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## **CITY OF SPRINGDALE, OHIO**

Independent Auditors' Report on  
Internal Controls and Compliance

Year Ended December 31, 2014





# Dave Yost • Auditor of State

City Council  
City of Springdale  
11700 Springfield Pike  
Springdale, OH 45246

We have reviewed the *Independent Auditors' Report* of the City of Springdale, Hamilton County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2014 through December 31, 2014. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

August 28, 2015

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**TABLE OF CONTENTS**

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*..... 1 – 2

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**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***

**INDEPENDENT AUDITORS' REPORT**

To the City Council  
City of Springdale, Ohio:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Springdale, Ohio ("City") as of and for the year ended December 31, 2014 and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 16, 2015.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from 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*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Clark, Schaefer, Hackett & Co.*

Cincinnati, Ohio  
June 16, 2015

# City of Springdale, Ohio



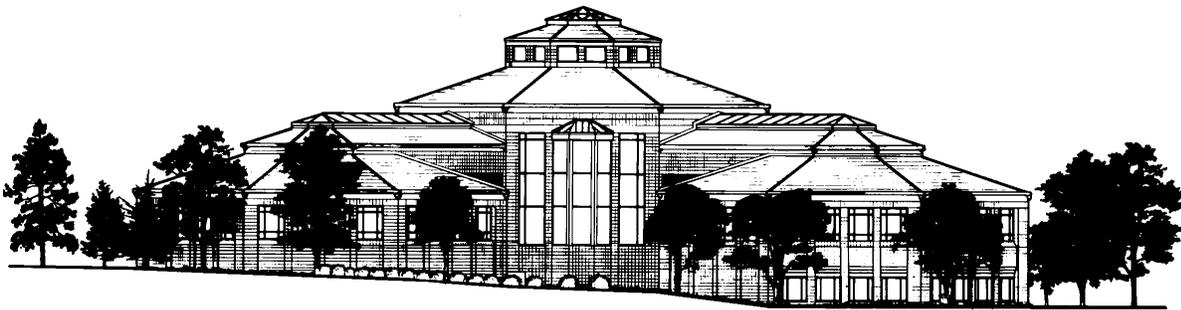
**Comprehensive Annual Financial Report  
For the Year Ended December 31, 2014**

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# CITY OF SPRINGDALE, OHIO

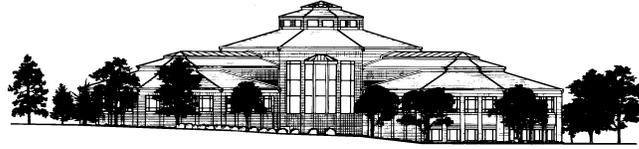
## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2014



Prepared By:

Jeffrey T. Williams  
Finance Officer/Tax Commissioner



## On The Cover

### **The Sheakley Building (formerly the Glenmary Home Missioners Building)**

This historic building, located at 1 Sheakley Way, Springdale, Ohio, was originally constructed for the Glenmary Home Missioners. The building housed 100 seminarians to train for mission work overseas. Construction began in 1950 and all three phases of the building were completed in 1961. The building housed a seminary until 1966.

Glenmary sold the building in 1972 and it has housed commercial offices ever since. The Sheakley Group bought the building in 1993 and it became known as The Sheakley Building. The Sheakley Group still owns the building today.

**CITY OF SPRINGDALE, OHIO  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**TABLE OF CONTENTS**

**INTRODUCTORY SECTION**

Letter of Transmittal	1
Elected Officials and Administrative Personnel	8
Organizational Table	9
Certificate of Achievement for Excellence in Financial Reporting – 2013	10

**FINANCIAL SECTION**

Independent Auditors' Report	11
Management's Discussion and Analysis	13
Basic Financial Statements:	25
Government-Wide Financial Statements:	
Statement of Net Position	26
Statement of Activities	27
Fund Financial Statements:	
Balance Sheet – Governmental Funds	28
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	29
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	30
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	31
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (Non-GAAP Budgetary Basis) – General Fund	32

## **TABLE OF CONTENTS (Continued)**

Statement of Fiduciary Assets and Liabilities	33
Notes to the Basic Financial Statements	34
Combining Statements and Individual Fund Schedules:	64
Fund Descriptions – Nonmajor Governmental Funds	65
Nonmajor Governmental Funds:	
Combining Balance Sheet	66
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	67
Nonmajor Special Revenue Funds:	
Combining Balance Sheet	68
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	70
Nonmajor Capital Projects Funds:	
Balance Sheet	72
Statement of Revenues, Expenditures, and Changes in Fund Balances	73
Individual Fund Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (Non-GAAP Budgetary Basis)	
Major Funds:	
General Fund	74
Capital Improvements Fund	76
Northwest Business District Tax Increment Financing (TIF) Fund	77
Tri-County Mall Tax Increment Financing Fund (TIF) Fund	78

## **TABLE OF CONTENTS (Continued)**

### Nonmajor Funds:

Street Construction, Maintenance and Repair Fund	79
State Highway Fund	80
Grants Fund	81
Drug Law Enforcement Fund	82
Law Enforcement Fund	83
Law Enforcement Training Fund	84
Driving Under the Influence Fund	85
Residential Recycling Incentive Fund	86
Vehicle Immobilization Fee Fund	87
Parks and Urban Forestry Fund	88
Adult Sports Fund	89
Community Center Debt Fund	90

### Agency Fund:

Description – Agency Fund	91
Statement of Changes in Assets and Liabilities	92

## **STATISTICAL SECTION**

Description – Statistical Tables	93
Net Position by Component – Last Ten Fiscal Years	94
Changes in Net Position – Last Ten Fiscal Years	95
Fund Balances of Governmental Funds (GASB 54) – Last Six Fiscal Years	98
Fund Balances of Governmental Funds – 2005 to 2008	99

## **TABLE OF CONTENTS (Continued)**

Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years	100
Assessed Valuation and Estimated Actual Values of Taxable Property – Last Ten Fiscal Years	102
Property Tax Rates - Direct and Overlapping Governments - Last Ten Fiscal Years	103
Property Tax Levies and Collections – Last Ten Fiscal Years	104
Principal Property Taxpayers – December 31, 2014 and 2005	105
General Activities Tax Revenues by Source - Last Ten Fiscal Years	106
Income Tax Revenue by Payer Type - Last Ten Fiscal Years	107
Ratio of Outstanding Debt by Type to Total Personal Income and Debt per Capita – Last Ten Fiscal Years	108
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt per Capita – Last Ten Fiscal Years	109
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total General Governmental Expenditures – Last Ten Fiscal Years	110
Computation of Direct and Overlapping Debt	111
Computation of Legal Debt Margin – Last Ten Fiscal Years	112
Demographic and Economic Statistics – Last Ten Fiscal Years	113
Principal Employers – December 31, 2014 and 2005	114
Full Time Employees by Function/Department – Last Ten Fiscal Years	115
Operating Indicators by Function/Department – Last Ten Fiscal Years	117
Capital Asset Statistics by Function/Department – Last Ten Fiscal Years	119



# **INTRODUCTORY SECTION**

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# City of Springdale

DOYLE H. WEBSTER  
Mayor

DERRICK PARHAM  
City Administrator

KATHY McNEAR  
Clerk of Council / Finance Director

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June 16 , 2015

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, 2014, 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 Governmental Accounting Standards Board (GASB) Statement No. 34, "*Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.*" GASB Statement No. 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 governmental 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 Auditors' 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 Auditors' Report.

## **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 a residential population of 11,223. The City maintains a highly developed commercial and industrial community, as well as stable residential neighborhoods.

The area was settled in the early 1800's and was incorporated as a Village in December of 1959 and became a City in February of 1971. The City is a home rule municipal corporation operating under its own charter, initially adopted on November 3, 1964, and last amended in November of 2009.

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 2014:

- \* Tree-City USA (the City has received this award for the past twenty-three years),
- \* The Police Department received:
  - Platinum Level Traffic Safety Award issued by the AAA Association, and
  - The Gold Member Agency Award as part of the Hamilton County OVI Task Force,
- \* The Health Department received the Healthy Ohio, Healthy Community Award - Silver level, issued by the Ohio Department of Health, and
- \* The Parks and Recreation Department was recognized by the Miami Valley Risk Management Association for maintaining a zero-loss record.

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 estimated daytime population of the City ranges from 45,000 to 50,000, representing the workforce and those who visit the numerous retail and other establishments. At year-end 2014 there were approximately 1,000 businesses and organizations located in the City limits. Also at year-end, there were 13 businesses located in Springdale that employed greater than 300 employees. Springdale also has approximately 50 restaurants and 18 theatre screens. The 2014 unemployment rate for the Greater Cincinnati area was 5.7%.

The Tri-County Mall and over 15 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. Retail sales in Springdale total over \$900,000,000 annually.

Springdale is fortunate to have the following local and national businesses included as part of the corporate citizenry, First Financial Bank, General Electric Aviation, Cincom Systems, The Sheakley Group, Ampac, Macy's, Healthspan, Humana, Cincinnati Bell Technology Solutions, Northrup Gruman, Costco, Maple Knoll Community, Sugar Creek Packing, John Morrell, Kroger and Avon. Springdale's manufacturing businesses include the John Morrell Company (meat packing), the Ampac Company (plastic bag manufacturing), and the Kroger Company (ice cream manufacturing). Springdale also has many retail and restaurant businesses including Macy's, Dave and Busters, Costco, Lowes, Best Buy, Target, Sam's Club, Outback Steakhouse, BJ's Restaurant and Brewhouse, and TGI Fridays, among others. Currently there are five hotels/motels operating in the City, representing approximately 275 rooms.

The local economy can be broken down into four major use sectors; office, retail, service/governmental, and industrial. These sectors contributed approximately \$700 million in payroll in 2014, broken down as follows:

- \* Office: 50% of payroll generation
- \* Service/Governmental: 19% of payroll generation
- \* Retail: 20% of payroll generation
- \* Industrial: 11% of payroll generation

Following an economic downturn during the recession, 2011 to 2014 showed a significant upswing in payroll generation by 5.5%, or approximately \$107 million. This occurred as a result of:

- \* The attraction of twenty-five new retail businesses representing 616 new jobs in 673,000 square feet of retail space including Morris Furniture, Home Emporium, Front Room Furniture, Full Throttle Go-Karting, Woodcraft, Burlington Coat, and Sky Zone, and
- \* The attraction of five major office businesses representing 1,815 new jobs in 357,000 square feet of office space including First Financial Bank, Cincinnati Bell Technology Solutions, Sugar Creek Packing, College Source, Humana, and Retirement Systems Inc.

#### Future Economic Outlook

The outlook for 2015 is positive primarily because of:

- \* The addition of companies such as MediSync, Clarke Fire Protection, and Servatii's,
- \* The redevelopment of three of Springdale's premier shopping centers, the Tri-County Towne Center, Cassinelli Square, and the Tri-County Mall, and
- \* The redevelopment of the Avon property as a mixed use development.

Beyond 2014 the economy of the City will continue to be dominated by office use and grow modestly to pre-recession levels. It is particularly important to apply innovative redevelopment efforts to existing properties such as the Avon facility and the Tri-County Mall, and use the limited amount of developable land judiciously.

## MAJOR INITIATIVES AND LONG-TERM FINANCIAL PLANNING

### Major Project for 2014

- \* *West Kemper Road Improvements Project:* This project will run from just east of Springfield Pike to the Lawnview Avenue intersection. The project will involve the total removal and replacement of pavement on West Kemper Road just east of Walnut Street and continuing for approximately 950 feet; the repairing and resurfacing of the balance of West Kemper Road; full curb replacement; sidewalk replacement on the south side of the road between Walnut Street and Hickory Street; and a major upgrade of the existing storm sewer system. The construction cost for this project is estimated at \$1,074,000. Outside grant funding has been approved at approximately 65% from State and local sources. In 2014 \$126,264 was spent on construction. The project is scheduled to be completed in 2015.

### Future Projects

- \* *Jake Sweeny Place Rehabilitation Project:* This project will include full curb and gutter replacement, elimination of the crown in the middle of the roadway, total removal of the pavement and replacement with new asphalt, new pavement markings and repairs to the corrugated sewer piping and concrete storm sewer. The estimated construction cost for this project is \$900,000. Outside grant funding is estimated at approximately 49% from State sources. The project is scheduled for 2016.
- \* *Ross Park Vehicle Bridge Replacement:* The ford over the creek at the entrance to Ross Park was built in the 1960's and is in need of replacement. This project will replace the low ford with a bridge, thus eliminating the extreme dip in the entrance drive. Also as part of the project the Ross Park parking lot will be resurfaced. The estimated construction cost for this project is \$475,000. In the past, the City has not been successful in obtaining outside funding. The project is scheduled for 2017.
- \* *State Route 4 (Cameron Road to I-275) Urban Paving Project:* This project will resurface State Route 4 from Cameron Road to I-275. The estimated construction costs is \$750,000 with approximately 50% covered by State grant. The project is scheduled for 2017.
- \* *Crescentville Road - Chesterdale Road Improvements:* This joint road improvement project between the City of Springdale, Butler County, and the City of Sharonville will address major rutting and storm sewer issues at and near the intersection of Chesterdale and Crescentville Roads. The estimated construction cost for the City of Springdale's portion is \$400,000. The project is scheduled for 2019.

### Long-Term Financial Planning

Long-term financial planning is addressed primarily during the annual budget process. The annual tax budget process reviews the current and subsequent years budget direction. Any noted changes from the current budget are incorporated. The City also prepares a five-year budget. This budget looks long-term at projected revenues and anticipated costs, such as personnel and capital road improvement projects. Once the five-year budget is complete, the one-year budget is prepared. This budget becomes the basis for the appropriation/estimated revenue ordinance passed for the next fiscal year. Also, anticipated revenues and costs are reviewed throughout the year to determine if the year-to-date results are in line with the projections made in preparing the budget. If there are applicable changes, these are incorporated in the next years budget process.

## **FINANCIAL INFORMATION**

### Internal Control Framework and Policies

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 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. Based on these internal controls, the City provides a sound accounting system for safeguarding the City's assets through the recording and reporting of financial transactions according to guidelines of Federal law, Ohio Revised Code, Generally Accepted Accounting Principles (GAAP), and City ordinance.

### 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 City also maintains an encumbrance accounting system to maintain budgetary control. The control is maintained through the encumbering of estimated purchases through the use of formal approved purchase orders. 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, City Council receives a monthly report comparing budgeted and actual revenues 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.

## **CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING - 2013**

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, 2013. This was the fourteenth 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 Clark, Schaefer, Hackett and Co. has performed the City audit for the year-ended December 31, 2014. 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 auditor's 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, 2014 was made possible by the dedicated service of Kathy McNear, Clerk of Council/Finance Director, finance department staff, Martha Holden and Cynthia Miller, 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.

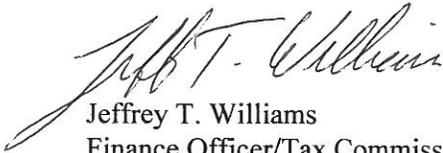
Respectfully submitted,



Derrick Parham  
City Administrator



Kathy McNear  
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, 2014**

**ELECTED OFFICIALS**

<b><u>Name</u></b>	<b><u>Title</u></b>	<b><u>Term of Office</u></b>	<b><u>Salary</u></b>
Doyle H. Webster	Mayor	12/01/11-11/30/15	\$25,000
Thomas Vanover	President	12/01/13-11/30/17	8,475
Lawrence Hawkins III	Vice-President	12/01/13-11/30/17	7,875
Marjorie Harlow	Member	12/01/13-11/30/17	7,875
Robert Diehl	Member	12/01/13-11/30/17	7,875
Holly Emerson	Member	12/01/13-11/30/17	7,875
James Squires	Member	12/01/11-11/30/15	7,875
Edward Knox	Member	12/01/11-11/30/15	7,875
Kathy McNear (1)	Clerk of Council/ Finance Director	12/01/11-11/30/15	16,800

**ADMINISTRATIVE PERSONNEL**

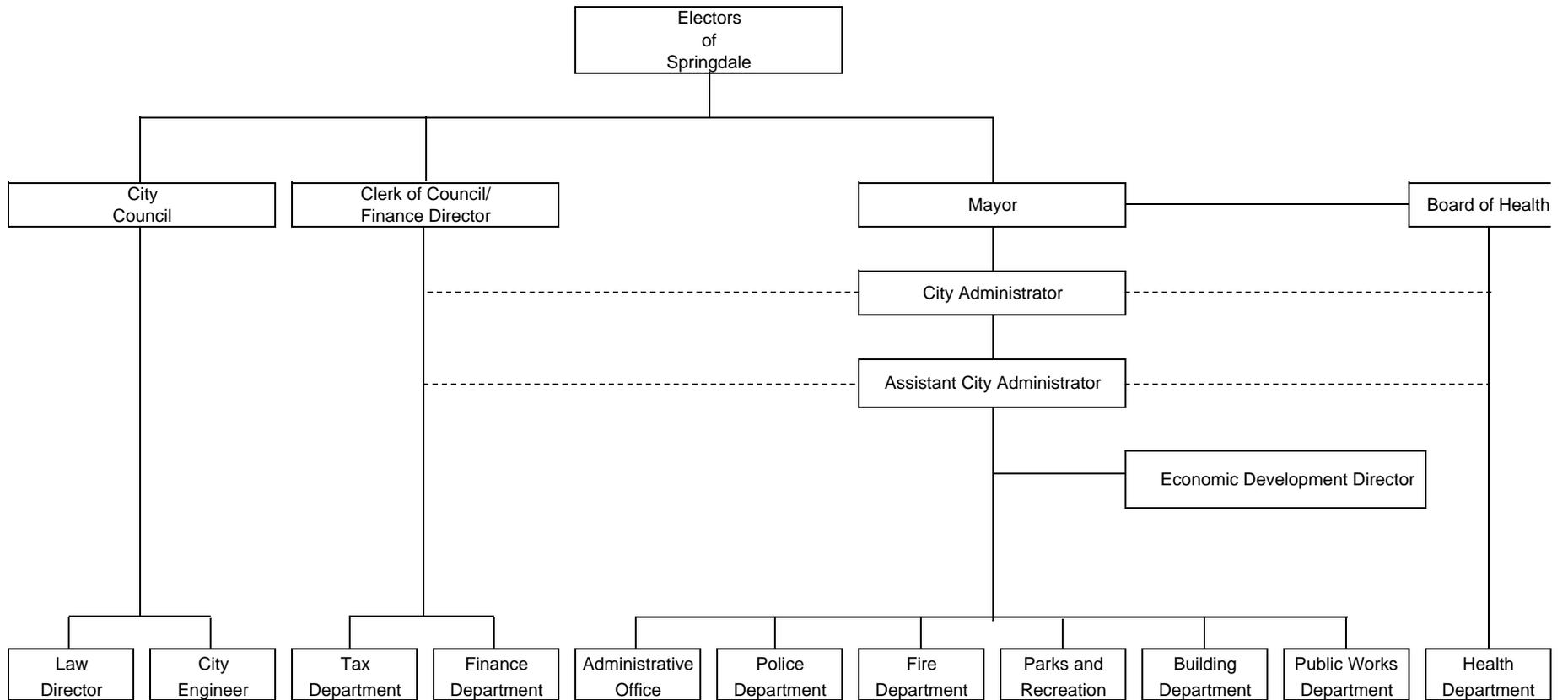
Derrick Parham, City Administrator  
Jerry Thamann, Assistant City Administrator  
Christine Russell, Economic Development Director

Jeff Agricola, Superintendent of Public Works	Jeffrey Forbes, Law Director
Greg Karle, Parks and Recreation Director	Don Shvegza, City Engineer
Michael Mathis, Chief of Police	Mark Piepmeier, City Prosecutor
William McErlane, Building Official	Donald White, City Magistrate
Cammie Mitrione, Health Commissioner	
Michael Hoffman, Fire Chief	
Jeffrey Williams, Finance Officer/Tax Commissioner (1)	

(1) Surety bond is held with the Western Surety Company in the amount of \$25,000. The bond is renewed annually.

# CITY OF SPRINGDALE

## ORGANIZATIONAL TABLE





Government Finance Officers Association

**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, 2013**

Executive Director/CEO



# **FINANCIAL SECTION**

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## **INDEPENDENT AUDITORS' REPORT**

To the City Council  
City of Springdale, Ohio:

### **Report on the Financial Statements**

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, Ohio (the "City") as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Springdale, Ohio, as of December 31, 2014, and the respective changes in financial position and the budgetary comparison for the General Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, introductory section, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2015 on our consideration of the City of Springdale'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Springdale's internal control over financial reporting and compliance.

*Clark, Schaefer, Hackett & Co.*

Cincinnati, Ohio  
June 16, 2015

**CITY OF SPRINGDALE, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

The City of Springdale discussion and analysis of the financial performance provides an overall review of the City's financial activities for the year-ended December 31, 2014. 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 2014 are as follows:

- \* The assets of the City exceeded its liabilities and deferred inflows of resources at December 31, 2014 by \$46,984,032 (net position). Of this amount, \$7,794,657 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- \* The City's governmental funds reported a combined ending fund balance of \$7,803,750. Of this amount, \$6,060,896 represents the general fund unassigned fund balance available for spending on behalf of its citizens.
- \* During 2014, the City reduced long-term general obligation debt by \$400,000.
- \* During 2014, 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 position and the statement of activities provide information about the activities of the City as a whole, presenting a longer-term view of those activities. The fund financial statements look at the City's most significant, or major, funds with all other non-major funds presented in total in one column. 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.

**REPORTING THE CITY AS A WHOLE**

The Statement of Net Position and the Statement of Activities

The analysis of the City as a whole begins with the statement of net position 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 2014 activities. These statements include all assets, liabilities and deferred inflows of resources 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, 2014**

These two statements report the City's net position and the change in that position. This change in net position 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 position and the statement of activities, the City reports governmental 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. 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 and activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end 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 position and the statement of activities) and governmental funds is reconciled in the basic 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, capital improvements fund, the northwest business district tax increment financing fund, and the Tri-County Mall tax increment financing 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 government-wide and fund financial statements.

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

**CITY OF SPRINGDALE, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As stated earlier, the statement of net position and the statement of activities present information about the City as a whole. Table 1 provides a summary of the City's net position for 2014 as compared to 2013:

<b><u>Table 1</u></b>	<b>Governmental Activities</b>	
	<b>2014</b>	<b>2013</b>
<b><u>Assets</u></b>		
Current and other assets	\$12,212,529	\$12,998,745
Capital assets, net	41,672,194	42,454,377
Total assets	<u>53,884,723</u>	<u>55,453,122</u>
<b><u>Liabilities</u></b>		
Current and other liabilities	1,156,667	1,215,952
Long-term liabilities:		
Due within one year	713,338	741,466
Due in more than one year	3,481,686	3,938,817
Total liabilities	<u>5,351,691</u>	<u>5,896,235</u>
<b><u>Deferred Inflows of Resources</u></b>		
Property tax	910,000	937,500
Payments in lieu of tax	639,000	644,000
Total deferred inflows of resources	<u>1,549,000</u>	<u>1,581,500</u>
<b><u>Net Position</u></b>		
Net investment in capital assets	38,170,787	38,533,392
Restricted	1,018,588	1,438,325
Unrestricted	7,794,657	8,003,670
Total net position	<u>\$46,984,032</u>	<u>\$47,975,387</u>

Net position of the City's governmental activities decreased \$991,355 from 2013 to 2014. Notable changes include current and other assets, capital assets, net, and long-term liabilities - due in more than a year.

The notable changes in current and other assets is equity in pooled cash and cash equivalents and prepaid items. Equity in pooled cash and cash equivalents decreased \$1,209,021. This decrease is due to cash basis expenditures being larger than cash basis revenues in 2014, thereby reducing cash balances at year end. One reason for the reduction of revenues from 2013 is the estate tax, which decreased \$728,211 as a result of State legislative changes. Prepaid items increased \$322,242 over 2013. This is due to the inclusion at year-end 2014 of prepaid health and liability insurance which were not applicable for accrual at year end 2013. Capital assets, net, decreased \$782,183. This decrease is due to the recording of depreciation expense, which for 2014 was greater than capital asset additions. The notable change in long-term liabilities - due in more than one year, is from general obligation bond principal being reduced \$400,000 based on payments made in accordance with the bond amortization schedule.

Based on the above table, the overall financial position of the City has remained consistent from 2013. There are no drastic increases or decreases. Certain components noted above have changed, but nothing is noted to lead to a conclusion that the City is better off or worse than in 2013.

**CITY OF SPRINGDALE, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Table 2 provides a summary of the change in net position for 2014 as compared to 2013.

<b><u>Table 2</u></b>	<u>Governmental Activities</u>	
	<u>2014</u>	<u>2013</u>
<b><u>Revenues</u></b>		
Program revenues:		
Charges for services	\$1,100,547	\$1,189,754
Operating grants and contributions	58,276	201,802
Capital grants and contributions	313,597	116,928
Total program revenues	<u>1,472,420</u>	<u>1,508,484</u>
General revenues:		
Municipal income taxes	12,837,195	13,028,396
Property and other taxes	1,178,894	1,196,576
Payments in lieu of taxes	639,122	634,654
Special assessments	177,199	187,509
Grants and entitlements not restricted	1,009,804	1,652,715
Investment earnings	7,897	7,939
Other	547,233	685,881
Total general revenues	<u>16,397,344</u>	<u>17,393,670</u>
Total revenues	<u>17,869,764</u>	<u>18,902,154</u>
<b><u>Program Expenses</u></b>		
Governmental activities:		
Security of persons and property	8,787,814	9,044,012
Public health services	364,198	356,082
Leisure time activities	1,815,741	1,710,927
Community environment	624,292	608,190
Transportation	2,870,199	3,604,730
General government	4,224,780	4,541,366
Interest and fiscal charges	174,095	186,477
Total expenses	<u>18,861,119</u>	<u>20,051,784</u>
Change in net position	(991,355)	(1,149,630)
Beginning net position	<u>47,975,387</u>	<u>49,125,017</u>
Ending net position	<u>\$46,984,032</u>	<u>\$47,975,387</u>

**CITY OF SPRINGDALE, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Governmental activities, total revenues, decreased \$1,032,390 from 2013 to 2014, and total expenses decreased \$1,190,665 from 2013 to 2014. Significant changes in revenues and expenses are addressed below:

Grants and Entitlements Not Restricted Revenue

Grants and entitlements not restricted revenue decreased \$642,911 from 2013 to 2014. This is mainly due to the change in the administration of the estate tax at the State level, therefore reducing estate tax received from \$729,735 in 2013 to \$1,524 in 2014.

Transportation Expense

Transportation expense decreased \$734,531 from 2013 to 2014. The decrease is primarily due to amounts expended in the capital improvements fund in 2013 that did not meet the criteria of a capital asset for financial statement presentation purposes and were therefore recorded as transportation expense. In 2014 the amount recorded to transportation expense was smaller as a result of less items that did not meet the criteria for inclusion as a capital asset.

General Government Expense

General government expense decreased \$316,586 from 2013 to 2014. This is mostly due to year end accruals regarding prepaid items, which had the affect of reducing general government expense, that were not applicable to 2013.

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**CITY OF SPRINGDALE, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Table 3 below shows 2014 percentages of revenues and expenses:

**Table 3**

	<u>\$</u>	<u>%</u>
<b><u>Revenues</u></b>		
Program revenues:		
Charges for services	\$1,100,547	6%
Operating grants and contributions	58,276	-
Capital grants and contributions	<u>313,597</u>	<u>2%</u>
Total program revenues	1,472,420	8%
General revenues:		
Municipal income taxes	12,837,195	72%
Property and other taxes	1,178,894	7%
Payments in lieu of taxes	639,122	3%
Special assessments	177,199	1%
Grants and entitlements not restricted	1,009,804	6%
Investment earnings	7,897	-
Other	<u>547,233</u>	<u>3%</u>
Total general revenues	<u>16,397,344</u>	<u>92%</u>
Total revenues	<u>\$17,869,764</u>	<u>100%</u>
<b><u>Program Expenses</u></b>		
Governmental activities:		
Security of persons and property	\$8,787,814	47%
Public health services	364,198	2%
Leisure time activities	1,815,741	10%
Community environment	624,292	3%
Transportation	2,870,199	15%
General government	4,224,780	22%
Interest and fiscal charges	<u>174,095</u>	<u>1%</u>
Total expenses	<u>\$18,861,119</u>	<u>100%</u>

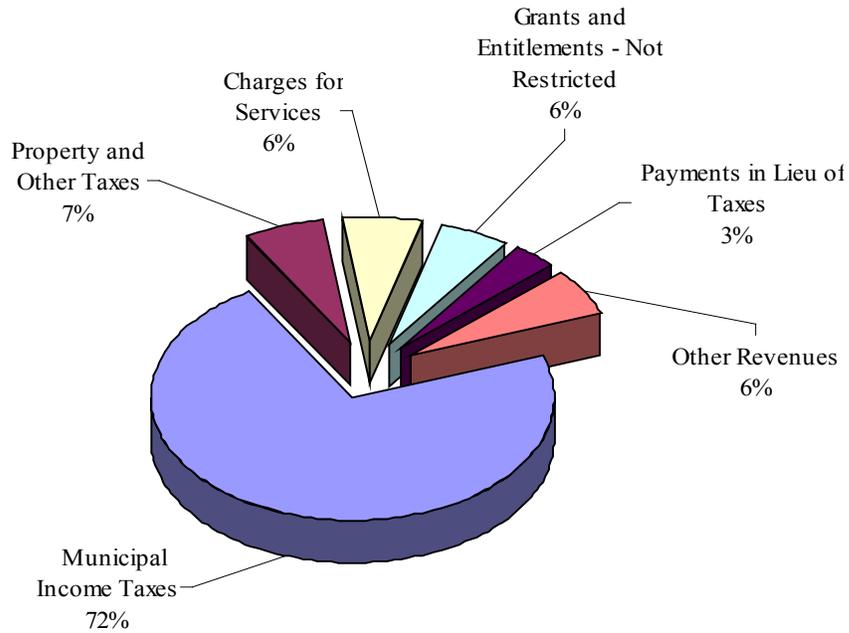
The largest sources of revenue are municipal income taxes, property and other taxes, charges for services, and grants and entitlements not restricted. Municipal income taxes are received from business withholdings, business net profit tax returns, resident tax returns, and penalty and interest. Property and other taxes are from real estate tax settlement payments received from Hamilton County as well as other locally levied taxes, such as cinema admissions and transient occupancy. Charges for services are mostly from paramedic services, fines and forfeitures related to Mayor's Court, and membership fees to join the community center. Grants and entitlements not restricted is received from the State and County as local government funds, homestead and rollback entitlement, gasoline tax, and license tax.

The largest sources of expense are security of persons and property, general government, and transportation. Security of persons and property represent operational activity for the police and fire departments, general government represents administration as well as the tax and finance departments, and transportation represents the public works department, depreciation expense and certain expenses that did not meet the criteria of a capital asset and therefore were recorded as transportation expense.

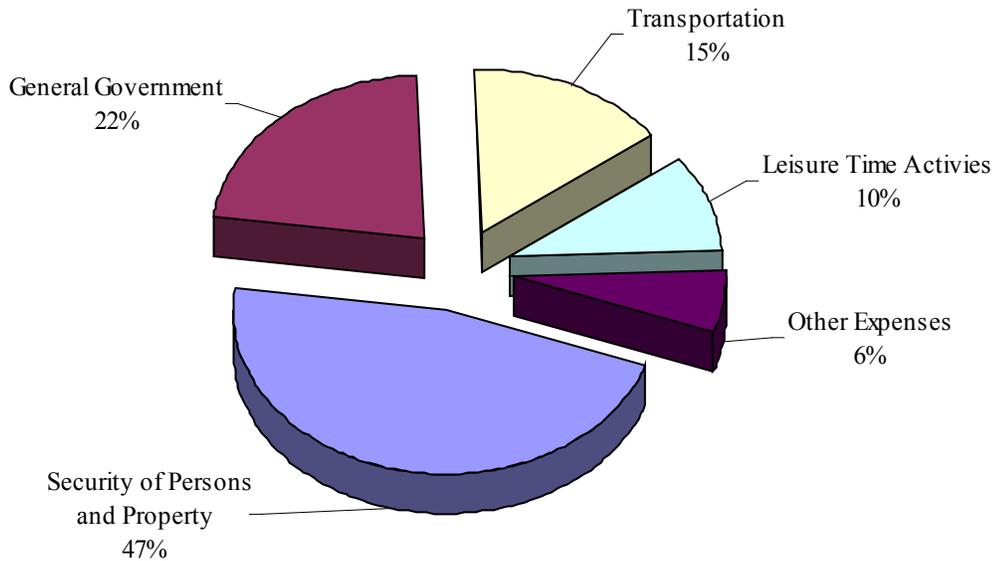
**CITY OF SPRINGDALE, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Following are graphs showing the percentages of revenue and expense for 2014:

**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, 2014**

**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, unassigned 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 2014, the City's governmental funds reported combined ending fund balances of \$7,803,750. Of this amount, \$5,568,233 represents unassigned fund balance, which includes a negative fund balance in the Tri-County Mall TIF fund (\$492,378) and the residential recycling fund (\$285). The remaining fund balance is classified as nonspendable, restricted, and assigned to indicate amounts not available for new spending due to allocations to liquidate encumbrances, reflect year-end inventory and prepaid items, and to account for long-term advances, health and liability insurance, capital improvements, debt service, operating grants, law enforcement, and road maintenance. All governmental funds had revenues of \$18,345,782 and expenditures of \$18,834,599, leaving a deficiency of revenues over expenditures of \$488,817.

Following is an analysis of fund balance for the major funds.

General Fund

The general fund is the chief operating fund of the City and at year-end 2014 the total fund balance was \$7,722,345. This represents an increase of \$179,707 from 2013. General fund revenues decreased \$630,114 from 2013. This is primarily due to the decrease in estate tax in the amount of \$728,211 (which is recorded as intergovernmental revenue) due to State legislative changes. General fund expenditures decreased \$143,022 from 2013. This is primarily due to year-end 2014 accruals which decreased the general government expenditure function.

Capital Improvements Fund

At year-end 2014, the total fund balance for the capital improvements fund was \$82,611, which represents a decrease of \$392,710 from 2013. This is the result of less funds being transferred-in from the general fund in order to reduce the fund balance the capital improvements fund was holding.

Northwest Business District Tax Increment (TIF) Fund

At year-end 2014, the total fund balance for the northwest business district TIF fund was \$243,118, which represents an increase of \$28,844 from 2013. In 2014, fund activity was consistent with 2013, therefore, fund balance had a very small change.

Tri-County Mall Tax Increment (TIF) Fund

At year-end 2014, the total fund balance for the Tri-County Mall TIF fund was (\$492,378), which represents no change from 2013. The only item accounted for in this fund in 2014 is the long-term advance transaction from the general fund.

**CITY OF SPRINGDALE, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**GENERAL FUND BUDGETING HIGHLIGHTS**

The City's budget is prepared according to Ohio law and the City Charter. All City funds are subject to the formal budgetary process. The most significant fund is the general fund, which is formally adopted at the departmental level (personal services and other expenditures). 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 to review and measure the effectiveness of budgetary controls. For 2014, there was one amendment to the City budget passed by City Council.

Comparison of Original Budget to Final Budget

For 2014, the original budgeted revenues for the general fund were approximately \$15.6 million and the final budgeted revenues were approximately \$16.3 million. The increase is primarily the result of receiving a greater amount of earnings tax revenue than originally budgeted. Also, the general fund original budget for 2014 expenditures, including transfer and advance activity, was approximately \$18.5 million and the final budgeted expenditures were approximately \$18.4 million.

Comparison of Final Budget to Actual Results

For 2014, the actual revenues for the general fund were approximately \$16.6 million and final budgeted revenues were approximately \$16.3 million. Also, the 2014 actual expenditures, including transfer and advance activity were approximately \$17.8 million as compared to the final budgeted expenditures of approximately \$18.4 million. This difference is mostly the result of actual expenditures being less than final budgeted expenditures for the functions of security of persons and property (police and fire departments) and leisure time activities (parks and recreation departments) and not applicable to any specific reason within those functions.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

Capital Assets

	Capital Assets at December 31 (Net of Depreciation)	
<b><u>Table 4</u></b>	<u>Governmental Activities</u>	
	<u>2014</u>	<u>2013</u>
Land	\$1,990,519	\$1,944,739
Real estate held for development	442,910	442,910
Construction in progress	413,693	185,006
Building	12,700,068	13,049,372
Improvements other than building	752,116	830,496
Machinery and equipment	442,914	431,048
Furniture and fixtures	15,893	17,491
Vehicles	1,293,854	1,094,605
Infrastructure:		
Sewers	138,966	151,912
Roads	17,946,534	18,491,541
Right of way	279,752	279,752

**CITY OF SPRINGDALE, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

<b><u>Table 4</u></b> (Continued)	<u>Governmental Activities</u>	
	<u>2014</u>	<u>2013</u>
Traffic control	1,414,714	1,450,922
Streetscape	1,643,913	1,731,732
Pedestrian traffic	244,786	269,351
Parks	1,489,862	1,553,900
TIF area public improvements	461,700	529,600
Total capital assets	<u>\$41,672,194</u>	<u>\$42,454,377</u>

Additional information concerning the City's capital assets can be found in Note 8 to the basic financial statements.

**Debt**

As of December 31, 2014, the City had outstanding debt of \$3,501,407 in bonds and capital leases, with \$581,269 due within one year.

<b><u>Table 5</u></b>	<u>Outstanding Debt at December 31</u>	
	<u>Governmental Activities</u>	
	<u>2014</u>	<u>2013</u>
General obligation bonds	\$1,100,000	\$1,500,000
TIF revenue bonds	2,220,998	2,307,240
Capital leases	180,409	113,745
Total debt	<u>\$3,501,407</u>	<u>\$3,920,985</u>

The general obligation bonds are the Community Center Expansion Bonds – Series 2012. Issued in 2012, these bonds retired the Series 2002 bonds through a current refunding. The Series 2002 bonds were issued for the renovation of the City's Community Center facility. For the Series 2012 bonds, payments are made twice a year (two interest payments and one principal payment) from City funds.

The TIF revenue bonds are the Northwest Business District Tax Increment Financing (TIF) Phase I Revenue Bonds. The bonds 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). Bond payments are made from service payments received in lieu of taxes and shortfall payments received from the property developers.

In 2014, the City entered into a lease agreement as well as retired a portion of lease agreements categorized as capital leases. At year-end 2014, the City has one lease categorized as a capital lease. Payments for this lease were made from the street construction, maintenance and repair fund.

Under the current City Charter, the City's 2014 general obligation bonded debt was subject to a legal limitation of \$32,818,237, based on 10.5 percent of the total assessed value of real and personal property located within the City.

Additional information concerning the City's debt can be found in Notes 10 and 11 to the basic financial statements.

**CITY OF SPRINGDALE, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**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 and approved by City Council 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 these figures (if applicable) for the remainder of the year. Then predictions are made for the next five years based on economic factors and 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 necessary.

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 then reviews all figures before the budget is final. At or near the first day of the fiscal year, the budget appropriations/estimated revenues ordinance is passed by City 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 received. 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, or e-mail at [jwilliams@springdale.org](mailto:jwilliams@springdale.org).

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# **BASIC FINANCIAL STATEMENTS**

**CITY OF SPRINGDALE, OHIO  
STATEMENT OF NET POSITION  
DECEMBER 31, 2014**

	<u>Governmental Activities</u>
Assets:	
Equity in pooled cash and cash equivalents	\$4,635,815
Cash with fiscal agent	207,593
Cash in segregated account	33,384
Receivables (net):	
Taxes	5,062,195
Payments in lieu of taxes	639,000
Special assessments	159,716
Accounts	191,836
Intergovernmental	522,083
Prepaid items	343,942
Inventory	357,143
Restricted assets:	
Funds on deposit for unclaimed monies	15,639
Funds on deposit for performance bonds and plan review fees	44,183
Nondepreciable capital assets	3,126,874
Depreciable capital assets, net	<u>38,545,320</u>
Total assets	<u>53,884,723</u>
Liabilities:	
Accounts payable	230,249
Contracts payable	128,325
Accrued wages and benefits payable	279,225
Accrued workers compensation payable	245,798
Accrued interest payable	1,109
Intergovernmental payable	47,742
Undistributed monies payable	47,883
Unclaimed monies payable	15,639
Claims payable	4,007
Unearned revenue	156,690
Long-term liabilities:	
Due within one year	713,338
Due in more than one year	<u>3,481,686</u>
Total liabilities	<u>5,351,691</u>
Deferred inflows of resources:	
Property tax	910,000
Payments in lieu of tax	<u>639,000</u>
Total deferred inflows of resources	<u>1,549,000</u>
Net position:	
Net investment in capital assets	38,170,787
Restricted for:	
Capital projects	547,635
Street construction, maintenance and repair	336,703
Other purposes	134,250
Unrestricted	<u>7,794,657</u>
Total net position	<u><u>\$46,984,032</u></u>

See accompanying notes to the basic financial statements

**CITY OF SPRINGDALE, OHIO**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	Expenses	Program Revenues			Net
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	(Expense) Revenue and Changes in Net Position
					Total Governmental Activities
Governmental activities:					
Security of persons and property	\$8,787,814	\$679,841	\$36,511	\$0	(\$8,071,462)
Public health services	364,198	69,516	5,880	0	(288,802)
Leisure time activities	1,815,741	134,541	0	0	(1,681,200)
Community environment	624,292	82,919	15,885	0	(525,488)
Transportation	2,870,199	5,160	0	313,597	(2,551,442)
General government	4,224,780	128,570	0	0	(4,096,210)
Interest and fiscal charges	174,095	0	0	0	(174,095)
<b>Total governmental activities</b>	<b>\$18,861,119</b>	<b>\$1,100,547</b>	<b>\$58,276</b>	<b>\$313,597</b>	<b>(17,388,699)</b>

General revenues:

Municipal income taxes	12,837,195
Property and other taxes	1,178,894
Payments in lieu of taxes	639,122
Special assessments	177,199
Grants and entitlements not restricted to specific programs	1,009,804
Investment earnings	7,897
Other revenues	547,233
<b>Total general revenues</b>	<b>16,397,344</b>
Change in net position	(991,355)
Net position - beginning	47,975,387
Net position - ending	<b>\$46,984,032</b>

See accompanying notes to the basic financial statements

**CITY OF SPRINGDALE, OHIO  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2014**

	General Fund	Capital Improvements Fund	Northwest Business TIF Fund	Tri-County Mall TIF Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>						
Equity in pooled cash and cash equivalents	\$3,794,704	\$369,607	\$254,028	\$0	\$217,476	\$4,635,815
Cash with fiscal agent	207,593	0	0	0	0	207,593
Cash in segregated account	33,384	0	0	0	0	33,384
Receivables (net):						
Taxes	5,062,195	0	0	0	0	5,062,195
Payments in lieu of taxes	0	0	639,000	0	0	639,000
Special assessments	0	8,716	151,000	0	0	159,716
Accounts	191,836	0	0	0	0	191,836
Intergovernmental	190,581	61,596	0	0	269,906	522,083
Interfund loan receivable	2,000	0	0	0	0	2,000
Prepaid items	341,491	0	0	0	2,451	343,942
Inventory	357,143	0	0	0	0	357,143
Advances to other funds	492,378	0	0	0	0	492,378
Restricted assets:						
Funds on deposit for unclaimed monies	15,639	0	0	0	0	15,639
Funds on deposit for performance bonds and plan review fees	44,183	0	0	0	0	44,183
<b>Total assets</b>	<b>\$10,733,127</b>	<b>\$439,919</b>	<b>\$1,044,028</b>	<b>\$0</b>	<b>\$489,833</b>	<b>\$12,706,907</b>
<b>Liabilities:</b>						
Accounts payable	\$213,047	\$1,981	\$0	\$0	\$15,221	\$230,249
Contracts payable	0	128,325	0	0	0	128,325
Accrued wages and benefits payable	278,160	0	0	0	1,065	279,225
Accrued workers compensation payable	245,798	0	0	0	0	245,798
Intergovernmental payable	36,832	0	10,910	0	0	47,742
Interfund loan payable	0	0	0	0	2,000	2,000
Undistributed monies payable	47,883	0	0	0	0	47,883
Unclaimed monies payable	15,639	0	0	0	0	15,639
Claims payable	4,007	0	0	0	0	4,007
Unearned revenues	0	156,690	0	0	0	156,690
Advances from other funds	0	0	0	492,378	0	492,378
<b>Total liabilities</b>	<b>841,366</b>	<b>286,996</b>	<b>10,910</b>	<b>492,378</b>	<b>18,286</b>	<b>1,649,936</b>
<b>Deferred inflows of resources:</b>						
Municipal income tax	896,519	0	0	0	0	896,519
Property tax	965,000	0	0	0	0	965,000
Payments in lieu of tax	0	0	639,000	0	0	639,000
Intergovernmental revenue	155,700	61,596	0	0	223,493	440,789
Special assessments	0	0	151,000	0	0	151,000
Other revenue	152,197	8,716	0	0	0	160,913
<b>Total deferred inflows of resources</b>	<b>2,169,416</b>	<b>70,312</b>	<b>790,000</b>	<b>0</b>	<b>223,493</b>	<b>3,253,221</b>
<b>Fund balances:</b>						
Nonspendable	1,191,012	0	0	0	2,451	1,193,463
Restricted	0	82,611	237,762	0	245,888	566,261
Assigned	470,437	0	5,356	0	0	475,793
Unassigned	6,060,896	0	0	(492,378)	(285)	5,568,233
<b>Total fund balances (deficit)</b>	<b>7,722,345</b>	<b>82,611</b>	<b>243,118</b>	<b>(492,378)</b>	<b>248,054</b>	<b>7,803,750</b>
<b>Total liabilities, deferred inflows of resources     and fund balances</b>	<b>\$10,733,127</b>	<b>\$439,919</b>	<b>\$1,044,028</b>	<b>\$0</b>	<b>\$489,833</b>	<b>\$12,706,907</b>

See accompanying notes to the basic financial statements

**CITY OF SPRINGDALE, OHIO**  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES**  
**TO NET POSITION OF GOVERNMENTAL ACTIVITIES**  
**DECEMBER 31, 2014**

Total governmental fund balances	\$7,803,750
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	41,672,194
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	1,704,221
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.	(693,617)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(3,501,407)
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>(1,109)</u>
Net position of governmental activities	<u><u>\$46,984,032</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, 2014**

	General Fund	Capital Improvements Fund	Northwest Business TIF Fund	Tri-County Mall TIF Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>						
Municipal income taxes	\$13,234,481	\$0	\$0	\$0	\$0	\$13,234,481
Property and other taxes	1,167,087	0	0	0	0	1,167,087
Payments in lieu of taxes	0	0	639,122	0	0	639,122
Special assessments	17,483	0	183,342	0	0	200,825
Intergovernmental	463,539	275,855	0	0	625,874	1,365,268
Charges for services	537,209	0	0	0	0	537,209
Fines and forfeitures	222,889	0	0	0	2,870	225,759
Fees, licenses and permits	394,914	0	0	0	8,221	403,135
Interest	7,587	0	310	0	0	7,897
Other	358,348	1,939	189,000	0	15,712	564,999
<b>Total revenues</b>	<b>16,403,537</b>	<b>277,794</b>	<b>1,011,774</b>	<b>0</b>	<b>652,677</b>	<b>18,345,782</b>
<b>Expenditures:</b>						
<b>Current:</b>						
Security of persons and property	8,493,596	0	0	0	48,982	8,542,578
Public health services	368,953	0	0	0	12,733	381,686
Leisure time activities	1,471,098	0	0	0	7,366	1,478,464
Community environment	580,376	0	0	0	38,545	618,921
Transportation	1,150,993	0	0	0	429,445	1,580,438
General government	3,283,315	0	744,733	0	0	4,028,048
Capital outlay	341,953	723,872	0	0	274,561	1,340,386
<b>Debt service:</b>						
Principal retirement	381	45,816	86,242	0	557,139	689,578
Interest and fiscal charges	15	816	151,955	0	21,714	174,500
<b>Total expenditures</b>	<b>15,690,680</b>	<b>770,504</b>	<b>982,930</b>	<b>0</b>	<b>1,390,485</b>	<b>18,834,599</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>712,857</b>	<b>(492,710)</b>	<b>28,844</b>	<b>0</b>	<b>(737,808)</b>	<b>(488,817)</b>
<b>Other financing sources (uses):</b>						
Inception of capital lease	0	0	0	0	270,000	270,000
Transfers-in	0	100,000	0	0	433,150	533,150
Transfers-out	(533,150)	0	0	0	0	(533,150)
<b>Total other financing sources (uses)</b>	<b>(533,150)</b>	<b>100,000</b>	<b>0</b>	<b>0</b>	<b>703,150</b>	<b>270,000</b>
<b>Net change in fund balances</b>	<b>179,707</b>	<b>(392,710)</b>	<b>28,844</b>	<b>0</b>	<b>(34,658)</b>	<b>(218,817)</b>
<b>Beginning fund balances (deficit)</b>	<b>7,542,638</b>	<b>475,321</b>	<b>214,274</b>	<b>(492,378)</b>	<b>282,712</b>	<b>8,022,567</b>
<b>Ending fund balances (deficit)</b>	<b>\$7,722,345</b>	<b>\$82,611</b>	<b>\$243,118</b>	<b>(\$492,378)</b>	<b>\$248,054</b>	<b>\$7,803,750</b>

See accompanying notes to the basic financial statements

**CITY OF SPRINGDALE, OHIO**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

Net change in fund balances - total governmental funds (218,817)

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 depreciation expense exceeded capital outlays in the current period:

Capital asset additions, not being depreciated	588,450	
Capital asset additions, being depreciated	855,967	
Inception of capital lease	(270,000)	
Depreciation expense	<u>(1,907,482)</u>	(733,065)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, disposal) is to decrease net capital assets:

Capital asset deletions, not being depreciated	(313,983)	
Capital asset deletions, being depreciated	(102,696)	
Accumulated depreciation	<u>97,561</u>	(319,118)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (476,018)

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 position. 689,578

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. 65,681

Some expenses reported in the statement of activities, such as accrued interest do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The net effect is reported. 404

Change in net position of governmental activities (\$991,355)

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, 2014**

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Municipal income taxes	\$12,660,576	\$13,400,876	\$13,300,706	(\$100,170)
Property and other taxes	1,202,500	1,202,500	1,174,485	(28,015)
Special assessments	2,000	2,000	17,483	15,483
Intergovernmental	441,325	441,325	476,893	35,568
Charges for services	492,350	492,350	522,072	29,722
Fines and forfeitures	223,000	223,000	215,344	(7,656)
Fees, licenses and permits	366,000	366,000	394,914	28,914
Interest	8,500	8,500	7,587	(913)
Other	181,500	181,500	488,295	306,795
Total revenues	<u>15,577,751</u>	<u>16,318,051</u>	<u>16,597,779</u>	<u>279,728</u>
Expenditures:				
Current:				
Security of persons and property	9,238,893	9,188,893	8,908,277	280,616
Public health services	416,280	416,280	384,910	31,370
Leisure time activities	1,643,471	1,643,471	1,534,221	109,250
Community environment	611,368	611,368	583,342	28,026
Transportation	1,321,083	1,411,083	1,330,122	80,961
General government	4,160,262	4,163,262	4,084,806	78,456
Capital outlay	403,433	473,433	408,010	65,423
Debt service:				
Principal retirement	0	0	382	(382)
Interest	0	0	14	(14)
Total expenditures	<u>17,794,790</u>	<u>17,907,790</u>	<u>17,234,084</u>	<u>673,706</u>
Excess (deficiency) of revenues over expenditures	<u>(2,217,039)</u>	<u>(1,589,739)</u>	<u>(636,305)</u>	<u>953,434</u>
Other financing sources (uses):				
Transfers-in	4,475	4,475	4,475	0
Transfers-out	(759,650)	(533,150)	(533,150)	0
Advances-in	6,925	6,925	6,925	0
Advances-out	0	(2,000)	(2,000)	0
Total other financing sources (uses)	<u>(748,250)</u>	<u>(523,750)</u>	<u>(523,750)</u>	<u>0</u>
Net change in fund balance	(2,965,289)	(2,113,489)	(1,160,055)	953,434
Beginning fund balance	4,697,624	4,697,624	4,697,624	0
Prior year encumbrances	160,888	160,888	160,888	0
Ending fund balance	<u>\$1,893,223</u>	<u>\$2,745,023</u>	<u>\$3,698,457</u>	<u>\$953,434</u>

See accompanying notes to the basic financial statements

**CITY OF SPRINGDALE, OHIO  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
FIDUCIARY FUND  
DECEMBER 31, 2014**

	<u>Agency</u>
Assets:	
Equity in pooled cash and cash equivalents	<u>\$163</u>
Total assets	<u><u>\$163</u></u>
Liabilities:	
Ohio board of building standards assessment (OBBS) payable	<u>\$163</u>
Total liabilities	<u><u>\$163</u></u>

See accompanying notes to the basic financial statements

**CITY OF SPRINGDALE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

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 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 position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statement of net position presents the financial condition of the City 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 and grants and contributions that are restricted to meeting the operational and capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the City. The effect of interfund activity has been eliminated from the government-wide financial statements, but interfund services provided and used are not eliminated in the process of consolidation.

**CITY OF SPRINGDALE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

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 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, expenditures, and encumbrances to assure legal and accounting compliance and to assure that budgetary authority is not exceeded. The difference between governmental fund assets, liabilities and deferred inflows of resources 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 and to account for capital grants obtained from outside sources.

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

Tri-County Mall Tax Increment Financing (TIF) Fund - This capital projects fund is used to account for the activity regarding the Tri-County Mall TIF Project, including public improvements and interfund advances.

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

**CITY OF SPRINGDALE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

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, liabilities, and deferred inflows of revenues associated with the operation of the City are included on the statement of net position.

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, current liabilities and deferred inflows of resources are generally 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. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements of governmental funds.

Basis of Accounting

Accounting basis determines when transactions and economic events are reflected in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental 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 inflows of resources, 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, are 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, 2014**

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, special assessments, cable franchise fees, state levied taxes, grants, and entitlements. 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, and entitlements 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 the 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 (either in-part or in-full) at year-end: municipal income tax, admissions tax, transient occupancy tax, certain reimbursements, certain charges for services, joint economic development district tax, state-levied locally shared taxes (including gasoline tax and motor vehicle license tax), license and permit fees, and grants.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position and the balance sheet each report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The following transactions recorded a receivable and deferred inflows of resources (either in-part or in-full) at year-end: municipal income tax, transient occupancy tax, property and other taxes, payments in lieu of taxes, special assessments, intergovernmental, and miscellaneous.

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, 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/estimated receipts ordinance, all of which are prepared on the non-GAAP budgetary basis of accounting. The certificate of estimated resources and the appropriation/estimated receipts ordinance may be amended by councilmanic action throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

**CITY OF SPRINGDALE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

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 over-expenditure 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 (personal services and all other expenditures) and all other funds is at the fund level (personal services and all other expenditures). Administrative control is maintained through the establishment of detailed line item budgets. For 2014, 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 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 as final budget 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 within assigned or restricted fund balance.

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

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

**CITY OF SPRINGDALE, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2014**

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),
- \* Year-end encumbrances are treated as expenditures (budget) rather than assigned fund balance (GAAP), and
- \* Year-end prepaid items are treated as expenditures (budget) rather than nonspendable 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	\$179,707
Net adjustment for revenue accruals	205,642
Net adjustment for expenditure accruals	(1,081,166)
2013 prepaid items for 2014	17,682
2014 prepaid items for 2015	(341,491)
Encumbrances	(140,429)
Budget basis	(\$1,160,055)

Cash and Cash Equivalents

Cash is pooled and invested short-term for cash management purposes. Investments with original maturities of three months or less are considered to be cash equivalents. The City reports cash in segregated account, which represents the year-end balance of Mayor's Court activity. The City also reports cash with fiscal agent, which represents the year-end general reserve fund balance held in the City's name through the Miami Valley Risk Management Association.

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.

Receivables

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

**CITY OF SPRINGDALE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

Prepaid Items

Certain payments made to vendors for services that will benefit subsequent periods are recorded as prepaid items. On government-wide and fund financial statements, prepaid items are presented based on the consumption method, whereas an asset is recognized at year-end for the value of the prepayment remaining and the expense/expenditures are reflected in the year in which services are consumed. On the fund financial statements, prepaid items are equally offset as nonspendable fund balance, which indicates that the prepaid items do not constitute available spendable resources even though they are a component of net current assets.

Inventory

On the government-wide and fund financial statements, inventories are presented based on the consumption method at cost 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

Governmental capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in the governmental funds. Governmental capital assets are reported in the governmental activities column of the government-wide statement of net position 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 deletions 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 value as of the date received, if valued at \$5,000 or more. 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, right of way easements (infrastructure), and construction in progress. Improvements are depreciated over the remaining useful life of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

Buildings	15 - 60 years
Improvements other than building	10 - 25 years
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 2014 was \$7,897. Total interest credited to the general fund during 2014 was \$7,587, which includes \$154 assigned from other funds.

**CITY OF SPRINGDALE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

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 Northwest Business District TIF - Phase I bond payments and other applicable expenditures.

Special Assessments

Special assessments represent amounts received from the Hamilton County Auditor based on the Tax Increment Financing (TIF) Service Agreement. As part of the Pictoria Island Service Agreement, Phase II, long term bonds were issued by the Greater Cincinnati Port Authority (Port). Phase II of the agreement covers an office tower as well as the adjacent parking garage. The special assessments were levied based on lost service payments as a result of the parking garage becoming a public purpose parcel and therefore the TIF value was decreased to \$0. The special assessments were levied on the tenants of the office tower to make up the shortfall in service payments. When the special assessments are received from the County Auditor at settlement, the amount is then remitted to the Port bond trustee in accordance with the Service Agreement. Special assessments were also collected as a result of unpaid amounts owed by residents for grass cutting services performed and unpaid driveway apron assessments. Billings are sent to the resident owners. If payment is not received within 30 days, a special assessment is levied on property taxes through the Hamilton County Auditor's Office. On the statement of activities, special assessments at December 31, 2014 are \$177,199.

Restricted Assets

The statement of net position and the balance sheet, general fund, report amounts that are restricted for a specific use. These are amounts on deposit for unclaimed monies, performance bonds and plan review fees.

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. Accumulated vacation leave 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. At year-end 2014, a compensated absence liability is reported on the government-wide financial statements as long-term liabilities.

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 "accrued compensated absences payable" in the fund from which the employees who have accumulated leave are paid. In prior years, the liability for compensated absences has been liquidated from the general fund, street construction, maintenance and repair fund, and the state highway fund. The noncurrent portion of the liability is not reported. The City has not reported a compensated absences liability in the fund financial statements at year-end 2014.

**CITY OF SPRINGDALE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and compensated absences 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. Contractually required pension contributions are fully recognized in the fund financial statements. Bonds and capital leases are recognized as a liability on the fund financial statements when due.

Net Position

On the statement of net position, net position represents the difference between assets, liabilities, and deferred inflows of resources. Net investment in capital assets, 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 position is 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 position restricted for non-capital grants and other applicable special revenue funds. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. Of the City's \$1,018,588 restricted net position, \$0 is restricted for enabling legislation.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of resources in the governmental funds. The classifications are as follows:

*Nonspendable* - The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criteria includes items that are not expected to be converted to cash. It also includes advances to/from other funds.

*Restricted* - Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (City ordinance).

Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party (such as citizens, public interest groups, or the judiciary) to use resources created by enabling legislation only for the purposes specified by the legislation.

**CITY OF SPRINGDALE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

*Committed* - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by an ordinance of City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance may be redirected for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue: therefore, compliance with these constraints are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. The City had no amounts reported as committed fund balance at December 31, 2014.

*Assigned* - Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. Assigned fund balance consists of amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The City has no formal policy authorizing a body or official to assign amounts for specific purposes.

*Unassigned* - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted or assigned.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (assigned and unassigned) amounts are available. Similarly, within unrestricted fund balance, assigned amounts are reduced first, followed by unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Interfund Activity

Flows of cash from one fund to another without a requirement for repayment are reported as transfers, and are reported as other financing sources/uses in governmental funds. Interfund transfers are eliminated in the statement of activities, but the interfund services provided and used are not eliminated in the process of consolidation. On the fund financial statements, long-term outstanding interfund loans are reported as "Advances to other funds" and "Advances from other funds". Advances to/from other funds are classified as nonspendable fund balance, which indicates they are not in spendable form even though they are a component of net current assets. The short-term outstanding interfund loans are reported as "Interfund loan receivable" and "Interfund loan payable". Interfund loan receivable/payable are classified as assigned fund balance. These amounts are eliminated in the statement of net position.

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.

**CITY OF SPRINGDALE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

**3. FUND BALANCES**

Fund balance is classified as nonspendable, restricted, assigned, and unassigned. The constraints placed on fund balance for the major governmental funds and all other governmental funds are as follows:

Fund Balance	General Fund	Capital Improve- ments Fund	Northwest Business TIF Fund	Tri-County Mall TIF Fund	Nonmajor Govern- mental Funds	Total
<u>Nonspendable:</u>						
Advances to other funds	\$492,378	\$0	\$0	\$0	\$0	\$492,378
Prepaid items	341,491	0	0	0	2,451	343,942
Inventory	357,143	0	0	0	0	357,143
Total nonspendable	1,191,012	0	0	0	2,451	1,193,463
<u>Restricted for:</u>						
Capital improvements	0	82,611	0	0	0	82,611
Debt service	0	0	237,762	0	595	238,357
Operating grants	0	0	0	0	42,284	42,284
Road maintenance	0	0	0	0	153,378	153,378
Law enforcement	0	0	0	0	36,348	36,348
Leisure time activities	0	0	0	0	8,883	8,883
Community environment	0	0	0	0	4,400	4,400
Total restricted	0	82,611	237,762	0	245,888	566,261
<u>Assigned to:</u>						
Health insurance	96,656	0	0	0	0	96,656
Liability insurance	273,552	0	0	0	0	273,552
Other purposes	100,229	0	5,356	0	0	105,585
Total assigned	470,437	0	5,356	0	0	475,793
Unassigned	6,060,896	0	0	(492,378)	(285)	5,568,233
Total fund balance	\$7,722,345	\$82,611	\$243,118	(\$492,378)	\$248,054	\$7,803,750

**4. FUND DEFICITS**

The capital projects, Tri-County Mall tax increment financing (TIF) fund, and the special revenue, residential recycling fund, at December 31, 2014 included fund deficits of \$492,378 and \$285, respectively. The deficit balance in the Tri-County Mall TIF fund is due to the recognition of advances from other funds liability. The deficit balance in the residential recycling fund is due to the recognition of expenditures on the modified accrual basis of accounting which is greater than expenditures recorded on the cash basis. The general fund is liable for fund deficits and provides transfers when cash is required, not when accruals occur.

**CITY OF SPRINGDALE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

**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 short-term investments. The provisions of the Ohio Revised Code (ORC) and City Ordinance 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 the following category:

*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 ORC 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.

**CITY OF SPRINGDALE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

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.

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 \$4,981,572, \$529,706 was covered by federal deposit insurance. The remaining amount, \$4,451,866 was covered by provided collateral and not subject to custodial credit risk. Although all statutory requirements for the deposit of money have 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 had no items classified as investments at December 31, 2014.

Interest Rate Risk – Interest rate risk is the risk that an investment’s value will change as interest rates change. The City has no formal policy regarding interest rate risk, but as a means of limiting its exposure to fair value losses caused by changing interest rates, the City attempts, to the extent possible, to match investments with anticipated cash flow requirements.

Credit Risk – Credit risk is the risk of loss due to a debtor’s non-payment of debt. The City has no formal policy regarding credit risk. The City limits their investments to those authorized by the City investment policy.

Custodial Credit Risk - Custodial credit risk for investments 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. The City has no investment policy dealing with investment custodial risk beyond the requirement in state statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

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



**CITY OF SPRINGDALE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

The County Treasurer collects property taxes on behalf of all taxing districts in the County. The County Auditor remits to the City its portion of the taxes collected as advances and at settlement twice a year. Accrued property taxes receivable represent real 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 offset by deferred inflows of resources on the statement of net position and the balance sheet, with the exception of delinquencies, which are presented as property tax revenue.

Income Taxes

In 2014, 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 for applicable income taxes paid to other governments up to 100% of the City's 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, permanent improvements of the City, and the discharge of principal and interest of obligations for permanent improvements.

Intergovernmental Receivables

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

Local government	\$130,000
Gasoline tax	192,000
License tax	68,000
Homestead/rollback	31,000
Grants	71,502
Other	<u>29,581</u>
Total	<u>\$522,083</u>

**7. INTERFUND TRANSACTIONS**

Interfund Loan Receivable/Payable

Interfund loan asset and liability balances reflected by fund at December 31, 2014 are as follows:

<u>Interfund Loan Receivable</u>	<u>Interfund Loan Payable</u>	<u>Amount</u>
General fund	Grants fund	<u>\$2,000</u>

The special revenue, grants fund is a non-major fund. Interfund loans were the result of cash flow needs within the fund and are expected to be repaid within one year.

**CITY OF SPRINGDALE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

Advances To/From Other Funds

A previous year's interfund loan was made from the general fund to the capital projects fund Tri-County Mall tax increment financing fund. This loan was made regarding the East Kemper Road at Tri-County Mall Road Improvements project and will be repaid to the general fund when service payments are received. At the time, it was believed the interfund loan would be repaid within a year, but since has been determined this should be shown as long-term advances on the fund financial statements. Following is a schedule of advances to/from other funds:

<u>Advances To Other Funds</u>	<u>Advances From Other Funds</u>	<u>Amount</u>
General fund	Capital projects, Tri-County Mall TIF fund	\$492,378

The capital projects, Tri-County Mall TIF fund, is a major fund.

Transfers In/Transfers Out

In 2014, 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	\$418,150
General fund	Special revenue, residential recycling fund	15,000
		433,150
General fund	Capital projects, capital improvements fund	100,000
		\$533,150

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

On the statement of revenues, expenditures, and changes in fund balances, budget and actual, general fund, \$4,475 was transferred in from the unclaimed money fund. On the GAAP basis, the activity in the unclaimed money fund is reflected in the general fund. Therefore, this transfer was eliminated on the GAAP basis statements.

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**CITY OF SPRINGDALE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

**8. CAPITAL ASSETS**

Capital asset activity is summarized below:

<u>Governmental Activities</u>	<u>Balance 1/1/14</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/14</u>
Capital assets, not being depreciated:				
Land	\$1,944,739	\$45,780	\$0	\$1,990,519
Real estate held for development	442,910	0	0	442,910
Infrastructure – right of way	279,752	0	0	279,752
Construction in progress	185,006	542,670	(313,983)	413,693
Total capital assets not being depreciated	<u>2,852,407</u>	<u>588,450</u>	<u>(313,983)</u>	<u>3,126,874</u>
Capital assets, being depreciated:				
Buildings	19,784,111	0	0	19,784,111
Improvements other than building	2,544,593	0	0	2,544,593
Machinery and equipment	1,725,512	87,834	(32,100)	1,781,246
Furniture and fixtures	36,582	0	0	36,582
Vehicles	3,562,591	390,275	(70,596)	3,882,270
Infrastructure	54,711,883	377,858	0	55,089,741
Total capital assets being depreciated	<u>82,365,272</u>	<u>855,967</u>	<u>(102,696)</u>	<u>83,118,543</u>
Less accumulated depreciation:				
Buildings	(6,734,739)	(349,304)	0	(7,084,043)
Improvements other than building	(1,714,097)	(78,380)	0	(1,792,477)
Machinery and equipment	(1,294,464)	(74,363)	30,495	(1,338,332)
Furniture and fixtures	(19,091)	(1,598)	0	(20,689)
Vehicles	(2,467,986)	(187,496)	67,066	(2,588,416)
Infrastructure	(30,532,925)	(1,216,341)	0	(31,749,266)
Total accumulated depreciation	<u>(42,763,302)</u>	<u>(1,907,482)</u>	<u>97,561</u>	<u>(44,573,223)</u>
Total capital assets being depreciated, net	<u>39,601,970</u>	<u>(1,051,515)</u>	<u>(5,135)</u>	<u>38,545,320</u>
Governmental activities capital assets, net	<u>\$42,454,377</u>	<u>(\$463,065)</u>	<u>(\$319,118)</u>	<u>\$41,672,194</u>

**CITY OF SPRINGDALE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

In 2014, depreciation expense was charged to governmental functions as follows:

Security of persons and property	\$240,158
Public health services	1,752
Leisure time activities	313,632
Community environment	2,100
Transportation	1,161,936
General government	187,904
	<u>\$1,907,482</u>

**9. COMPENSATED ABSENCES**

Accumulated Unpaid Vacation Leave

Full-time City employees earn vacation leave at varying rates based upon years of service. Those employees under union contract are compensated at year-end for any unused vacation if requested by the employee. Vacation leave balances are not carried over to the next year.

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 balances at year-end are carried over to the next year. Sick leave may be accumulated up to 1,600 hours. Employees are compensated at year-end for sick leave balances over 1,600 hours (paid out at one-half the hours over 1,600). At retirement, an employee 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. Compensatory time balances at year-end are carried over to the next year. 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 a balance of seventy-two hours in a calendar year. Employees of the police department under union contract can accrue and use up to a balance of one hundred hours in a calendar year.

**CITY OF SPRINGDALE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

**10. LONG-TERM OBLIGATIONS**

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

<u>Governmental Activities</u>	<u>Balance 1-1-14</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12-31-14</u>	<u>Amount Due Within A Year</u>
General obligation bonds:					
Community center expansion bonds – Series 2012	\$1,500,000	\$0	(\$400,000)	\$1,100,000	\$400,000
Total general obligation bonds	<u>1,500,000</u>	<u>0</u>	<u>(400,000)</u>	<u>1,100,000</u>	<u>400,000</u>
Tax increment financing phase I revenue bonds	2,307,240	0	(86,242)	2,220,998	91,690
Capital leases	113,745	270,000	(203,336)	180,409	89,579
Compensated absences	<u>759,298</u>	<u>795,934</u>	<u>(861,615)</u>	<u>693,617</u>	<u>132,069</u>
Total governmental activities	<u>\$4,680,283</u>	<u>\$1,065,934</u>	<u>(\$1,551,193)</u>	<u>\$4,195,024</u>	<u>\$713,338</u>

Community Center Expansion General Obligation Bonds – Series 2012

The City issued \$1,900,000 of Community Center Expansion General Obligation Bonds – Series 2012 dated October 25, 2012. The bonds were issued for the purpose of retiring Series 2002 bonds through a current refunding private placement. The 2002 bonds were issued for the purpose of paying the cost of constructing, furnishing and equipping additions and renovations to the Municipal 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 Series 2012 bonds bear interest at the rate of 1.21% and mature on December 1, 2017. For the fiscal year 2014, principal or interest payments were made in the amount of \$400,000 and \$18,002 respectively.

Tax Increment Financing, Pictoria Island - Phase I Revenue Bonds

The City issued \$3,040,000 of Pictoria Island Phase I Tax Increment Financing (TIF) Revenue Bonds dated September 14, 2000. The bonds retired notes that were issued for the construction of infrastructure and a man-made lake in the Northwest Business District (Pictoria Island) TIF area. The bonds mature September 1, 2029 and bear interest at the rate of 6.70%. The City has pledged future service payments (payments in lieu of taxes) received from the owners of the property under the TIF agreement to repay the bond principal and interest. 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 service payments, and anticipated shortfall payments, are projected to produce 100% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$3,506,208 payable through September 2029. For fiscal year 2014, Phase I principal and interest payments made and total service payments and shortfall received were \$238,197 and \$248,334, respectively. The liability at December 31,

**CITY OF SPRINGDALE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

2014 for the TIF – Phase 1 Revenue Bonds Payable is \$2,220,998 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>
2015	\$400,000	\$13,310	\$91,690	\$146,508
2016	400,000	8,470	98,025	140,173
2017	300,000	3,630	104,798	133,400
2018	0	0	112,039	126,159
2019	0	0	119,781	118,417
2020-2024	0	0	735,095	455,894
2025-2029	0	0	959,570	164,659
Total	<u>\$1,100,000</u>	<u>\$25,410</u>	<u>\$2,220,998</u>	<u>\$1,285,210</u>

Under the current City Charter, the City’s 2014 general obligation bonded debt was subject to a legal limitation of \$32,818,237, based on 10.5 percent of the total assessed value of real and public utility tangible personal property located within the City.

**Tax Increment Financing, Pictoria Island – Phase II**

As part of the Pictoria Island Service Agreement, Phase II, long term bonds were issued by the Greater Cincinnati Port Authority (Port). Phase II of the agreement covers an office tower as well as the adjacent parking garage. Under the service agreement, when the Phase II service payments are received from the Hamilton County Auditor at settlement, the amounts are remitted to the Port bond trustee. The City has no financial guarantee for shortfall or future payments regarding the bonds.

**11. LEASES**

The City’s lease obligations that meet the criteria of a capital lease have been recorded on the government-wide statements. The following is a schedule of the future long-term minimum lease payments required under capital lease, and the present value of the minimum lease payments:

<u>Year Ending December 31</u>	
2015	\$92,099
2016	<u>92,099</u>
Total minimum lease payments	184,198
Less: amount representing interest	<u>(3,789)</u>
Present value of minimum lease	<u>\$180,409</u>

**CITY OF SPRINGDALE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

Leased assets have been capitalized for the amount of the present value of the minimum lease payments at the inception of the lease. \$270,000 represents the amount of capital assets under capital lease obligation at December 31, 2014. In 2014, \$381 was paid from the general fund as principal retirement, \$45,816 was paid from the capital improvements fund as principal retirement, and \$157,139 was paid from the street construction, maintenance and repair 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. DEFINED BENEFIT PENSION PLANS**

### Ohio Public Employees Retirement System

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 accumulate 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, but less than, 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 (ORC). OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to OPERS at 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

The ORC provides statutory authority for member and employer contributions. For 2014, member and employer contribution rates were consistent across all three plans. While members in the state and local divisions may participate in all three plans, law enforcement and public safety officers participate in only the Traditional Pension Plan. The 2014 member contribution rates were 10% of earnable salary for members in state and local classifications. Public safety and law enforcement members contributed 12% and 13%, respectively.

The 2014 employer contribution rate for state and local employers was 14% of earnable salary. The law enforcement and public safety division employer contribution rate was 18.1% of earnable salary. The City's contributions (employer share) to OPERS for the years ended December 31, 2014, 2013, and 2012 were \$577,415, \$536,713, and \$526,463, respectively, equal to the required contribution for each year.

**CITY OF SPRINGDALE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

In June of 2012, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 68, "Accounting and Financial Reporting for Pensions". This accounting standard replaces GASB Statement No. 27, "Accounting for Pensions by State and Local Governmental Employers", and is effective for employer fiscal years beginning after June 15, 2014.

Ohio Police and Fire Pension Fund

All full-time police officers and firefighters participate in 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. That report is also available on OP&F's website at [www.op-f.org](http://www.op-f.org).

From January 1, 2014 thru July 1, 2014, plan members were required to contribute 10.75% of their annual covered salary. From July 2, 2014 thru December 31, 2014, plan members were required to contribute 11.5% of their annual covered salary. Throughout 2014, employers were required to contribute 19.5% and 24% respectively for police officers and firefighters. The City's contributions (employer share) to OP&F for the years ending December 31, 2014, 2013, and 2012, were \$1,023,956, \$963,294, and \$914,274, respectively, equal to the required contribution for each year.

### **13. POST EMPLOYMENT BENEFITS**

Ohio Public Employees Retirement System

*Plan Description* - The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans: The Traditional Pension Plan - a cost sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan - a defined contribution plan; and the Combined Plan - a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple employer defined benefit post-employment health care plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying benefit recipients 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-employment 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 OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Post-employment Benefits other than Pension". OPERS' eligibility requirements for post employment health care coverage changed for those retiring on and after January 1, 2015. Please see the Plan Statement in the OPERS 2013 CAFR for details.

**CITY OF SPRINGDALE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

The Ohio Revised Code (ORC) permits, but does not require, OPERS to provide OPEB benefits to its eligible benefit recipients. Authority to establish and amend health care coverage is provided in Chapter 145 of the ORC. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to OPERS at 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

*Funding Policy* - The ORC provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care. Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2014, state and local employers contributed at a rate of 14% of earnable salary and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the ORC. Active member contributions do not fund the OPEB Plan.

The OPERS' Post Employment Health Care Plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post employment health care. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2% during calendar year 2014. Effective January 1, 2015, the portion of employer contributions allocated to health care remains at 2% for both plans, as recommended by the OPERS actuary. The OPERS Board of Trustees is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependants and the coverage selected.

The rates stated above are the contractually required contribution rates for OPERS. The employer contributions actually made by the City to fund post-employment benefits for the years ending December 31, 2014, 2013, and 2012 were \$82,455, \$38,321, and \$150,410 respectively, equal to 100% of the required contributions.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4% of the employer contributions toward the health care fund after the end of the transition period.

**Ohio Police and Fire Pension Fund**

*Plan Description* - The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored health care program, a cost-sharing multiple-employer defined postemployment health care plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long-term care to retirees, qualifying benefit recipients and their eligible dependents.

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 statutory survivor benefit or is a spouse or eligible dependent child of such person. The health care coverage provided by the OP&F meets the definition of an Other Post Employment Benefit as described in GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Post-employment Benefits other than Pension".

**CITY OF SPRINGDALE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

The ORC allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits are codified in Chapter 742 of the ORC. 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. The report is also available on OP&F's website at [www.op-f.org](http://www.op-f.org).

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

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 Trust and one for Medicare Part B reimbursements administered as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the ORC to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. The portion of employer contributions allocated to health care was .5% of covered payroll from January 1, 2014 thru December 31, 2014. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

Of the City's contributions to OP&F for the years ending December 31, 2014, 2013, and 2012, \$24,263, \$164,186, and \$573,250, respectively, was allocated to the healthcare plan.

#### **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 the 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

**CITY OF SPRINGDALE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

*Financial Reporting for Internal Revenue Code, Section 457, Deferred Compensation Plans*”, these amounts are not reflected on the City’s financial statements.

**15. RISK MANAGEMENT**

Property Insurance Program

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters and has established a risk management strategy that attempts to minimize losses and the carrying cost of insurance. Effective June 1, 1991, the City joined the Miami Valley Risk Management Association (MVRMA), a property and casualty pooling arrangement. MVRMA’s deductible is \$2,500 per community per occurrence. MVRMA retains responsibility for the payment of claims within specified self-insured retention limits prior to the application of coverage provided by excess reinsurance contracts. MVRMA’s per-occurrence retention limit for property was \$250,000 with the exception of boiler and machinery for which there was a \$10,000 to \$350,000 per-occurrence retention limit. General liability had a per-occurrence retention limit of \$10,000,000. 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.

Workers Compensation Program

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.

Health and Dental Insurance Program

Health insurance coverage is offered to employees through a self-funded insurance program. The program is offered to local governments state-wide through the Ohio Mid-Eastern Regional Education Service Agency (OME-RESA) located in Steubenville, Ohio, and administered by United Healthcare of Ohio. The City joined this program effective August 1, 2010. The City accounts for this activity in the general fund.

Monthly premium payments are made based on actuarial estimates of the amounts needed to pay claims and actual amounts needed to pay fixed costs (premiums for stop-loss coverage, medical conversion, and administrative fees and services). OME-RESA’s independent advisor has determined that a liability for incurred but not reported health claims is not applicable as of December 31, 2014, instead, based on the timing of premium payments and claims incurred, a prepaid item exists at December 31, 2014 in the amount of \$201,505.

Also, the City provides a self-funded dental plan with coverage ranging from 50 percent to 100 percent depending on the type of dental services performed. A third party administrator, Dental Care Plus, reviews all claims which then are paid by the City. There is a monthly charge for employees enrolled in the dental plan. The liability for incurred but not reported dental claims as of December 31, 2014 is \$4,007.

The total claims liability is based on the requirements of 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 claims.

**CITY OF SPRINGDALE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

Following are reconciliations of the changes in aggregate liabilities for claims payable for the past two years for the health and dental insurance programs:

<u>Health Insurance</u>	<u>2014</u>	<u>2013</u>
Claims payable, beginning of the year	\$47,926	\$181,281
Claims incurred during the year	717,810	966,737
Claim payments during the year	<u>(967,241)</u>	<u>(1,100,092)</u>
Claims payable, end of year	<u>(\$201,505)</u>	<u>\$47,926</u>
<u>Dental Insurance</u>	<u>2014</u>	<u>2013</u>
Claims payable, beginning of the year	\$3,629	\$3,931
Claims incurred during the year	108,229	91,025
Claim payments during the year	<u>(107,851)</u>	<u>(91,327)</u>
Claims payable, end of year	<u>\$4,007</u>	<u>\$3,629</u>

Based on the timing of premium payments and claims incurred, the health insurance claims at December 31, 2014 represent an overpayment to the plan of \$201,505, therefore the amount was recorded as a prepaid item. The total liability for claims payable at December 31, 2014 is \$4,007.

**16. JOINT VENTURES**

Miami Valley Risk Management Association

The cities and other entity of Beavercreek, Bellbrook, Blue Ash, Centerville, Englewood, Indian Hill, Kettering, Madeira, Mason, Miamisburg, Montgomery, Northern Area Water Authority (NAWA), 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-one member Board of Trustees, consisting of a trustee appointed by each of the member subdivisions 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, Ohio, 45429 or by calling (937) 438-8878.

**CITY OF SPRINGDALE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

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, 2014, MVRMA purchased the following types of insurance/reinsurance in excess of its self-insurance retention:

General liability:	\$10,000,000 per occurrence
Automobile liability:	\$10,000,000 per occurrence
Public officials liability:	\$10,000,000 per occurrence and annual aggregate
Property (excluding flood and earthquake):	\$1,000,000,000 per occurrence
Property – flood and earthquake:	\$25,000,000 per occurrence and annual aggregate
Boiler and machinery:	\$100,000,000 per occurrence
Cyber coverage:	\$100,000 per occurrence
Pollution liability:	\$75,000 pollution condition and \$750,000 underground storage tank

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, 2014. 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, 2014 are: Beaver Creek - 5.8%, Bellbrook - 1.4%, Blue Ash – 6.8%, Centerville – 4.5%, Englewood – 3.4%, Indian Hill - 3.3%, Kettering - 11.8%, Maderia - 1.8%, Mason - 6.6%, Miamisburg - 8.3%, Montgomery - 3%, NAWA - .3%, Piqua – 6.6%, Sidney - 6.6%, Springdale – 3.9%, Tipp City - 2.8%, Troy - 7%, Vandalia - 4.6%, West Carolton - 3.2%, Wilmington - 5.6%, Wyoming - 2.7%.

A summary of audited financial information for MVRMA as of December 31, 2013, the latest information available, is presented below:

Total assets	<u>\$19,039,885</u>
Total liabilities	\$7,806,613
Total net position	<u>11,233,272</u>
Total liabilities and net position	<u>\$19,039,885</u>

**CITY OF SPRINGDALE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

Total operating revenues	\$4,359,916
Total non-operating revenues	-
Total revenue	<u>4,359,916</u>
Total expenses	<u>5,929,748</u>
Change in net position	(1,569,832)
Beginning net position	<u>12,803,104</u>
Ending net position	<u><u>\$11,233,272</u></u>

Joint Economic Development District

In 2009, a Joint Economic Development District (JEDD) was created between West Chester Township, the City of Fairfield, and the City of Springdale. The purpose of the JEDD is to encourage economic development and job creation for the designated JEDD district. The JEDD district is comprised of 43 acres located at the northwest corner of Union Center Boulevard and Cincinnati-Dayton Road in West Chester Township, Ohio.

A 1% income tax was enacted effective September 15, 2009 covering the JEDD district. The income tax is administered by the City of Fairfield. The City of Springdale is involved based on the loss of income tax revenue due to a portion of Springdale's largest employer leaving Springdale and locating to the JEDD District.

The City of Springdale receives funding under the JEDD for a total of 10 years, at 7% of the net distribution. The City began receiving JEDD distributions in January of 2010. The amounts received from the JEDD are recorded to the general fund as intergovernmental revenue. A total of \$125,522 was recorded as revenue in 2014. The distribution of funds under the JEDD is as follows:

Distribution of Gross Tax:

- 5% Service fee for collection to the City of Fairfield
- 2% Escrow account for payment of refunds
- 93% Net Distribution

Net Distribution:

- 83% West Chester Township
- 10% City of Fairfield
- 7% City of Springdale

**CITY OF SPRINGDALE, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

**17. CONSTRUCTION AND OTHER COMMITMENTS**

Construction Commitments

As of December 31, 2014, the City had the following construction commitment with respect to capital improvement projects:

<u>Project</u>	<u>Contract Amount</u>	<u>Amount Paid at 12/31/14</u>	<u>Remaining Construction Commitment</u>
West Kemper Road Improvements	\$1,074,086	\$126,264	\$947,822

The West Kemper Road Improvements project is administered by the Ohio Public Works Commission (OPWC), except for the City's local obligation. The City records transactions as OPWC makes on-behalf-of-payments to the contractor. OPWC has encumbered these transactions on their internal financial system, therefore, no amounts are encumbered by the City at year-end outside of the City's local obligation.

Other Commitments

As of December 31, 2014, the City had the following cash basis encumbrances:

<u>Fund</u>	<u>Fund Type</u>	<u>Major/Nonmajor Fund</u>	<u>Cash Basis Encumbrance Amount</u>
General Fund		Major	\$140,429
Capital Improvements Fund	Capital Projects	Major	\$2,431
Street Construction and Maintenance Fund	Special Revenue	Nonmajor	\$15,086
Grants Fund	Special Revenue	Nonmajor	\$1,000
DUI Fund	Special Revenue	Nonmajor	\$2,000

**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.

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# **Combining Statements and Individual Fund Schedules**

## **NONMAJOR GOVERNMENTAL FUNDS**

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

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

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

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

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

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

*Law Enforcement Training Fund* - To account for proceeds from the State of Ohio under the law enforcement continuing professional training program and shall be used for paying the cost of continuing education.

*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 cost of purchasing and planting municipal street trees.

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

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

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

**CITY OF SPRINGDALE, OHIO  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 DECEMBER 31, 2014**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets:			
Equity in pooled cash and cash equivalents	\$216,881	\$595	\$217,476
Receivables:			
Intergovernmental	269,906	0	269,906
Prepaid items	2,451	0	2,451
Total assets	\$489,238	\$595	\$489,833
Liabilities:			
Accounts payable	\$15,221	\$0	\$15,221
Accrued wages and benefits payable	1,065	0	1,065
Interfund loan payable	2,000	0	2,000
Total liabilities	18,286	0	18,286
Deferred inflows of resources:			
Intergovernmental revenue	223,493	0	223,493
Total deferred inflows of resources	223,493	0	223,493
Fund balances:			
Nonspendable	2,451	0	2,451
Restricted	245,293	595	245,888
Unassigned (deficit)	(285)	0	(285)
Total fund balance	247,459	595	248,054
Total liabilities, deferred inflows of resources and fund balances	\$489,238	\$595	\$489,833

**CITY OF SPRINGDALE, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Intergovernmental	\$625,874	\$0	\$625,874
Fines and forfeitures	2,870	0	2,870
Fees, licenses and permits	8,221	0	8,221
Other	15,712	0	15,712
Total revenues	<u>652,677</u>	<u>0</u>	<u>652,677</u>
Expenditures:			
Current:			
Security of persons and property	48,982	0	48,982
Public health services	12,733	0	12,733
Leisure time activities	7,366	0	7,366
Community environment	38,545	0	38,545
Transportation	429,445	0	429,445
Capital outlay	274,561	0	274,561
Debt service:			
Principal retirement	157,139	400,000	557,139
Interest and fiscal charges	3,712	18,002	21,714
Total expenditures	<u>972,483</u>	<u>418,002</u>	<u>1,390,485</u>
Deficiency of revenues over expenditures	<u>(319,806)</u>	<u>(418,002)</u>	<u>(737,808)</u>
Other financing sources:			
Inception of capital lease	270,000	0	270,000
Transfers-in	15,000	418,150	433,150
Total other financing sources	<u>285,000</u>	<u>418,150</u>	<u>703,150</u>
Net change in fund balances	(34,806)	148	(34,658)
Beginning fund balance	<u>282,265</u>	<u>447</u>	<u>282,712</u>
Ending fund balance	<u><u>\$247,459</u></u>	<u><u>\$595</u></u>	<u><u>\$248,054</u></u>

**CITY OF SPRINGDALE, OHIO  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2014**

	Street Construction, Maintenance and Repair Fund	State Highway Fund	Grants Fund	Drug Law Enforcement Fund	Law Enforcement Fund
<b>Assets:</b>					
Equity in pooled cash and cash equivalents	\$110,093	\$12,804	\$42,742	\$16,080	\$2,771
<b>Receivables:</b>					
Intergovernmental	241,000	19,000	5,008	0	0
Prepaid items	0	0	1,910	0	541
<b>Total assets</b>	<b><u>\$351,093</u></b>	<b><u>\$31,804</u></b>	<b><u>\$49,660</u></b>	<b><u>\$16,080</u></b>	<b><u>\$3,312</u></b>
<b>Liabilities:</b>					
Accounts payable	\$13,325	\$0	\$0	\$0	\$0
Accrued wages and benefits payable	1,065	0	0	0	0
Interfund loan payable	0	0	2,000	0	0
<b>Total liabilities</b>	<b><u>14,390</u></b>	<b><u>0</u></b>	<b><u>2,000</u></b>	<b><u>0</u></b>	<b><u>0</u></b>
<b>Deferred inflows of resources:</b>					
Intergovernmental revenue	199,494	15,635	3,466	0	0
<b>Total deferred inflows of resources</b>	<b><u>199,494</u></b>	<b><u>15,635</u></b>	<b><u>3,466</u></b>	<b><u>0</u></b>	<b><u>0</u></b>
<b>Fund balances:</b>					
Nonspendable	0	0	1,910	0	541
Restricted	137,209	16,169	42,284	16,080	2,771
Unassigned (deficit)	0	0	0	0	0
<b>Total fund balances (deficit)</b>	<b><u>137,209</u></b>	<b><u>16,169</u></b>	<b><u>44,194</u></b>	<b><u>16,080</u></b>	<b><u>3,312</u></b>
<b>Total liabilities, deferred inflows of revenues and fund balances</b>	<b><u>\$351,093</u></b>	<b><u>\$31,804</u></b>	<b><u>\$49,660</u></b>	<b><u>\$16,080</u></b>	<b><u>\$3,312</u></b>

Law Enforcement Training Fund	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
\$1,069	\$14,129	\$1,611	\$2,299	\$4,400	\$8,883	\$216,881
0	0	4,898	0	0	0	269,906
0	0	0	0	0	0	2,451
<u>\$1,069</u>	<u>\$14,129</u>	<u>\$6,509</u>	<u>\$2,299</u>	<u>\$4,400</u>	<u>\$8,883</u>	<u>\$489,238</u>
\$0	\$0	\$1,896	\$0	\$0	\$0	\$15,221
0	0	0	0	0	0	1,065
0	0	0	0	0	0	2,000
0	0	1,896	0	0	0	18,286
0	0	4,898	0	0	0	223,493
0	0	4,898	0	0	0	223,493
0	0	0	0	0	0	2,451
1,069	14,129	0	2,299	4,400	8,883	245,293
0	0	(285)	0	0	0	(285)
1,069	14,129	(285)	2,299	4,400	8,883	247,459
<u>\$1,069</u>	<u>\$14,129</u>	<u>\$6,509</u>	<u>\$2,299</u>	<u>\$4,400</u>	<u>\$8,883</u>	<u>\$489,238</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, 2014**

	Street Construction, Maintenance and Repair Fund	State Highway Fund	Grants Fund	Drug Law Enforcement Fund	Law Enforcement Fund
<b>Revenues:</b>					
Intergovernmental	\$509,835	\$41,338	\$66,809	\$0	\$0
Fines and forfeitures	0	0	0	665	520
Fees, licenses and permits	0	0	0	0	0
Other	9,788	0	0	5,575	0
<b>Total revenues</b>	<b>519,623</b>	<b>41,338</b>	<b>66,809</b>	<b>6,240</b>	<b>520</b>
<b>Expenditures:</b>					
<b>Current:</b>					
Security of persons and property	0	0	38,769	6,378	3,282
Public health services	0	0	12,733	0	0
Leisure time activities	0	0	0	0	0
Community environment	0	0	15,885	0	0
Transportation	383,016	46,429	0	0	0
Capital outlay	270,000	0	0	0	0
<b>Debt service:</b>					
Principal retirement	157,139	0	0	0	0
Interest and fiscal charges	3,712	0	0	0	0
<b>Total expenditures</b>	<b>813,867</b>	<b>46,429</b>	<b>67,387</b>	<b>6,378</b>	<b>3,282</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(294,244)</b>	<b>(5,091)</b>	<b>(578)</b>	<b>(138)</b>	<b>(2,762)</b>
<b>Other financing sources:</b>					
Inception of capital lease	270,000	0	0	0	0
Transfers-in	0	0	0	0	0
<b>Total other financing sources</b>	<b>270,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net change in fund balances</b>	<b>(24,244)</b>	<b>(5,091)</b>	<b>(578)</b>	<b>(138)</b>	<b>(2,762)</b>
<b>Beginning fund balances (deficit)</b>	<b>161,453</b>	<b>21,260</b>	<b>44,772</b>	<b>16,218</b>	<b>6,074</b>
<b>Ending fund balances (deficit)</b>	<b>\$137,209</b>	<b>\$16,169</b>	<b>\$44,194</b>	<b>\$16,080</b>	<b>\$3,312</b>

Law Enforcement Training Fund	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	\$0	\$7,892	\$0	\$0	\$0	\$625,874
0	1,685	0	0	0	0	2,870
0	0	0	0	0	8,221	8,221
0	349	0	0	0	0	15,712
0	2,034	7,892	0	0	8,221	652,677
0	553	0	0	0	0	48,982
0	0	0	0	0	0	12,733
0	0	0	0	0	7,366	7,366
0	0	22,660	0	0	0	38,545
0	0	0	0	0	0	429,445
0	4,561	0	0	0	0	274,561
0	0	0	0	0	0	157,139
0	0	0	0	0	0	3,712
0	5,114	22,660	0	0	7,366	972,483
0	(3,080)	(14,768)	0	0	855	(319,806)
0	0	0	0	0	0	270,000
0	0	15,000	0	0	0	15,000
0	0	15,000	0	0	0	285,000
0	(3,080)	232	0	0	855	(34,806)
1,069	17,209	(517)	2,299	4,400	8,028	282,265
<u>\$1,069</u>	<u>\$14,129</u>	<u>(\$285)</u>	<u>\$2,299</u>	<u>\$4,400</u>	<u>\$8,883</u>	<u>\$247,459</u>

**CITY OF SPRINGDALE, OHIO  
BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUND  
DECEMBER 31, 2014**

	<u>Community Center Debt Fund</u>	<u>Total Nonmajor Capital Projects Fund</u>
Assets:		
Equity in pooled cash and cash equivalents	<u>\$595</u>	<u>\$595</u>
Total assets	<u><u>\$595</u></u>	<u><u>\$595</u></u>
Fund balance:		
Restricted	<u>595</u>	<u>595</u>
Total fund balance	<u><u>595</u></u>	<u><u>595</u></u>

**CITY OF SPRINGDALE, OHIO  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Community Center Debt Fund	Total Nonmajor Capital Projects Fund
	<u>        </u>	<u>        </u>
Revenues	\$0	\$0
Expenditures:		
Debt service:		
Principal retirement	400,000	400,000
Interest and fiscal charges	<u>18,002</u>	<u>18,002</u>
Total expenditures	<u>418,002</u>	<u>418,002</u>
Deficiency of revenues over expenditures	<u>(418,002)</u>	<u>(418,002)</u>
Other financing sources:		
Transfers-in	<u>418,150</u>	<u>418,150</u>
Total other financing sources	<u>418,150</u>	<u>418,150</u>
Net change in fund balance	148	148
Beginning fund balance	<u>447</u>	<u>447</u>
Ending fund balance	<u><u>\$595</u></u>	<u><u>\$595</u></u>

**CITY OF SPRINGDALE, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
<b>Revenues:</b>				
Municipal income taxes	\$12,660,576	\$13,400,876	\$13,300,706	(\$100,170)
Property and other taxes	1,202,500	1,202,500	1,174,485	(28,015)
Special assessments	2,000	2,000	17,483	15,483
Intergovernmental	441,325	441,325	476,893	35,568
Charges for services	492,350	492,350	522,072	29,722
Fines and forfeitures	223,000	223,000	215,344	(7,656)
Fees, licenses and permits	366,000	366,000	394,914	28,914
Interest	8,500	8,500	7,587	(913)
Other	181,500	181,500	488,295	306,795
<b>Total revenues</b>	<b>15,577,751</b>	<b>16,318,051</b>	<b>16,597,779</b>	<b>279,728</b>
<b>Expenditures:</b>				
<b>Police department:</b>				
Personal services	4,754,269	4,704,269	4,622,840	81,429
Other	737,235	787,235	714,471	72,764
<b>Total police department</b>	<b>5,491,504</b>	<b>5,491,504</b>	<b>5,337,311</b>	<b>154,193</b>
<b>Fire department:</b>				
Personal services	3,457,081	3,407,081	3,298,350	108,731
Other	440,308	490,308	431,238	59,070
<b>Total fire department</b>	<b>3,897,389</b>	<b>3,897,389</b>	<b>3,729,588</b>	<b>167,801</b>
<b>Health department:</b>				
Personal services	380,485	370,485	349,840	20,645
Other	53,395	63,395	50,670	12,725
<b>Total health department</b>	<b>433,880</b>	<b>433,880</b>	<b>400,510</b>	<b>33,370</b>
<b>Parks and recreation department:</b>				
Personal services	1,224,232	1,194,232	1,155,719	38,513
Other	493,549	523,549	481,797	41,752
<b>Total parks and recreation department</b>	<b>1,717,781</b>	<b>1,717,781</b>	<b>1,637,516</b>	<b>80,265</b>
<b>Building department:</b>				
Personal services	550,223	550,223	540,177	10,046
Other	67,005	67,005	47,632	19,373
<b>Total building department</b>	<b>617,228</b>	<b>617,228</b>	<b>587,809</b>	<b>29,419</b>
<b>Public works department:</b>				
Personal services	886,931	891,931	873,016	18,915
Other	489,004	574,004	509,775	64,229
<b>Total public works department</b>	<b>1,375,935</b>	<b>1,465,935</b>	<b>1,382,791</b>	<b>83,144</b>
<b>Finance department:</b>				
Personal services	241,053	246,053	239,696	6,357
Other	104,430	124,430	116,934	7,496
<b>Total finance department</b>	<b>345,483</b>	<b>370,483</b>	<b>356,630</b>	<b>13,853</b>

**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, 2014**  
**(CONTINUED)**

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Tax department:				
Personal services	429,206	419,206	407,180	12,026
Other	458,920	468,920	437,491	31,429
Total tax department	888,126	888,126	844,671	43,455
Administration department:				
Personal services	941,756	961,756	939,626	22,130
Other	2,085,708	2,063,708	2,017,632	46,076
Total administration department	3,027,464	3,025,464	2,957,258	68,206
Total expenditures	17,794,790	17,907,790	17,234,084	673,706
Excess (deficiency) of revenues over expenditures	(2,217,039)	(1,589,739)	(636,305)	953,434
Other financing sources (uses):				
Transfers-in	4,475	4,475	4,475	0
Transfers-out	(759,650)	(533,150)	(533,150)	0
Advances-in	6,925	6,925	6,925	0
Advances-out	0	(2,000)	(2,000)	0
Total other financing sources (uses)	(748,250)	(523,750)	(523,750)	0
Net change in fund balance	(2,965,289)	(2,113,489)	(1,160,055)	953,434
Beginning fund balance	4,697,624	4,697,624	4,697,624	0
Prior years encumbrances	160,888	160,888	160,888	0
Ending fund balance	\$1,893,223	\$2,745,023	\$3,698,457	\$953,434

**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, 2014**

	<u>Capital Improvements Fund</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues	\$966,810	\$591,810	\$437,721	(\$154,089)
Expenditures:				
Other	<u>1,785,161</u>	<u>885,161</u>	<u>703,277</u>	<u>181,884</u>
Total expenditures	<u>1,785,161</u>	<u>885,161</u>	<u>703,277</u>	<u>181,884</u>
Excess (deficiency) of revenues over expenditures	<u>(818,351)</u>	<u>(293,351)</u>	<u>(265,556)</u>	<u>27,795</u>
Other financing sources:				
Transfers-in	<u>325,000</u>	<u>100,000</u>	<u>100,000</u>	<u>0</u>
Total other financing sources	<u>325,000</u>	<u>100,000</u>	<u>100,000</u>	<u>0</u>
Net change in fund balance	(493,351)	(193,351)	(165,556)	27,795
Beginning fund balance	448,460	448,460	448,460	0
Prior year encumbrances	<u>84,270</u>	<u>84,270</u>	<u>84,270</u>	<u>0</u>
Ending fund balance	<u><u>\$39,379</u></u>	<u><u>\$339,379</u></u>	<u><u>\$367,174</u></u>	<u><u>\$27,795</u></u>

**CITY OF SPRINGDALE, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Northwest Business District TIF Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$989,352	\$989,352	\$1,011,774	\$22,422
Expenditures:				
Other	974,918	994,918	985,126	9,792
Total expenditures	974,918	994,918	985,126	9,792
Net change in fund balance	14,434	(5,566)	26,648	32,214
Beginning fund balance	227,380	227,380	227,380	0
Ending fund balance	\$241,814	\$221,814	\$254,028	\$32,214

**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, 2014**

	Tri-County Mall TIF Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$0	\$0	\$0	\$0
Expenditures	0	0	0	0
Net change in fund balance	0	0	0	0
Beginning fund balance	0	0	0	0
Ending fund balance	\$0	\$0	\$0	\$0

This fund was included in the budgeting process, all activity was budgeted at \$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, 2014**

	Street Construction, Maintenance and Repair Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$513,000	\$513,000	\$509,740	(\$3,260)
Expenditures:				
Personal services	120,000	125,000	109,359	15,641
Other	479,949	474,949	429,838	45,111
Total expenditures	599,949	599,949	539,197	60,752
Net change in fund balance	(86,949)	(86,949)	(29,457)	57,492
Beginning fund balance	60,765	60,765	60,765	0
Prior year encumbrances	63,697	63,697	63,697	0
Ending fund balance	\$37,513	\$37,513	\$95,005	\$57,492

**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, 2014**

	State Highway Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$41,800	\$41,800	\$41,330	(\$470)
Expenditures:				
Personal services	50,000	50,000	46,430	3,570
Total expenditures	50,000	50,000	46,430	3,570
Net change in fund balance	(8,200)	(8,200)	(5,100)	3,100
Beginning fund balance	17,904	17,904	17,904	0
Ending fund balance	\$9,704	\$9,704	\$12,804	\$3,100

**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, 2014**

	Grants Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$61,301	\$59,301	\$66,283	\$6,982
Expenditures:				
Personal services	31,000	45,000	39,463	5,537
Other	24,626	39,938	28,425	11,513
Total expenditures	55,626	84,938	67,888	17,050
Excess (deficiency) of revenues over expenditures	5,675	(25,637)	(1,605)	24,032
Other financing sources (uses):				
Advance-in	0	2,000	2,000	0
Advance-out	(6,237)	(6,925)	(6,925)	0
Total other financing sources (uses)	(6,237)	(4,925)	(4,925)	0
Net change in fund balance	(562)	(30,562)	(6,530)	24,032
Beginning fund balance	48,272	48,272	48,272	0
Ending fund balance	\$47,710	\$17,710	\$41,742	\$24,032

**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, 2014**

	Drug Law Enforcement Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$0	\$0	\$6,240	\$6,240
Expenditures:				
Other	16,214	16,214	6,378	9,836
Total expenditures	16,214	16,214	6,378	9,836
Net change in fund balance	(16,214)	(16,214)	(138)	16,076
Beginning fund balance	16,218	16,218	16,218	0
Ending fund balance	\$4	\$4	\$16,080	\$16,076

**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, 2014**

	Law Enforcement Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$0	\$0	\$520	\$520
Expenditures:				
Other	4,465	4,465	2,214	2,251
Total expenditures	4,465	4,465	2,214	2,251
Net change in fund balance	(4,465)	(4,465)	(1,694)	2,771
Beginning fund balance	4,465	4,465	4,465	0
Ending fund balance	\$0	\$0	\$2,771	\$2,771

**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, 2014**

	Law Enforcement Training Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$0	\$0	\$0	\$0
Expenditures:				
Other	1,068	1,068	0	1,068
Total expenditures	1,068	1,068	0	1,068
Net change in fund balance	(1,068)	(1,068)	0	1,068
Beginning fund balance	1,069	1,069	1,069	0
Ending fund balance	\$1	\$1	\$1,069	\$1,068

**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, 2014**

	Driving Under the Influence Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$0	\$0	\$2,034	\$2,034
Expenditures:				
Other	17,209	17,209	7,114	10,095
Total expenditures	17,209	17,209	7,114	10,095
Net change in fund balance	(17,209)	(17,209)	(5,080)	12,129
Beginning fund balance	17,209	17,209	17,209	0
Ending fund balance	\$0	\$0	\$12,129	\$12,129

**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, 2014**

	Residential Recycling Incentive Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$7,500	\$9,000	\$7,892	(\$1,108)
Expenditures:				
Other	24,500	24,000	22,782	1,218
Total expenditures	24,500	24,000	22,782	1,218
Excess (deficiency) of revenues over expenditures	(17,000)	(15,000)	(14,890)	110
Other financing sources:				
Transfers-in	16,500	15,000	15,000	0
Total other financing sources	16,500	15,000	15,000	0
Net change in fund balance	(500)	0	110	110
Beginning fund balance	1,501	1,501	1,501	0
Ending fund balance	\$1,001	\$1,501	\$1,611	\$110

**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, 2014**

	Vehicle Immobilization Fee Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$0	\$0	\$0	\$0
Expenditures:				
Other	2,298	2,298	0	2,298
Total expenditures	2,298	2,298	0	2,298
Net change in fund balance	(2,298)	(2,298)	0	2,298
Beginning fund balance	2,299	2,299	2,299	0
Ending fund balance	\$1	\$1	\$2,299	\$2,298

**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, 2014**

Parks and Urban Forestry Fund				
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$0	\$0	\$0	\$0
Expenditures:				
Other	4,400	4,400	0	4,400
Total expenditures	4,400	4,400	0	4,400
Net change in fund balance	(4,400)	(4,400)	0	4,400
Beginning fund balance	4,400	4,400	4,400	0
Ending fund balance	\$0	\$0	\$4,400	\$4,400

**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, 2014**

	Adult Sports Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$8,500	\$8,500	\$8,221	(\$279)
Expenditures:				
Other	9,200	9,200	7,366	1,834
Total expenditures	9,200	9,200	7,366	1,834
Net change in fund balance	(700)	(700)	855	1,555
Beginning fund balance	8,028	8,028	8,028	0
Ending fund balance	\$7,328	\$7,328	\$8,883	\$1,555

**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, 2014**

	Community Center Debt Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Other	418,150	418,150	418,002	148
Total expenditures	418,150	418,150	418,002	148
Excess (deficiency) of revenues over expenditures	(418,150)	(418,150)	(418,002)	148
Other financing sources:				
Transfers-in	418,150	418,150	418,150	0
Total other financing sources	418,150	418,150	418,150	0
Net change in fund balance	0	0	148	148
Beginning fund balance	447	447	447	0
Ending fund balance	\$447	\$447	\$595	\$148

## **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 2014:

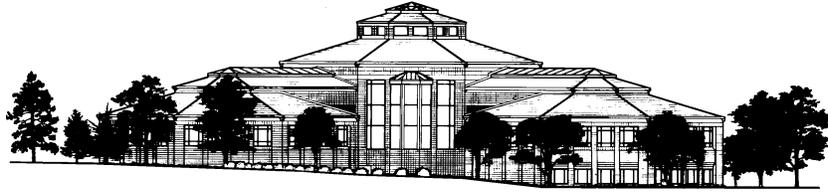
Ohio Board of Building Standards Assessment Fund - To account for the collection of the Ohio Board of Building Standards Assessment on building permits in the amount of 3%. The amounts collected are remitted to the state on a monthly basis.

**CITY OF SPRINGDALE, OHIO  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

OHIO BOARD OF BUILDING STANDARDS ASSESSMENT FUND

	Balance 1-1-14	Additions	Deductions	Balance 12-31-14
Assets:				
Equity in pooled cash and cash equivalents	\$130	\$1,676	(\$1,643)	\$163
Total assets	<u>\$130</u>	<u>\$1,676</u>	<u>(\$1,643)</u>	<u>\$163</u>
Liabilities:				
OBBS assessment payable	\$130	\$1,676	(\$1,643)	\$163
Total liabilities	<u>\$130</u>	<u>\$1,676</u>	<u>(\$1,643)</u>	<u>\$163</u>

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# **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.

<b>CONTENTS</b>	<b>PAGES</b>
Financial Trends	94 - 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 level 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 was the City's first year of implementation of the GASB Statement No. 44 statistical tables.

**CITY OF SPRINGDALE, OHIO  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)**

	Fiscal Year									
	2014	2013	2012	2011 (1)	2010 (1)	2009 (1)	2008	2007 (1)	2006	2005
Governmental Activities:										
Net investment in capital assets	\$38,170,787	\$38,533,392	\$39,189,433	\$39,179,133	\$40,153,924	\$39,758,751	\$38,409,204	\$37,384,095	\$31,627,778	\$30,253,167
Restricted for:										
Capital projects	547,635	907,494	686,213	957,961	807,915	1,233,445	1,493,138	426,277	405,459	500,209
Street construction, maintenance and repair (2)	336,703	377,041	794,548	577,658	437,259	296,822	304,504	310,226	0	0
Other purposes	134,250	153,790	169,814	173,051	143,200	218,237	343,119	145,191	478,039	466,818
Unrestricted	7,794,657	8,003,670	8,285,009	7,280,317	6,592,820	8,142,658	8,024,198	9,721,624	10,137,553	9,350,967
Total governmental activities net position	<u>\$46,984,032</u>	<u>\$47,975,387</u>	<u>\$49,125,017</u>	<u>\$48,168,120</u>	<u>\$48,135,118</u>	<u>\$49,649,913</u>	<u>\$48,574,163</u>	<u>\$47,987,413</u>	<u>\$42,648,829</u>	<u>\$40,571,161</u>

(1) - restated from originally reported.

(2) - for years 2006 and prior, this was not presented separately.

Note - The figures above reflect the primary government

Source: City of Springdale, Finance Department.

**CITY OF SPRINGDALE, OHIO**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(Accrual Basis of Accounting)**

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Expenses:										
Governmental activities:										
Security of persons and property	\$8,787,814	\$9,044,012	\$8,355,590	\$8,302,605	\$8,810,920	\$8,456,664	\$8,621,133	\$8,012,932	\$7,736,040	\$7,530,755
Public health services	364,198	356,082	325,784	325,822	374,701	329,233	350,211	307,216	291,719	271,193
Leisure time activities	1,815,741	1,710,927	1,694,907	1,680,816	1,857,647	1,966,513	2,165,723	2,122,880	1,982,092	1,780,450
Community environment	624,292	608,190	547,371	496,284	697,507	636,329	569,724	665,349	550,008	898,820
Transportation	2,870,199	3,604,730	3,289,348	2,316,491	2,405,106	3,042,133	2,404,303	2,754,111	4,040,086	2,698,600
General government	4,224,780	4,541,366	4,200,749	3,994,792	5,403,997	5,934,624	6,009,237	5,878,925	9,856,646	4,654,747
Interest and fiscal charges	174,095	186,477	247,217	281,867	300,536	318,455	334,096	379,544	422,062	435,450
Total governmental activities	<u>18,861,119</u>	<u>20,051,784</u>	<u>18,660,966</u>	<u>17,398,677</u>	<u>19,850,414</u>	<u>20,683,951</u>	<u>20,454,427</u>	<u>20,120,957</u>	<u>24,878,653</u>	<u>18,270,015</u>
Program revenues:										
Governmental activities:										
Charges for services:										
Security of persons and property	679,841	777,168	778,009	571,589	697,654	686,782	635,002	701,787	624,188	585,253
Public health services	69,516	58,140	60,606	63,923	63,643	60,417	57,306	48,048	54,279	60,608
Leisure time activities	134,541	133,533	141,918	143,706	166,211	188,263	173,481	180,271	204,824	152,927
Community environment	82,919	88,206	79,397	76,933	99,775	57,079	69,096	198,392	105,286	112,247
Transportation	5,160	4,845	5,060	4,600	5,190	3,780	5,690	4,005	6,328	5,032
General government	128,570	127,862	118,324	115,153	115,973	106,800	105,075	100,732	100,312	99,358
Operating grants and contributions:										
Security of persons and property	36,511	177,513	26,669	25,716	24,538	105,998	74,859	35,043	21,294	78,055
Public health services	5,880	5,250	12,137	36,380	63,992	47,140	24,374	22,117	29,049	7,498
Leisure time activities	0	0	0	29,350	0	0	4,669	0	1,000	0
Community environment	15,885	19,039	18,285	29,713	23,195	16,801	0	0	0	0
Transportation	0	0	0	0	0	0	151,263	0	0	0
General government	0	0	0	0	0	0	0	0	1,000	0
Capital grants and contributions:										
Security of persons and property	0	0	0	0	0	0	0	56,770	0	0
Leisure time activities	0	0	0	0	0	0	0	10,076	88,080	0
Transportation	313,597	116,928	1,243,668	88,541	1,137,457	2,472,788	225,827	2,978,570	6,689,584	4,113,591
Total governmental activities program revenues	<u>1,472,420</u>	<u>1,508,484</u>	<u>2,484,073</u>	<u>1,185,604</u>	<u>2,397,628</u>	<u>3,745,848</u>	<u>1,526,642</u>	<u>4,335,811</u>	<u>7,925,224</u>	<u>5,214,569</u>
Net expense	<u>(17,388,699)</u>	<u>(18,543,300)</u>	<u>(16,176,893)</u>	<u>(16,213,073)</u>	<u>(17,452,786)</u>	<u>(16,938,103)</u>	<u>(18,927,785)</u>	<u>(15,785,146)</u>	<u>(16,953,429)</u>	<u>(13,055,446)</u>

**CITY OF SPRINGDALE, OHIO  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)**

Page 2

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General revenues and other changes in net position:										
Governmental activities:										
Municipal income taxes	12,837,195	13,028,396	12,974,628	12,092,698	11,720,803	12,903,475	13,924,066	14,911,874	15,882,753	14,328,990
Property and other taxes	1,178,894	1,196,576	1,264,751	1,125,767	1,520,103	1,533,906	1,615,652	1,763,277	1,627,413	1,719,428
Payments in lieu of taxes	639,122	634,654	588,089	579,923	359,032	682,506	813,210	822,556	712,138	615,809
Special assessments	177,199	187,509	185,007	156,600	108,135	430,108	217,836	293,925	39,000	0
Grants and entitlements - not restricted	1,009,804	1,652,715	1,718,217	1,873,767	2,006,063	1,921,521	2,305,337	2,547,912	2,020,579	2,668,820
Contributions	0	0	0	0	0	0	0	13,495	52,297	5,500
Investment earnings	7,897	7,939	14,263	16,504	23,728	30,041	190,659	531,424	549,867	228,536
Other revenues	547,233	685,881	388,835	400,816	567,508	439,322	447,775	239,267	445,524	317,532
Total general revenues	<u>16,397,344</u>	<u>17,393,670</u>	<u>17,133,790</u>	<u>16,246,075</u>	<u>16,305,372</u>	<u>17,940,879</u>	<u>19,514,535</u>	<u>21,123,730</u>	<u>21,329,571</u>	<u>19,884,615</u>
Change in net position:										
Governmental activities	<u>(\$991,355)</u>	<u>(\$1,149,630)</u>	<u>\$956,897</u>	<u>\$33,002</u>	<u>(\$1,147,414)</u>	<u>\$1,002,776</u>	<u>\$586,750</u>	<u>\$5,338,584</u>	<u>\$4,376,142</u>	<u>\$6,829,169</u>

Note - The above figures reflect the primary government

Source: City of Springdale, Finance Department.

**CITY OF SPRINGDALE, OHIO**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(Accrual Basis of Accounting)**

**Page 3**

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

Expenses:

Transportation: Increase of \$1,341,486 from 2005-2006 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.

Decrease of \$1,285,975 from 2006-2007 due to the following:  
- decrease in expense accruals at year-end 2007 that were not applicable for capital asset inclusion related to road projects.

General government: Increase of \$5,201,899 from 2005-2006 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 service payments held by the City were expensed to the Port Authority. The amount expensed 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.

Decrease of \$3,977,721 from 2006-2007 due to the following:  
- the two situations described directly above were not applicable for 2007. A TIF payment was made to the Port Authority in 2007, but was a much smaller amount.

Decrease of \$1,409,205 from 2010-2011 due to the following:  
- In October of 2010, City changed from self-insured health insurance program to joining health insurance pool. Prior claim expenses were recorded as general government. Under the current program, premiums are allocated to all City departments.

Program revenues:

Operating grants and contributions:

Transportation: Increase of \$151,263 from 2007-2008 due to the following:  
- recognition at year end 2008 regarding F.E.M.A. grant reimbursement received in 2009.

Capital grants and contributions:

Transportation: Increase of \$2,575,993 from 2005-2006 due to the following:  
- increase in the amount of grant funding received for road projects.

Decrease of \$3,711,014 from 2006-2007 due to the following:  
- decrease in the amount of grant funding received for road projects.

Decrease of \$2,752,743 from 2007-2008 due to the following:  
- decrease in the amount of grant funding received for road projects.

Increase of \$2,246,961 from 2008-2009 due to the following:  
- increase in the amount of grant funding received for road projects.

Decrease of \$1,048,916 from 2010-2011 due to the following:  
- general decrease in capital related projects.

Increase of \$1,155,127 from 2011-2012 due to the following:  
- increase in the amount of grant funding received for road projects.

General revenues:

Municipal income taxes: Increase of \$1,553,763 from 2005-2006 due to the following:  
- increase in overall earnings tax revenue as a result of the increase in the earnings tax rate.

**CITY OF SPRINGDALE, OHIO**  
**FUND BALANCES OF GOVERNMENTAL FUNDS - GASB 54**  
**LAST SIX FISCAL YEARS**

	Fiscal Year					
	2014	2013	2012	2011	2010	2009
General fund:						
Nonspendable	\$1,191,012	\$797,545	\$852,609	\$822,942	\$736,668	\$761,361
Assigned	470,437	611,155	524,316	658,193	761,575	1,044,782
Unassigned	<u>6,060,896</u>	<u>6,133,938</u>	<u>6,407,053</u>	<u>5,562,965</u>	<u>4,552,787</u>	<u>5,763,841</u>
Total general fund	<u>7,722,345</u>	<u>7,542,638</u>	<u>7,783,978</u>	<u>7,044,100</u>	<u>6,051,030</u>	<u>7,569,984</u>
All other governmental funds:						
Nonspendable	2,451	0	0	0	0	0
Restricted	566,261	967,356	1,140,069	1,389,495	1,041,045	809,552
Committed	0	0	0	0	5,618	3,347
Assigned	5,356	5,468	4,474	3,335	0	0
Unassigned	<u>(492,663)</u>	<u>(492,895)</u>	<u>(492,467)</u>	<u>(493,685)</u>	<u>(464,673)</u>	<u>(519,136)</u>
Total all other governmental funds	<u>81,405</u>	<u>479,929</u>	<u>652,076</u>	<u>899,145</u>	<u>581,990</u>	<u>293,763</u>
Total governmental funds	<u><u>\$7,803,750</u></u>	<u><u>\$8,022,567</u></u>	<u><u>\$8,436,054</u></u>	<u><u>\$7,943,245</u></u>	<u><u>\$6,633,020</u></u>	<u><u>\$7,863,747</u></u>

Source: City of Springdale, Finance Department.

Note - In 2009, the City implemented GASB Statement No. 54

**CITY OF SPRINGDALE, OHIO  
FUND BALANCES OF GOVERNMENTAL FUNDS  
2005 TO 2008**

	Fiscal Year			
	2008	2007	2006	2005
General fund:				
Reserved	\$355,177	\$445,239	\$361,580	\$391,429
Unreserved, designated	1,018,149	1,158,419	982,601	370,498
Unreserved, undesignated	5,982,500	6,333,372	6,760,794	5,864,970
Total general fund	<u>7,355,826</u>	<u>7,937,030</u>	<u>8,104,975</u>	<u>6,626,897</u>
All other governmental funds:				
Reserved	1,031,609	709,099	1,316,668	128,994
Unreserved, reported in:				
Special revenue funds	238,687	197,787	259,959	171,206
Capital projects funds (deficit)	(545,758)	(1,183,421)	(962,847)	(86,627)
Total all other governmental funds	<u>724,538</u>	<u>(276,535)</u>	<u>613,780</u>	<u>213,573</u>
Total governmental funds	<u><u>\$8,080,364</u></u>	<u><u>\$7,660,495</u></u>	<u><u>\$8,718,755</u></u>	<u><u>\$6,840,470</u></u>

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)**

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Revenues:</b>										
Municipal income taxes	\$13,234,481	\$13,064,120	\$12,671,825	\$12,058,356	\$11,557,740	\$13,080,829	\$14,461,358	\$14,404,184	\$16,078,321	\$14,566,459
Property and other taxes	1,167,087	1,196,487	1,291,654	1,245,380	1,494,203	1,477,370	1,619,032	1,814,939	1,820,299	1,685,775
Payments in lieu of taxes	639,122	668,004	575,096	559,566	359,032	682,506	813,210	822,556	804,220	709,717
Special assessments	200,825	190,167	159,692	104,712	434,728	209,128	302,535	39,226	0	0
Intergovernmental	1,365,268	2,019,176	3,044,584	2,070,566	3,519,833	4,666,460	3,105,629	5,026,769	8,949,194	6,821,970
Charges for services	537,209	493,352	545,153	309,450	387,996	377,922	261,639	300,654	363,065	323,797
Fines and forfeitures	225,759	247,980	247,040	292,462	281,087	339,888	373,985	359,820	315,589	274,318
Fees, licenses and permits	403,135	399,341	368,762	418,156	428,055	400,417	391,356	518,593	450,932	419,479
Interest	7,897	7,939	14,263	16,504	23,728	30,042	190,659	531,424	549,867	228,536
Contributions	0	0	0	4,400	0	751	575	30,195	35,598	5,500
Other	564,999	694,910	375,948	429,099	555,052	544,911	287,506	286,423	390,310	338,692
<b>Total revenues</b>	<b>18,345,782</b>	<b>18,981,476</b>	<b>19,294,017</b>	<b>17,508,651</b>	<b>19,041,454</b>	<b>21,810,224</b>	<b>21,807,484</b>	<b>24,134,783</b>	<b>29,757,395</b>	<b>25,374,243</b>
<b>Expenditures:</b>										
<b>Current:</b>										
Security of persons and property	8,542,578	8,768,672	8,166,456	7,978,954	8,518,865	8,017,532	8,130,860	7,611,391	7,360,010	7,062,613
Public health services	381,686	355,768	325,675	325,481	368,056	324,026	329,263	297,746	304,679	264,326
Leisure time activities	1,478,464	1,425,049	1,372,690	1,372,776	1,543,884	1,664,188	1,817,404	1,789,681	1,597,798	1,390,308
Community environment	618,921	593,810	540,791	495,347	682,047	634,854	560,983	675,411	549,928	850,070
Transportation	1,580,438	1,433,309	1,199,094	1,231,140	1,432,936	1,436,394	1,679,504	1,599,785	3,549,015	1,349,958
General government	4,028,048	4,236,227	3,954,504	3,743,571	5,115,314	5,737,292	5,493,993	5,591,828	7,570,993	3,941,265
Capital outlay	1,340,386	1,794,379	2,570,843	436,755	1,848,077	3,440,393	2,628,467	6,574,381	7,200,735	8,874,766
Debt service:										
Principal retirement	689,579	600,486	592,276	476,499	471,480	469,626	481,691	695,783	712,823	704,333
Interest and fiscal charges	174,499	187,263	258,505	272,903	291,522	309,391	325,032	371,819	415,185	428,315
<b>Total expenditures</b>	<b>18,834,599</b>	<b>19,394,963</b>	<b>18,980,834</b>	<b>16,333,426</b>	<b>20,272,181</b>	<b>22,033,696</b>	<b>21,447,197</b>	<b>25,207,825</b>	<b>29,261,166</b>	<b>24,865,954</b>
Excess (deficiency) of revenues over expenditures	(488,817)	(413,487)	313,183	1,175,225	(1,230,727)	(223,472)	360,287	(1,073,042)	496,229	508,289
<b>Other financing sources (uses):</b>										
Inception of capital lease	270,000	0	200,000	135,000	0	6,855	24,599	0	12,362	9,163
Face value of refunding bonds	0	0	1,900,000	0	0	0	0	0	0	0
Retirement from refunding bonds	0	0	(1,900,000)	0	0	0	0	0	0	0
Proceeds from the sale of assets	0	0	0	0	0	0	34,983	14,782	1,372,695	0
Transfers-in	533,150	1,441,289	1,037,500	763,800	1,080,400	865,400	2,973,780	4,125,400	4,005,993	3,978,485
Transfers-out	(533,150)	(1,441,289)	(1,037,500)	(763,800)	(1,080,400)	(865,400)	(2,973,780)	(4,125,400)	(4,005,993)	(3,978,485)
<b>Total other financing sources (uses)</b>	<b>270,000</b>	<b>0</b>	<b>200,000</b>	<b>135,000</b>	<b>0</b>	<b>6,855</b>	<b>59,582</b>	<b>14,782</b>	<b>1,385,057</b>	<b>9,163</b>
<b>Net change in fund balances</b>	<b>(218,817)</b>	<b>(413,487)</b>	<b>513,183</b>	<b>1,310,225</b>	<b>(1,230,727)</b>	<b>(216,617)</b>	<b>419,869</b>	<b>(1,058,260)</b>	<b>1,881,286</b>	<b>517,452</b>
Beginning fund balance (restated)	8,022,567	8,436,054	7,922,871	6,612,646	7,843,373	8,059,990	7,640,121	8,698,381	6,817,095	6,299,643
<b>Ending fund balance</b>	<b>\$7,803,750</b>	<b>\$8,022,567</b>	<b>\$8,436,054</b>	<b>\$7,922,871</b>	<b>\$6,612,646</b>	<b>\$7,843,373</b>	<b>\$8,059,990</b>	<b>\$7,640,121</b>	<b>\$8,698,381</b>	<b>\$6,817,095</b>
Debt service as a percentage of noncapital expenditures	5%	4%	5%	5%	4%	4%	4%	6%	5%	7%

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: Increase of \$1,511,862 from 2005-2006 due to the following:  
- increase in overall earnings tax revenues as a result of the increase of the earnings tax rate.  
Decrease of \$1,674,137 from 2006-2007 due to the following:  
- larger year-end accruals for 2006 as compared to 2007.  
Decrease of \$1,380,529 from 2008-2009 due to the following:  
- larger year-end accruals for 2008 as compared to 2009.  
Decrease of \$1,523,089 from 2009-2010 due to the following:  
Smaller amounts received in 2010 based on the general economy and businesses closing.

Intergovernmental: Decrease of \$3,922,425 from 2006-2007 due to the following:  
- decrease in the amount of grant funding received for road projects.  
Decrease of \$1,921,140 from 2007-2008 due to the following:  
- decrease in the amount of grant funding received for road projects.  
Increase of \$1,560,831 from 2008-2009 due to the following:  
- increase in the amount of grant funding received for road projects.  
Decrease of \$1,449,267 from 2010-2011 due to the following:  
- decrease in the amount of road project capital grants.  
Decrease of \$1,025,408 from 2012 to 2013:  
- decrease in the amount of grant funding received for road projects.  
Decrease of \$653,908 from 2013 to 2014:  
- decrease in the amount of estate tax received due to State legislation changes.

Expenditures:

Transportation: Increase of \$2,199,057 from 2005-2006 due to the following:  
- increase in payroll expenditures per hiring of Public Works Assistant Superintendent.  
- increase in accruals at year-end 2006 for road construction projects.  
Decrease of \$1,949,230 from 2006-2007 due to the following:  
- decrease in accruals at year-end 2006 for road construction projects.

General government: Increase of \$3,629,728 from 2005-2006 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 service payments held by the City were paid to the Port Authority. The amount paid was \$2,420,229.  
Decrease of \$1,979,165 from 2006-2007 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 service payments held by the City were paid to the Port Authority. In 2007 the amount paid was a smaller amount.  
Decrease of \$1,371,743 from 2010-2011 due to the following:  
- In October of 2010, City changed from self-insured health insurance program to joining health insurance pool. Prior claim expenditures were recorded as general government. Under the current program, premiums are allocated to all City departments.

Capital Outlay: Decrease of \$3,945,914 from 2007-2008 due to the following:  
- decrease in road improvement projects in 2008.  
Decrease of \$3,945,914 from 2009-2010 due to the following:  
- decrease in road improvement projects in 2010.  
Decrease of \$1,411,322 from 2010-2011 due to the following:  
- decrease in road improvement projects in 2011.  
Increase of \$2,134,088 from 2011-2012 due to the following:  
- Increase in road improvement projects in 2012.

**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	Total Direct Rate
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
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%	3.08
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%	3.08
2006/2007	428,485,490	1,224,244,257	7,602,980	7,602,980	64,267,110	257,068,440	500,355,580	1,488,915,677	33.61%	3.08
2007/2008	433,739,770	1,239,256,486	6,607,440	6,607,440	46,206,990	184,827,960	486,554,200	1,430,691,886	34.01%	3.08
2008/2009	423,920,790	1,211,202,257	7,279,450	7,279,450	583,050	2,332,200	431,783,290	1,220,813,907	35.37%	3.08
2009/2010	365,922,290	1,045,492,257	8,598,540	8,598,540	2,497,350	9,989,400	377,018,180	1,064,080,197	35.43%	3.08
2010/2011	328,657,460	939,021,314	9,301,190	9,301,190	0	0	337,958,650	948,322,504	35.64%	3.08
2011/2012	325,063,190	928,751,971	9,583,800	9,583,800	0	0	334,646,990	938,335,771	35.66%	3.08
2012/2013	315,474,370	901,355,343	10,590,730	10,590,730	0	0	326,065,100	911,946,073	35.75%	3.08
2013/2014	301,198,030	860,565,800	11,356,610	11,356,610	0	0	312,554,640	871,922,410	35.85%	3.08

Source - Hamilton County Auditor

**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	Direct Rate City of Springdale	Overlapping Rates				Total Full Rate
		Hamilton County	Princeton City School District	Winton Woods School District	Great Oaks Joint Vocational School	
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
2006/2007	3.08	20.18	49.03	78.03	2.70	74.99
2007/2008	3.08	20.56	49.03	78.03	2.70	75.37
2008/2009	3.08	20.63	48.99	78.03	2.70	75.40
2009/2010	3.08	20.48	48.99	85.93	2.70	76.25
2010/2011	3.08	19.45	50.48	86.03	2.70	77.74
2011/2012	3.08	19.03	50.83	87.32	2.70	77.67
2012/2013	3.08	19.03	61.28	87.41	2.70	88.12
2013/2014	3.08	19.03	61.28	87.41	2.70	88.12

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.

The components of the Total Full Rate are City of Springdale, Hamilton County, Princeton City School District, and Great Oaks Joint Vocational School.

The City has no debt service millage. All millage is for operating purposes.

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**

<u>Tax Year/ Collection Year</u>	<u>Current Levy</u>	<u>Delinquent Levy</u>	<u>Total Tax Levy</u>	<u>Current Tax Levy Collections</u>	<u>Percent of Current Tax Levy Collected</u>	<u>Delinquent Tax Levy Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections to Total Tax Levy</u>	<u>Outstanding Delinquent Tax</u>	<u>Percent of Delinquent Taxes to Total Tax Levy</u>
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%
2006/2007	1,495,740	175,198	1,670,938	1,443,253	96.49%	128,569	1,571,822	94.07%	99,116	5.93%
2007/2008	1,421,941	103,772	1,525,713	1,374,382	96.66%	49,383	1,423,765	93.32%	101,999	6.69%
2008/2009	1,343,107	139,648	1,482,755	1,302,250	96.96%	88,057	1,390,307	93.77%	92,423	6.23%
2009/2010	1,319,247	102,650	1,421,897	1,250,657	94.80%	52,742	1,303,399	91.67%	118,418	8.33%
2010/2011	1,159,497	104,512	1,264,009	1,110,489	95.77%	44,888	1,155,377	91.41%	108,605	8.59%
2011/2012	1,039,831	95,359	1,135,190	1,002,554	96.42%	38,387	1,040,941	91.70%	94,140	8.29%
2012/2013	1,036,242	72,230	1,108,472	999,949	96.50%	31,450	1,031,399	93.05%	76,956	6.94%
2013/2014	1,006,078	78,083	1,084,161	970,023	96.42%	48,990	1,019,013	93.99%	65,485	6.04%

Source: Hamilton County, Ohio: County Auditor.

**CITY OF SPRINGDALE, OHIO  
PRINCIPAL PROPERTY TAXPAYERS  
DECEMBER 31, 2014 AND 2005**

Taxpayer	Fiscal Year 2014		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Tri-County Mall LLC	\$16,642,480	1	5%
Duke Energy Ohio Inc.	11,234,170	2	4%
LSREF2 Oreo Direct LLC	8,496,260	3	3%
WOP Mallard Lakes LLC	6,742,810	4	2%
Springdale-Kemper RE LLC	6,422,220	5	2%
Jubilee Springdale LLC	4,415,020	6	1%
NAI Entertainment Holdings LLC	4,144,640	7	1%
Gilhart, Charles C. Jr. Inc.	4,032,680	8	1%
KE Tri-County LLC	3,728,030	9	1%
Costco Wholesale Corporation	3,596,660	10	1%
All Others	243,099,670	-	78%
Total assessed valuation	<u>\$312,554,640</u>		<u>100%</u>

Taxpayer	Fiscal Year 2005		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Thor Gallery and Tri County LLC	\$62,915,900	1	13%
NRFC Cinn Investor LLC	16,611,550	2	3%
Merchant Street 27 LLC	10,650,510	3	3%
Springdale-Kemper Association	7,726,890	4	2%
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	5,899,210	8	1%
National Amusements Inc.	5,704,620	9	1%
Lazarus Real Estate Incorporated	5,418,040	10	1%
All others	358,871,790	-	72%
Total assessed valuation	<u>\$495,024,900</u>		<u>100%</u>

Source: Hamilton County Auditor

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

<u>Year</u>	<u>Municipal Income Taxes</u>	<u>Property and Other Taxes</u>	<u>Total</u>
2005	\$14,328,990	\$1,719,428	\$16,048,418
2006	15,882,753	1,627,413	17,510,166
2007	14,911,874	1,763,277	16,675,151
2008	13,924,066	1,615,652	15,539,718
2009	12,903,475	1,533,906	14,437,381
2010	11,720,803	1,520,103	13,240,906
2011	12,092,698	1,125,767	13,218,465
2012	12,974,628	1,264,751	14,239,379
2013	13,028,396	1,196,576	14,224,972
2014	12,837,195	1,178,894	14,016,089

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
2005	1.5%	\$10,951,054	\$2,533,670	\$648,207	\$106,919	\$14,239,850	77%	18%	4%	1%	100%
2006	1.5%	11,469,191	3,513,412	598,308	96,326	15,677,237	73%	22%	4%	1%	100%
2007	1.5%	11,801,203	3,161,780	611,839	96,878	15,671,700	75%	20%	4%	1%	100%
2008	1.5%	11,545,811	2,602,265	616,552	120,197	14,884,825	78%	17%	4%	1%	100%
2009	1.5%	11,080,439	1,875,776	610,370	112,316	13,678,901	81%	14%	4%	1%	100%
2010	1.5%	9,771,007	1,570,397	566,677	86,217	11,994,298	81%	13%	5%	1%	100%
2011	1.5%	10,197,760	1,631,364	587,499	68,937	12,485,560	82%	13%	4%	1%	100%
2012	1.5%	10,479,109	1,836,242	590,629	61,137	12,967,117	81%	14%	5%	0%	100%
2013	1.5%	10,660,949	1,990,931	617,888	52,126	13,321,894	80%	15%	5%	0%	100%
2014	1.5%	10,450,851	2,179,906	619,416	50,533	13,300,706	79%	16%	5%	0%	100%

Source: City of Springdale, Tax Department

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**

Year	Governmental Activities					Total Debt	Estimated Personal Income (1)	Percentage of Personal Income (2)	Per Capita
	General Obligation Bonds	General Obligation Bond Anticipation Notes	TIF Revenue Bonds	Ohio Police/Fire Pension Loan	Capital Leases				
2005	\$5,160,692	\$1,250,000	\$2,823,830	\$13,238	\$65,765	\$9,313,525	\$147,145,333	6%	920
2006	4,534,479	625,000	2,773,494	13,004	35,873	7,981,850	147,732,533	5%	791
2007	3,910,408	0	2,719,468	12,760	14,360	6,656,996	155,278,067	4%	640
2008	3,509,336	0	2,661,709	0	27,787	6,198,832	162,961,333	4%	597
2009	3,108,264	0	2,599,959	0	26,766	5,734,989	159,929,333	4%	552
2010	2,707,192	0	2,533,942	0	21,305	5,262,439	117,792,933	4%	469
2011	2,306,120	0	2,463,364	0	150,384	4,919,868	126,908,667	4%	438
2012	1,900,000	0	2,387,909	0	233,562	4,521,471	161,756,200	3%	403
2013	1,500,000	0	2,307,240	0	113,745	3,920,985	162,073,000	2%	349
2014	1,100,000	0	2,220,998	0	180,409	3,501,407	150,245,956	2%	312

Source: City of Springdale, finance department

(1): Obtained from the Springdale tax department - 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 notes 10 and 11 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>Net General Bonded Debt (C)</u>	<u>Ratio of Net Bonded Debt to Estimated Actual Value</u>	<u>Net Bonded Debt Per Capita</u>
2005	10,118	\$1,500,570,390	\$5,160,692	0.34%	510
2006	10,085	1,604,007,087	4,534,479	0.28%	450
2007	10,408	1,488,915,677	3,910,408	0.26%	376
2008	10,384	1,430,691,886	3,509,336	0.25%	338
2009	10,384	1,220,813,907	3,108,264	0.25%	299
2010	11,223	1,064,080,197	2,707,192	0.25%	241
2011	11,223	948,322,504	2,306,120	0.24%	205
2012	11,223	938,335,771	1,900,000	0.20%	169
2013	11,223	911,946,073	1,500,000	0.16%	134
2014	11,223	871,922,410	1,100,000	0.13%	98

For the ten year period presented, there was no balance in a general obligation bond retirement fund.

(A) - Source: U.S. Census Bureau population estimates, obtained through Hamilton County.

(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
2005	\$620,000	\$231,183	\$851,183	\$15,206,598	5.60%
2006	620,000	183,120	803,120	16,440,230	4.89%
2007	620,000	163,980	783,980	16,899,870	4.64%
2008	400,000	143,400	543,400	17,618,657	3.08%
2009	400,000	130,400	530,400	17,274,957	3.07%
2010	400,000	117,400	517,400	17,071,878	3.03%
2011	400,000	103,800	503,800	14,642,758	3.44%
2012	400,000	89,600	489,600	15,388,379	3.18%
2013	400,000	25,289	425,289	17,072,507	2.49%
2014	400,000	18,002	418,002	16,663,163	2.51%

(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, 2014**

	<u>Net Debt Outstanding</u>	<u>Percentage (1) Applicable to City of Springdale</u>	<u>Amount Applicable to City of Springdale</u>
<u>Direct:</u>			
City of Springdale	\$3,501,407	100%	\$3,501,407
<u>Overlapping:</u>			
Hamilton County	72,460,000	1.80%	1,304,280
Princeton City School District	178,976,355	21.82%	39,052,641
Great Oaks Joint Vocational School	12,985,000	1.82%	<u>236,327</u>
Subtotal			<u>40,593,248</u>
			<u><u>\$44,094,655</u></u>

(1) - The overlap percentage was calculated based on assessed valuation.

Information above obtained from the Springdale Finance Department and the Ohio Municipal Advisory Council.

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

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Total assessed property value (1)	\$312,554,640	\$326,065,100	\$334,646,990	\$337,958,650	\$377,018,180	\$431,783,290	\$486,554,200	\$500,355,580	\$530,767,940	\$495,024,900
Total debt limit (10.5% of assessed value):	\$32,818,237	\$34,236,836	\$35,137,934	\$35,485,658	\$39,586,909	\$45,337,245	\$51,088,191	\$52,537,336	\$55,730,634	\$51,977,615
Total net debt applicable to limit:										
General obligation bonds (2)	1,100,000	1,500,000	1,900,000	2,306,120	2,707,192	3,108,264	3,509,336	3,910,408	4,534,479	5,160,905
General obligation notes	0	0	0	0	0	0	0	0	625,000	1,250,000
Legal debt limit margin	\$31,718,237	\$32,736,836	\$33,237,934	\$33,179,538	\$36,879,717	\$42,228,981	\$47,578,855	\$48,626,928	\$50,571,155	\$45,566,710
Total net debt applicable to the limit as a percentage of total debt limit	3%	4%	5%	6%	7%	7%	7%	7%	9%	12%
Total unvoted debt limit (5.5% of assessed value):	\$17,190,505	\$17,933,581	\$18,405,584	\$18,587,726	\$20,736,000	\$23,748,081	\$26,760,481	\$27,519,557	\$29,192,237	\$27,226,370
Total net debt applicable to limit:										
General obligation bonds (2)	1,100,000	1,500,000	1,900,000	2,306,120	2,707,192	3,108,264	3,509,336	3,910,408	4,534,479	5,160,905
General obligation notes	0	0	0	0	0	0	0	0	625,000	1,250,000
Legal debt limit margin	\$16,090,505	\$16,433,581	\$16,505,584	\$16,281,606	\$18,028,808	\$20,639,817	\$23,251,145	\$23,609,149	\$24,032,758	\$20,815,465
Total net debt applicable to the limit as a percentage of total debt limit	6%	8%	10%	12%	13%	13%	13%	14%	18%	24%

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)
2005	5.08	10,118	\$147,145,333	\$14,543	39	862	5.70%
2006	5.08	10,085	147,732,533	14,649	39	480	5.00%
2007	5.08	10,408	155,278,067	14,919	39	796	5.00%
2008	5.08	10,384	162,961,333	15,694	39	808	5.60%
2009	5.08	10,384	159,929,333	15,402	39	758	8.90%
2010	5.08	11,223	117,792,933	10,496	39	815	9.40%
2011	5.08	11,223	126,908,667	11,308	39	824	8.60%
2012	5.08	11,223	161,756,200	14,413	39	830	7.00%
2013	5.08	11,223	162,073,000	14,441	39	862	7.80%
2014	5.08	11,223	150,245,956	13,387	39	995	5.70%

(A): Obtained from the Springdale Public Works department.

(B): Obtained from the U.S. Census Bureau.

(C): Obtained from the Springdale Tax Department - 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, which approximates City of Springdale.

**CITY OF SPRINGDALE, OHIO  
PRINCIPAL EMPLOYERS  
DECEMBER 31, 2014 AND 2005**

<u>Employer</u>	<u>2014 - Number of Employees (A)</u>	<u>Percent of Total</u>
Humana Pharmacy Inc.	1,023	4%
John Morrell and Company	696	3%
One Source Employee Management	629	2%
ORC International Inc.	593	2%
First Financial Bank	427	2%
Macy's Retail Holdings Inc.	408	2%
Jake Sweeny Chevrolet Import	407	2%
CDI Corporation	406	2%
Manpower US Inc.	395	2%
General Electric Engine Services Inc.	381	1%
All Others	20,912	80%
Total employment within the City	<u>26,277</u>	<u>100%</u>

<u>Employer</u>	<u>2005 - Number of Employees (A)</u>	<u>Percent of Total</u>
Avon Products, Inc.	1,552	3%
General Electric	1,481	3%
M. R. Temporary Services	1,274	3%
John Morrell and Company	1,013	2%
Adecco USA, Inc.	890	2%
Lifeshere	687	2%
Abercrombie and Fitch Stores Inc.	657	1%
Mercantile Stores Co. Inc.	642	1%
Minute Men Inc.	598	1%
Wal-Mart Associates Inc.	561	1%
All others	36,113	79%
Total employment within the City	<u>45,468</u>	<u>100%</u>

Source: City of Springdale, Tax Department.

(A) - Based on the number of W-2's received for the prior year's employment activity,  
Includes both full-time and part-time employees.

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

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Full-time positions at December 31</b>	108	110	106	104	114	123	127	127	123	117
<b>Security of Persons and Property</b>										
Police Department:										
Police Chief	1	1	1	1	1	1	1	1	1	1
Police Captain	1	1	1	1	0	1	1	1	1	1
Sworn Officers	31	31	34	31	33	36	37	36	36	33
Administrative Secretary	1	1	1	1	1	1	1	1	1	1
Clerks	4	5	5	5	5	6	6	7	7	7
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	0	1	1	1	1	1	-	1
Fire Captain	3	3	3	3	3	3	3	3	3	3
Fire Inspector	1	1	1	1	1	0	1	0	1	1
Firefighter	4	4	4	4	4	4	4	4	4	5
Firefighters/Paramedic	13	14	12	12	15	16	15	16	15	12
Administrative Secretary	1	1	1	1	1	1	1	1	1	1
<b>Public Health Services</b>										
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
Sanitarian	1	1	1	1	1	1	1	1	1	1
Administrative Assistant	1	1	1	1	1	1	1	1	1	1
<b>Leisure Time Activities</b>										
Parks and Recreation Department:										
Parks and Recreation Director	1	1	1	1	1	1	1	1	1	1
Assistant Recreation Director	2	2	2	3	3	3	3	3	3	2
Fitness Center Manager	1	1	1	1	1	1	1	1	1	1
Parks Maintenance	3	3	3	3	3	4	5	4	4	4
Recreation Programmer	1	1	0	0	1	1	1	1	1	-
Administrative Assistant	1	1	1	0.6	0.6	1	1	1	1	1
Custodian	1	1	1	1	1	1	1	1	1	1
<b>Community Environment</b>										
Building Department:										
Building Official	1	1	1	1	1	1	1	1	1	1
Building/Property Inspector	2	2	2	2	2	2	2	1	2	2
Property Inspector	1	1	1	1	2	2	2	2	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**

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Transportation</b>										
Public Works Department:										
Director of Public Works	1	1	1	1	1	1	1	1	1	1
Assistant Director of Public Works	1	1	1	1	1	0	0	1	1	0
Public Works Inspector	1	1	1	1	1	1	1	1	1	1
Mechanic	2	2	1	1	2	2	1	2	2	2
Maintenance Worker	7	7	6	5	7	10	12	12	10	11
Administrative Assistant	0	0	0	0	0	0	1	1	1	1
<b>General Government</b>										
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	1	1	1	1	1
Senior Administrative Assistant	1	1	1	0.4	0.4	1	1	2	1	1
Technical Services Administrator	1	1	1	1	1	1	0	0	0	0
Administrative Assistant	0	0	0	0	0	0	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	3	3	3	3	4	4	4	4	4	4
Administrative Secretary	1	1	0	1	1	1	1	1	1	1
<b>Total Full Time Positions</b>	<b>108</b>	<b>110</b>	<b>106</b>	<b>104</b>	<b>114</b>	<b>123</b>	<b>127</b>	<b>127</b>	<b>123</b>	<b>117</b>

Source: City of Springdale, Finance Department

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

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b><u>Security of Persons and Property</u></b>										
<b>Police Department</b>										
Number of stations	1	1	1	1	1	1	1	1	1	1
Total patrol calls for services:	12,522	13,189	13,530	13,795	13,954	14,496	14,826	14,117	15,239	15,372
- Arrests	1,757	1,753	1,868	1,620	2,052	2,307	2,518	2,267	2,197	1,923
- Auto accidents	930	1,014	985	1,165	862	889	1,113	1,314	1,180	1,343
- Traffic incidents	1,018	796	940	2,898	844	816	1,165	541	419	269
- Offense report	1,456	1,454	1,561	1,397	1,300	1,802	1,817	1,723	2,361	2,421
Mayor's court cases heard	2,537	2,634	2,102	2,822	2,912	4,032	4,265	3,886	4,089	3,533
<b>Fire Department</b>										
Number of stations	1	1	1	1	1	1	1	1	1	1
Fire responses	835	850	872	760	770	693	986	932	912	893
Emergency medical services (EMS) responses	2,135	2,077	2,025	1,706	1,957	1,889	1,967	1,968	2,056	2,142
Fire losses	\$88,300	\$69,800	\$87,285	\$153,100	\$240,200	\$109,400	\$168,830	\$229,490	\$121,985	\$132,450
<b><u>Public Health Services</u></b>										
<b>Health Department</b>										
Number of health department food inspections	414	401	479	329	397	390	376	463	556	618
Animal nuisance removals (2)	0	0	0	0	0	85	97	127	132	127
Home health care visits (1)	64	100	92	72	67	65	220	291	263	366
<b><u>Leisure Time Activities</u></b>										
<b>Parks and Recreation Department</b>										
Number of parks	6	6	6	6	6	6	6	6	6	6
Total park acreage	100	100	100	100	100	100	100	100	100	100
Number of community center memberships	2,358	2,182	1,810	1,865	1,910	2,114	3,112	2,115	2,663	2,125
Community center membership dollars (cash basis)	\$100,777	\$103,012	\$107,706	\$118,629	\$114,978	\$123,131	\$101,612	\$110,194	\$121,699	\$116,106
Active member fitness center visits	33,002	35,800	42,751	39,812	40,124	44,453	50,731	52,453	53,787	50,662
<b><u>Community Environment</u></b>										
<b>Building Department</b>										
Total number of permits issued	526	587	552	566	710	682	658	652	950	682
Number of residential permits issued	280	292	289	334	428	505	368	266	618	375
Value of residential permits issued	\$1,301,948	\$1,373,911	\$1,448,090	\$1,537,673	\$1,942,286	\$2,780,380	\$1,998,921	\$1,324,170	\$16,050,007	\$4,854,928
Number of commercial permits issued	260	295	263	232	282	177	290	380	332	307
Value of commercial permits issued	\$11,749,132	\$11,358,037	\$11,464,347	\$11,123,570	\$13,452,349	\$4,486,595	\$15,409,775	\$31,133,543	\$29,386,840	\$27,131,533
Number of building inspections	825	954	954	823	1,372	1,163	1,923	2,016	2,212	2,308
Number of certificates of occupancy issued	39	139	82	75	33	73	124	63	72	72

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

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Transportation</b>										
<b>Public Works Department</b>										
Chipper man hours	2,530	1,920	2,398	2,582	3,021	2,696	4,283	2,938	2,615	2,475
Debris removal requests (3)	46	38	44	44	49	95	160	194	225	255
Cubic yards of mulch delivered to residents	712	1,250	790	775	620	600	1,288	1,788	1,476	1,098
Tons of salt used	2,089	1,244	248	734	1,206	1,298	1,625	1,332	683	1,186
Snow and ice control callouts	16	17	7	12	19	11	14	11	12	19
<b>General Government</b>										
<b>Finance Department</b>										
Average number of business days to post receipts	3.4	3.5	2.7	3.0	3.2	2.8	3.8	4.3	5.1	4.1
Average number of business days to pay invoices	5.7	6.6	6.2	5.3	6.0	5.0	6.0	8.0	8.2	9.4
Number of non-payroll checks written	3,067	2,971	2,960	2,762	2,914	3,364	3,500	3,961	4,018	3,706
Number of payroll checks written	953	1,254	1,199	1,208	1,396	1,629	1,606	1,886	1,979	2,210
Number of payroll direct deposits issued	4,322	4,178	3,993	4,017	4,146	4,234	4,298	4,175	3,779	NA
<b>Tax Department</b>										
Number of business accounts at year-end	2,619	2,468	2,637	2,796	2,798	2,785	2,915	2,971	2,879	2,910
Number of resident accounts at year-end	4,867	4,556	4,728	4,691	4,620	4,634	4,373	4,530	4,365	3,894
Current year no-file % (at due date):										
Business returns	30%	32%	23%	22%	37%	37%	43%	42%	44%	51%
Resident returns	40%	43%	33%	32%	35%	35%	29%	33%	29%	25%
Average days to process and mail tax refund	41	37	43	42	27	26	25	35	32	31
Tax accounts assigned to mayor's court	132	169	163	173	192	183	207	171	157	152
Tax department overtime hours worked	152	132	76	47	54	243	297	260	277	386

Source: City of Springdale, departmental annual reports, information available from year 2000 forward.

- (1): 2002-2003 reflects number of residents visited, 2004-2011 reflects total number of visits
- (2): Program discontinued in 2010
- (3): 2009 was first year a fee was charged for debris removal services
- NA: Information not available

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

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b><u>General Government</u></b>										
<b>Administration Department</b>										
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	0	0	0	0	0	1	1	1	1	1
<b><u>Security of Persons and Property</u></b>										
<b>Police Department</b>										
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	26	25	30	27	27	25	23	24	24	26
Number of other police vehicles	12	10	9	9	8	9	9	9	9	8
<b>Fire Department</b>										
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	3	6	6	5	5	4	4	4	4	4
Number of EMS vehicles	3	3	4	4	4	5	5	4	4	4
Number of other vehicles	6	3	4	4	4	5	5	5	4	3
<b><u>Public Health Services</u></b>										
<b>Health Department</b>										
Number of health vehicles	2	1	1	1	1	1	1	1	1	1
<b><u>Leisure Time Activities</u></b>										
<b>Parks and Recreation Department</b>										
Square footage - community center	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000
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	7	6	6	6	6	6	6	6	4	4
<b><u>Community Environment</u></b>										
<b>Building Department</b>										
Number of vehicles	4	4	4	4	4	3	3	3	3	3
<b><u>Transportation</u></b>										
<b>Public Works Department</b>										
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	16	15	15	15	15	15	15	14	13	13
Number of other vehicles	3	2	2	2	2	2	2	2	2	1

Source: City of Springdale, finance department

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# Dave Yost • 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  
SEPTEMBER 10, 2015**