA
Tax department overtime hours worked	277	386	286	376	495	692	NA

Source: City of Springdale, departmental annual reports

(1): 2000-2003 reflects number of resident visited, 2004-2006 reflects total number of visits

(2): Fitness center open two months in 2000, all others 12 months

NA: Information not available

**CITY OF SPRINGDALE, OHIO
CAPITAL ASSET STATISTICS BY FUNCTION/DEPARTMENT
LAST TEN FISCAL YEARS**

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
<u>General Government</u>										
Administration Department										
Square footage - municipal building	33,620	33,620	33,620	33,620	33,620	33,620	33,620	33,620	33,620	33,620
Administrative vehicles	1	1	1	2	2	2	2	NA	NA	NA
<u>Security of Persons and Property</u>										
Police Department										
Number of stations	1	1	1	1	1	1	1	1	1	1
Square footage - police building	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500
Number of police cruisers -	24	26	25	23	23	22	20	NA	NA	NA
Number of other police vehicles	9	8	8	8	7	7	5	NA	NA	NA
Fire Department										
Number of stations	1	1	1	1	1	1	1	1	1	1
Square footage - fire building	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800
Number of fire vehicles	4	4	5	7	7	7	7	NA	NA	NA
Number of EMS vehicles	4	4	3	3	3	3	1	NA	NA	NA
Number of other vehicles	4	3	3	3	3	3	2	NA	NA	NA
<u>Public Health Services</u>										
Health Department										
Number of health vehicles	1	1	1	2	2	2	2	NA	NA	NA
<u>Leisure Time Activities</u>										
Parks and Recreation Department										
Square footage - community center	72,000	72,000	72,000	72,000	72,000	72,000	72,000	23,000	23,000	23,000
Number of parks	6	6	6	6	6	6	6	6	6	6
Number of tennis courts	4	4	4	4	4	4	4	4	4	4
Number of baseball diamonds	6	6	6	6	6	6	6	6	6	6
Number of soccer fields	3	3	3	3	3	3	3	3	3	3
Number of work vehicles	3	3	4	4	4	4	4	NA	NA	NA
Number of other vehicles	1	1	1	1	0	0	0	NA	NA	NA
<u>Community Environment</u>										
Building Department										
Number of vehicles	3	3	3	3	3	4	3	NA	NA	NA
<u>Transportation</u>										
Public Works Department										
Square Footage - office and garage	19,680	19,680	19,680	19,680	19,680	19,680	19,680	19,680	19,680	19,680
Number of work vehicles	13	13	12	12	12	12	13	NA	NA	NA
Number of other vehicles	2	1	1	1	1	1	1	NA	NA	NA

Source: City of Springdale, finance department

NA: Information not available



Mary Taylor, CPA
Auditor of State

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
JULY 26, 2007**