

CITY OF SPRINGDALE, OHIO

Independent Auditors' Report on
Internal Controls and Compliance
Year Ended December 31, 2019

OHIO AUDITOR OF STATE
KEITH FABER

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Columbus, Ohio 43215
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Members of Council
City of Springdale
11700 Springfield Pike
Springdale, OH 45246

We have reviewed the *Independent Auditor's Report* of the City of Springdale, Hamilton County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2019 through December 31, 2019. 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.



Keith Faber
Auditor of State
Columbus, Ohio

August 21, 2020

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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 (the "City") as of and for the year ended December 31, 2019 and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated July 15, 2020, wherein we noted the unknown impact of the COVID-19 pandemic.

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.

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
July 15, 2020



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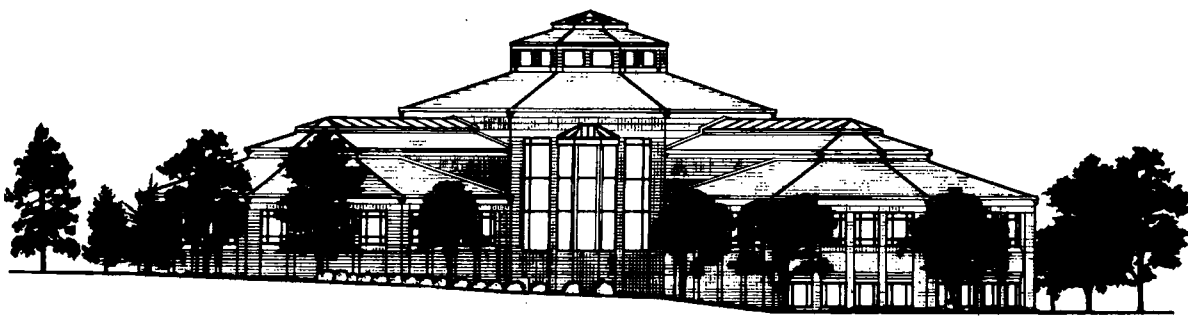
City of Springdale, Ohio



**Comprehensive Annual Financial Report
For the Year Ended December 31, 2019**

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CITY OF SPRINGDALE, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2019



Prepared By:

Jeff Williams
Finance Officer/Tax Commissioner

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On The Cover

Development in the City of Springdale

Projects under construction in 2019:

Springdale Commerce Park - A 130-acre industrial park with 1.3 million square feet of buildings planned. The developer constructed its first phase of speculative buildings in 2019 and into 2020. It is anticipated that tenants will occupy the buildings in 2020/2021.

Springrose Meadows - A new single-family housing development that will bring 50 new homes to Springdale. The starting price point for these homes is double our current median home price and the development was showcased in September of 2019 at the new-home-show Citi-Rama.

Home2 Suites by Hilton - A four floor, 66,000 square foot extended stay hotel facility with a planned 108 rooms expected to be completed in late 2020.

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**CITY OF SPRINGDALE, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2019**

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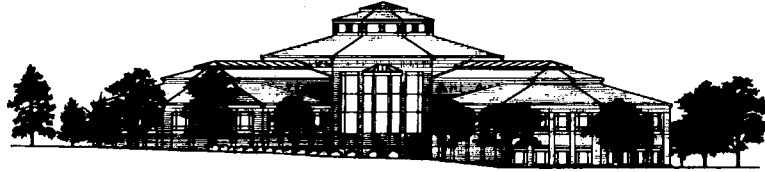
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INTRODUCTORY SECTION

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City of Springdale

DOYLE H. WEBSTER
Mayor

JOHN J. JONES
City Administrator

KATHY McNEAR
Clerk of Council / Finance Director

July 1, 2020

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, 2019, 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. 61, "*The Financial Reporting Entity: Omnibus, an Amendment of GASB Statements No. 14 and No. 34.*" GASB Statement No. 61 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, the City's organizational table, and the Certificate of Achievement for Excellence in Financial Reporting for the year-ended December 31, 2018.
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, required supplementary information, 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, 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 2016.

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, Assistant City Administrator, and all 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 2019:

- * Tree-City USA (the City has received this award for the past twenty-eight years),
- * The Police Department received:
 - The Platinum Level Traffic Safety Award issued by the AAA Association (The Police Department has received this award for the past fifteen years), and
 - The Gold Member Award as part of the Hamilton County OVI Task Force.

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 2019 there were approximately 1,000 businesses and organizations located in the City limits. Also at year-end 2019, there were 15 businesses located in Springdale that employed greater than 300 employees. Springdale also has approximately 60 restaurants and 14 theatre screens. The unemployment rate at the end of 2019 for the Greater Cincinnati area was 3.3%.

Tri-County Mall, over 15 other shopping centers, and numerous individual retail establishments, collectively total approximately 4.97 million square feet and comprise the largest concentration of retail development in Hamilton County. At the end of 2019 approximately 75% of the leasable space within the 1.3 million square foot Tri-County Mall was vacant. This vacancy is due in large part to changing consumer shopping patterns and recent retail developments capturing most of the growing population to the north in Butler County.

Springdale has approximately 2.7 million square feet of office space (approximately 1.1 million square feet represents Class A office space), representing 12.5% of all office space in the suburban Greater Cincinnati area. Springdale's industrial sector encompasses 3.6 million square feet.

Springdale is fortunate to have the following local and national businesses as part of the business community: First Financial Bank, General Electric Aviation, Cincom Systems, The Sheakley Group, Macy's Corporate Services, Humana, Cincinnati Bell Technology Solutions, Northrup Grumman, Procter & Gamble, Maple Knoll Communities, Smithfield Foods, Kroger, and the Plus Group.

Springdale's manufacturing businesses include Smithfield Foods (meat packing), ProAmpac (plastic bag manufacturing), Ditsch USA (wholesale pretzels), and the Kroger Company (ice cream and beverage manufacturing). Springdale also has many retail and restaurant businesses including Macy's, Dave & Busters, Costco, Lowe's, Target, Sam's Club, Outback Steakhouse, and BJ's Restaurant and Brewhouse, among others. Currently there are five hotels/motels operating in the City, representing over 530 rooms.

The local economy can be broken down into four major use sectors: office, retail, service/governmental, and industrial. These sectors contributed approximately \$781 million in payroll in 2019, broken down as follows:

* Office:	49% of payroll generation
* Retail:	18% of payroll generation
* Service/Governmental:	14% of payroll generation
* Industrial:	19% of payroll generation

Springdale's payroll generation (employee withholdings) decreased approximately 3.5% from 2018.

Future Economic Outlook

During 2019, several important projects were under construction, including Springdale Commerce Park, Springrose Meadows residential subdivision, and Home2 Suites hotel by Hilton. Springdale Commerce Park is a 130-acre industrial park with 1.3 million square feet of buildings planned. The developer constructed its first phase of speculative buildings at the end of 2019 and the beginning of 2020. It is anticipated that tenants will occupy those buildings in 2020/2021. Springrose Meadows is a new single-family housing development that will bring 50 new homes to Springdale. The starting price point for these homes is double our current median home price and the development was showcased in September, 2019 at the new-home-show Citi-Rama. Home2 Suites by Hilton is a four floor, 66,000 square foot extended stay hotel facility with a planned 108 rooms expected to be completed in late 2020.

In February of 2020, Macy's Corporate Services announced the relocation from downtown Cincinnati of approximately 450 corporate support positions in payroll, human resources, and financial functions to the former Avon facility now known as Progress Place. The new positions are scheduled to be in place by the end of 2020, joining the existing workforce of 450 employees and will make Macy's Corporate Services one of Springdale's largest employers.

With respect to retail, Macy's is the only remaining anchor tenant at Tri-County Mall, leasing approximately 219,000 square feet. With the total vacancy rate at the mall approaching 75%, Springdale is aggressively pursuing significant redevelopment with the mall ownership. This property is well positioned to attract investment for mixed-use development for several reasons. First, the 65 acres comprising the property are owned by one entity, compared to the other similar older malls in the region having multiple owners where anchor tenants often own their own buildings and parking lots. Multiple owners with different financial motivations makes a coordinated redevelopment plan extremely difficult

to implement. Second, Tri-County Mall has arguably the best geographic location in the Cincinnati market. It's direct access to I-275 and I-75 place it within a 10-mile radius of 666,000 people. This population exceeds that of any competing mall property by at least 80,000 people and is 41% greater than the population in a 10-mile radius of the region's newest mixed-use development called Liberty Center. The City has been preparing new and aggressive incentive options that have not previously been available. These combined factors position Tri-County Mall very favorably for a first phase of redevelopment to occur within the next 1-3 years.

At this time it is unknown how these projects will be affected due to the Coronavirus pandemic.

MAJOR INITIATIVES AND LONG-TERM FINANCIAL PLANNING

In 2019, certain projects that were started in a prior year were completed, such as the Beacon Hills Subdivision/Kenn Road Rehabilitation project and the Jake Sweeny Place Rehabilitation Project. While final expenditures for these projects were made in 2019, as well as expenditures for other projects, such as the 2019 Street Maintenance Construction Project as well as the Olde Gate Drive Repair Project, amounts expended for these projects were not of a material nature.

Future Projects

- * *Beacon Hills Subdivision Grind and Repave Project:* This project includes a 1.5 inch grind of the existing asphalt surface in the Beacon Hills Subdivision to correct an insufficient micro-surface procedure completed in 2018 as part of the Beacon Hills Subdivision/Kenn Road Rehabilitation Project. The estimated construction cost for this project is \$649,000 and is scheduled for 2020.
- * *Community Center Roof Replacement Project:* The Community Center roof is over 15 years old and has had numerous leak issues and patched numerous times. A total replacement of the roof is needed and will also include removal of three non-functioning HVAC units. The estimated construction cost for this project is \$655,000 and is scheduled for 2020 and 2021.
- * *East Kemper Road/CSX Bridge Rehabilitation Project:* The bridge on East Kemper Road over the CSX Railroad was built in 1929. The original two-lane bridge has been widened over the years to the current eight lanes. In recent inspections it was noted that the roadway joints were leaking, allowing surface water into the concrete box beams under the pavement, therefore damaging the support under the bridge. This project will include repairs to the roadway joints, concrete box beams, and concrete substructure. The estimated construction cost for this project is \$463,000 and is scheduled for 2021.
- * *East Crescentville Road Improvements:* This project is a joint venture with Butler County and the City of Sharonville. The improvements involve adding a third lane to East Crescentville Road, from west of Transportation Way in Butler County to Centerdale Road in Sharonville. The Springdale portion will extend from Transportation Way to Chesterdale Road. Other improvements include drainage system rehabilitation at the intersection of East Crescentville Road and Chesterdale Road, adding a new traffic signal at the same intersection, adding new curbs, and resurfacing East Crescentville Road with new asphalt. The estimated construction cost is \$4,991,000 and is scheduled for 2022.
- * *Princeton Pike Rehabilitation Project (Kemper Road to the Glendale Border):* This project is to include a grind and overlay of Princeton Pike as well as curb repair and replacement. The estimated construction cost for this project is \$645,000 and is scheduled for 2022.

- * Heritage Hill Subdivision Rehabilitation Project: The Greater Cincinnati Water Works (GCWW) is planning to replace the majority of the water mains in the Heritage Hill Subdivision in 2023. In an effort to avoid patched and uneven road, a complete rehabilitation of the subdivision is planned following the completion of the water main replacements. The GCWW is to pay 50% of the paving costs and the city will pay all additional paving and repairs and maintenance costs. The estimated construction cost for this project is \$1,250,000 and is scheduled for 2023.

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 year's 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 year's 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 utilizes an encumbrance accounting system to maintain budgetary control through the encumbering of estimated purchases and 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 - 2018

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, 2018. This was the nineteenth 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

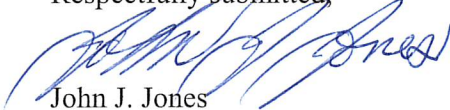
Independent Audit

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 has performed the City audit for the year-ended December 31, 2019. Auditing standards generally accepted in the United States of America and the standards set forth in the Governmental Accountability 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, 2019 was made possible by the dedicated service of Kathy McNear, Clerk of Council/Finance Director, finance department staff, 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 City Council for their interest and support in planning and conducting the financial operations of the City in a dedicated and responsible manner.

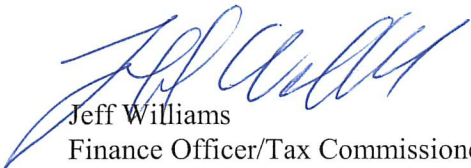
Respectfully submitted,



John J. Jones
City Administrator



Kathy McNear
Clerk of Council/Finance Director



Jeff Williams
Finance Officer/Tax Commissioner

**CITY OF SPRINGDALE, OHIO
ELECTED OFFICIALS AND ADMINISTRATIVE PERSONNEL
AS OF DECEMBER 31, 2019**

ELECTED OFFICIALS

<u>Name</u>	<u>Title</u>	<u>Term of Office</u>	<u>Salary</u>
Doyle H. Webster	Mayor	12/01/19-11/30/23	\$21,000
Thomas Vanover	President	12/01/17-11/30/21	8,475
Lawrence Hawkins III	Vice-President	11/30/19-11/30/23	7,875
Jeffrey Anderson	Member	12/01/17-11/30/21	7,875
Meghan Sullivan-Wisecup	Member	12/01/17-11/30/21	7,875
Holly Emerson	Member	12/01/17-11/30/21	7,875
Carolyn Ghantous	Member	12/01/19-11/30/23	7,875
Joseph Ramirez	Member	12/01/19-11/30/23	7,875
Kathy McNear (1)	Clerk of Council/ Finance Director	12/01/19-11/30/23	16,800

ADMINISTRATIVE PERSONNEL

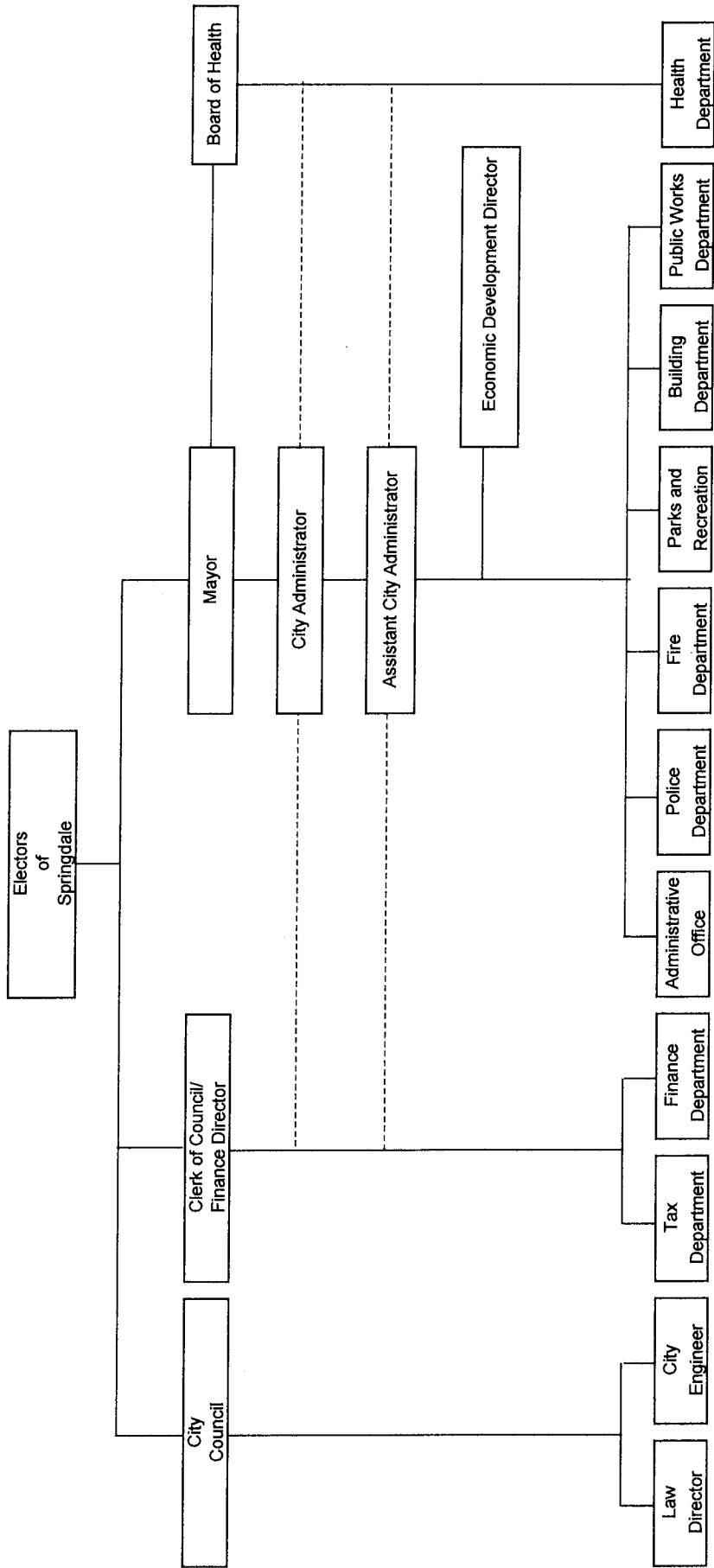
John J. Jones, City Administrator
Amanda Zimmerlin, Assistant City Administrator
Economic Development Director – position vacant

Jeff Agricola, Director of Public Works	Joe Braun, Law Director
Greg Karle, Parks and Recreation Director	Don Shvegza, City Engineer
Michael Mathis, Chief of Police	Seth Tieger, City Prosecutor
Gregg Taylor, Building Official	Justin Bartlett, City Magistrate
Matthew Clayton, Health Commissioner	
Michael Hoffman, Fire Chief	
Jeff 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

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Achievement
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in Financial
Reporting**

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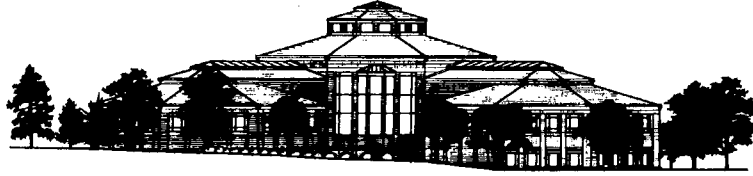
**City of Springdale
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morvill

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, 2019, 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, 2019, 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.

Emphasis of Matter

As discussed on Note 20 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures may impact subsequent periods of the City of Springdale, Ohio. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as identified 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 introductory section, combining and individual nonmajor fund financial statements and schedules, 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 basic 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 combining and individual nonmajor fund financial statements and schedules are 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 July 15, 2020 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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
July 15, 2020

**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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, 2019. 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 2019 are as follows:

- * The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at December 31, 2019 by \$17,371,258 (net position). Net position was increased in 2019 from year-end accruals in accordance with GASB Statement No. 75 (other post-employment benefits liability) that caused a large reduction of expense, therefore increasing net position.
- * The City's governmental funds reported a combined ending fund balance of \$6,396,810. Of this amount, \$2,953,488 represents the general fund unassigned fund balance available for spending on behalf of its citizens.
- * During 2019, the City reduced long term General Obligation Bonds by \$480,000.

USING THIS ANNUAL FINANCIAL REPORT

This annual financial report consists of a series of financial statements, notes to those statements, and required supplementary information. 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 statements provide information that will help the reader to determine if the City is financially better or worse as a result of 2019 activities. These statements include all assets, deferred outflows of resources, 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.

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

**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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 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 funds of the City are divided into two categories: governmental funds and fiduciary funds. Fund financial statements 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 two agency funds 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, or major, funds. The major funds presented at December 31, 2019, are the general fund, capital improvements fund, and the northwest business district 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.

Required Supplemental Information: Information is provided regarding the two pension systems that the City contributes regarding net pension liability and other postemployment benefits liability.

Other information: In addition to the basic financial statements, accompanying notes, and required supplemental information, 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, 2019**

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 2019 as compared to 2018:

<u>Table 1</u>	Governmental Activities	
	2019	2018
<u>Assets and Deferred Outflows</u>		
Current and other assets	\$13,155,372	\$12,292,291
Capital assets, net	42,729,216	44,199,121
Total assets	55,884,588	56,491,412
Deferred outflows of resources	10,667,483	5,871,721
Total assets and deferred outflows	66,552,071	62,363,133
<u>Liabilities</u>		
Current and other liabilities	2,546,515	2,294,049
Long-term liabilities:		
Due within one year	1,099,706	1,057,699
Due in more than one year	42,216,834	44,961,749
Total liabilities	45,863,055	48,313,497
<u>Deferred Inflows of Resources</u>		
Pension	443,015	1,930,035
Other post-employment benefits (OPEB)	747,262	463,184
Property tax	933,881	896,305
Payments in lieu of tax	1,193,600	783,700
Total deferred inflows of resources	3,317,758	4,073,224
<u>Net Position</u>		
Net investment in capital assets	34,983,304	35,874,183
Restricted	2,906,751	2,594,566
Unrestricted	(20,518,797)	(28,492,337)
Total net position	\$17,371,258	\$9,976,412

In prior years, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27", which significantly revised accounting for pension costs and liabilities, and GASB Statement No. 75, "Accounting and Financial Reporting for Post-employment Benefits Other Than Pension", which significantly revised accounting for costs and liabilities related to other post-employment benefits (OPEB). GASB Statements No. 68 and 75 required the City to recognize net pension/OPEB liabilities at December 31, 2019 at over \$33 million. For reasons discussed below, many end users of this financial statement could obtain a better understanding of the City's actual financial condition by adding deferred inflows related to pension/OPEB and the net pension/OPEB liability to net position and subtracting deferred outflows related to pension/OPEB.

**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

GASB standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB Statement No. 27) and post-employment benefits (GASB Statement No. 45) focused on a funding approach. This approach limited pension/OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability or net OPEB liability. GASB Statement No. 68 and GASB Statement No. 75 take an earnings approach to pension/OPEB accounting; however, the nature of Ohio's statewide pension/OPEB systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the standards required by GASB Statement's No. 68 and No. 75, the net pension/OPEB liability equals the City's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service,
2. Minus plan assets available to pay these benefits.

GASB notes that pension/OPEB obligations, whether funded or unfunded, are part of the "employment exchange", that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other post-employment benefits. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system as against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick, comp time, and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension/OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of the net pension and net OPEB liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension and net OPEB liabilities are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

In accordance with GASB Statement's No. 68 and No. 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's change in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

Net position of the City's governmental activities increased \$7,394,846 from 2018 to 2019. Major changes include deferred outflows of resources, and deferred inflows of resources, pension:

Deferred Outflows of Resources

Deferred outflows of resources increased \$4,795,762 from 2018 to 2019. This increase is mainly due to the components of deferred outflows of resources for the net pension liability. The largest component change is the net difference between projected and actual earnings on pension plan investments, which in 2018 was included as deferred inflows of resources, and in 2019, based on the changes noted to the pension plans, was included as deferred outflows of resources in the amount of \$3,482,845.

Deferred Inflows of Resources, Pension

Deferred inflows of resources, pension decreased \$1,487,020 from 2018 to 2019. This decrease is mainly due to the components of deferred inflows of resources, pension, for the net pension liability. The component change is mostly due to the net difference between projected and actual earnings on pension plan investments, which in 2018 was included as deferred inflows of resources and in 2019, based on the changes noted to the pension plans, was included as deferred outflows of resources.

The financial statements provide information that can assist the reader to determine if the City is financially better or worse as a result of 2019 activities. Based on table 1 above, the overall financial position of the City has increased from prior year. The increase in net position is mainly due to year-end accruals regarding GASB Statement No. 68, net pension liability, and GASB Statement No. 75, Other Post-Employment Benefits (OPEB).

To gain more of an understanding if the City is financially better or worse, the reader should also review the Statement of Revenues, Expenditures and Changes in Fund Balance, Budget to Actual Statements. These statements are prepared on a non-GAAP basis of accounting and provide a different perspective as to financial position. For example, on the Statement of Revenues, Expenditures and Changes in Fund Balance, Budget to Actual, general fund (actual column), the net change in fund balance increased \$414,892. This change is another indicator the City is in a financially better position at year-end 2019 as compared to 2018.

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**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Table 2 provides a summary of the change in net position for 2019 as compared to 2018:

<u>Table 2</u>	Governmental Activities	
	2019	2018
<u>Revenues</u>		
Program revenues:		
Charges for services	\$1,462,479	\$1,523,482
Operating grants and contributions	325,643	45,625
Capital grants and contributions	0	299,261
Total program revenues	1,788,122	1,868,368
General revenues:		
Municipal income taxes	15,983,441	14,669,361
Property and other taxes	1,119,895	1,127,395
Payments in lieu of tax	855,852	783,973
Special assessments	74,531	85,483
Grants and entitlements not restricted	1,223,889	1,051,983
Investment earnings	47,644	109,833
Other revenues	1,151,247	695,121
Total general revenues	20,456,499	18,523,149
Total revenues	22,244,621	20,391,517
<u>Program Expenses</u>		
Governmental activities:		
Security of persons and property	1,621,727	11,910,633
Public health services	541,802	509,426
Leisure time activities	2,202,947	1,999,293
Community environment	767,852	780,001
Transportation	3,708,555	3,620,380
General government	5,593,110	4,998,949
Interest and fiscal charges	413,782	422,035
Total expenses	14,849,775	24,240,717
Change in net position	7,394,846	(3,849,200)
Beginning net position	9,976,412	13,825,612
Ending net position	\$17,371,258	\$9,976,412

Governmental activities, total revenues, increased \$1,853,104 from 2018 to 2019, and total expenses decreased \$9,390,942 from 2018 to 2019. Significant changes in revenues and expenses are addressed below:

Municipal Income Taxes Revenue

Municipal income taxes revenue increased \$1,314,080 from 2018 to 2019. On the cash basis, municipal income taxes increased \$1,180,128 from 2018 to 2019. This is mainly due to the income tax rate increase from 1.5% to 2.0%, effective July 1, 2019, as a result of a vote of Springdale residents. This increase had a large affect on withholdings from those working in the City. The remaining increase is the result of year-end accruals regarding municipal income taxes.

**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Operating Grants and Contributions Revenue

Operating grants and contributions revenue increased \$280,018 from 2018 to 2019. This is mainly due to certain operating grants obtained within the fire department. The Staffing for Adequate Fire and Emergency Response (SAFER) grant provided wage reimbursement for the hire of three firefighter/EMT and accounted for \$139,082 in grant funds. The Assistance to Firefighters Exhaust System grant allowed for the installation of an exhaust system at the firehouse, and accounted for \$73,926 in grant funds. The Thermal Imaging Camera grant allowed for the purchase of four thermal imaging cameras to assist in seeing through smoke during a fire, and accounted for \$29,410 in grant funds. The above noted grants were not applicable in 2018.

Capital Grants and Contributions Revenue

Capital grants and contributions revenue decreased \$299,261 from 2018 to 2019. This is mainly the result of a decrease in capital improvement projects involving grant activity in 2019. The decrease is a direct result of issuing Street Improvement General Obligation Bonds in a past year and spending bond proceeds on capital road projects in 2019, therefore not needing capital grants for road projects.

Other Revenue

Other revenue increased \$456,126 from 2018 to 2019. This is mainly due to an increase in funds received from Ohio Workers Compensation as reimbursement, and funds received to purchase trees as a result of construction within the City where trees are torn down.

Security of Persons and Property Expense

Security of persons and property expense decreased \$10,288,906 from 2018 to 2019. Security of persons and property expense represents the activity of the police and fire departments. Cash basis activity for these two departments was approximately \$9.9 million in 2019 compared to \$9.8 million in 2018. On the cash basis, the difference is small. The large decrease on the statement of activities from 2018 to 2019 is from year-end accruals, including net OPEB liability in accordance with GASB Statement No. 75, which caused a large reduction of security of persons and property expense.

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**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Table 3 below shows 2019 percentages of revenues and expenses:

Table 3

	<u>\$</u>	<u>%</u>
<u>Revenues</u>		
Program revenues:		
Charges for services	\$1,462,479	7%
Operating grants and contributions	325,643	1%
Total program revenues	1,788,122	8%
General revenues:		
Municipal income taxes	15,983,441	73%
Property and other taxes	1,119,895	5%
Payments in lieu of tax	855,852	4%
Special assessments	74,531	-
Grants and entitlements not restricted	1,223,889	5%
Investment earnings	47,644	-
Other	1,151,247	5%
Total general revenues	20,456,499	92%
Total revenues	\$22,244,621	100%
<u>Program Expenses</u>		
Governmental activities:		
Security of persons and property	\$1,621,727	11%
Public health services	541,802	4%
Leisure time activities	2,202,947	15%
Community environment	767,852	5%
Transportation	3,708,555	25%
General government	5,593,110	37%
Interest and fiscal charges	413,782	3%
Total expenses	\$14,849,775	100%

The largest sources of revenue are municipal income taxes, charges for services, grants and entitlements not restricted, other revenue, and property and other taxes. Municipal income taxes are received from business employee withholdings, business net profit tax returns, resident tax returns, and penalty and interest. 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 are received from the State of Ohio and Hamilton County as local government funds, homestead and rollback entitlement, gasoline tax, and license tax. Other revenues are received from reimbursements (mostly from Ohio Workers Compensation), tree purchase subsidy as a result of construction activity, and northwest business district TIF Phase 1 shortfall. 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.

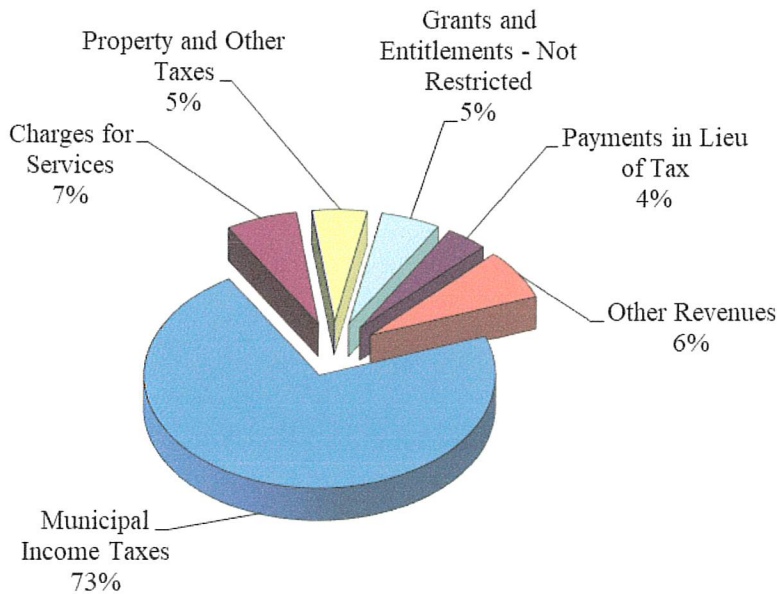
The largest sources of expense are general government, transportation, and leisure time activities. General government represents expenses for administration as well as the tax and finance departments. Transportation represents expenses for the public works department, depreciation expense, and certain other expenses that did not meet the criteria of a capital asset and therefore were recorded as

**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

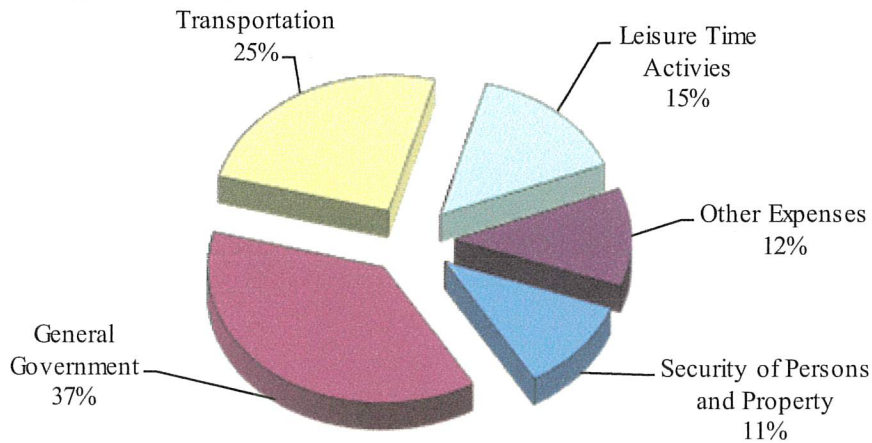
transportation expense. Leisure time activities represents expenses for the parks and recreation department, including the community center. Normally, security of persons and property, which represents operational expense for the police and fire departments, would be the largest expense category, but year-end accruals related to net OPEB liability caused a large decrease in security of persons and property expense.

Following are graphs showing the percentages of revenue and expense for 2019:

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, 2019**

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 2019, the City's governmental funds reported combined ending fund balances of \$6,396,810. Of this amount, \$2,438,291 is reported as unassigned fund balance, which includes negative fund balances in the capital projects, Tri-County Mall TIF fund of \$493,005, and the special revenue, residential recycling incentive fund of \$5,348. 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, prepaid items, budgetary constraints, 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 \$22,496,293 and expenditures of \$22,061,237, leaving an excess of revenues over expenditures of \$435,056.

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

General Fund

The general fund is the chief operating fund of the City. At year-end 2019, the total fund balance was \$4,623,263. This represents an increase of \$645,120 from 2018. General fund revenue increased \$1,896,870 from 2018. This is primarily from the municipal income tax revenue, due to the income tax rate increase from 1.5% to 2.0%, effective July 1, 2019. General fund expenditures increased \$207,551 from 2018. This is mainly due to increases in security of persons and property and general government expenditures. Security of persons and property expenditures increased approximately \$225,000. This change is due to overall increases in operations and not attributed to any one reason. General government expenditures increased approximately \$456,000. On the cash basis, general government expenditures were consistent from 2018 to 2019, but the 2018 year-end accruals (reversing entries larger than adjusting entries) caused this to be lower than 2019 (reversing entries approximately the same as adjusting entries).

Within the general fund, the health department presentation changed from 2018 to 2019. On the cash basis, the health department remains as a department of the general fund. On the fund financial statements, based on a change directed by the Ohio Office of the Auditor of State per Ohio Revised Code Section 3709.36, the health department activity for 2019 is presented in the special revenue, health fund, and not in the general fund.

Capital Improvements Fund

At year-end 2019, the total fund balance for the capital improvements fund was \$375,845, which represents a decrease in fund balance of \$359,275 from 2018. Revenues in 2019 were \$6,678 and in 2018 were \$64,250. This decrease was mainly due to a smaller amount of capital improvement projects that included grant activity. The expenditure activity in this fund decreased as a result of certain road improvement projects being accounted for in the street improvement operations fund. In 2019, transfers-in were \$150,000 and in 2018 were \$470,000.

**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Northwest Business District Tax Increment (TIF) Fund

At year-end 2019, the total fund balance for the northwest business district TIF fund was \$365,738, which represents an increase of \$19,714 from 2018. In 2019, fund activity was consistent with 2018, therefore, fund balance had a very small change.

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, expenditures, 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 2019, there were three amendments to the City budget passed by City Council.

Comparison of Original Budget to Final Budget

The 2019 original general fund budgeted revenues (including transfers-in/advances-in) were approximately \$19.1 million and the final budgeted revenues were approximately \$19.3 million. The increase is the result of municipal earnings tax and advance-in activity.

The 2019 original general fund budgeted expenditures (including transfers-out/advances-out) were approximately \$20.2 million and the final budgeted expenditures were approximately \$21 million. The major changes to the expenditures budget are due to a decrease of \$110,000 in security of persons and property expenditures (police and fire departments), an increase of \$174,398 in general government expenditures (administration, economic development, finance, and tax departments), and an increase of \$250,000 in departmental capital outlay expenditures.

Comparison of Final Budget to Actual Results

The 2019 final general fund budgeted revenues (including transfers-in/advances-in) were approximately \$19.3 million and actual revenues were approximately \$20.2 million. The main difference is the actual results for municipal income tax revenue were more than the final budgeted amount.

The 2019 final general fund budgeted expenditures (including transfers-out/advances-out) were approximately \$21 million and the actual expenditures were approximately \$19.7 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), transportation (public works department), general government (administration, economic development, tax, and finance departments) and departmental capital outlay and not applicable to any specific reason within those functions.

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**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

<u>Table 4</u>	Capital Assets at December 31 (Net of Depreciation)	
	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
Land	\$2,474,849	\$2,474,849
Construction in progress	399,110	3,008,496
Building	11,107,780	11,383,407
Improvements other than building	483,530	540,973
Machinery and equipment	604,535	492,376
Furniture and fixtures	10,233	11,330
Vehicles	1,522,516	1,647,965
Infrastructure:		
Sewers	97,753	112,172
Roads	21,807,576	20,065,855
Right of way	279,752	279,752
Traffic control	971,435	1,051,240
Streetscape	1,203,712	1,277,493
Pedestrian traffic	151,478	171,346
Parks	1,180,257	1,241,767
TIF area public improvements	434,700	440,100
Total capital assets	<u>\$42,729,216</u>	<u>\$44,199,121</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, 2019, the City had outstanding debt of \$10,482,549 in bonds, notes, and capital leases with \$2,218,881 due within one year.

<u>Table 5</u>	Outstanding Debt at December 31	
	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
General obligation bonds	\$7,155,707	\$7,658,682
TIF revenue bonds	1,691,728	1,812,177
Special obligation bond anticipation notes	1,320,000	1,320,000
Capital leases	315,114	584,631
Total debt	<u>\$10,482,549</u>	<u>\$11,375,490</u>

**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Under the current City Charter, the City's 2019 general obligation bonded debt was subject to a legal limitation of \$34,802,984 based on 10.5 percent of the total assessed value of real and public utility tangible personal property located within the City. Additional information concerning the City's debt can be found in Notes 10, 11, and 12 to the basic financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Budget Procedure

The City's budget procedure is a very detailed process. From May to June of the current year, the tax budget is approved by City Council for submission to Hamilton 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 July to September 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 departmental needs, 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, and amendments are made as necessary.

From October 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.

2020 Budget

The 2020 appropriations/estimated revenue budget ordinance was passed by City Council in January 2020 and included the following:

Revenues

- * Total general fund revenues are budgeted at \$22,825,585,
- * General property tax is consistent with 2019,
- * Earnings tax is budgeted at an increase over actual 2019 due to a full year of activity at the increased earnings tax rate, and
- * Intergovernmental revenues are budgeted at a decrease due to the expiration in 2019 of the City's involvement in the West Chester JEDD agreement.

Expenditures

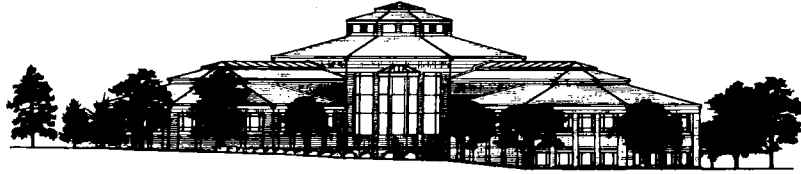
- * Total general fund expenditures are budgeted at \$23,230,101,
- * General fund departmental expenditures were budgeted consistent with actual results for 2019, taking into account increases in personnel costs and increased capital outlay expenditures that have been put into the budget as a result of the earnings tax rate increase, and

**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

* Budgeted transfers-out from the general fund to capital improvements fund increased from \$150,000 in 2019 to \$1,875,000 to account for projects that had been postponed through the years and were included in the budget as a result of the earnings tax increase.

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.



BASIC FINANCIAL STATEMENTS

**CITY OF SPRINGDALE, OHIO
STATEMENT OF NET POSITION
DECEMBER 31, 2019**

	<u>Governmental Activities</u>
Assets:	
Equity in pooled cash and cash equivalents	\$4,635,154
Cash with fiscal agent	12,961
Cash in segregated account	27,202
Receivables (net):	
Taxes	3,537,060
Payments in lieu of tax	1,234,400
Special assessments	152,701
Accounts	411,631
Intergovernmental	620,965
Prepaid items	140,816
Inventory	287,714
Real estate held for resale	1,950,000
Restricted assets:	
Funds on deposit for unclaimed monies	13,518
Funds on deposit for performance bonds and plan review fees	131,250
Nondepreciable capital assets	3,153,711
Depreciable capital assets, net	<u>39,575,505</u>
Total assets	<u>55,884,588</u>
Deferred outflows of resources:	
Pension	8,261,142
OPEB	<u>2,406,341</u>
Total deferred outflows of resources	<u>10,667,483</u>
Liabilities:	
Accounts payable	315,126
Contracts payable	9,277
Accrued wages and benefits payable	500,576
Accrued interest payable	25,437
Intergovernmental payable	58,669
Undistributed monies payable	136,653
Unclaimed monies payable	13,518
Claims payable	9,663
Unearned revenue	157,596
Bond anticipation notes payable	1,320,000
Long-term liabilities:	
Due within one year	1,099,706
Due in more than one year:	
Net pension liability	27,518,749
Net OBEP liability	5,928,512
Other long term liabilities	<u>8,769,573</u>
Total liabilities	<u>45,863,055</u>
Deferred inflows of resources:	
Pension	443,015
OPEB	747,262
Property tax	933,881
Payments in lieu of tax	<u>1,193,600</u>
Total deferred inflows of resources	<u>3,317,758</u>
Net position:	
Net investment in capital assets	34,983,304
Restricted for:	
Capital projects	1,728,270
Street construction, maintenance and repair	810,086
Other purposes	368,395
Unrestricted	<u>(20,518,797)</u>
Total net position	<u>\$17,371,258</u>

See accompanying notes to the basic financial statements

**CITY OF SPRINGDALE, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Total Governmental Activities
Governmental activities:				
Security of persons and property	\$1,621,727	\$862,447	\$296,461	(\$462,819)
Public health services	541,802	73,721	13,160	(454,921)
Leisure time activities	2,202,947	120,527	0	(2,082,420)
Community environment	767,852	260,770	16,022	(491,060)
Transportation	3,708,555	6,406	0	(3,702,149)
General government	5,593,110	138,608	0	(5,454,502)
Interest and fiscal charges	413,782	0	0	(413,782)
Total governmental activities	\$14,849,775	\$1,462,479	\$325,643	(13,061,653)

General revenues:	
Municipal income taxes	15,983,441
Property and other taxes	1,119,895
Payments in lieu of tax	855,852
Special assessments	74,531
Grants and entitlements not restricted to specific programs	1,223,889
Investment earnings	47,644
Other revenues	1,151,247
Total general revenues	20,456,499
Change in net position	7,394,846
Net position - beginning	9,976,412
Net position - ending	\$17,371,258

See accompanying notes to the basic financial statements

**CITY OF SPRINGDALE, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019**

	General Fund	Capital Improvements Fund	Northwest Business TIF Fund	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash and cash equivalents	\$2,623,801	\$138,041	\$381,784	\$1,491,528	\$4,635,154
Cash with fiscal agent	12,961	0	0	0	12,961
Cash in segregated account	27,202	0	0	0	27,202
Receivables (net):					
Taxes	3,537,060	0	0	0	3,537,060
Payments in lieu of tax	0	0	1,173,000	61,400	1,234,400
Special assessments	5,489	0	74,500	72,712	152,701
Accounts	411,631	0	0	0	411,631
Intergovernmental	177,822	0	0	443,143	620,965
Interfund loan receivable	232,000	0	0	0	232,000
Prepaid items	124,410	0	0	3,496	127,906
Inventory	273,666	0	0	14,048	287,714
Real estate held for sale	0	1,950,000	0	0	1,950,000
Advances to other funds	492,378	0	0	0	492,378
Restricted assets:					
Funds on deposit for unclaimed monies	13,518	0	0	0	13,518
Funds on deposit for performance bonds and plan review fees	131,250	0	0	0	131,250
Total assets	\$8,063,188	\$2,088,041	\$1,629,284	\$2,086,327	\$13,866,840
Liabilities:					
Accounts payable	\$278,609	\$10,861	\$1,210	\$24,446	\$315,126
Contracts payable	0	0	0	9,277	9,277
Accrued wages and benefits payable	490,308	0	0	10,268	500,576
Intergovernmental payable	43,206	0	14,836	627	58,669
Accrued interest payable	0	3,905	0	0	3,905
Interfund loan payable	0	232,000	0	0	232,000
Undistributed monies payable	136,653	0	0	0	136,653
Unclaimed monies payable	13,518	0	0	0	13,518
Claims payable	9,663	0	0	0	9,663
Unearned revenue	0	145,430	0	12,166	157,596
Bond anticipation notes payable	0	1,320,000	0	0	1,320,000
Advances from other funds	0	0	0	492,378	492,378
Total liabilities	971,957	1,712,196	16,046	549,162	3,249,361
Deferred inflows of resources:					
Municipal income tax	982,313	0	0	0	982,313
Property and other tax	956,199	0	0	0	956,199
Payments in lieu of tax	0	0	1,173,000	61,400	1,234,400
Special assessments	5,489	0	74,500	72,712	152,701
Intergovernmental revenue	152,463	0	0	371,089	523,552
Other revenue	371,504	0	0	0	371,504
Total deferred inflows of resources	2,467,968	0	1,247,500	505,201	4,220,669
Fund balances:					
Nonspendable	890,454	0	0	17,544	907,998
Restricted	0	375,845	358,423	1,529,617	2,263,885
Assigned	779,321	0	7,315	0	786,636
Unassigned (deficit)	2,953,488	0	0	(515,197)	2,438,291
Total fund balances	4,623,263	375,845	365,738	1,031,964	6,396,810
Total liabilities, deferred inflows of resources and fund balances	\$8,063,188	\$2,088,041	\$1,629,284	\$2,086,327	\$13,866,840

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, 2019**

Total governmental fund balances	\$6,396,810
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.	42,729,216
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	2,093,188
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.	(706,730)
Net pension/OPEB liability is not due and payable in the current period, therefore the liability and related deferred inflows/outflows are not reported in the governmental funds:	
Deferred outflows - pension/OPEB	10,667,483
Deferred inflows - pension/OPEB	(1,190,277)
Net pension liability	(27,518,749)
Net OPEB Liability	(5,928,512)
Certain prepaid items are not reported in the fund financial statements.	12,910
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Street improvement general obligation bonds - Series 2017	(7,155,707)
Tax increment financing phase I revenue bonds	(1,691,728)
Capital Leases	(315,114)
Accrued interest payable on long-term debt is not due and payable in the current period and therefore is not reported in the funds.	(21,532)
Net position of governmental activities	<u>\$17,371,258</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, 2019

	General Fund	Capital Improvements Fund	Northwest Business TIF Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Municipal income taxes	\$16,065,380	\$0	\$0	\$0	\$16,065,380
Property and other taxes	1,149,720	0	0	0	1,149,720
Payments in lieu of tax	0	0	815,052	0	815,052
Special assessments	4,137	0	63,231	12,983	80,351
Intergovernmental	390,584	0	0	1,263,369	1,653,953
Charges for services	605,494	0	0	3,225	608,719
Fines and forfeitures	216,094	0	0	91,551	307,645
Fees, licenses and permits	521,650	0	0	7,892	529,542
Interest	37,297	1,768	400	8,179	47,644
Other	772,012	4,910	160,000	301,365	1,238,287
Total revenues	19,762,368	6,678	1,038,683	1,688,564	22,496,293
Expenditures:					
Current:					
Security of persons and property	9,989,285	0	0	266,456	10,255,741
Public health services	0	0	0	461,650	461,650
Leisure time activities	1,606,027	0	0	7,290	1,613,317
Community environment	514,711	0	0	113,293	628,004
Transportation	1,302,558	0	0	281,184	1,583,742
General government	4,268,208	3,625	780,772	1,005	5,053,610
Capital outlay	336,313	205,113	0	635,814	1,177,240
Debt service:					
Principal retirement	26,981	241,923	120,449	480,613	869,966
Interest and fiscal charges	3,123	65,292	117,748	231,804	417,967
Total expenditures	18,047,206	515,953	1,018,969	2,479,109	22,061,237
Excess (deficiency) of revenues over expenditures	1,715,162	(509,275)	19,714	(790,545)	435,056
Other financing sources (uses):					
Transfers-in	0	150,000	0	920,042	1,070,042
Transfers-out	(1,070,042)	0	0	0	(1,070,042)
Total other financing sources (uses)	(1,070,042)	150,000	0	920,042	0
Net change in fund balances	645,120	(359,275)	19,714	129,497	435,056
Beginning fund balances	3,978,143	735,120	346,024	902,467	5,961,754
Ending fund balances	\$4,623,263	\$375,845	\$365,738	\$1,031,964	\$6,396,810

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, 2019

Net change in fund balances - total governmental funds \$435,056

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 the estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capital outlay in the current period:

Capital asset additions, not being depreciated	432,064	
Capital asset additions, being depreciated	498,506	
Depreciation expense	<u>(2,386,150)</u>	(1,455,580)

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, being depreciated	(132,478)	
Accumulated depreciation	<u>118,153</u>	(14,325)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (274,644)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The difference in these amounts reported on the Statement of Activities is the result of the following:

Amortization of debt premium	22,975	
Difference of prepaid bond insurance	(1,077)	
Difference in accrued interest payable	<u>3,804</u>	25,702

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. 869,966

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows. 1,784,842

Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability are reported as pension/OPEB expense in the statement of activities. 6,126,775

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. (102,946)

Change in net position of governmental activities \$7,394,846

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, 2019

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Municipal income taxes	\$15,200,000	\$15,323,616	\$16,091,436	\$767,820
Property and other taxes	1,140,000	1,140,000	1,142,889	2,889
Special assessments	6,534	6,534	4,137	(2,397)
Intergovernmental	444,450	444,450	429,675	(14,775)
Charges for services	797,600	797,600	619,121	(178,479)
Fines and forfeitures	154,600	154,600	213,864	59,264
Fees, licenses and permits	485,300	485,300	584,750	99,450
Interest	60,000	60,000	37,297	(22,703)
Other	792,680	792,680	922,527	129,847
Total revenues	19,081,164	19,204,780	20,045,696	840,916
Expenditures:				
Current:				
Security of persons and property	10,476,554	10,366,554	9,977,011	389,543
Public health services	452,975	462,976	443,552	19,424
Leisure time activities	1,692,760	1,692,760	1,604,738	88,022
Community environment	678,318	718,318	606,363	111,955
Transportation	1,584,532	1,544,532	1,320,762	223,770
General government	4,403,166	4,577,564	4,359,370	218,194
Capital outlay	303,652	553,652	337,753	215,899
Debt service:				
Principal retirement	27,975	27,975	27,975	0
Interest	3,452	3,452	3,346	106
Total expenditures	19,623,384	19,947,783	18,680,870	1,266,913
Excess (deficiency) of revenues over expenditures	(542,220)	(743,003)	1,364,826	2,107,829
Other financing sources (uses):				
Transfers-in	299	3,082	3,082	0
Transfers-out	(581,200)	(731,200)	(731,200)	0
Advances-in	10,184	115,785	115,785	0
Advances-out	0	(337,601)	(337,601)	0
Total other financing sources (uses)	(570,717)	(949,934)	(949,934)	0
Net change in fund balance	(1,112,937)	(1,692,937)	414,892	2,107,829
Beginning fund balance	2,113,224	2,113,224	2,113,224	0
Prior year encumbrances	86,666	86,666	86,666	0
Ending fund balance	\$1,086,953	\$506,953	\$2,614,782	\$2,107,829

See accompanying notes to the basic financial statements

CITY OF SPRINGDALE, OHIO
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
DECEMBER 31, 2019

	<u>Agency Funds</u>
Assets:	
Equity in pooled cash and cash equivalents	<u>\$12,091</u>
Total assets	<u><u>\$12,091</u></u>
Liabilities:	
Ohio board of building standards assessment (OBBS) payable	\$91
Fire insurance proceeds payable	<u>12,000</u>
Total liabilities	<u><u>\$12,091</u></u>

See accompanying notes to the basic financial statements

CITY OF SPRINGDALE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

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*", as amended by GASB Statement No. 39, "*Determining Whether Certain Organizations are Component Units*" and GASB Statement No. 61, "*The Financial Reporting Entity: Omnibus - An Amendment of GASB Statements No. 14 and No. 34*", in that the financial statements include all divisions and operations for which the City is financially accountable.

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.

Potential component units were considered for inclusion within financial statement presentation. The City reports a component unit within the other governmental funds column as a special revenue, nonmajor fund. This fund includes the financial data of the component unit. The following is included as a legally separate blended component unit of the City:

Health Fund: The health fund accounts for all activity of the City health department. City Council appoints the voting majority of the Board of Health and there is a financial benefit/burden relationship between the health department and the City. Copies of the health department financial report is on file with the City's finance department.

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

CITY OF SPRINGDALE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

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.

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 fiduciary funds are presented as agency funds.

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 fiduciary funds.

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.

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

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In 2019 the City reported the health fund as a special revenue fund. This presentation is a requirement of the Ohio Office of the Auditor of State under Ohio Revised Code Section 3709.36. The activity in this fund represents the City health department as well as certain operating grants in the special revenue, grants fund. On the non-GAAP budgetary basis the health department is budgeted as a department of the general fund and the operating grant activity is budgeted as part of the grants fund.

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 funds consist of an agency fund that accounts for the collection and payments associated with the Ohio Board of Building Standards Assessments on building permits and an agency fund that accounts for a portion of insurance proceeds associated with loss arising from fire damage within the City.

Measurement Focus

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources 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 outflows/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

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current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, available means expected to be received within thirty-one days of year-end.

Nonexchange transactions, in which the City received value without directly giving equal value in return, include income tax, property tax, admissions tax, transient occupancy tax, payments in lieu of tax, 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, state-levied locally shared taxes (including gasoline tax and motor vehicle license tax), license and permit fees, and grants.

Deferred Outflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources until then. The City reports deferred outflows of resources on the government-wide statement of net position for pension and OPEB (see notes 13 and 14).

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 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, property and other taxes, payments in lieu of tax, special assessments, intergovernmental, and other. Deferred inflows of resources related to pension and OPEB are reported on the government-wide statement of net position (see notes 13 and 14).

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.

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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 action of City Council throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

All funds, other than agency funds, are legally required to be budgeted and appropriated. The City adopts a budget and approves appropriations for all funds. The legal level of budgetary control is defined as the level at which City Council must approve any 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 other expenditures) and all other funds is at the fund level (personal services and other expenditures). Administrative control is maintained through the establishment of detailed line item budgets. For 2019, 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 City Council 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 the general fund assigned fund balance.

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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 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),
- * Year-end prepaid items are treated as expenditures (budget) rather than nonspendable fund balance (GAAP), and
- * The health fund is budgeted as part of the general fund but reported separately for GAAP reporting.

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	\$645,120
Net adjustment for revenue accruals	402,195
Net adjustment for health fund revenue accruals	(111,782)
Net adjustment for expenditure accruals	(832,757)
Net adjustment for health fund expenditure accruals	444,966
2018 prepaid items for 2019	136,454
2019 prepaid items for 2020	(124,410)
Encumbrances	(144,894)
Budget basis	\$414,892

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 with fiscal agent, which represents the year-end general reserve fund balance held in the City's name through the

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Miami Valley Risk Management Association. The City also reports cash in segregated account, which represents the year-end balance of Mayor's Court activity.

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.

The City invested funds in STAR Ohio during 2019. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted GASB Statement No. 79, "*Accounting and Financial Reporting for Certain External Investment Pools and Pool Participants*". Investments in STAR Ohio are valued at the net asset value per share provided by STAR Ohio on an amortized cost basis at December 31, 2019, which approximates fair value.

For 2019 there were no limitations or restrictions on any participants withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Receivables

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

Prepaid Items

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.

In a prior year, the City issued street improvement general obligation bonds. As part of this transaction the City purchased bond insurance and the unamortized balance has been recorded as a prepaid item on the statement of net position and will be amortized over the life of the bonds.

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.

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Real Estate Held for Resale

In January of 2016 the City purchased the former Sheraton Hotel, located at 11911 Sheraton Lane, for \$1,950,000. The goal of purchasing the property was to have the building demolished and sell the vacant lot for development consistent with the City's vision. As of December 31, 2019 the building has been demolished and the land is for sale. The City has recorded real estate held for resale on the statement of net position and the governmental funds balance sheet.

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 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, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at their acquisition 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, construction in progress, and other improvements. 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, right of way easements, 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 (ORC) and City Ordinance. The ORC 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 2019 was \$47,644. Total interest credited to the general fund during 2019 was \$37,297, which includes \$2,027 assigned from other funds.

Payments In Lieu Of Tax

Payments in lieu of tax represent service payments received from the Hamilton County Auditor in lieu of property tax, 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.

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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 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 and driveway apron services performed. Billings are sent to the resident owners. If payment is not received within 30 days a special assessment can be levied on property taxes through the Hamilton County Auditor's Office.

On the statement of activities, special assessments revenue at December 31, 2019 is \$74,531.

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 Governmental Accounting Standards Board 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 2019, 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. The noncurrent portion of the liability is not reported. There is no liability for compensated absences on the fund financial statements reported at December 31, 2019.

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Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. Governmental fund payables and accrued liabilities once incurred, are paid in a timely manner in full from current financial resources, and are reported as obligations of the funds. However, claims, compensated absences, net pension liability, and net other postemployment benefits liability that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, notes, and capital leases are recognized as a liability on the fund financial statements when due.

Pensions/Other Post-Employment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, deferred outflows of resources, deferred inflows of resources related to pensions/OPEB, pension/OPEB expense, and information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

Net Position

On the statement of net position, total net position represents the difference between assets, deferred outflows of resources, 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 \$2,906,751 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

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interest groups, or the judiciary) to use resources created by enabling legislation only for the purposes specified by the legislation.

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, 2019.

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. The Clerk of Council/Finance Director assigns fund balance.

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 / from other funds", and are classified as nonspendable fund balance, which indicates they are not in spendable form even though they are a component of net current assets. Also on the fund financial statements, a short-term interfund loan is reported as "Interfund loan receivable/payable", and is classified as assigned fund balance as other purposes.

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Estimates

The preparation of the basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

3. 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	Nonmajor Governmental Funds	Total
<u>Nonspendable:</u>					
Advances to other funds	\$492,378	\$0	\$0	\$0	\$492,378
Prepaid items	124,410	0	0	3,496	127,906
Inventory	273,666	0	0	14,048	287,714
Total nonspendable	890,454	0	0	17,544	907,998
<u>Restricted for:</u>					
Capital improvements	0	375,845	0	697,575	1,073,420
Debt service	0	0	358,423	0	358,423
Operating grants	0	0	0	36,404	36,404
Road maintenance	0	0	0	516,704	516,704
Law enforcement	0	0	0	48,039	48,039
Leisure time activities	0	0	0	11,378	11,378
Community environment	0	0	0	219,517	219,517
Total restricted	0	375,845	358,423	1,529,617	2,263,885
<u>Assigned to:</u>					
Health insurance	67,861	0	0	0	67,861
Liability insurance	6,870	0	0	0	6,870
Budget resources	404,516	0	0	0	404,516
Other purposes	300,074	0	7,315	0	307,389
Total assigned	779,321	0	7,315	0	786,636
Unassigned	2,953,488	0	0	(515,197)	2,438,291
Total fund balance	<u>\$4,623,263</u>	<u>\$375,845</u>	<u>\$365,738</u>	<u>\$1,031,964</u>	<u>\$6,396,810</u>

4. FUND DEFICITS

The capital projects, Tri-County Mall tax increment financing (TIF) fund, and the special revenue, residential recycling incentive fund, at December 31, 2019 included fund deficits of \$493,005 and \$5,348 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.

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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.

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 deposits of \$2,852,732, \$289,007 was covered by federal deposit insurance. The remaining amount, \$2,563,725 was covered by provided collateral and not subject to custodial credit risk. Although all

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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’s custodial credit risk policy requires that deposits be collateralized as required by ORC Chapter 135. Ohio law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution, unless the financial institution participates in the Ohio Treasurer of State’s Ohio Collateral Pool System, which reduces the amount to 102% of the deposits being secured. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

Investments

The City’s investment at December 31, 2019 is summarized below:

<u>Categorized Investment</u>	<u>Fair Value Maturity Under One Year</u>	<u>Credit Rating</u>	<u>Concentration Percentage</u>
STAR Ohio	\$2,185,716	S&P - AAAm	100%

Fair Value Measurement – Governmental Accounting Standards Board (GASB) Statement No. 72, “*Fair Value Measurement and Application*”, requires the City to apply valuation techniques that best represent fair value in the circumstances-market approach, cost approach and income approach. The following are the levels for which inputs can be measured. Level 1 – quoted prices (unadjusted) in active markets for identical assets/liabilities (most reliable); Level 2 – quoted prices for similar assets/liabilities, quoted price for identical assets/liabilities or similar assets/liabilities in markets that are not active, or other quoted prices that are observable; and Level 3 – unobservable inputs (least reliable).

The City’s investments in STAR Ohio are excluded from fair value measurement requirements under GASB Statement No. 72, and instead are reported at amortized cost.

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 investments to those authorized by State statute.

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

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dealing with investment custodial credit 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.

6. RECEIVABLES

Receivables at year-end consist primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements, shared revenues, payments in lieu of tax, special assessments, grants, and accounts.

Property taxes

The assessed valuation of property within the City subject to the levy of ad valorem taxes includes real property and public utility tangible personal property. The City's property taxes are collected by the Hamilton County Auditor and are remitted to the City on a periodic basis. The tax rate for all City operations for the year-ended December 31, 2019 was \$3.08 per \$1,000 of assessed value. The assessed values of real and public utility tangible personal property upon which 2019 property tax receipts were based are as follows:

Real Property – 2018 Assessed Valuation	\$317,440,780
Public Utility Tangible Personal Property – 2018 Assessed Valuation	14,016,210
Total	\$331,456,990

Property taxes receivable represent real property taxes, public utility property taxes, and outstanding delinquencies, which are measurable as of December 31, 2019. Although total property tax collections for the next fiscal year are measurable, the City recognizes property taxes as deferred inflows of resources since the first settlement date is more than thirty-one days after year-end and does not meet the availability criteria for recognition of revenue and because the taxes are not intended to finance current operations.

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

* Lien date	January 1, 2018
* Levy date - first half	December 31, 2018
* First installment payment due	January 31, 2019
* Levy date - second half	March 31, 2019
* Second installment payment due	June 20, 2019

Assessed values are established by the County Auditor at no more than 35% of appraised market value. The laws of the State of Ohio require that all property be revalued every six years and any time the County Auditor finds that true or taxable value thereof has changed, and in the third calendar year following the year in which a sexennial reappraisal is completed as ordered by the State Commissioner of Tax Equalization. Real property last experienced a sexennial reappraisal during 2017 with the results affecting collections beginning in 2018.

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

The County Treasurer collects property taxes on behalf of all taxing districts in the County. The County Auditor remits to the City its portion of the taxes collected as monthly 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 2019, the City levied a municipal income tax 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. The municipal income tax rate was 1.5% from January 1 to June 30, and 2.0% from July 1 to December 31. The change in income tax rate was the result of a residential vote on May 7, 2019, and was effective July 1, 2019. 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 monthly or quarterly basis (based on the dollar amount of withholdings). 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:

Gasoline tax	\$308,000
Local government	121,000
License tax	85,900
Homestead/rollback	30,000
Grants	25,307
Other	50,758
Total	<u>\$620,965</u>

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7. INTERFUND TRANSACTIONS

Advances To/From Other Funds

A previous year's interfund loan was made from the general fund to the capital projects, Tri-County Mall tax increment financing (TIF) fund. This loan was made regarding a previous year's road improvement 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. In 2019 Hamilton County included TIF value on the applicable parcel and service payments are scheduled to be received beginning in 2020. Following is a schedule of advances to/from other funds at December 31, 2019:

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

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

Transfers-In/Transfers-Out

In 2019, the City had the following interfund transfers:

<u>Transfer-Out Fund</u>	<u>Transfer-In Fund</u>	<u>Amount</u>
General fund	Debt service, street improvement debt fund	\$486,200
General fund	Special revenue, residential recycling incentive fund	95,000
General fund	Special revenue, health fund	<u>338,842</u>
		920,042
General fund	Capital projects, capital improvements fund	<u>150,000</u>
		<u>\$1,070,042</u>

The debt service, street improvement debt fund, the special revenue, residential recycling fund and the special revenue, health fund are nonmajor funds. The capital projects, capital improvements fund is a major fund. All transfer-out activity from the general fund was the result of cash flow needs of the transfer-in fund.

On the statement of revenues, expenditures, and changes in fund balances, budget and actual, general fund, \$3,082 was transferred in from the agency, 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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8. CAPITAL ASSETS

Capital asset activity is summarized below:

<u>Governmental Activities</u>	<u>Balance 1/1/19</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/19</u>
Capital assets, not being depreciated:				
Land	\$2,474,849	\$0	\$0	\$2,474,849
Infrastructure – right of way	279,752	0	0	279,752
Construction in progress	3,008,496	432,064	(3,041,450)	399,110
Total capital assets not being depreciated	<u>5,763,097</u>	<u>432,064</u>	<u>(3,041,450)</u>	<u>3,153,711</u>
Capital assets, being depreciated:				
Buildings	19,806,175	73,925	0	19,880,100
Improvements other than building	2,623,814	0	0	2,623,814
Machinery and equipment	1,973,177	194,434	(69,117)	2,098,494
Furniture and fixtures	36,582	0	0	36,582
Vehicles	4,240,822	123,707	(17,994)	4,346,535
Infrastructure	61,356,757	3,147,890	(45,367)	64,459,280
Total capital assets being depreciated	<u>90,037,327</u>	<u>3,539,956</u>	<u>(132,478)</u>	<u>93,444,805</u>
Less accumulated depreciation:				
Buildings	(8,422,768)	(349,552)	0	(8,772,320)
Improvements other than building	(2,082,841)	(57,443)	0	(2,140,284)
Machinery and equipment	(1,480,801)	(78,820)	65,662	(1,493,959)
Furniture and fixtures	(25,252)	(1,097)	0	(26,349)
Vehicles	(2,592,857)	(248,256)	17,094	(2,824,019)
Infrastructure	(36,996,784)	(1,650,982)	35,397	(38,612,369)
Total accumulated depreciation	<u>(51,601,303)</u>	<u>(2,386,150)</u>	<u>118,153</u>	<u>(53,869,300)</u>
Total capital assets being depreciated, net	<u>38,436,024</u>	<u>1,153,806</u>	<u>(14,325)</u>	<u>39,575,505</u>
Governmental activities capital assets, net	<u>\$44,199,121</u>	<u>\$1,585,870</u>	<u>(\$3,055,775)</u>	<u>\$42,729,216</u>

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In 2019, depreciation expense was charged to governmental functions as follows:

Security of persons and property	\$285,222
Public health services	1,269
Leisure time activities	294,608
Community environment	8,026
Transportation	1,683,842
General government	113,183
Total	<u>\$2,386,150</u>

9. COMPENSATED ABSENCES

Accumulated Unpaid Vacation Leave

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

Accumulated Unpaid Sick Leave

Full-time 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 (except for fire department employees under union contract, who at retirement get paid one-third of their sick leave hours, up to the maximum of one-third of 1,600 hours):

<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 ninety-six hours in a calendar year. Employees of the police department can accrue and use up to a balance of one hundred hours in a calendar year.

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10. LONG-TERM OBLIGATIONS

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

<u>Governmental Activities</u>	<u>Balance 1-1-19</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12-31-19</u>	<u>Amount Due Within A Year</u>
General obligation bonds:					
Street improvement limited tax bonds – Series 2017:					
- Par amount of issue	\$7,360,000	\$0	(\$480,000)	\$6,880,000	\$490,000
- Bond premium	298,682	0	(22,975)	275,707	22,975
Total general obligation bonds	7,658,682	0	(502,975)	7,155,707	512,975
Tax increment financing phase I revenue bonds	1,812,177	0	(120,449)	1,691,728	128,057
Capital leases	584,631	0	(269,517)	315,114	257,849
Compensated absences	603,784	899,997	(797,051)	706,730	200,825
Net pension liability:					
- OPERS	4,311,393	3,076,239	0	7,387,632	0
- OP&F	14,537,971	5,593,146	0	20,131,117	0
Total net pension liability	18,849,364	8,669,385	0	27,518,749	0
Net OPEB liability:					
- OPERS	3,089,906	592,707	0	3,682,613	0
- OP&F	13,420,904	0	(11,175,005)	2,245,899	0
Total OPEB liability	16,510,810	592,707	(11,175,005)	5,928,512	0
Total governmental activities	<u>\$46,019,448</u>	<u>\$10,162,089</u>	<u>(\$12,864,997)</u>	<u>\$43,316,540</u>	<u>\$1,099,706</u>

Street Improvement Limited Tax General Obligation Bonds – Series 2017

The City issued \$8,200,000 (par value) of Street Improvement Limited Tax General Obligation Bonds – Series 2017 dated March 30, 2017. The bonds were issued for the purpose of paying the cost of certain street improvements throughout the City, 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 bonds bear interest at the rate of 2.94% and mature on December 1, 2031. At issuance, a bond premium was recorded in the amount of \$344,632. The bond proceeds for the par amount of the issue, \$8,200,000, were recorded to the capital projects, street improvement operations fund, and the bond premium, \$344,632, was recorded to the debt service, street improvement debt fund. For fiscal year 2019, principal and interest payments were made in the amount of \$480,000 and \$231,200 respectively.

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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 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 tax) 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 \$2,312,278 payable through September 2029. For fiscal year 2019, Phase I bond principal and interest payments made were \$238,198 and total service payments and shortfall received were \$251,286. The liability at December 31, 2019 for the TIF – Phase 1 Revenue Bonds Payable is \$1,691,728 and is presented in the government-wide financial statements within long-term liabilities.

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>
2020	\$490,000	\$221,600	\$128,057	\$110,140
2021	500,000	211,800	136,905	101,292
2022	510,000	199,300	146,365	91,832
2023	525,000	184,000	156,478	81,719
2024	540,000	168,250	167,290	70,907
2025-2029	2,975,000	578,475	956,633	164,660
2030-2031	1,340,000	81,000	-	-
Total	<u>\$6,880,000</u>	<u>\$1,644,425</u>	<u>\$1,691,728</u>	<u>\$620,550</u>

Under the current City Charter, the City’s 2019 general obligation bonded debt was subject to a legal limitation of \$34,802,984, 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 and special assessments 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.

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11. LEASES

The City's lease obligations that meet the criteria of a capital lease have been recorded on the government-wide statements. 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>	
2020	\$266,362
2021	50,883
2022	6,552
2023	<u>2,643</u>
Total minimum lease payments	326,440
Less: amount representing interest	<u>(11,326)</u>
Present value of minimum lease	<u>\$315,114</u>

Leased assets have been capitalized for the amount of the present value of the minimum lease payments at the inception of the lease. \$772,273 represents the amount of capital assets under capital lease obligation at December 31, 2019. In 2019, \$26,981 was paid from the general fund, \$241,923 was paid from the capital improvements fund, and \$613 was paid from the health 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. SPECIAL OBLIGATION REAL ESTATE ACQUISITION BOND ANTICIPATION NOTES

On April 22, 2016, the City issued \$2,640,000 of Special Obligation Real Estate Acquisition Bond Anticipation Notes. The notes were issued to purchase and demolish the former Sheraton Hotel, and pay 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. In 2017, the City renewed the notes and retired \$1,320,000 of principal. Each year since, renewal notes have been issued.

Renewal notes in the amount of \$1,320,000 were issued dated November 29, 2019 and bear an interest rate of 3.55%. These notes mature on November 27, 2020. The liability at December 31, 2019 for the bond anticipation notes payable is \$1,320,000 and is recorded in the capital projects, capital improvements fund. The following shows the Special Obligation Real Estate Acquisition Bond Anticipation Note activity for the period January 1, 2019 to December 31, 2019:

	<u>Balance at</u> <u>1-1-19</u>	<u>Additions</u>	<u>Retirement</u>	<u>Balance at</u> <u>12-31-19</u>
Special Obligation Real Estate Acquisition Bond Anticipation Notes	<u>\$1,320,000</u>	<u>\$1,320,000</u>	<u>(\$1,320,000)</u>	<u>\$1,320,000</u>

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13. DEFINED BENEFIT PENSION PLANS

Net Pension Liability/Net Other Postemployment Benefit (OPEB) Liability

Pensions and Other Post-Employment Benefits (OPEB) are a component of exchange transactions between an employer and its employees (salaries and benefits for employee services). Pensions are provided to an employee on a deferred payment basis as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability and the net OPEB liability represents the City's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, uncertain future events require adjusting this estimate annually.

The Ohio Revised Code (ORC) limits the City's obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which pensions/OPEB are financed; however, the City does receive the benefit of employee services in exchange for compensation including pension and OPEB. The ORC permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The remainder of this note includes the pension disclosures. See Note 14 for the other postemployment benefits disclosure.

Net Pension Liability

Governmental Accounting Standards Board (GASB) Statement No. 68, "*Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*", assumes the net pension liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension liability on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in accrued wages and benefits payable on both the accrual and modified accrual basis of accounting.

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Plan Description – Ohio Public Employees Retirement System

City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan, and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

<u>Group A</u>	<u>Group B</u>	<u>Group C</u>
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Twenty years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
<u>State and Local</u>	<u>State and Local</u>	<u>State and Local</u>
<i>Age and Service Requirements:</i> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit.	<i>Age and Service Requirements:</i> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit.	<i>Age and Service Requirements:</i> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit.
<u>Formula:</u> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30.	<u>Formula:</u> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30.	<u>Formula:</u> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 35.

Final average salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career. Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent

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simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the consumer price index, capped at 3%.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
2019 Statutory Maximum Contribution Rates:	
- Employer	14%
- Employee	10%
2019 Actual Contribution Rates – Employer:	
- Pension	14%
- Post-employment Health Care Benefits	0%
Total Employer	14%
Employee	10%

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City’s contractually required contribution was \$597,904 for 2019.

Plan Description – Ohio Police & Fire Pension Fund

City full-time police and firefighters participate in the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. 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 and detailed information about OP&F fiduciary net position. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member’s average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5% for each of the first 20 years of service credit, 2% for each of the next five years of service credit, and 1.5% for each year of service credit in excess of 25 years. The maximum pension of 72% of the allowable average annual salary is paid after 33 years of service credit.

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Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either 3% or the percent increase, if any, in the consumer price index over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to 3% of their base pension or disability benefit.

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions as follows:

	Police	Fire
2019 Statutory Maximum Contribution Rates:		
- Employer	19.5%	24%
- Employee	12.25%	12.25%
2019 Actual Contribution Rates – Employer:		
- Pension	19%	23.5%
- Post-employment Health Care Benefits	.5%	.5%
Total Employer	19.5%	24%
Employee	12.25%	12.25%

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OP&F was \$1,159,516 for 2019.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability for OPERS was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F’s total pension liability was measured as of December 31, 2018, and was determined by rolling forward the total pension liability as of January 1, 2018, to December 31, 2018. The City’s proportion of the net pension liability was based on the City’s share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

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	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of Net Pension Liability	\$7,387,632	\$20,131,117	\$27,518,749
Proportion of the Net Pension Liability:			
Current Measurement Year	.026974%	.246625%	
Prior Measurement Year	<u>.027482%</u>	<u>.236873%</u>	
Change in proportionate share	<u>(.000508%)</u>	<u>.009752%</u>	
Pension Expense	\$1,633,156	\$2,864,875	\$4,498,031

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
<u>Deferred Outflows of Resources</u>			
Net difference between projected and actual earnings on pension plan investments	\$1,002,708	\$2,480,137	\$3,482,845
Change in proportionate share	0	1,016,691	1,016,691
Differences between expected and actual experience	265	827,109	827,374
Change in assumption	643,108	533,704	1,176,812
City contributions subsequent to the measurement date	<u>597,904</u>	<u>1,159,516</u>	<u>1,757,420</u>
Total Deferred Outflows of Resources	<u>\$2,243,985</u>	<u>\$6,017,157</u>	<u>\$8,261,142</u>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$97,004	\$18,799	\$115,803
Change in proportionate share	<u>60,875</u>	<u>266,337</u>	<u>327,212</u>
Total Deferred Inflows of Resources	<u>\$157,879</u>	<u>\$285,136</u>	<u>\$443,015</u>

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\$1,757,420 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
2020	\$631,774	\$1,378,337	\$2,010,111
2021	296,009	836,006	1,132,015
2022	93,022	906,769	999,791
2023	467,397	1,342,059	1,809,456
2024	-	109,334	109,334
Total	<u>\$1,488,202</u>	<u>\$4,572,505</u>	<u>\$6,060,707</u>

Actuarial Assumptions - Ohio Public Employees Retirement System

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2018, using the following actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of Governmental Accounting Standards Board Statement No. 67.

Key methods and assumptions used in the latest actuarial valuations, reflecting experience study results, prepared as of December 31, 2018, are presented below:

	<u>2018</u>
Wage inflation	3.25%
Projected salary increases	3.25% to 10.75%, includes wage inflation at 3.25%
COLA or Ad Hoc COLA	Pre 1-7-2013 retirees: 3% simple Post 1-7-2013 retirees: 3% simple through 2018, then 2.15% simple
Investment rate of return – current period	7.20%
Investment rate of return – prior period	7.50%
Actuarial cost method	Individual entry age

The most recent experience study was completed for the five-year period ended December 31, 2015.

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Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvements back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality tables for disabled retirees are based on the RP-2014 Disabled Mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described table.

The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 2.94% for 2018.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long- Term Expected Real Rate of Return (arithmetic)</u>
Fixed income	23%	2.79%
Domestic equities	19%	6.21%
Real estate	10%	4.90%
Private equity	10%	10.81%
International equities	20%	7.83%
Other investments	18%	5.50%
Total	<u>100%</u>	<u>5.95%</u>

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Discount Rate

The discount rate used to measure the total pension liability was 7.2% for the traditional pension plan, combined plan, and the member-directed plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments, for the plans above, was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of Net Pension Liability to Changes in the Discount Rate

The following table presents the City’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.2%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.2%) or one-percentage-point higher (8.2%) than the current rate:

	1% Decrease (6.2%)	Current Discount Rate (7.2%)	1% Increase (8.2%)
City's proportionate share of the net pension liability – OPERS	\$10,913,680	\$7,387,632	\$4,457,454

Actuarial Assumptions – Ohio Police and Fire Pension System

The Ohio Police and Fire Pension System’s (OP&F) total pension liability as of December 31, 2018 is based on the results of an actuarial valuation date of January 1, 2018, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F’s actuaries in accordance with Governmental Accounting Standards Board (GASB) Statement No. 67, “*Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25*”, as part of their annual valuation.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Experience study assumptions were performed by OP&F’s prior actuary and completed as of December 31, 2016. Changes in demographic and economic actuarial assumptions were made. Assumptions considered were withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of payment, DROP interest rate, CPI-based COLA, investment returns, salary increases, and payroll growth. The changes in assumptions are being amortized over the estimated remaining useful lives of the participants which was 5.16 years at December 31, 2018.

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Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2018 and compared with January 1, 2017 are presented below:

<u>Valuation date</u>	<u>January 1, 2018</u>	<u>January 1, 2017</u>
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return	8%	8%
Projected salary increases	3.75% to 10.5%	3.75% to 10.5%
Payroll increases	3.75%	3.75%
Inflation assumptions	2.75%	3.25%
Cost of living adjustments	3% simple; 2.2% simple for increases based on the lessor of the increase in CPI and 3%	2.2% and 3% simple

For the January 1, 2018 valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120%:

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77%	68%
68-77	105%	87%
78 and up	115%	120%

For the January 1, 2018 valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale:

<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35%	35%
60-69	60%	45%
70-79	75%	70%
80 and up	100%	90%

The most recent experience study was completed for the five year period ended December 31, 2016.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the OP&F's Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2018 are summarized below:

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and cash equivalents	-	.80%
Domestic equity	16%	5.50%
Non-U.S. equity	16%	5.90%
Core fixed income *	23%	2.60%
Private markets	8%	8.40%
High yield fixed income	7%	4.8%
Real assets	8%	7%
Private real estate	12%	6.10%
Private credit	5%	7.50%
U.S. Inflation Linked Bonds*	17%	2.3%
Master limited partnerships	8%	6.4%
Total	<u>120%</u>	

Note: Assumptions are geometric.

* - levered 2 times

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall total portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the total portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

Discount Rate

The total pension liability was calculated using the discount rate of 8%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8%. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

Net pension liability is sensitive to changes in the discount rate. To illustrate the potential impact, the following table presents the net pension liability calculated using the discount rate of 8%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7%), or one percentage point higher (9%) than the current rate:

	1% Decrease (7%)	Current Discount Rate (8%)	1% Increase (9%)
City's proportionate share of the net pension liability - OP&F	\$26,460,966	\$20,131,117	\$14,841,614

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14. DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFITS (OPEB) PLANS

Governmental Accounting Standards Board (GASB) Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*", other post-employment benefits (OPEB) is a component of exchange transactions between an employer and its employees, of salaries and benefits for employee survivors. OPEB are provided to an employee on a deferred payment basis as part of the total compensation package offered by an employer for employee services each financial period.

Net OPEB Liability

The net OPEB liability reported on the statement of net position represents a liability to employees for OPEB. The obligation to sacrifice resources for OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability represents the City's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

The Ohio Revised Code (ORC) limits the City's obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which OPEB are financed; however, the City does receive the benefit of employees' services in exchange for compensation including OPEB.

GASB Statement No. 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The ORC permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

Plan Description – Ohio Public Employees Retirement System

City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan, and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

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In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty 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. 75. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code (ORC) permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the ORC.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, state and local employers contributed at a rate of 14% of earnable salary. These are the maximum employer contribution rates permitted by the ORC. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0% during calendar year 2018. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2019 remained at 0% for both plans. The OPERS Board 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 dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2019 was 4%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2019.

Plan Description – Ohio Police & Fire Pension Fund (OP&F)

The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment healthcare plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. OP&F provides health care benefits including coverage for medical, prescription drug, dental, vision, and Medicare Part B Premium to retirees, qualifying benefit recipients and their eligible dependents.

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OP&F provides access to postretirement 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 OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 75.

The Ohio Revised Code (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 is 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. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The Ohio Revised Code (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 employer units, 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. There is one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. An Internal Revenue Code 401(h) account is maintained for Medicare Part B reimbursements.

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. For 2019, the portion of employer contributions allocated to health care was 0.5% of covered payroll. 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.

The City's contractually required contribution to OP&F was \$27,422 for 2019.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2018, and was determined by rolling forward the total OPEB liability as of January 1, 2018, to December 31, 2018. The

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City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of Net OPEB Liability	\$3,682,613	\$2,245,899	\$5,928,512
Proportion of the Net OPEB Liability:			
Current Measurement year	.028246%	.246625%	
Prior Measurement Year	<u>.028454%</u>	<u>.236873%</u>	
Change in proportion share	<u>(.000208%)</u>	<u>.009752%</u>	
OPEB Expense	\$289,086	(\$10,941,314)	(\$10,652,228)

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Deferred Outflows of Resources</u>	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Net difference between projected and actual earnings on OPEB plan investments	\$168,826	\$76,026	\$244,852
Change in proportionate share	0	849,553	849,553
Differences between expected and actual experience	1,616	0	1,616
Change in assumption	118,732	1,164,166	1,282,898
City contributions subsequent to the measurement date	<u>0</u>	<u>27,422</u>	<u>27,422</u>
Total Deferred Outflows of Resources	<u>\$289,174</u>	<u>\$2,117,167</u>	<u>\$2,406,341</u>

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	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Inflows of Resources			
Change in proportionate share	\$55,328	\$0	\$55,328
Differences between expected and actual experience	9,992	60,172	70,164
Change in assumption	0	621,770	621,770
Total Deferred Inflows of Resources	<u>\$65,320</u>	<u>\$681,942</u>	<u>\$747,262</u>

\$27,422 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
2020	\$87,360	\$242,471	\$329,831
2021	23,865	242,471	266,336
2022	27,581	242,471	270,052
2023	85,048	265,466	350,514
2024	0	229,213	229,213
Thereafter	0	185,711	185,711
Total	<u>\$223,854</u>	<u>\$1,407,803</u>	<u>\$1,631,657</u>

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB Statement No. 74:

Wage Inflation	3.25%
Projected Salary Increases	3.25 % to 10.75%, including wage inflation at 3.25%
Single Discount Rate:	
Current measurement date	3.96%
Prior measurement date	3.85%
Investment Rate of Return	6%

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Municipal Bond Rate	3.71%
Health Care Cost Trend Rate	10%, initial, 3.25%, ultimate in 2029
Actuarial Cost Method	Individual Entry Age Normal

The most recent experience study was completed for the five year period ended December 31, 2015.

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 Mortality Improvement Scale to all of the above described tables.

The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a loss of 5.6% for 2018.

The allocation of investment assets within the OPERS Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

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Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34%	2.42%
Domestic Equities	21%	6.21%
Real Estate Investment Trust	6%	5.98%
Intentional Equities	22%	7.83%
Other Investments	17%	5.57%
Total	100%	5.16%

Discount Rate

A single discount rate of 3.96% was used to measure the OPEB liability on the measurement date of December 31, 2018. A single discount rate of 3.85% was used to measure the OPEB liability on the measurement date of December 31, 2017. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.0% and a municipal bond rate of 3.71%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.96%, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.96%) or one-percentage-point higher (4.96%) than the current rate:

City's proportionate share of the net OPEB liability:	1% Decrease (2.96%)	Discount Rate (3.96%)	1% Increase (4.96%)
OPERS	\$4,711,433	\$3,682,613	\$2,864,427

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1% lower or 1% higher than the current rate.

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Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2019 is 10.0%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25% in the most recent valuation:

City's proportionate share of the net OPEB liability:	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
OPERS	\$3,539,789	\$3,682,613	\$3,847,105

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2018, is based on the results of an actuarial valuation date of January 1, 2018, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing retirement plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation are presented below:

Valuation Date	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8%
Projected Salary Increases	3.75% to 10.5%
Payroll Growth	Inflation rate of 2.75% plus productivity increase rate of .5%

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Single discount rate:	
Current measurement date	4.66%
Prior measurement date	3.24%
Cost of living adjustments	3% simple; 2.2% simple for increases based on the lessor of the increase in CPI and 3%

The most recent experience study was completed for the five year period ended December 31, 2016.

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120%:

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77%	68%
68 to 77	105%	87%
78 and up	115%	120%

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale:

<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35%	35%
60 to 69	60%	45%
70 to 79	75%	70%
80 and up	100%	90%

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in OP&F Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2018, are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and cash equivalents	-	0.80%
Domestic equity	16%	5.50%
Non-U.S. equity	16%	5.90%
Core fixed income *	23%	2.60%
High yield fixed income	7.0%	4.80%
Real assets	8.0%	7.0%
Private real estate	12.0%	6.10%

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Private credit	5.0%	7.50%
U.S. inflation linked bonds*	17.0%	2.30%
Private markets	8%	8.40%
Master limited partnerships	8%	6.40%
Total	<u>120%</u>	

Note: Assumptions are geometric * - levered 2x

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

Discount Rate

The total OPEB liability was calculated using the discount rate of 4.66%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8%. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 4.13% at December 31, 2018 and 3.16% at December 31, 2017, was blended with the long-term rate of 8%, which resulted in a blended discount rate of 4.66%.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

Net OPEB liability is sensitive to changes in the discount rate. To illustrate the potential impact, the following table presents the net OPEB liability calculated using the discount rate of 4.66%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.66%), or one percentage point higher (5.66%) than the current rate:

City's proportionate share of the net OPEB liability:	1% Decrease (3.66%)	Current Discount Rate (4.66%)	1% Increase (5.66%)
OP&F	\$2,736,118	\$2,245,899	\$1,834,402

Beginning January 1, 2019 OP&F changed its retiree health care model and the current self-insured health care plan is no longer offered. In its place is a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of changing from the current health care model to the stipend based health care model, management expects that it will be able to provide stipends to eligible participants for the next 15 years.

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

16. 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, natural disasters, and cyber fraud, 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 \$12,000,000. 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). There is a monthly charge for employees enrolled in the health plan. OME-RESA's independent advisor has determined that a liability for incurred but not reported health claims is not applicable as of December 31, 2019.

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The City also 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 are then 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, 2019 is \$9,663.

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.

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>2019</u>	<u>2018</u>
Claims payable, beginning of the year	\$0	\$0
Claims incurred during the year	1,445,998	1,233,093
Claim payments during the year	(1,445,998)	(1,233,093)
Claims payable, end of year	<u>\$0</u>	<u>\$0</u>
<u>Dental Insurance</u>	<u>2019</u>	<u>2018</u>
Claims payable, beginning of the year	\$4,812	\$9,534
Claims incurred during the year	109,855	96,138
Claim payments during the year	(105,004)	(100,860)
Claims payable, end of year	<u>\$9,663</u>	<u>\$4,812</u>

The total liability for claims payable at December 31, 2019 is \$9,663.

17. 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.

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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.

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, 2019, MVRMA purchased the following types of insurance/reinsurance in excess of its self-insurance retention:

General liability:	\$12,000,000 per occurrence
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 – third party liability and first party computer liability	\$2,000,000 per occurrence
Pollution liability:	\$1,000,000 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, 2019. MVRMA was created to enable its members to share risk, and it is reasonably possible that MVRMA may make additional assessments to the City. The pool contribution factors at December 31, 2019 are: Beavercreek – 9.2%, Bellbrook - 1.0%, Blue Ash – 6.5%, Centerville – 4.1%, Englewood – 2.9%, Indian Hill – 2.3%, Kettering - 12.5%, Maderia – 1.5%, Mason – 7.5%, Miamisburg - 6.4%, Montgomery - 2.5%, NAWA - .2%, Piqua – 7.4%, Sidney – 6.2%, Springdale – 3.3%, Tipp City – 5.6%, Troy – 7.5%, Vandalia – 4.4%, West Carolton – 2.5%, Wilmington – 4.5%, Wyoming – 2.0%.

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A summary of audited financial information for MVRMA as of December 31, 2018, the latest information available, is presented below:

Total assets and deferred outflows of resources	<u>\$18,496,609</u>
Total liabilities and deferred inflows of resources	\$10,109,981
Total net position	<u>8,386,628</u>
Total liabilities, deferred inflows of resources and net position	<u>\$18,496,609</u>
Total operating revenues	\$4,378,464
Total non-operating revenues	<u>245,073</u>
Total revenue	4,623,537
Total expenses	<u>(6,275,286)</u>
Change in net position	(1,651,749)
Beginning net position	<u>10,038,377</u>
Ending net position	<u>\$8,386,628</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 forty-three acres located at the 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 from a portion of Springdale's largest employer leaving Springdale and locating to the JEDD District.

The City received funding under the JEDD agreement for a total of 10 years, at 7% of the net distribution. The City's involvement with the JEDD expired in May of 2019. The amounts received from the JEDD are recorded to the general fund as intergovernmental revenue. A total of \$71,275 was recorded as revenue in 2019. The percentage distribution of funds under the JEDD was 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, 2019

18. CONSTRUCTION AND OTHER COMMITMENTS

Construction Commitments

As of December 31, 2019, the City had the following construction commitment with respect to a capital improvement construction project:

<u>Project</u>	<u>Contract Amount</u>	<u>Amount Paid at 12/31/19</u>	<u>Remaining Construction Commitment</u>
Olde Gate Subdivision Repair	\$231,931	\$219,052	\$12,879

The Olde Gate Subdivision Repair Project is administered by the City. Transactions are recorded as invoices are paid. The City encumbers these transactions on the internal financial system and amounts were encumbered at year-end. The remaining construction commitment is expected to be paid in 2020.

Other Commitments

As of December 31, 2019, the City had the following cash basis encumbrances:

<u>Fund</u>	<u>Fund Type</u>	<u>Major/ Nonmajor Fund</u>	<u>Cash Basis Encumbrance</u>
General Fund		Major	\$144,894
Capital Improvements Fund	Capital Projects	Major	11,535
Street Construction, Maintenance and Repair Fund	Special Revenue	Nonmajor	98,301
Parks and Urban Forestry Fund	Special Revenue	Nonmajor	6,437
Street Improvement Operations Fund	Capital Projects	Nonmajor	23,100

19. 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.

20. SUBSEQUENT EVENT

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and ensuing emergency measures will impact subsequent periods of the City. The investments of the pension and other employee benefit plans in which the City participates have incurred fluctuations in fair value, consistent with the general fluctuations in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of those losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the City's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

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CITY OF SPRINGDALE, OHIO
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM - TRADITIONAL PENSION PLAN
LAST SIX FISCAL YEARS (1) (2)

	Fiscal Year					
	2019	2018	2017	2016	2015	2014
The City's Proportion of the Net Pension Liability	0.026974%	0.027482%	0.027502%	0.028167%	0.028992%	0.028992%
The City's Proportion Share of the Net Pension Liability	\$7,387,632	\$4,311,393	\$6,245,236	\$4,878,879	\$3,496,761	\$3,417,779
The City's Covered Payroll	\$4,102,388	\$4,044,425	\$3,959,585	\$3,904,592	\$4,124,389	\$3,833,664
The City's Proportion Share of the Net Pension Liability as a Percentage of its Covered Payroll	180.08%	106.60%	157.72%	124.95%	84.78%	89.15%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%
Actuarial Assumptions:						
Wage inflation	3.25%	3.25%	3.25%	3.75%	3.75%	NA
Future salary increases, including inflation	3.25% to 10.75%	3.25% to 10.75%	3.25% to 10.75%	4.25% to 10.05%	4.25% to 10.05%	NA
COLA or Ad Hoc COLA	Pre 1-7-2013 retirees: 3% Post 1-7-2013 retirees: 3% simple through 2018, then 2.15% simple	Pre 1-7-2013 retirees: 3% Post 1-7-2013 retirees: 3% simple through 2018, then 2.15% simple	Pre 1-7-2013 retirees: 3% Post 1-7-2013 retirees: 3% simple through 2018, then 2.15% simple	Pre 1-7-2013 retirees: 3% Post 1-7-2013 retirees: 3% simple through 2018, then 2.8% simple	3% simple	NA
Investment rate of return	7.20%	7.50%	7.50%	8%	8%	NA
Actuarial cost method	Individual entry age	Individual entry age	Individual entry age	Individual entry age	Individual entry age	NA

(1) - Information prior to 2014 is not available

(2) - Amounts presented for each year were determined as of the City's measurement date, which is the prior year end.

NA - Information not available, GASB 68 was implemented for year ended 12-31-15

CITY OF SPRINGDALE, OHIO
SCHEDULE OF THE CITY'S PENSION CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM - TRADITIONAL PENSION PLAN
LAST TEN FISCAL YEARS

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually Required Contributions	\$597,904	\$571,465	\$527,136	\$473,083	\$468,551	\$560,883	\$498,376	\$376,045	\$371,540	\$338,277
Contributions in Relation to the Contractually Required Contribution	(597,904)	(571,465)	(527,136)	(473,083)	(468,551)	(560,883)	(498,376)	(376,045)	(371,540)	(338,277)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
The City Covered Payroll	\$4,271,170	\$4,102,388	\$4,044,425	\$3,959,585	\$3,904,592	\$4,124,389	\$3,833,664	\$3,760,452	\$3,715,395	\$3,897,199
Contributions as a Percentage of Covered Payroll	14%	14%	13%	12%	12%	12%	13%	10%	10%	8.68%

CITY OF SPRINGDALE, OHIO
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OHIO POLICE AND FIRE PENSION FUND
LAST SIX FISCAL YEARS (1) (2)

	Fiscal Year					
	2019	2018	2017	2016	2015	2014
The City's Proportion of the Net Pension Liability	0.246625%	0.236873%	0.225107%	0.234799%	0.230192%	0.230192%
The City's Proportion Share of the Net Pension Liability	\$20,131,117	\$14,537,971	\$14,258,036	\$15,104,811	\$11,924,906	\$11,211,073
The City's Covered Payroll	\$5,607,464	\$5,222,789	\$4,912,650	\$4,829,863	\$4,797,330	\$4,538,496
The City's Proportion Share of the Net Pension Liability as a Percentage of its Covered Payroll	359.01%	278.36%	290.23%	312.74%	248.57%	247.02%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.07%	70.91%	68.36%	66.77%	72.20%	73.00%
Actuarial Assumptions:						
Valuation date	January 1, 2018	January 1, 2017	January 1, 2016	January 1, 2015	January 1, 2014	NA
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	NA
Investment rate of return	8.00%	8.00%	8.25%	8.25%	8.25%	NA
Projected salary increases	3.75% to 10.5%	3.75% to 10.5%	4.25% to 11%	4.25% to 11%	4.25% to 11%	NA
Payroll increases	3.75%	3.75%	3.75%	3.75%	3.75%	NA
Inflation assumptions	2.75%	3.25%	3.25%	3.25%	3.25%	NA
Cost of living adjustments	3% simple, 2.2% simple for increases based on the lessor of the increase in CPI and 3%					

(1) - Information prior to 2014 is not available

(2) - Amounts presented for each year were determined as of the City's measurement date, which is the prior year end.

NA - Information not available, GASB 68 was implemented for year ended 12-31-15

**CITY OF SPRINGDALE, OHIO
SCHEDULE OF THE CITY'S PENSION CONTRIBUTIONS
OHIO POLICE AND FIRE PENSION FUND
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually Required Contributions	\$1,159,516	\$1,181,697	\$1,011,762	\$1,011,704	\$1,002,956	\$877,278	\$792,193	\$622,964	\$613,488	\$649,578
Contributions in Relation to the Contractually Required Contribution	(1,159,516)	(1,181,697)	(1,011,762)	(1,011,704)	(1,002,956)	(877,278)	(792,193)	(622,964)	(613,488)	(649,578)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
The City Covered Payroll	\$5,703,616	\$5,607,464	\$5,222,789	\$4,912,650	\$4,829,863	\$4,797,330	\$4,538,496	\$4,315,701	\$4,228,041	\$4,491,370
Contributions as a Percentage of Covered Payroll	20.33%	21.07%	19.37%	20.59%	20.77%	18.29%	17.45%	14.43%	14.51%	14.46%

CITY OF SPRINGDALE, OHIO
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST THREE FISCAL YEARS (1) (2)

	Fiscal Year		
	2019	2018	2017
The City's Proportion of the Net OPEB Liability	0.028246%	0.028454%	0.029581%
The City's Proportion Share of the Net OPEB Liability	\$3,682,613	\$3,089,906	\$2,987,738
The City's Covered Payroll	\$4,102,388	\$4,044,425	\$3,959,585
The City's Proportion Share of the Net OPEB Liability as a Percentage of its Covered Payroll	89.77%	76.40%	75.46%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.33%	54.14%	54.05%

Change in Assumptions

For 2019, the single discount rate changed from 3.85% to 3.96%.

(1) - Information prior to 2017 is not available

(2) - Amounts presented for each year were determined as of the City's measurement date, which is the prior year end.

**CITY OF SPRINGDALE, OHIO
SCHEDULE OF THE CITY'S OPEB CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually Required Contributions	\$0	\$0	\$40,444	\$79,192	\$77,969	\$82,488	\$38,337	\$150,418	\$148,616	\$207,331
Contributions in Relation to the Contractually Required Contribution	0	0	(40,444)	(79,192)	(77,969)	(82,488)	(38,337)	(150,418)	(148,616)	(207,331)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
The City Covered Payroll	\$4,271,170	\$4,102,388	\$4,044,425	\$3,959,585	\$3,904,592	\$4,124,389	\$3,833,664	\$3,760,452	\$3,715,395	\$3,897,199
Contributions as a Percentage of Covered Payroll	0%	0%	1%	2%	2%	2%	1%	4%	4%	5.32%

CITY OF SPRINGDALE, OHIO
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
OHIO POLICE AND FIRE PENSION FUND
LAST THREE FISCAL YEARS (1) (2)

	Fiscal Year		
	2019	2018	2017
The City's Proportion of the Net OPEB Liability	0.246625%	0.236873%	0.225106%
The City's Proportion Share of the Net OPEB Liability	\$2,245,899	\$13,420,904	\$10,685,303
The City's Covered Payroll	\$5,607,464	\$5,222,789	\$4,912,651
The City's Proportion Share of the Net OPEB Liability as a Percentage of its Covered Payroll	40.05%	256.97%	217.51%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.57%	14.13%	15.96%

Change in Assumptions

For 2019, the single discount rate changed from 3.24% to 4.66%.

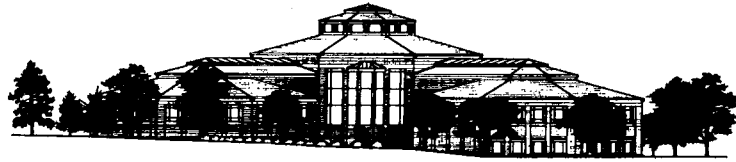
(1) - Information prior to 2017 is not available

(2) - Amounts presented for each year were determined as of the City's measurement date, which is the prior year end.

**CITY OF SPRINGDALE, OHIO
 SCHEDULE OF THE CITY'S OPEB CONTRIBUTIONS
 OHIO POLICE AND FIRE PENSION FUND
 LAST TEN FISCAL YEARS**

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually Required Contributions	\$27,422	\$28,068	\$26,395	\$24,563	\$24,149	\$23,987	\$171,101	\$291,310	\$285,393	\$303,167
Contributions in Relation to the Contractually Required Contribution	(27,422)	(28,068)	(26,395)	(24,563)	(24,149)	(23,987)	(171,101)	(291,310)	(285,393)	(303,167)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
The City Covered Payroll	\$5,703,616	\$5,607,464	\$5,222,789	\$4,912,650	\$4,829,863	\$4,797,330	\$4,538,496	\$4,315,701	\$4,228,041	\$4,491,370
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	3.77%	6.75%	6.75%	6.75%

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Combining Statements and Individual Fund Schedules

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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 restricted 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 restricted 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 Health Department and capital purposes.

Court Computerization Fund - To account for the receipt of Mayor's Court fees, authorized by Ohio Revised Code Section 1901.261(B)(1), and expenditures relating to computerization of the Mayor's Court system.

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.

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.

Health Fund - To account for activity of the City Health Department under Ohio Revised Code Section 3709.36 as determined to be a requirement of the Ohio Office of the Auditor of State.

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

Street Improvement Operations Fund - To account for activity relating to the road improvement and rehabilitation projects associated with the 2017 street improvement general obligation bond issue.

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

Debt Service Fund - used to account for outstanding debt payments.

Street Improvement Debt Fund - To account for the outstanding debt payments related to the Street Improvement bonds.

**CITY OF SPRINGDALE, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2019**

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Assets:			
Equity in pooled cash and cash equivalents	\$786,818	\$704,710	\$1,491,528
Receivables:			
Payments in lieu of tax	0	61,400	61,400
Special assessments	0	72,712	72,712
Intergovernmental	437,771	5,372	443,143
Prepaid items	3,496	0	3,496
Inventory	14,048	0	14,048
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$1,242,133</u>	<u>\$844,194</u>	<u>\$2,086,327</u>
Liabilities:			
Accounts payable	\$21,216	\$3,230	\$24,446
Contracts payable	0	9,277	9,277
Accrued wages and benefits payable	10,268	0	10,268
Intergovernmental payable	0	627	627
Unearned revenue	12,166	0	12,166
Advances from other funds	0	492,378	492,378
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>43,650</u>	<u>505,512</u>	<u>549,162</u>
Deferred inflows of resources:			
Payments in lieu of tax	0	61,400	61,400
Special assessments	0	72,712	72,712
Intergovernmental revenue	371,089	0	371,089
	<u> </u>	<u> </u>	<u> </u>
Total deferred inflows of resources	<u>371,089</u>	<u>134,112</u>	<u>505,201</u>
Fund balances:			
Nonspendable	17,544	0	17,544
Restricted	832,042	697,575	1,529,617
Unassigned (deficit)	(22,192)	(493,005)	(515,197)
	<u> </u>	<u> </u>	<u> </u>
Total fund balance	<u>827,394</u>	<u>204,570</u>	<u>1,031,964</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$1,242,133</u>	<u>\$844,194</u>	<u>\$2,086,327</u>

**CITY OF SPRINGDALE, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2019**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
Revenues:				
Special assessments	\$0	\$12,983	\$0	\$12,983
Intergovernmental	1,000,497	262,872	0	1,263,369
Charges for services	3,225	0	0	3,225
Fines and forfeitures	91,551	0	0	91,551
Fees, licenses and permits	7,892	0	0	7,892
Interest	0	8,179	0	8,179
Other	187,463	113,902	0	301,365
Total revenues	1,290,628	397,936	0	1,688,564
Expenditures:				
Current:				
Security of persons and property	266,456	0	0	266,456
Public health services	461,650	0	0	461,650
Leisure time activities	7,290	0	0	7,290
Community environment	113,293	0	0	113,293
Transportation	281,184	0	0	281,184
General government	0	1,005	0	1,005
Capital outlay	105,062	530,752	0	635,814
Debt service:				
Principal retirement	613	0	480,000	480,613
Interest and fiscal charges	225,604	0	6,200	231,804
Total expenditures	1,461,152	531,757	486,200	2,479,109
Deficiency of revenues over expenditures	(170,524)	(133,821)	(486,200)	(790,545)
Other financing sources:				
Transfers-in	433,842	0	486,200	920,042
Total other financing sources	433,842	0	486,200	920,042
Net change in fund balances	263,318	(133,821)	0	129,497
Beginning fund balance	564,076	338,391	0	902,467
Ending fund balance	<u>\$827,394</u>	<u>\$204,570</u>	<u>\$0</u>	<u>\$1,031,964</u>

Note - The non-major debt service fund represents the activity of the street improvement debt fund.

**CITY OF SPRINGDALE, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2019**

	Street Construction, Maintenance and Repair Fund	State Highway Fund	Grants Fund	Court Computer- ization Fund	Drug Law Enforcement Fund	Law Enforcement Fund
Assets:						
Equity in pooled cash and cash equivalents	\$447,038	\$8,293	\$38,450	\$4,419	\$17,186	\$4,244
Receivables:						
Intergovernmental	364,500	29,400	14,169	0	0	0
Prepaid items	0	0	0	0	0	700
Inventory	0	0	0	0	0	0
Total assets	<u>\$811,538</u>	<u>\$37,693</u>	<u>\$52,619</u>	<u>\$4,419</u>	<u>\$17,186</u>	<u>\$4,944</u>
Liabilities:						
Accounts payable	\$0	\$0	\$2,260	\$0	\$0	\$0
Accrued wages and benefits payable	1,452	0	0	0	0	0
Unearned revenue	0	0	2,266	0	0	0
Total liabilities	<u>1,452</u>	<u>0</u>	<u>4,526</u>	<u>0</u>	<u>0</u>	<u>0</u>
Deferred inflows of resources:						
Intergovernmental revenue	306,387	24,688	11,689	0	0	0
Total deferred inflows of resources	<u>306,387</u>	<u>24,688</u>	<u>11,689</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances:						
Nonspendable	0	0	0	0	0	700
Restricted	503,699	13,005	36,404	4,419	17,186	4,244
Unassigned	0	0	0	0	0	0
Total fund balances (deficit)	<u>503,699</u>	<u>13,005</u>	<u>36,404</u>	<u>4,419</u>	<u>17,186</u>	<u>4,944</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$811,538</u>	<u>\$37,693</u>	<u>\$52,619</u>	<u>\$4,419</u>	<u>\$17,186</u>	<u>\$4,944</u>

Law Enforcement Training Fund	Driving Under the Influence Fund	Residential Recycling Incentive Fund	Parks and Urban Forestry Fund	Adult Sports Fund	Health Fund	Total Nonmajor Special Revenue Funds
\$10,969	\$11,121	\$3,493	\$219,517	\$11,378	\$10,710	\$786,818
0	1,100	10,459	0	0	18,143	437,771
0	0	0	0	0	2,796	3,496
0	0	0	0	0	14,048	14,048
<u>\$10,969</u>	<u>\$12,221</u>	<u>\$13,952</u>	<u>\$219,517</u>	<u>\$11,378</u>	<u>\$45,697</u>	<u>\$1,242,133</u>
\$0	\$0	\$8,841	\$0	\$0	\$10,115	\$21,216
0	0	0	0	0	8,816	10,268
0	0	0	0	0	9,900	12,166
0	0	8,841	0	0	28,831	43,650
0	1,000	10,459	0	0	16,866	371,089
0	1,000	10,459	0	0	16,866	371,089
0	0	0	0	0	16,844	17,544
10,969	11,221	0	219,517	11,378	0	832,042
0	0	(5,348)	0	0	(16,844)	(22,192)
10,969	11,221	(5,348)	219,517	11,378	0	827,394
<u>\$10,969</u>	<u>\$12,221</u>	<u>\$13,952</u>	<u>\$219,517</u>	<u>\$11,378</u>	<u>\$45,697</u>	<u>\$1,242,133</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, 2019

	Street Construction, Maintenance and Repair Fund	State Highway Fund	Grants Fund	Court Computer- ization Fund	Drug Law Enforcement Fund	Law Enforcement Fund
Revenues:						
Intergovernmental	\$602,797	\$48,876	\$290,335	\$0	\$0	\$0
Charges for services	0	0	0	0	0	0
Fines and forfeitures	0	0	0	10,730	4,747	1,603
Fees, licenses and permits	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total revenues	602,797	48,876	290,335	10,730	4,747	1,603
Expenditures:						
Current:						
Security of persons and property	0	0	256,965	0	3,438	3,975
Public health services	0	0	0	0	0	0
Leisure time activities	0	0	0	0	0	0
Community environment	0	0	4,426	0	0	0
Transportation	232,925	48,259	0	0	0	0
Capital outlay	97,312	0	0	6,311	0	0
Debt service:						
Principal retirement	0	0	0	0	0	0
Interest and fiscal charges	225,000	0	0	0	0	0
Total expenditures	555,237	48,259	261,391	6,311	3,438	3,975
Excess (deficiency) of revenues over expenditures	47,560	617	28,944	4,419	1,309	(2,372)
Other financing source:						
Transfers-in	0	0	0	0	0	0
Total other financing sources	0	0	0	0	0	0
Net change in fund balances	47,560	617	28,944	4,419	1,309	(2,372)
Beginning fund balances (deficit)	456,139	12,388	7,460	0	15,877	7,316
Ending fund balances (deficit)	\$503,699	\$13,005	\$36,404	\$4,419	\$17,186	\$4,944

Law Enforcement Training Fund	Driving Under the Influence Fund	Residential Recycling Incentive Fund	Parks and Urban Forestry Fund	Adult Sports Fund	Health Fund	Total Nonmajor Special Revenue Funds
\$0	\$100	\$7,796	\$0	\$0	\$50,593	\$1,000,497
0	0	0	0	0	3,225	3,225
0	2,825	0	0	0	71,646	91,551
0	0	0	0	7,892	0	7,892
0		0	187,463	0	0	187,463
0	2,925	7,796	187,463	7,892	125,464	1,290,628
0	2,078	0	0	0	0	266,456
0	0	0	0	0	461,650	461,650
0	0	0	0	7,290	0	7,290
0	0	104,671	4,196	0	0	113,293
0	0	0	0	0	0	281,184
0	0	0	0	0	1,439	105,062
0	0	0	0	0	613	613
0	0	0	0	0	604	225,604
0	2,078	104,671	4,196	7,290	464,306	1,461,152
0	847	(96,875)	183,267	602	(338,842)	(170,524)
0	0	95,000	0	0	338,842	433,842
0	0	95,000	0	0	338,842	433,842
0	847	(1,875)	183,267	602	0	263,318
10,969	10,374	(3,473)	36,250	10,776	0	564,076
<u>\$10,969</u>	<u>\$11,221</u>	<u>(\$5,348)</u>	<u>\$219,517</u>	<u>\$11,378</u>	<u>\$0</u>	<u>\$827,394</u>

**CITY OF SPRINGDALE, OHIO
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2019**

	Street Improvement Operations Fund	Tri-County Mall TIF Fund	Total Nonmajor Capital Projects Funds
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Equity in pooled cash and cash equivalents	\$704,710	\$0	\$704,710
Receivables:			
Payments in lieu of tax	0	61,400	61,400
Special assessments	72,712	0	72,712
Intergovernmental	<u>5,372</u>	<u>0</u>	<u>5,372</u>
 Total assets	 <u><u>\$782,794</u></u>	 <u><u>\$61,400</u></u>	 <u><u>\$844,194</u></u>
 Liabilities:			
Accounts payable	\$3,230	\$0	\$3,230
Contracts payable	9,277	0	9,277
Intergovernmental payable	0	627	627
Advances from other funds	<u>0</u>	<u>492,378</u>	<u>492,378</u>
 Total liabilities	 <u><u>12,507</u></u>	 <u><u>493,005</u></u>	 <u><u>505,512</u></u>
 Deferred inflows of resources:			
Payments in lieu of tax	0	61,400	61,400
Special assessments	<u>72,712</u>	<u>0</u>	<u>72,712</u>
 Total deferred inflows of resources	 <u><u>72,712</u></u>	 <u><u>61,400</u></u>	 <u><u>134,112</u></u>
 Fund balances:			
Restricted	697,575	0	697,575
Unassigned	<u>0</u>	<u>(493,005)</u>	<u>(493,005)</u>
 Total fund balances (deficit)	 <u><u>697,575</u></u>	 <u><u>(493,005)</u></u>	 <u><u>204,570</u></u>
 Total liabilities, deferred inflows of resources and fund balances	 <u><u>\$782,794</u></u>	 <u><u>\$61,400</u></u>	 <u><u>\$844,194</u></u>

**CITY OF SPRINGDALE, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Street Improvement Operations Fund</u>	<u>Tri-County Mall TIF Fund</u>	<u>Total Nonmajor Capital Projets Funds</u>
Revenues:			
Intergovernmental	\$262,872	\$0	\$262,872
Special assessments	12,983	0	12,983
Interest	8,179	0	8,179
Other	113,902	0	113,902
Total revenues	<u>397,936</u>	<u>0</u>	<u>397,936</u>
Expenditures:			
Current:			
General government	378	627	1,005
Capital outlay	530,752	0	530,752
Total expenditures	<u>531,130</u>	<u>627</u>	<u>531,757</u>
Net change in fund balances	(133,194)	(627)	(133,821)
Beginning fund balances (deficit)	<u>830,769</u>	<u>(492,378)</u>	<u>338,391</u>
Ending fund balances (deficit)	<u><u>\$697,575</u></u>	<u><u>(\$493,005)</u></u>	<u><u>\$204,570</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, 2019

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Municipal income taxes	\$15,200,000	\$15,323,616	\$16,091,436	\$767,820
Property and other taxes	1,140,000	1,140,000	1,142,889	2,889
Special assessments	6,534	6,534	4,137	(2,397)
Intergovernmental	444,450	444,450	429,675	(14,775)
Charges for services	797,600	797,600	619,121	(178,479)
Fines and forfeitures	154,600	154,600	213,864	59,264
Fees, licenses and permits	485,300	485,300	584,750	99,450
Interest	60,000	60,000	37,297	(22,703)
Other	792,680	792,680	922,527	129,847
Total revenues	19,081,164	19,204,780	20,045,696	840,916
Expenditures:				
Police department:				
Personal services	5,322,003	5,162,003	4,998,929	163,074
Other	779,747	939,747	758,259	181,488
Total police department	6,101,750	6,101,750	5,757,188	344,562
Fire department:				
Personal services	4,000,886	3,950,886	3,862,996	87,890
Other	473,982	603,982	545,178	58,804
Total fire department	4,474,868	4,554,868	4,408,174	146,694
Health department:				
Personal services	403,545	413,545	393,908	19,637
Other	53,849	63,850	52,300	11,550
Total health department	457,394	477,395	446,208	31,187
Parks and recreation department:				
Personal services	1,269,103	1,269,103	1,217,569	51,534
Other	524,743	524,743	441,312	83,431
Total parks and recreation department	1,793,846	1,793,846	1,658,881	134,965
Building department:				
Personal services	618,468	558,468	536,943	21,525
Other	77,388	177,388	85,961	91,427
Total building department	695,856	735,856	622,904	112,952
Public works department:				
Personal services	1,119,239	1,019,239	906,706	112,533
Other	553,433	653,433	497,055	156,378
Total public works department	1,672,672	1,672,672	1,403,761	268,911
Finance department:				
Personal services	233,630	238,630	230,301	8,329
Other	65,054	70,054	61,139	8,915
Total finance department	298,684	308,684	291,440	17,244

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, 2019
(CONTINUED)

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Tax department:				
Personal services	429,221	439,221	430,935	8,286
Other	459,678	479,678	441,767	37,911
Total tax department	888,899	918,899	872,702	46,197
Administration department:				
Personal services	956,103	956,103	931,384	24,719
Other	2,283,312	2,427,710	2,288,228	139,482
Total administration department	3,239,415	3,383,813	3,219,612	164,201
Total expenditures	19,623,384	19,947,783	18,680,870	1,266,913
Excess (deficiency) of revenues over expenditures	(542,220)	(743,003)	1,364,826	2,107,829
Other financing sources (uses):				
Transfers-in	299	3,082	3,082	0
Transfers-out	(581,200)	(731,200)	(731,200)	0
Advances-in	10,184	115,785	115,785	0
Advances-out	0	(337,601)	(337,601)	0
Total other financing sources (uses)	(570,717)	(949,934)	(949,934)	0
Net change in fund balance	(1,112,937)	(1,692,937)	414,892	2,107,829
Beginning fund balance	2,113,224	2,113,224	2,113,224	0
Prior years encumbrances	86,666	86,666	86,666	0
Ending fund balance	\$1,086,953	\$506,953	\$2,614,782	\$2,107,829

**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, 2019**

	<u>Capital Improvements Fund</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues	\$245,852	\$345,852	\$152,107	(\$193,745)
Expenditures:				
Other	<u>2,157,762</u>	<u>1,989,762</u>	<u>1,881,390</u>	<u>108,372</u>
Total expenditures	<u>2,157,762</u>	<u>1,989,762</u>	<u>1,881,390</u>	<u>108,372</u>
Deficiency of revenues over expenditures	<u>(1,911,910)</u>	<u>(1,643,910)</u>	<u>(1,729,283)</u>	<u>(85,373)</u>
Other financing sources:				
Proceeds from the sale of notes	0	0	1,320,000	1,320,000
Sale of real estate	1,950,000	1,950,000	0	(1,950,000)
Transfers-in	0	150,000	150,000	0
Advance-in	0	232,000	232,000	0
Total other financing sources	<u>1,950,000</u>	<u>2,332,000</u>	<u>1,702,000</u>	<u>(630,000)</u>
Net change in fund balance	38,090	688,090	(27,283)	(715,373)
Beginning fund balance	39,227	39,227	39,227	0
Prior year encumbrances	<u>114,563</u>	<u>114,563</u>	<u>114,563</u>	<u>0</u>
Ending fund balance	<u><u>\$191,880</u></u>	<u><u>\$841,880</u></u>	<u><u>\$126,507</u></u>	<u><u>(\$715,373)</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, 2019**

	Northwest Business District TIF Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$1,010,543	\$1,010,543	\$1,038,683	\$28,140
Expenditures:				
Other	988,902	1,028,902	1,014,514	14,388
Total expenditures	988,902	1,028,902	1,014,514	14,388
Net change in fund balance	21,641	(18,359)	24,169	42,528
Beginning fund balance	357,615	357,615	357,615	0
Ending fund balance	\$379,256	\$339,256	\$381,784	\$42,528

**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, 2019**

	Street Construction, Maintenance and Repair Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$510,000	\$510,000	\$585,678	\$75,678
Expenditures:				
Personal services	115,000	135,000	127,458	7,542
Other	642,132	622,132	543,725	78,407
Total expenditures	757,132	757,132	671,183	85,949
Net change in fund balance	(247,132)	(247,132)	(85,505)	161,627
Beginning fund balance	392,698	392,698	392,698	0
Prior year encumbrances	41,544	41,544	41,544	0
Ending fund balance	\$187,110	\$187,110	\$348,737	\$161,627

**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, 2019**

	<u>State Highway Fund</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues	\$40,000	\$48,000	\$47,488	(\$512)
Expenditures:				
Personal services	40,000	53,000	48,259	4,741
Total expenditures	<u>40,000</u>	<u>53,000</u>	<u>48,259</u>	<u>4,741</u>
Net change in fund balance	0	(5,000)	(771)	4,229
Beginning fund balance	<u>9,064</u>	<u>9,064</u>	<u>9,064</u>	<u>0</u>
Ending fund balance	<u><u>\$9,064</u></u>	<u><u>\$4,064</u></u>	<u><u>\$8,293</u></u>	<u><u>\$4,229</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, 2019

	Grants Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$359,029	\$308,428	\$317,850	\$9,422
Expenditures:				
Personal services	254,251	134,251	125,973	8,278
Other	101,415	160,814	150,691	10,123
Total expenditures	355,666	295,065	276,664	18,401
Excess of revenues over expenditures	3,363	13,363	41,186	27,823
Other financing sources (uses):				
Advance-in	0	105,601	105,601	0
Advance-out	(10,184)	(115,785)	(115,785)	0
Total other financing sources (uses)	(10,184)	(10,184)	(10,184)	0
Net change in fund balance	(6,821)	3,179	31,002	27,823
Beginning fund balance	13,532	13,532	13,532	0
Ending fund balance	\$6,711	\$16,711	\$44,534	\$27,823

**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, 2019**

	Court Computerization Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$17,300	\$17,300	\$10,730	(\$6,570)
Expenditures:				
Other	17,300	9,300	6,311	2,989
Total expenditures	17,300	9,300	6,311	2,989
Net change in fund balance	0	8,000	4,419	(3,581)
Beginning fund balance	0	0	0	0
Ending fund balance	\$0	\$8,000	\$4,419	(\$3,581)

**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, 2019**

	Drug Law Enforcement Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$0	\$0	\$4,747	\$4,747
Expenditures:				
Other	15,612	15,612	3,438	12,174
Total expenditures	15,612	15,612	3,438	12,174
Net change in fund balance	(15,612)	(15,612)	1,309	16,921
Beginning fund balance	15,877	15,877	15,877	0
Ending fund balance	\$265	\$265	\$17,186	\$16,921

**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, 2019**

	Law Enforcement Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$0	\$0	\$1,603	\$1,603
Expenditures:				
Other	6,286	6,286	3,975	2,311
Total expenditures	6,286	6,286	3,975	2,311
Net change in fund balance	(6,286)	(6,286)	(2,372)	3,914
Beginning fund balance	6,616	6,616	6,616	0
Ending fund balance	\$330	\$330	\$4,244	\$3,914

**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, 2019**

	Law Enforcement Training Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$0	\$0	\$0	\$0
Expenditures:				
Other	10,950	10,950	0	10,950
Total expenditures	10,950	10,950	0	10,950
Net change in fund balance	(10,950)	(10,950)	0	10,950
Beginning fund balance	10,969	10,969	10,969	0
Ending fund balance	\$19	\$19	\$10,969	\$10,950

**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, 2019**

	Driving Under the Influence Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$0	\$0	\$2,825	\$2,825
Expenditures:				
Other	9,606	9,606	2,078	7,528
Total expenditures	9,606	9,606	2,078	7,528
Net change in fund balance	(9,606)	(9,606)	747	10,353
Beginning fund balance	10,374	10,374	10,374	0
Ending fund balance	\$768	\$768	\$11,121	\$10,353

**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, 2019**

Residential Recycling Incentive Fund

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues	\$7,611	\$7,611	\$7,796	\$185
Expenditures:				
Other	<u>103,950</u>	<u>104,950</u>	<u>104,280</u>	<u>670</u>
Total expenditures	<u>103,950</u>	<u>104,950</u>	<u>104,280</u>	<u>670</u>
Excess (deficiency) of revenues over expenditures	<u>(96,339)</u>	<u>(97,339)</u>	<u>(96,484)</u>	<u>855</u>
Other financing sources:				
Transfers-in	<u>95,000</u>	<u>95,000</u>	<u>95,000</u>	<u>0</u>
Total other financing sources	<u>95,000</u>	<u>95,000</u>	<u>95,000</u>	<u>0</u>
Net change in fund balance	(1,339)	(2,339)	(1,484)	855
Beginning fund balance	<u>4,977</u>	<u>4,977</u>	<u>4,977</u>	<u>0</u>
Ending fund balance	<u><u>\$3,638</u></u>	<u><u>\$2,638</u></u>	<u><u>\$3,493</u></u>	<u><u>\$855</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, 2019**

	Parks and Urban Forestry Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$178,888	\$178,888	\$187,463	\$8,575
Expenditures:				
Other	210,000	210,000	10,633	199,367
Total expenditures	210,000	210,000	10,633	199,367
Net change in fund balance	(31,112)	(31,112)	176,830	207,942
Beginning fund balance	36,250	36,250	36,250	0
Ending fund balance	\$5,138	\$5,138	\$213,080	\$207,942

**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, 2019**

	Adult Sports Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$9,000	\$9,000	\$7,892	(\$1,108)
Expenditures:				
Other	9,100	9,100	7,290	1,810
Total expenditures	9,100	9,100	7,290	1,810
Net change in fund balance	(100)	(100)	602	702
Beginning fund balance	10,776	10,776	10,776	0
Ending fund balance	\$10,676	\$10,676	\$11,378	\$702

**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, 2019**

	Street Improvement Operations Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$269,000	\$269,000	\$392,562	\$123,562
Expenditures:				
Other	1,098,803	1,098,803	584,152	514,651
Total expenditures	1,098,803	1,098,803	584,152	514,651
Net change in fund balance	(829,803)	(829,803)	(191,590)	638,213
Beginning fund balance	584,397	584,397	584,397	0
Prior year encumbrances	288,803	288,803	288,803	0
Ending fund balance	\$43,397	\$43,397	\$681,610	\$638,213

**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, 2019**

	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, 2019

	<u>Street Improvement Debt Fund</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Other	<u>486,200</u>	<u>486,200</u>	<u>486,200</u>	<u>0</u>
Total expenditures	<u>486,200</u>	<u>486,200</u>	<u>486,200</u>	<u>0</u>
Deficiency of revenues over expenditures	<u>(486,200)</u>	<u>(486,200)</u>	<u>(486,200)</u>	<u>0</u>
Other financing sources:				
Transfers-in	<u>486,200</u>	<u>486,200</u>	<u>486,200</u>	<u>0</u>
Total other financing sources	<u>486,200</u>	<u>486,200</u>	<u>486,200</u>	<u>0</u>
Net change in fund balance	0	0	0	0
Beginning fund balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending fund balance	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

AGENCY FUNDS

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 funds at year-end 2019:

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.

Fire Insurance Proceeds Fund - To account for the portion of insurance proceeds of each loss arising from serious fire damage. These funds are used as security against the total cost of removing, repairing or securing property. This fund was established under Ohio Revised Code Section 3929.86 (D).

CITY OF SPRINGDALE, OHIO
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Balance 1-1-19	Additions	Deductions	Balance 12-31-19
Assets:				
Equity in pooled cash and cash equivalents	\$83	\$17,595	(\$5,587)	\$12,091
Total assets	\$83	\$17,595	(\$5,587)	\$12,091
Liabilities:				
OBBS assessment payable	\$83	\$5,595	(\$5,587)	\$91
Fire insurance funds payable	0	12,000	0	12,000
Total liabilities	\$83	\$17,595	(\$5,587)	\$12,091

**CITY OF SPRINGDALE, OHIO
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

OHIO BOARD OF BUILDING STANDARDS ASSESSMENT FUND

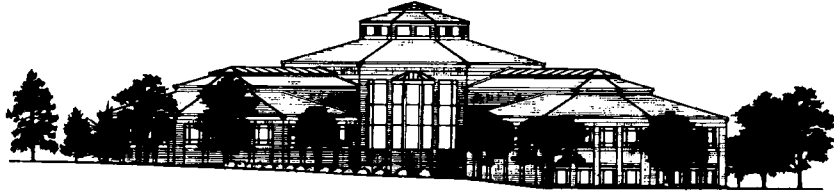
	Balance 1-1-19	Additions	Deductions	Balance 12-31-19
Assets:				
Equity in pooled cash and cash equivalents	\$83	\$5,595	(\$5,587)	\$91
Total assets	<u>\$83</u>	<u>\$5,595</u>	<u>(\$5,587)</u>	<u>\$91</u>
Liabilities:				
OBBS assessment payable	\$83	\$5,595	(\$5,587)	\$91
Total liabilities	<u>\$83</u>	<u>\$5,595</u>	<u>(\$5,587)</u>	<u>\$91</u>

**CITY OF SPRINGDALE, OHIO
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

FIRE INSURANCE PROCEEDS FUND

	<u>Balance 1-1-19</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 12-31-19</u>
Assets:				
Equity in pooled cash and cash equivalents	\$0	\$12,000	\$0	\$12,000
Total assets	<u>\$0</u>	<u>\$12,000</u>	<u>\$0</u>	<u>\$12,000</u>
Liabilities:				
Fire insurance proceeds payable	\$0	\$12,000	\$0	\$12,000
Total liabilities	<u>\$0</u>	<u>\$12,000</u>	<u>\$0</u>	<u>\$12,000</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.

CONTENTS	PAGES
Financial Trends	126 - 132
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	133 - 138
These schedules contain information to help the reader assess the City's most significant local revenue sources.	
Debt Capacity	139 - 143
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	144 - 145
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	146 - 150
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 from the comprehensive annual financial reports for the relevant year.

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

	Fiscal Year									
	2019	2018	2017 (1)	2016 (1)	2015	2014 (1)	2013	2012	2011 (1)	2010 (1)
Governmental Activities:										
Net investment in capital assets	\$34,983,304	\$35,874,183	\$36,663,257	\$37,133,892	\$38,238,676	\$38,170,787	\$38,533,392	\$39,189,433	\$39,179,133	\$40,153,924
Restricted for:										
Capital projects	1,728,270	1,784,006	1,323,519	789,973	1,023,621	547,635	907,494	686,213	957,961	807,915
Street construction, maintenance and repair	810,086	665,145	735,691	447,861	419,142	336,703	377,041	794,548	577,658	437,259
Other purposes	368,395	145,415	242,310	171,549	141,896	134,250	153,790	169,814	173,051	143,200
Unrestricted	(20,518,797)	(28,492,337)	(25,139,165)	(7,420,612)	(5,933,089)	(5,396,633)	8,003,670	8,285,009	7,280,317	6,592,820
Total governmental activities net position	\$17,371,258	\$9,976,412	\$13,825,612	\$31,122,663	\$33,890,246	\$33,792,742	\$47,975,387	\$49,125,017	\$48,168,120	\$48,135,118

(1) - restated from originally reported.

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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Expenses:										
Governmental activities:										
Security of persons and property	\$1,621,727	\$11,910,633	\$10,555,584	\$10,513,238	\$9,513,086	\$8,787,814	\$9,044,012	\$8,355,590	\$8,302,605	\$8,810,920
Public health services	541,802	509,426	499,155	400,372	342,195	364,198	356,082	325,784	325,822	374,701
Leisure time activities	2,202,947	1,999,293	2,190,508	1,982,267	1,833,841	1,815,741	1,710,927	1,694,907	1,680,816	1,857,647
Community environment	767,852	780,001	794,151	678,483	619,289	624,292	608,190	547,371	496,284	697,507
Transportation	3,708,555	3,620,380	4,216,505	3,327,287	2,880,630	2,870,199	3,604,730	3,289,348	2,316,491	2,405,106
General government	5,593,110	4,998,949	5,347,176	5,017,827	4,221,723	4,224,780	4,541,366	4,200,749	3,994,792	5,403,997
Interest and fiscal charges	413,782	422,035	409,163	203,911	160,677	174,095	186,477	247,217	281,867	300,536
Total governmental activities	14,849,775	24,240,717	24,012,242	22,123,385	19,571,441	18,861,119	20,051,784	18,660,966	17,398,677	19,850,414
Program revenues:										
Governmental activities:										
Charges for services:										
Security of persons and property	862,447	900,777	777,306	751,886	906,931	679,841	777,168	778,009	571,589	697,654
Public health services	73,721	62,898	75,140	73,815	66,605	69,516	58,140	60,606	63,923	63,643
Leisure time activities	120,527	123,620	126,582	121,698	129,858	134,541	133,533	141,918	143,706	166,211
Community environment	260,770	99,095	145,274	100,730	73,784	82,919	88,206	79,397	76,933	99,775
Transportation	6,406	189,356	3,900	3,070	3,885	5,160	4,845	5,060	4,600	5,190
General government	138,608	147,736	128,247	139,905	125,170	128,570	127,862	118,324	115,153	115,973
Operating grants and contributions:										
Security of persons and property	296,461	27,238	29,458	173,601	25,080	36,511	177,513	26,669	25,716	24,538
Public health services	13,160	3,152	42,692	44,450	8,540	5,880	5,250	12,137	36,380	63,992
Leisure time activities	0	0	0	0	0	0	0	0	29,350	0
Community environment	16,022	15,235	2,875	11,913	20,058	15,885	19,039	18,285	29,713	23,195
Capital grants and contributions:										
Transportation	0	299,261	889,160	60,347	651,493	313,597	116,928	1,243,668	88,541	1,137,457
General government	0	0	201,615	148,385	0	0	0	0	0	0
Total governmental activities	1,788,122	1,868,368	2,422,249	1,629,800	2,011,404	1,472,420	1,508,484	2,484,073	1,185,604	2,397,628
Net expense	(13,061,653)	(22,372,349)	(21,589,993)	(20,493,585)	(17,560,037)	(17,388,699)	(18,543,300)	(16,176,893)	(16,213,073)	(17,452,786)

CITY OF SPRINGDALE, OHIO
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
 (Accrual Basis of Accounting)
 Page 2

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General revenues and other changes in net position:										
Governmental activities:										
Municipal income taxes	15,983,441	14,669,361	14,024,396	14,185,996	14,004,548	12,837,195	13,028,396	12,974,628	12,092,698	11,720,803
Property and other taxes	1,119,895	1,127,395	1,158,185	1,127,511	1,108,953	1,178,894	1,196,576	1,264,751	1,125,767	1,520,103
Payments in lieu of tax	855,852	783,973	658,169	659,227	659,104	639,122	634,654	588,089	579,923	359,032
Special assessments	74,531	85,483	335,043	324,191	258,601	177,199	187,509	185,007	156,600	108,135
Grants and entitlements - not restricted	1,223,889	1,051,983	969,862	991,013	1,060,404	1,009,804	1,652,715	1,718,217	1,873,767	2,006,063
Investment earnings	47,644	109,833	92,567	16,033	7,438	7,897	7,939	14,263	16,504	23,728
Other revenues	1,151,247	695,121	660,922	617,304	558,493	547,233	685,881	388,835	400,816	567,508
Total general revenues	20,456,499	18,523,149	17,899,144	17,921,275	17,657,541	16,397,344	17,393,670	17,133,790	16,246,075	16,305,372
Change in net position:										
Governmental activities	\$7,394,846	(\$3,849,200)	(\$3,690,849)	(\$2,572,310)	\$97,504	(\$991,355)	(\$1,149,630)	\$956,897	\$33,002	(\$1,147,414)

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

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

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General fund:										
Nonspendable	\$890,454	\$936,579	\$984,215	\$1,033,286	\$966,341	\$1,191,012	\$797,545	\$852,609	\$822,942	\$736,668
Assigned	779,321	1,095,501	1,069,194	2,482,357	362,509	470,437	611,155	524,316	658,193	761,575
Unassigned	2,953,488	1,946,063	2,840,164	3,131,296	5,448,358	6,060,896	6,133,938	6,407,053	5,562,965	4,552,787
Total general fund	4,623,263	3,978,143	4,893,573	6,646,939	6,777,208	7,722,345	7,542,638	7,783,978	7,044,100	6,051,030
All other governmental funds:										
Nonspendable	17,544	700	2,538	2,538	2,536	2,451	0	0	0	0
Restricted	2,263,885	2,471,842	7,517,479	847,899	1,094,936	566,261	967,356	1,140,069	1,389,495	1,041,045
Committed	0	0	0	0	0	0	0	0	0	5,618
Assigned	7,315	6,920	6,385	5,887	5,322	5,356	5,468	4,474	3,335	0
Unassigned	(515,197)	(495,851)	(497,559)	(492,378)	(492,378)	(492,663)	(492,895)	(492,467)	(493,685)	(464,673)
Total all other governmental funds	1,773,547	1,983,611	7,028,843	363,946	610,416	81,405	479,929	652,076	899,145	581,990
Total governmental funds	\$6,396,810	\$5,961,754	\$11,922,416	\$7,010,885	\$7,387,624	\$7,803,750	\$8,022,567	\$8,436,054	\$7,943,245	\$6,633,020

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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues:										
Municipal income taxes	\$16,065,380	\$14,494,795	\$14,407,358	\$14,223,463	\$13,590,952	\$13,234,481	\$13,064,120	\$12,671,825	\$12,058,356	\$11,557,740
Property and other taxes	1,149,720	1,133,696	1,135,948	1,161,052	1,102,654	1,167,087	1,196,487	1,291,654	1,245,380	1,494,203
Payments in lieu of tax	815,052	783,973	658,169	659,227	659,122	639,122	668,004	575,096	559,566	359,032
Special assessments	80,351	331,746	320,772	254,034	165,965	200,825	190,167	159,692	104,712	434,728
Intergovernmental	1,653,953	1,140,361	2,105,651	1,432,715	1,850,860	3,065,268	2,019,176	3,044,584	2,070,566	3,519,833
Charges for services	608,719	645,492	621,620	599,847	571,355	537,209	493,352	545,153	309,450	387,996
Fines and forfeitures	307,645	171,431	183,112	217,005	217,967	225,759	247,980	247,040	292,462	281,087
Fees, licenses and permits	529,542	408,023	473,735	417,519	389,456	403,135	399,341	368,762	418,156	428,055
Interest	47,644	109,833	92,567	16,033	7,438	7,897	7,939	14,263	16,504	23,728
Contributions	0	0	0	0	0	0	0	0	4,400	0
Other	1,238,287	712,798	626,067	592,762	536,453	564,999	694,910	375,948	429,099	555,052
Total revenues	22,496,293	19,932,148	20,624,999	19,573,657	19,092,204	18,345,782	18,981,476	19,294,017	17,508,651	19,041,454
Expenditures:										
Current:										
Security of persons and property	10,255,741	9,848,233	9,555,860	9,164,901	9,065,029	8,542,578	8,768,672	8,166,456	7,978,954	8,518,865
Public health services	461,650	470,529	447,440	382,360	335,166	381,686	355,768	325,675	325,481	368,056
Leisure time activities	1,613,317	1,566,217	1,601,090	1,621,406	1,507,843	1,478,464	1,425,049	1,372,690	1,372,776	1,543,884
Community environment	628,004	607,266	613,685	596,970	650,120	618,921	593,810	540,791	495,347	682,047
Transportation	1,583,742	1,647,716	1,398,283	1,452,084	1,628,653	1,580,438	1,433,309	1,199,094	1,231,140	1,432,936
General government	5,053,610	4,827,910	5,120,670	4,622,098	4,100,230	4,028,048	4,236,227	3,954,504	3,743,571	5,115,314
Capital outlay	1,177,240	5,863,113	5,003,618	1,317,264	1,477,723	1,340,386	1,794,379	2,570,843	436,755	1,848,077
Debt service:										
Principal retirement	870,347	805,689	793,942	589,402	581,780	689,579	600,486	592,276	476,499	471,480
Interest and fiscal charges	417,586	425,764	380,098	203,911	161,786	174,499	187,263	258,505	272,903	291,522
Total expenditures	22,061,237	26,062,437	24,914,686	19,950,396	19,508,330	18,834,599	19,394,963	18,980,834	16,333,426	20,272,181
Excess (deficiency) of revenues over expenditures	435,056	(6,130,289)	(4,289,687)	(376,739)	(416,126)	(488,817)	(413,487)	313,183	1,175,225	(1,230,727)
Other financing sources (uses):										
Proceeds from the sale of bonds	0	0	8,200,000	0	0	0	0	0	0	0
Premium from the sale of bonds	0	0	344,632	0	0	0	0	0	0	0
Inception of capital lease	0	169,627	656,586	0	0	270,000	0	200,000	135,000	0
Face value of refunding bonds	0	0	0	0	0	0	0	1,900,000	0	0
Retirement from refunding bonds	0	0	0	0	0	0	0	(1,900,000)	0	0
Transfers-in	1,070,042	989,998	1,798,576	1,048,470	1,327,715	533,150	1,441,289	1,037,500	763,800	1,080,400
Transfers-out	(1,070,042)	(989,998)	(1,798,576)	(1,048,470)	(1,327,715)	(533,150)	(1,441,289)	(1,037,500)	(763,800)	(1,080,400)
Total other financing sources (uses)	0	169,627	9,201,218	0	0	270,000	0	200,000	135,000	0
Net change in fund balances	435,056	(5,960,662)	4,911,531	(376,739)	(416,126)	(218,817)	(413,487)	513,183	1,310,225	(1,230,727)
Beginning fund balance	5,961,754	11,922,416	7,010,885	7,387,624	7,803,750	8,022,567	8,436,054	7,922,871	6,612,646	7,843,373
Ending fund balance	\$6,396,810	\$5,961,754	\$11,922,416	\$7,010,885	\$7,387,624	\$7,803,750	\$8,022,567	\$8,436,054	\$7,922,871	\$6,612,646
Debt service as a percentage of noncapital expenditures	6%	6%	6%	4%	4%	5%	4%	5%	5%	4%

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 \$1,570,585 from 2018 to 2019:
- increase is due to the change in the income tax rate from 1.5% to 2.0%, effective July 1, 2019, as a result of a vote of the residents.
- Intergovernmental:** Increase of \$513,592 from 2018 to 2019:
- increase as a result of gas tax increase, grant activity increase, and capital project reimbursement not applicable in prior year.
- Decrease of \$965,290 from 2017 to 2018:
- decrease in the amount of grant funds received from road projects.
- Increase of \$672,936 from 2016 to 2017:
- increase in the amount of grant funds received from road projects.
- Decrease of \$653,908 from 2013 to 2014:
- decrease in the amount of estate tax received due to State legislation changes.
- Decrease of \$1,025,408 from 2012 to 2013:
- decrease 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.
- Other:** Increase of \$525,489 from 2018-2019 due to the following:
- increase from reimbursements for Ohio Workers Compensation and driveway apron costs as well as funds received to purchase trees as a result of development.

Expenditures:

- General government:** 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 \$4,685,873 from 2018-2019 due to the following:
- decrease in amount spent for capital road projects.
- Increase of \$3,686,354 from 2016-2017 due to the following:
- In 2017 the City issued \$8,200,000 (par value) of Street Improvement General Obligation Bonds. Increase due to a portion of bond proceeds expended for road improvement projects.
- Increase of \$2,134,088 from 2011-2012 due to the following:
- Increase in road improvement projects in 2012.
- Decrease of \$1,411,322 from 2010-2011 due to the following:
- decrease in road improvement projects in 2011.

Other Financing Sources (Uses):

- Proceeds from the sale of bonds** Increase of \$8,200,000 from 2016-2017 due to the following:
- In 2017 the City issued \$8,200,000 (par value) of Street Improvement General Obligation Bonds
- Inception of capital lease** Increase of \$656,586 from 2016-2017 due to the following:
- In 2017 the City entered into three leases classified as capital leases.

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		
2009/2010	\$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
2010/2011	365,922,290	1,045,492,257	8,598,540	8,598,540	0	0	374,520,830	1,054,090,797	35.53%	3.08
2011/2012	328,657,460	939,021,314	9,301,190	9,301,190	0	0	337,958,650	948,322,504	35.64%	3.08
2012/2013	325,063,190	928,751,971	9,583,800	9,583,800	0	0	334,646,990	938,335,771	35.66%	3.08
2013/2014	315,474,370	901,355,343	10,590,730	10,590,730	0	0	326,065,100	911,946,073	35.75%	3.08
2014/2015	301,198,030	860,565,800	11,356,610	11,356,610	0	0	312,554,640	871,922,410	35.85%	3.08
2015/2016	305,314,990	872,328,543	11,965,680	11,965,680	0	0	317,280,670	884,294,223	35.88%	3.08
2016/2017	308,973,190	882,780,543	12,157,000	12,157,000	0	0	321,130,190	894,937,543	35.88%	3.08
2017/2018	305,874,080	873,925,943	13,133,660	13,133,660	0	0	319,007,740	887,059,603	35.96%	3.08
2018/2019	317,440,780	906,973,657	14,016,210	14,016,210	0	0	331,456,990	920,989,867	35.99%	3.08

Source - Hamilton County Auditor

Note - In prior years, the assessed values were incorrectly reported as to tax year/collection year. For example the amount reported above for Real Property - Assessed Value 2017/2018 was reported as 2016/2017. The amounts above have been corrected and reflect the proper tax year/collection year.

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	
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
2014/2015	3.08	18.85	62.58	87.41	2.70	89.24
2015/2016	3.08	18.85	62.58	87.81	2.70	89.24
2016/2017	3.08	18.85	62.58	94.76	2.70	89.24
2017/2018	3.08	19.16	62.58	94.76	2.70	89.55
2018/2019	3.08	21.14	62.18	93.92	2.70	92.13

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**

Tax Year/ Collection Year	Current Levy	Delinquent Levy	Total Tax Levy	Current Tax Levy Collections	Percent of Current Tax Levy Collected	Delinquent Tax Levy Collections	Total Tax Collections	Percent of	
								Total Tax Collections to Total Tax Levy	Delinquent Taxes to Total Tax Levy
2009/2010	1,319,247	102,650	1,421,897	1,250,657	94.80%	52,742	1,303,399	91.67%	8.33%
2010/2011	1,159,497	104,512	1,264,009	1,110,489	95.77%	44,888	1,155,377	91.41%	8.59%
2011/2012	1,039,831	95,359	1,135,190	1,002,554	96.42%	38,387	1,040,941	91.70%	8.29%
2012/2013	1,036,242	72,230	1,108,472	999,949	96.50%	31,450	1,031,399	93.05%	6.94%
2013/2014	1,006,078	78,083	1,084,161	970,023	96.42%	48,990	1,019,013	93.99%	6.04%
2014/2015	966,374	65,667	1,032,041	923,240	95.54%	26,268	949,508	92.00%	8.02%
2015/2016	977,281	95,855	1,073,136	958,544	98.08%	54,361	1,012,905	94.39%	5.61%
2016/2017	989,960	87,620	1,077,580	973,627	98.35%	32,616	1,006,243	93.38%	6.62%
2017/2018	982,328	73,535	1,055,863	953,901	97.11%	25,034	978,935	92.71%	7.29%
2018/2019	1,008,473	27,269	1,035,742	983,174	97.49%	27,807	1,010,981	97.61%	2.39%

Source: Hamilton County, Ohio: County Auditor.

**CITY OF SPRINGDALE, OHIO
PRINCIPAL PROPERTY TAXPAYERS
DECEMBER 31, 2019 AND 2010**

Taxpayer	Fiscal Year 2019		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Duke Energy Ohio Inc.	\$11,663,100	1	4%
LSREF2 OREO Direct LLC	10,237,520	2	3%
Progress Place LLC	9,553,760	3	3%
Tri-County Mall LLC	9,289,550	4	3%
Tri-County Towne Center 15 A LLC@3	7,770,030	5	2%
Mallard Lakes Apartments LLC	6,557,070	6	2%
Springdale-Kemper RE LLC	6,451,890	7	2%
Jubilee Springdale LLC	4,456,240	8	1%
US Bank National Association Tr.	3,780,570	9	1%
Olymbec USA LLC	3,662,000	10	1%
All Others	258,035,260	-	78%
Total assessed valuation	\$331,456,990		100%

Taxpayer	Fiscal Year 2010		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Tri-County Mall LLC	\$22,804,810	1	6%
Merchant Street 27 LLC @30	8,242,510	2	2%
Springdale-Kemper Association	7,726,890	3	2%
KE Tri-County LLC	7,605,510	4	2%
Kimco 420 Inc.	7,225,800	5	2%
Duke Energy Ohio Inc.	7,039,080	6	2%
NRFC Cinn Investor LLC	5,950,000	7	2%
NAI Entertainment Holdings	5,875,760	8	2%
Kir Tri-County 018 LLC	5,597,140	9	1%
Jubilee Springdale LLC	4,817,130	10	1%
All others	294,133,550	-	78%
Total assessed valuation	\$377,018,180		100%

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>
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
2015	14,004,548	1,108,953	15,113,501
2016	14,185,996	1,127,511	15,313,507
2017	14,024,396	1,158,185	15,182,581
2018	14,669,361	1,127,395	15,796,756
2019	15,983,441	1,119,895	17,103,336

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	Income Tax Rate	Percentage of Total					Total	Penalty/Interest	Total		
		Withholding	Business	Individuals	Withholding	Business				Individual	
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%
2015	1.5%	11,235,551	2,484,512	598,853	55,746	14,374,662	78%	17%	5%	0%	100%
2016	1.5%	13,044,526	1,768,966	682,276	46,304	15,542,072	84%	12%	4%	0%	100%
2017	1.5%	11,619,143	3,010,953	669,057	54,780	15,353,933	76%	20%	4%	0%	100%
2018	1.5%	12,140,206	2,135,664	578,392	57,046	14,911,308	81%	15%	4%	0%	100%
2019	2.0%	13,358,274	2,001,984	660,986	70,192	16,091,436	83%	13%	4%	0%	100%

Source: City of Springdale, Tax Department

Note: The City's income tax rate was changed from 1.5% to 2.0% effective July 1, 2019.

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	TIF Revenue Bonds	Capital Leases					
2010	\$2,707,192	\$2,533,942	\$21,305	\$5,262,439	\$117,792,933	4%	469	
2011	2,306,120	2,463,364	150,384	4,919,868	126,908,667	4%	438	
2012	1,900,000	2,387,909	233,562	4,521,471	161,756,200	3%	403	
2013	1,500,000	2,307,240	113,745	3,920,985	162,073,000	2%	349	
2014	1,100,000	2,220,998	180,409	3,501,407	148,093,133	2%	312	
2015	700,000	2,128,797	90,830	2,919,627	165,911,000	2%	260	
2016	300,000	2,030,225	0	2,330,225	171,110,333	1%	208	
2017	8,151,657	1,924,842	638,027	10,714,526	170,553,467	6%	955	
2018	7,658,682	1,812,177	584,631	10,055,490	169,099,600	6%	896	
2019	7,155,707	1,691,728	315,114	9,162,549	170,254,467	5%	816	

Source: City of Springdale, finance department

(1): Obtained from the Springdale tax department - total residential tax liability. Current year is an estimate based on data at the time.

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

Note: Details regarding the City's outstanding debt can be found in notes 10, 11, and 12 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**

Year	(A) Population	(B) Estimated Actual Value	(C) General Bonded Debt	(D) Resources Available to Pay Principal	Net General Bonded Debt	Ratio of Net Bonded Debt to Estimated Actual Value	Net Bonded Debt Per Capita
2010	11,223	\$1,220,813,907	\$2,707,192	\$0	\$2,707,192	0.22%	241
2011	11,223	1,054,090,797	2,306,120	0	2,306,120	0.22%	205
2012	11,223	948,322,504	1,900,000	0	1,900,000	0.20%	169
2013	11,223	938,335,771	1,500,000	0	1,500,000	0.16%	134
2014	11,223	911,946,073	1,100,000	0	1,100,000	0.12%	98
2015	11,223	871,922,410	700,000	0	700,000	0.08%	62
2016	11,223	884,294,223	300,000	0	300,000	0.03%	27
2017	11,223	894,937,543	8,151,657	62,901	8,088,756	0.90%	721
2018	11,223	887,059,603	7,658,682	0	7,658,682	0.86%	682
2019	11,223	920,989,867	7,155,707	0	7,155,707	0.78%	638

- (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.
(D) - Includes debt service fund available for general obligation bonds.

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
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%
2015	400,000	13,270	413,270	16,934,579	2.44%
2016	400,000	8,456	408,456	17,499,791	2.33%
2017	670,000	166,928	836,928	18,751,683	4.46%
2018	470,000	240,600	710,600	18,697,879	3.80%
2019	480,000	231,200	711,200	19,508,358	3.65%

(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, 2019**

	<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	\$9,162,549	100%	\$9,162,549
<u>Overlapping:</u>			
Hamilton County	120,015,000	1.70%	2,040,255
Princeton City School District	159,876,458	20.96%	<u>33,510,106</u>
Subtotal			<u>35,550,361</u>
Total			<u><u>\$44,712,910</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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Total assessed property value (1)	\$331,456,990	\$319,007,740	\$321,130,190	\$317,280,670	\$312,554,640	\$326,065,100	\$334,646,990	\$337,958,650	\$374,520,830	\$431,783,290
Total debt limit (10.5% of assessed value):	\$34,802,984	\$33,495,813	\$33,718,670	\$33,314,470	\$32,818,237	\$34,236,836	\$35,137,934	\$35,485,658	\$39,324,687	\$45,337,245
Total net debt applicable to limit:										
General obligation bonds (2)	7,155,707	7,658,682	8,151,657	300,000	700,000	1,100,000	1,500,000	1,900,000	2,306,120	2,707,192
Legal debt limit margin	\$27,647,277	\$25,837,131	\$25,567,013	\$33,014,470	\$32,118,237	\$33,136,836	\$33,637,934	\$33,585,658	\$37,018,567	\$42,630,053
Total net debt applicable to the limit as a percentage of total debt limit	21%	23%	24%	1%	2%	3%	4%	5%	6%	6%
Total unvoted debt limit (5.5% of assessed value):	\$18,230,134	\$17,545,426	\$17,662,160	\$17,450,437	\$17,190,505	\$17,933,581	\$18,405,584	\$18,587,726	\$20,598,646	\$23,748,081
Total net debt applicable to limit:										
General obligation bonds (2)	7,155,707	7,658,682	8,151,657	300,000	700,000	1,100,000	1,500,000	1,900,000	2,306,120	2,707,192
Legal debt limit margin	\$11,074,427	\$9,886,744	\$9,510,503	\$17,150,437	\$16,490,505	\$16,833,581	\$16,905,584	\$16,687,726	\$18,292,526	\$21,040,889
Total net debt applicable to the limit as a percentage of total debt limit	39%	44%	46%	2%	4%	6%	8%	10%	11%	11%

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)
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	148,093,133	13,196	39	995	5.70%
2015	5.08	11,223	165,911,000	14,783	36	1,007	4.50%
2016	5.08	11,223	171,110,333	15,246	38	983	4.30%
2017	5.08	11,223	170,553,467	15,197	40	968	4.30%
2018	5.08	11,223	169,099,600	15,067	40	968	4.00%
2019	5.08	11,223	170,254,467	15,170	40	966	3.30%

(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. Current year is an estimate based on data at the time.

(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 the City of Cincinnati, which approximates the City of Springdale.

**CITY OF SPRINGDALE, OHIO
PRINCIPAL EMPLOYERS
DECEMBER 31, 2019 AND 2010**

<u>Employer</u>	<u>2019 - Number of Employees (A)</u>	<u>Percent of Total</u>
Universal Protection Service	1,127	4%
Humana Pharmacy Inc.	950	3%
Smithfield Packaged Meats Corp.	679	2%
One Source Employee Management	672	2%
Jake Sweeny Chevrolet Import	625	2%
General Electric Engine Services LLC	479	2%
GDCC East LLC	466	2%
First Financial Bank	444	1%
EmployBridge LLC	415	1%
Macys Corporate Services	393	1%
All Others	<u>23,724</u>	<u>80%</u>
Total employment within the City	<u><u>29,974</u></u>	<u><u>100%</u></u>

<u>Employer</u>	<u>2010 - Number of Employees (A)</u>	<u>Percent of Total</u>
General Electric	999	4%
Avon Products Inc.	938	3%
Maple Knoll Communities Inc.	626	2%
John Morrell and Company	510	2%
Spherion Staffing LLC	447	2%
Macy's Retail Holding	418	1%
Minute Men Inc.	390	1%
Princeton City Schools	364	1%
Marketing Research Services Inc.	351	1%
Cincom Systems Inc.	339	1%
All others	<u>23,556</u>	<u>82%</u>
Total employment within the City	<u><u>28,938</u></u>	<u><u>100%</u></u>

Source: City of Springdale, Tax Department.

(A) - Based on the number of W-2's received for 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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Full-time positions at December 31	111	115	106	108	108	108	110	106	104	114
Security of Persons and Property										
Police Department:										
Police Chief	1	1	1	1	1	1	1	1	1	1
Police Captain	1	1	1	1	1	1	1	1	1	0
Sworn Officers	30	32	30	30	31	31	31	34	31	33
Administrative Secretary	1	1	0	1	1	1	1	1	1	1
Office Administrator	1	NA	NA	NA	NA	NA	NA	NA	NA	NA
Clerks	5	5	4	4	4	4	5	5	5	5
Custodian	0	1	1	1	1	1	1	1	1	1
Fire Department:										
Fire Chief	1	1	1	1	1	1	1	1	1	1
Assistant Fire Chief	1	1	1	1	1	1	1	0	1	1
Fire Captain	3	3	3	3	3	3	3	3	3	3
Fire Inspector	1	1	1	1	1	1	1	1	1	1
Firefighter	2	2	3	4	5	4	4	4	4	4
Firefighters/Paramedic	18	18	15	13	13	13	14	12	12	15
Administrative Secretary	1	1	1	1	1	1	1	1	1	1
Public Health Services										
Health Department:										
Health Commissioner	1	1	1	1	1	1	1	1	1	1
Health Nurse	1	1	1	1	1	1	1	1	1	1
Sanitarian	1	1	1	1	1	1	1	1	1	1
Administrative Assistant	1	1	1	1	1	1	1	1	1	1
Leisure Time Activities										
Parks and Recreation Department:										
Parks and Recreation Director	1	1	1	1	1	1	1	1	1	1
Assistant Recreation Director	2	2	2	2	2	2	2	2	3	3
Fitness Center Manager	1	1	1	1	1	1	1	1	1	1
Parks Maintenance	3	3	3	3	3	3	3	3	3	3
Recreation Programmer	1	1	1	1	1	1	1	0	0	1
Administrative Assistant	1	1	1	1	1	1	1	1	0.6	0.6
Custodian	1	1	1	1	1	1	1	1	1	1
Community Environment										
Building Department:										
Building Official	1	1	1	1	1	1	1	1	1	1
Building/Property Inspector	1	2	2	2	2	2	2	2	2	2
Property Inspector	1	1	1	1	1	1	1	1	1	2
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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Transportation										
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	1	1	1	1	1
Public Works Inspector	1	1	1	1	1	1	1	1	1	1
Fleet Mechanic	2	2	2	2	2	2	2	1	1	2
Maintenance Worker	8	8	6	7	7	7	7	6	5	7
General Government										
Administration Department:										
City Administrator	1	1	1	1	1	1	1	1	1	1
Assistant City Administrator	1	1	1	1	1	1	1	1	1	1
Economic Development Director	0	1	1	1	1	1	1	1	1	1
Assistant to the City Administrator	1	1	1	1	1	1	1	1	1	1
Senior Administrative Assistant	1	1	1	1	1	1	1	1	0.4	0.4
Technical Services Administrator	1	1	1	1	1	1	1	1	1	1
Administrative Secretary	1	1	1	1	1	1	1	1	1	1
Custodian	1	1	1	0	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	3	3	3	3	3	4
Administrative Secretary	1	1	1	1	1	1	1	0	1	1
Total Full Time Positions	111	115	106	108	108	108	110	106	104	114

NA - Position not applicable
Source: City of Springdale, Finance Department

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

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Security of Persons and Property										
Police Department										
Number of stations	1	1	1	1	1	1	1	1	1	1
Total patrol calls for services:	12,945	12,129	12,757	12,544	12,628	12,522	13,189	13,530	13,795	13,954
- Arrests	1,308	1,251	1,440	1,349	1,460	1,757	1,753	1,868	1,620	2,052
- Auto accidents	1,107	1,135	1,142	1,009	1,002	930	1,014	985	1,165	862
- Traffic incidents	1,510	1,464	959	878	925	1,018	796	940	2,898	844
- Offense report	1,337	1,270	1,472	1,142	1,414	1,456	1,454	1,561	1,397	1,300
Mayor's court cases heard	1,914	1,068	1,584	2,134	2,383	2,537	2,634	2,102	2,822	2,912
Fire Department										
Number of stations	1	1	1	1	1	1	1	1	1	1
Fire responses	1,459	1,299	1,203	1,102	380	835	850	872	760	770
Emergency medical services (EMS) responses	2,666	2,580	2,495	2,520	2,159	2,135	2,077	2,025	1,706	1,957
Fire losses	\$376,375	\$130,000	\$599,800	\$178,500	\$51,800	\$88,300	\$69,800	\$87,285	\$153,100	\$240,200
Public Health Services										
Health Department										
Number of health department food inspections	412	295	261	341	450	414	401	479	329	397
Animal nuisance removals (2)	145	141	73	2	0	0	0	0	0	0
Home health care visits	99	43	63	99	114	64	100	92	72	67
Leisure Time Activities										
Parks and Recreation Department										
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	2,972	3,070	2,985	2,149	2,086	2,358	2,182	1,810	1,865	1,910
Community center membership (cash basis)	\$85,897	\$90,675	\$91,952	\$92,524	\$93,780	\$100,777	\$103,012	\$107,706	\$118,629	\$114,978
Active member fitness center visits	28,259	26,711	29,453	25,662	26,023	33,002	35,800	42,751	39,812	40,124
Community Environment										
Building Department										
Total number of permits issued	564	490	519	509	564	526	587	552	566	710
Number of residential permits issued	332	278	295	326	336	280	292	289	334	428
Value of residential permits issued (cash basis)	\$8,283,969	\$2,076,047	\$1,650,975	\$1,631,335	\$1,759,977	\$1,301,948	\$1,373,911	\$1,448,090	\$1,537,673	\$1,942,286
Number of commercial permits issued	232	212	224	183	228	260	295	263	232	282
Value of commercial permits issued (cash basis)	\$45,534,069	\$19,460,256	\$65,033,038	\$20,242,173	\$20,274,438	\$11,749,132	\$11,358,037	\$11,464,347	\$11,123,570	\$13,452,349
Number of building inspections	721	557	573	733	841	825	954	954	823	1,372
Number of certificates of occupancy issued	19	19	48	14	31	39	139	82	75	33

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

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Transportation										
Public Works Department										
Chipper man hours	2,520	2,277	2,628	2,654	2,308	2,530	1,920	2,398	2,582	3,021
Debris removal requests	36	34	19	34	32	46	38	44	44	49
Cubic yards of mulch delivered to residents	548	510	420	697	875	712	1,250	790	775	620
Tons of salt used	377	944	1,344	689	586	2,089	1,244	248	734	1,206
Snow and ice control callouts	7	10	12	8	6	16	17	7	12	19
General Government										
Finance Department										
Average number of business days to post receipts	2.1	2.8	4.0	2.2	3.2	3.4	3.5	2.7	3.0	3.2
Average number of business days to pay invoices	3.7	4.2	4.6	4.2	5.3	5.7	6.6	6.2	5.3	6.0
Number of non-payroll checks written	3,198	3,210	2,872	2,947	2,932	3,067	2,971	2,960	2,762	2,914
Number of payroll checks written	982	1,002	1,075	1,111	1,231	953	1,254	1,199	1,208	1,396
Number of payroll direct deposits issued	4,058	3,985	4,056	4,200	4,143	4,322	4,178	3,993	4,017	4,146
Tax Department										
Number of business accounts at year-end	2,672	2,827	2,881	2,866	2,600	2,619	2,468	2,637	2,796	2,798
Number of resident accounts at year-end	4,636	4,610	4,603	4,827	4,799	4,867	4,556	4,728	4,691	4,620
Current year no-file % (at due date):										
Business returns (4)	(5)	49%	52%	54%	36%	30%	32%	23%	22%	37%
Resident returns (4)	(5)	54%	43%	43%	39%	33%	43%	33%	32%	35%
Average days to process and mail tax refund	53	51	53	47	42	41	37	43	42	27
Tax accounts assigned to mayor's court	163	111	84	89	81	132	169	163	173	192
Tax department overtime hours worked	154	142	154	159	156	152	132	76	47	54

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

- (2): Program discontinued from 2010-2015. Program restarted in 2016.
- (4): State House Bill 5, effective 1-1-16, allowed accounts on Federal extension to file after the April 15th due date without notifying the City they were on extension. Therefore at the time of the no file % calculation the total number of accounts on extension was not known. This could have the effect of showing a higher no file % than actual.
- (5): Information not available due to tax return filing date extended until July 15, 2020.

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

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Government										
Administration Department										
Square footage - municipal building	33,620	33,620	33,620	33,620	33,620	33,620	33,620	33,620	33,620	33,620
Administrative vehicles	0	0	0	0	0	0	0	0	0	0
Security of Persons and Property										
Police Department										
Number of stations	1	1	1	1	1	1	1	1	1	1
Square footage - police building	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500
Number of police cruisers	23	21	27	25	23	26	25	30	27	27
Number of other police vehicles	11	11	13	13	11	12	10	9	9	8
Fire Department										
Number of stations	1	1	1	1	1	1	1	1	1	1
Square footage - fire building	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800
Number of fire vehicles	3	3	4	3	3	3	6	6	5	5
Number of EMS vehicles	3	3	3	3	3	3	3	4	4	4
Number of other vehicles	6	7	7	6	6	6	3	4	4	4
Public Health Services										
Health Department										
Number of health vehicles	2	2	2	2	2	2	1	1	1	1
Leisure Time Activities										
Parks and Recreation Department										
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	7	7	7	7	7	6	6	6	6
Community Environment										
Building Department										
Number of vehicles	5	5	5	4	4	4	4	4	4	4
Transportation										
Public Works Department										
Square Footage - office and garage	19,680	19,680	19,680	19,680	19,680	19,680	19,680	19,680	19,680	19,680
Number of work vehicles	15	14	15	13	13	16	15	15	15	15
Number of other vehicles	3	3	3	3	3	3	2	2	2	2

Source: City of Springdale, finance department

OHIO AUDITOR OF STATE KEITH FABER



CITY OF SPRINGDALE

HAMILTON COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 9/3/2020

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov