



On The Cover

Springdale Historical Markers

Morgan's Raid Through Springdale – Marker 71-31 (2007)

In July 1863, Confederate Brigadier-General John Hunt Morgan led a force of 2,000 cavalymen across southern Ohio. Morgan's force entered Ohio from Indiana. A chase ensued as Union cavalry pursued Morgan's men across twenty Ohio counties. To evade 2,500 Union cavalymen under Brigadier-General Edward Hobson and thousands of Union militia stationed at Cincinnati and Hamilton, Morgan's exhausted troopers made a daring night ride, resulting in the longest sustained cavalry ride in American military history. Around 9 P.M., Morgan's cavalry passed through New Burlington, then rode north on Mt. Pleasant and Hamilton Pike (present day Mill Road). Heading east on Bank Lick Road (Kemper Road), they reached this spot in the Village of Springdale around midnight. Confederate troops entered several Springdale houses and businesses to confiscate food, drink, supplies, and horses to replace jaded mounts. The home of the town butcher, John Watson, served as General Morgan's temporary headquarters. After an hour delay waiting for the rear brigade to come up, the raiders proceeded south on Springfield Pike and turned east toward Glendale. Citizens later captured two of Morgan's men who had fallen asleep in the Old St. Mary Cemetery. Hobson's pursuing forces arrived in Springdale after 11 A.M. on July 14. Morgan's Indiana-Ohio Raid, or Great Raid, July 2-26, 1863, covered one of the longest distances of any raid of the Civil War and penetrated deeper into the North than any other Confederate incursion. Over the twenty-five day period, Morgan's raiders covered over seven hundred miles. The raid was the only significant military action of the Civil War within Ohio.

Old Saint Mary's Cemetery – Marker 70-31 (2007)

In 1801, the Springdale Presbyterian Church acquired these two and a half acres to construct a church and cemetery. Although the church moved to a new location in 1833, the cemetery remained and continued to receive regular internments until the mid 1950s. Because of a continued decline in church membership, the Presbyterian Church was eventually unable to care for the cemetery. The church felt it was in the best interest of the community to turn ownership over to the City of Springdale. In 1987, the city received ownership of the cemetery and immediately began a maintenance and restoration project. Many forgotten graves were uncovered and broken gravestones were restored and reset. The cemetery contains seven hundred and thirty nine graves and is the final resting place for nine Revolutionary War veterans, thirteen veterans of the Civil War, and one each from the War of 1812 and World War I.

Maple Knoll Village – Marker 13-31 (1995)

A group of concerned Cincinnati women organized, in 1855, The Protestant Home for the Friendless and Female Guardian Society as a private, not-for-profit maternity home for destitute women and children. These public minded social leaders were aware that Cincinnati had grown beyond the time when the poor or unfortunate were cared for by their neighbors. The Home, which was funded through bequests and personal donations, was founded to care for poor mothers and babies, unmarried pregnant women, wanderers and strangers in the city, and to promote adoptions. Originally located at 433 West Court Street, the Home moved to this site on Springfield Pike in 1926. Later the name changed to the Maple Knoll Home and Maternity Hospital. In the 1970s, this charity merged with the Widows' and Old Men's Home and the Bodmann Widows' Home to form Southwestern Ohio Seniors' Services, Inc., parent corporation of Maple Knoll Village.



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of Springdale, Hamilton County, prepared by Berninger Maddox Inc., for the audit period January 1, 2011 through December 31, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

February 6, 2013

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**CITY OF SPRINGDALE, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2011**

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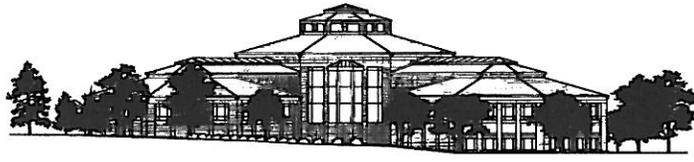
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INTRODUCTORY SECTION

City of Springdale

DOYLE H. WEBSTER
Mayor

DERRICK PARHAM
City Administrator

KATHY McNEAR
Clerk of Council / Finance Director

June 11, 2012

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, 2011, is hereby submitted. While there is no legal requirement for the preparation of this report, it represents a commitment by the City to conform to nationally recognized standards of excellence in financial reporting. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City of Springdale's activities have been included.

The Comprehensive Annual Financial Report is prepared in accordance with GASB Statement No. 34, "*Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*." GASB Statement No. 34 was developed to make annual financial reports of state and local governments easier to understand and more useful to those who make decisions using government financial information. This report represents and reflects the City's financial operations and condition to the City's residents, its elected officials, management personnel, financial institutions, City bondholders, rating agencies and all other interested parties.

The Comprehensive Annual Financial Report is presented in three sections as follows:

1. Introductory Section – includes this letter of transmittal, which addresses the organization, accomplishments, and the operational structure of the City; a list of the principal officials and administrative personnel, and the City's organizational table.
2. Financial Section – includes the Independent Auditor's Report, Management's Discussion and Analysis, basic financial statements and notes, which provide an overview of the City's financial position and operating results, and the combining financial statements of nonmajor funds and other schedules that provide detailed information relative to the basic financial statements.

3. Statistical Section – presents social and economic data, financial trend information, and data relative to the fiscal capacity of the City.

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

REPORTING ENTITY

This report presents the financial activity of the City in accordance with accounting principles generally accepted in the United States of America (GAAP) as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources, and is consistent with GASB Statement No. 34.

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 and an estimated daytime population ranging from 55,000 to 60,000. The City maintains a highly developed commercial and industrial community, as well as stable residential neighborhoods.

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

The City operates under a non-partisan Council/Mayor form of government. Under this system, seven council members, who are the policy makers (three elected at-large and four elected by districts), serve four-year terms. The Mayor is the chief executive and administrative officer of the City and is elected at-large to a four-year term. The Mayor appoints the City Administrator and all executive department directors, with the exception of the Finance Officer/Tax Commissioner, who is appointed by the Clerk of Council/Finance Director with the confirmation of City Council. The Clerk of Council/Finance Director is the chief fiscal officer of the City and is elected at-large to a four-year term.

The City was the recipient of the following awards in 2011:

- * The Police Department received the Gold Member Agency Award as part of the Hamilton County OVI Task Force,
- * Community Traffic Safety Award, Platinum Level, awarded by the AAA Association (this is the seventh consecutive year for this award),
- * Police Department accreditation from the Commission on Accredited Law Enforcement Agencies,
- * Tree-City USA Award (the City has received this award for the past twenty years),
- * The Health Department received the Healthy Ohio Award - Gold level issued by the Ohio Department of Health, and
- * The Parks and Recreation Department’s Aquatic Safety Assurance Program was recognized by the Miami Valley Risk Management Association for Innovation in Public Risk Management.

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 55,000 to 60,000, representing the workforce and those who visit the numerous retail and other establishments. At year-end 2011 there were approximately 1,500 businesses and organizations located in the city limits. Currently, 14 businesses located in Springdale employ greater than 300 employees. Springdale also has approximately 100 restaurants and 18 theatre screens. The 2011 unemployment rate for the Greater Cincinnati area was 8.6%.

The Tri-County Mall and over ten other shopping centers and retail establishments, collectively total more than 4.4 million square feet and comprise the largest concentration of retail development in Hamilton County. Springdale has approximately 2.2 million square feet of office space (1.45 million represents Class A office space), representing more than 12% of all office space in the suburban Greater Cincinnati area.

Springdale is fortunate to have local and national businesses included as part of the corporate citizenry, including First Financial Bank Operations Center, General Electric, Cincom Systems, Proctor and Gamble, The Sheakley Group, Ampac, Federated Stores, and Sears Roebuck and Company.

Springdale's manufacturing businesses include the Avon Company (cosmetic manufacturing), John Morrell (meat packing), and the Ampac Company (plastic bag manufacturing). Springdale also has many retail and restaurant businesses including Sears Roebuck and Company, Macy's, Dave and Busters, Costco, Lowes, Best Buy, Target, Sam's Wholesale, Outback Steakhouse, BJ's Restaurant and Brewhouse, and TGI Fridays.

Currently there are six hotels/motels operating in the City, representing approximately 430 rooms.

The local economy can be broken down into four major use sectors, office, retail, service and industrial. These collectively contributed approximately \$665 million in payroll in 2011, broken down as follows:

* Office:	50% of payroll generation
* Service/ Governmental:	20% of payroll generation
* Retail:	18% of payroll generation
* Industrial:	12% of payroll generation

The recent trend in payroll generation has been negative with a reduction of approximately \$103 million, or 14%, between 2008 and 2010. The reduction in payroll is associated with three major factors:

- * Loss of 300,000 square feet of office use, representing 1,000 employees and payroll generation of approximately \$75 million,
- * Loss of 400,000 square feet of retail use, representing 600 employees and payroll of approximately \$12 million,
- * Loss of service and industrial use, representing 500 employees and payroll of approximately \$16 million

Notwithstanding the recent negative trend during 2008-2010, 2011 did show a modest upswing in payroll generation by 2.5% or approximately \$16 million. This occurred as a result of:

- * The attraction of 25 new retail businesses representing 616 new jobs in 673,000 square feet of retail space including Morris Furniture, Home Emporium, Front Room furniture, Full Throttle Go-Karting and B Discount; and
- * The attraction of 5 major office businesses representing 715 new jobs in 184,000 square feet of office space including 1st Financial Bank, Cincinnati Bell Technology Solutions, Sugar Creek Packing, College Source, and Retirement Systems.

Future Economic Outlook

The outlook for 2012 is positive primarily because of:

- * Humana Right Source, which has started occupying the Executive Centre 1 Office Building, with plans to house 1,200 employees in the facility during 2012 and beyond, and
- * The redevelopment of two of Springdale's premier shopping centers, the Tri-County Towne Center and Cassinelli Square,

Beyond 2012 the economy of the City will continue to be dominated by office use and grow modestly to pre-recession levels. It is particularly important to apply innovative redevelopment efforts to existing properties such as the Avon Facility and the Tri-County Mall, and use the limited amount of developable land judiciously.

MAJOR INITIATIVES

Major Projects for 2011

- * *Traffic Signal System Upgrade Project:* This project will replace all of the ageing traffic signal equipment and controllers, replace the deteriorating communication cable with fiber optic cable, install additional PTZ cameras for traffic management, convert the current linear closed loop systems to a comprehensive, centrally controlled system and upgrade all pedestrian facilities to meet ADA requirements. The total construction cost of this project is estimated at \$788,000, with approximately 75% to be covered by State grant. The project began in late 2011 and is scheduled to be completed in 2012.
- * *Beaver Run Riparian Project – Phase II:* This project will help stabilize and restore portions of the creek bank along approximately 230 linear feet of the Beaver Run in Chamberlain Park. The total construction cost of this project is estimated at \$270,000, with approximately 80% to be covered by Federal grant. Phase I of the project was completed in 2003. Construction for this project will be completed in 2012.

Future Projects

- * *State Route 747 Northbound to I-275 Westbound Improvement Project:* This project will add a second left turn lane on State Route 747 to the westbound on-ramp of I-275, therefore relieving congestion during rush hour. The total construction cost of this project is estimated at \$138,000, with approximately 96% of the project covered by State grant. Construction is scheduled for

2012.

- * *Merchant Street Rehabilitation Project:* This project will replace curbs and gutters along the majority of Merchant Street as well as resurface the entire road. The total construction cost of this project is estimated at \$390,000, with approximately 50% to be covered by State grant. The project is scheduled for 2012.
- * *Century Circle North Improvements Project:* This project will involve the complete removal of existing concrete pavement and curb and installing under drains to assist the movement of storm water. The total construction cost of this project is estimated at \$535,000, with approximately 70% to be covered by State grant. The project is scheduled for 2012.
- * *State Route 4 South Urban Paving Project:* This project will resurface State Route 4 from Sharon Road to Cameron Road. The total construction cost of this project is estimated at \$240,000, with approximately 55% to be covered by State grant. The project is scheduled for 2013.

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 ordinances.

Budgetary Controls

In addition to the above, the City maintains budgetary internal controls to ensure compliance with legal provisions embodied in the annual appropriated budget by City Council. The activity of all funds is included in the annual appropriation budget. The City also maintains an encumbrance accounting system to maintain budgetary control. The control is maintained through the encumbering of estimated purchases through the use of formal approved purchase orders. City Council receives a monthly report of amounts in the City's bank accounts reconciled to the amounts on the City's internal records. Also, Council receives a monthly report comparing budgeted and actual revenue and expenditures.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues meeting its responsibility for sound financial management.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING - 2010

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, 2010. This was the eleventh 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

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 Berninger Maddox Inc., has performed the City audit for the year-ended December 31, 2011. Auditing standards generally accepted in the United States of America and the standards set forth in the General Accounting Office's "Government Auditing Standards" were used by the auditors in conducting the engagement. The auditors' report on the basic financial statements and the combining and individual fund statements and schedules are included in the financial section of this report. The auditors' report on internal controls and compliance with applicable laws and regulations can be found in a separately issued audit report.

Acknowledgements

The timely preparation of the Comprehensive Annual Financial Report for the year-ended December 31, 2011 was made possible by the dedicated service of Kathy McNear, Clerk of Council/Finance Director, finance department staff, Martha Holden and Cynthia Miller, as well as other City departments. We express our sincere appreciation for the contributions made in the preparation of this report. Also, we would like to thank the Mayor and the City Council for their interest and support in planning and conducting the financial operations of the City in a dedicated and responsible manner.

Respectfully submitted,



Derrick Parham
City Administrator



Kathy McNear
Clerk of Council/Finance Director



Jeffrey T. Williams
Finance Officer/Tax Commissioner

**CITY OF SPRINGDALE, OHIO
ELECTED OFFICIALS AND ADMINISTRATIVE PERSONNEL
AS OF DECEMBER 31, 2011**

ELECTED OFFICIALS

<u>Name</u>	<u>Title</u>	<u>Term of Office</u>	<u>Salary</u>
Doyle H. Webster	Mayor	12/01/11-11/30/15	\$21,000
Marjorie Harlow	President	12/01/09-11/30/13	8,475
Thomas Vanover	Vice-President	12/01/09-11/30/13	7,875
Robert Diehl	Member	12/01/11-11/30/15	7,875
Holly Emerson	Member	12/01/09-11/30/13	7,875
Lawrence Hawkins III	Member	12/01/09-11/30/13	7,875
James Squires	Member	12/01/11-11/30/15	7,875
Edward Knox	Member	12/01/11-11/30/15	7,875
Kathy McNear (1)	Clerk of Council/ Finance Director	12/01/11-11/30/15	16,800

ADMINISTRATIVE PERSONNEL

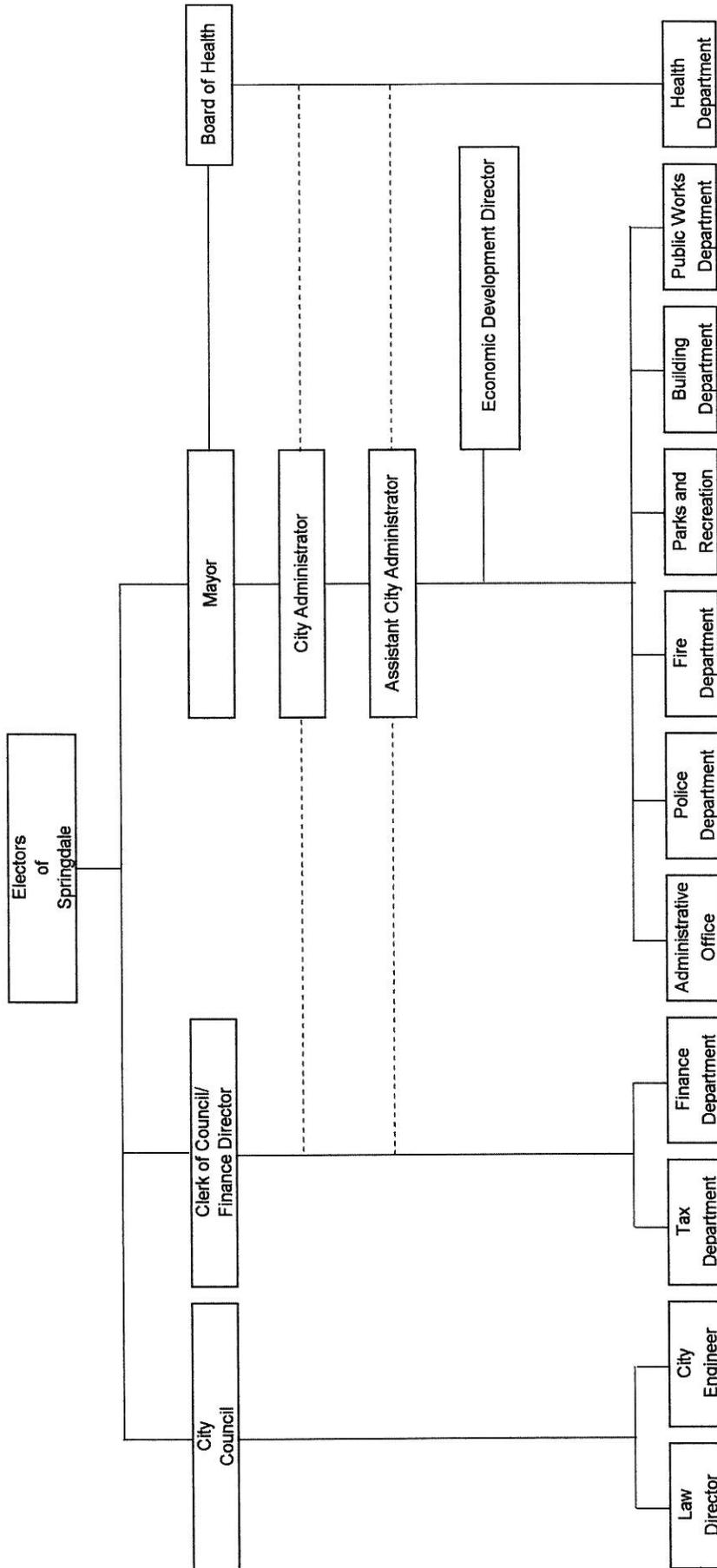
Derrick Parham, City Administrator
Jerry Thamann, Assistant City Administrator
Jeff Tulloch, Economic Development Director

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

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

CITY OF SPRINGDALE

ORGANIZATIONAL TABLE



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Springdale
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2010

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



Linda C. Davison

President

Jeffrey R. Emer

Executive Director

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of City Council
City of Springdale, Ohio:

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, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2011, and the respective changes in financial position thereof, and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2012, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 13 through 23 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections 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.

Berninger Maddox Inc.

Cincinnati, Ohio
June 11, 2012

**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

The City of Springdale discussion and analysis of the financial performance provide an overall review of the City's financial activities for the year-ended December 31, 2011. 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 2011 are as follows:

- * The assets of the City exceeded its liabilities at December 31, 2011 by \$48,535,501 (net assets). Of this amount, \$7,647,698 (governmental unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors.
- * The City's total net assets increased by \$33,002 which represents a small increase from 2010.
- * The City's governmental funds reported a combined ending fund balance of \$7,943,245. Of this amount, \$5,562,965 represents the general fund unassigned fund balance available for spending on behalf of its citizens.
- * During 2011, the City reduced long-term general obligation debt by \$401,072.
- * During 2011, the City maintained a bond credit rating of Aa3, as issued by Moody's Investors Services in 2002.

USING THIS ANNUAL FINANCIAL REPORT

This annual report consists of a series of financial statements and notes to those statements. These statements are presented so the reader can understand the City's financial position as a whole and also give a detailed view of the City's fiscal condition.

The statement of net assets and statement of activities provide information about the activities of the City as a whole, presenting a longer-term view of those activities. 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 Assets and the Statement of Activities

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

**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

These two statements report the City's net assets and the change in those assets. This change in net assets informs the reader whether the City's financial position, as a whole, has improved or diminished. However, in evaluating the overall position of the City, non-financial information such as changes in the City's tax base and the condition of City capital assets will also need to be evaluated. In the statement of net assets and the statement of activities, the City reports government activities, where most of the City's services are reported, including police, fire, public works, administration, and all other departments.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and fiduciary funds. Fund financial reports provide detailed information about the City's major funds.

Governmental Funds: Most of the City's services and activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or less financial resources that can be spent in the near future on services provided to residents. The relationship (or differences) between governmental activities (reported in the statement of net assets and the statement of activities) and governmental funds is reconciled in the basic financial statements.

Fiduciary Funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The City has one agency fund to report within the fiduciary fund category. Agency funds are reported on a full accrual basis and only present a statement of assets and liabilities.

Based on restrictions on the use of monies, the City has established separate funds which account for the services provided to residents. However, these fund financial statements focus on the City's most significant funds. The major funds are the general fund, capital improvements fund, 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 governmental-wide and fund financial statements.

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

**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As stated earlier, the statement of net assets and the statement of activities present information about the City as a whole. Table 1 provides a summary of the City's net assets for 2011 as compared to 2010:

<u>Table 1</u>	Governmental Activities	
	2011	2010
<u>Assets</u>		
Current and other assets	\$13,339,090	\$12,269,358
Capital assets, net	43,964,000	45,416,362
Total assets	<u>57,303,090</u>	<u>57,685,720</u>
<u>Liabilities</u>		
Current and other liabilities	3,113,915	3,258,815
Long-term liabilities:		
Due within one year	722,722	672,806
Due in more than one year	4,930,952	5,251,600
Total liabilities	<u>8,767,589</u>	<u>9,183,221</u>
<u>Net Assets</u>		
Invested in capital assets, net of debt	39,179,133	40,153,924
Restricted	1,708,670	1,388,374
Unrestricted	7,647,698	6,960,201
Total net assets	<u>\$48,535,501</u>	<u>\$48,502,499</u>

Net assets of the City's governmental activities increased \$33,002. Notable changes from 2010 to 2011 include current and other assets, capital assets, net, and long-term liabilities - due in more than one year.

The notable change in current and other assets includes equity in pooled cash and cash equivalents, which reflects an increase of \$914,872. This increase is due to larger fund balances at year end which are the direct result of revenues in excess of expenditures in the current year. Capital assets, net, decreased \$1,452,362 which is due to less capital activity in 2011.

The notable change in long-term liabilities - due in more than one year, is the general obligation bonds. The general obligation bond principal was reduced \$400,000 based on payments made in accordance with the bond amortization schedule.

The financial position of the City has improved from 2010 to 2011. This is based on the increase in unrestricted net assets in the amount of \$687,497.

**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Table 2 provides a summary of the change in net assets, and revenue and expense for 2011 as compared to 2010.

<u>Table 2</u>	Governmental Activities	
	2011	2010
<u>Revenues</u>		
Program revenues:		
Charges for services	\$975,904	\$1,148,446
Operating grants and contributions	121,159	111,725
Capital grants and contributions	88,541	1,137,457
Total program revenues	1,185,604	2,397,628
General revenues:		
Municipal income taxes	12,092,698	11,720,803
Property and other taxes	1,125,767	1,520,103
Payments in lieu of taxes	579,923	359,032
Special assessments	156,600	108,135
Grants and entitlements not restricted	1,873,767	2,006,063
Investment earnings	16,504	23,728
Other	400,816	567,508
Total general revenues	16,246,075	16,305,372
Total revenues	17,431,679	18,703,000
<u>Program Expenses</u>		
Governmental activities:		
Security of persons and property	8,302,605	8,810,920
Public health services	325,822	374,701
Leisure time activities	1,680,816	1,857,647
Community environment	496,284	697,507
Transportation	2,316,491	2,405,106
General government	3,994,792	5,403,997
Interest and fiscal charges	281,867	300,536
Total expenses	17,398,677	19,850,414
Change in net assets	33,002	(1,147,414)
Beginning net assets	48,502,499	49,649,913
Ending net assets	\$48,535,501	\$48,502,499

Governmental activities, 2011 total revenues, decreased \$1,271,321 from 2010, and 2011 total expenses decreased \$2,451,737 from 2010 to 2011. Significant changes are addressed below:

Capital Grants and Contributions Revenue

Capital grants and contributions decreased \$1,048,916 from 2010. This is due to less capital grant activity associated with road improvement projects. In 2010 most of the active projects were completed. Also, the downward level of the general economy has had a negative impact on City revenues in the past years. This has caused a drastic decrease in the number of capital road project grants the City has applied for (due to local share requirements).

**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Municipal Income Tax Revenue

The largest revenue line item, municipal income taxes, increased \$371,895 from 2010. The total cash basis income tax revenue for 2011 was \$12,485,560 as compared to \$11,994,298 in 2010, an increase of \$491,262. This difference is attributed to an increase in business employee withholdings. The difference between the cash and accrual basis are the result of year-end adjustments to convert the cash basis figures to accrual as required.

Property and Other Taxes Revenue

Property and other taxes revenue decreased \$394,336 from 2010. This account represents real property taxes, cinema admissions taxes, and transient occupancy taxes. The total cash basis revenue for these in 2011 was \$1,206,337 as compared to \$1,495,138 in 2010. This decrease is mostly from real property taxes, whereas real estate refunds were issued by the Hamilton County Auditor in 2011 on commercial properties as a result of property devaluation.

Security of Persons and Property Expense

Security of persons and property expense decreased \$508,315 from 2010. This expense category represents the activity of the police and fire departments. The cash basis expenditures for the police and fire departments were \$7,975,885 in 2011 and \$8,090,464 in 2010 (difference of \$114,579). Therefore, most of the change is due to smaller year-end accruals in 2011 as compared to 2010.

General Government Expense

General government expense decreased \$1,409,205 from 2010. This is mostly due to the change in how the health insurance program is administered. In August of 2010, the City joined a health insurance pool where premiums are charged and the expense is distributed to the City departments based on the number of employees in each department and the type of coverage applied (single vs. family). Prior to the change, the City operated the health insurance program as self insured where most costs were paid by the City and charged as general government expense.

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**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Table 3 below shows 2011 percentages of revenues and expenses:

Table 3

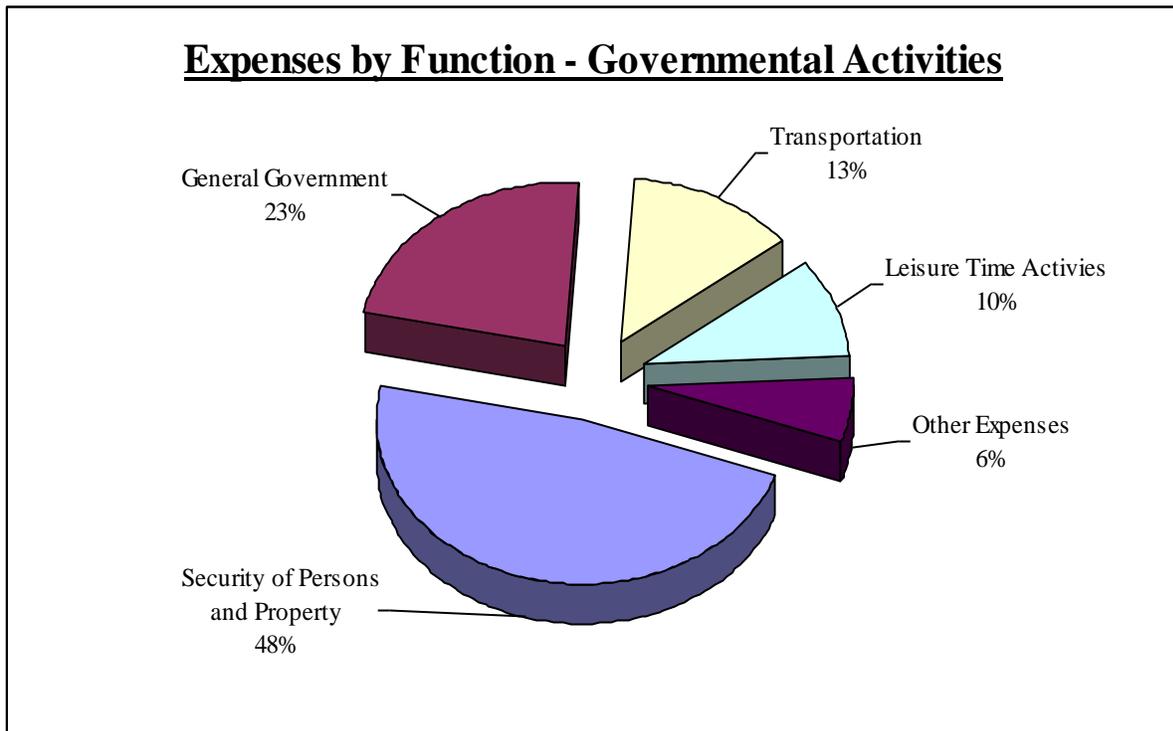
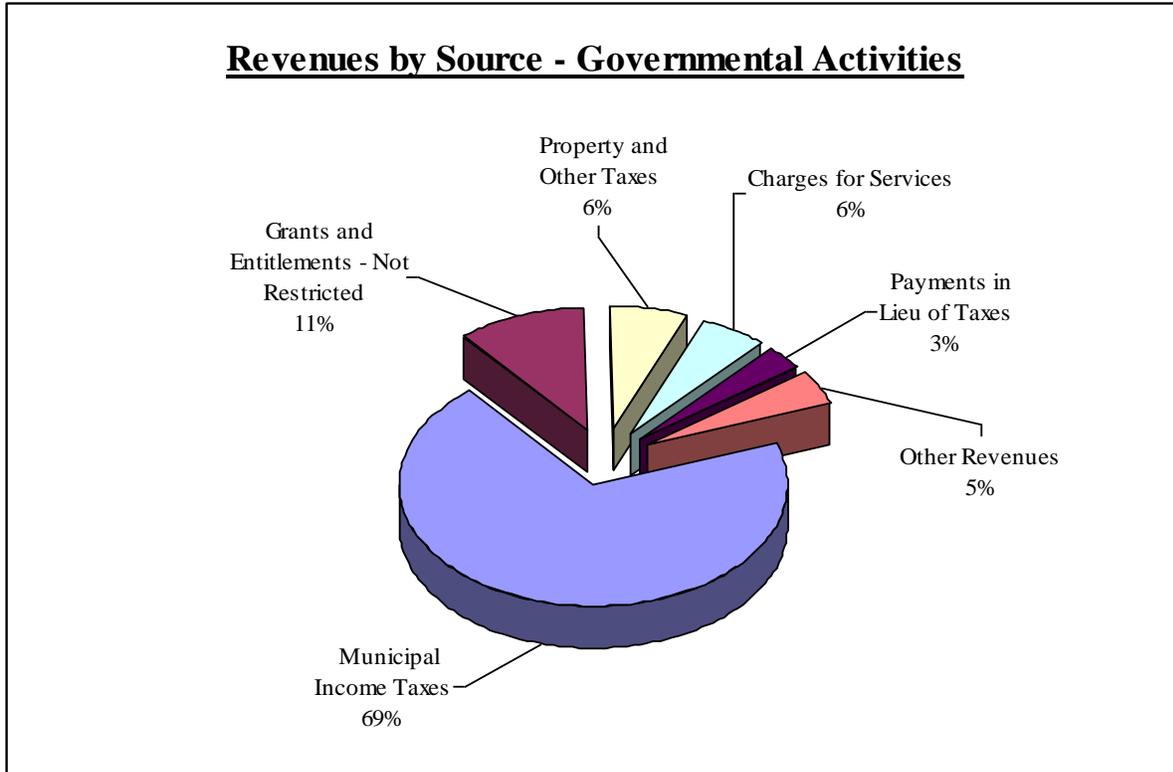
	\$	%
<u>Revenues</u>		
Program revenues:		
Charges for services	\$975,904	5%
Operating grants and contributions	121,159	1%
Capital grants and contributions	88,541	1%
Total program revenues	<u>1,185,604</u>	<u>7%</u>
General revenues:		
Municipal income taxes	12,092,698	70%
Property and other taxes	1,125,767	6%
Payments in lieu of taxes	579,923	3%
Special assessments	156,600	1%
Grants and entitlements not restricted	1,873,767	11%
Investment earnings	16,504	-
Other	400,816	2%
Total general revenues	<u>16,246,075</u>	<u>93%</u>
Total revenues	<u>\$17,431,679</u>	<u>100%</u>
<u>Program Expenses</u>		
Governmental activities:		
Security of persons and property	\$8,302,605	48%
Public health services	325,822	2%
Leisure time activities	1,680,816	10%
Community environment	496,284	3%
Transportation	2,316,491	13%
General government	3,994,792	23%
Interest and fiscal charges	281,867	1%
Total expenses	<u>\$17,398,677</u>	<u>100%</u>

The largest sources of revenue are the municipal income taxes, grants and entitlements not restricted, and property and other taxes. The municipal income tax is received from business withholdings, business net profits returns, resident tax returns, and penalty and interest. Grants and entitlements not restricted is received from the State and County as local government funds, estate tax, homestead and rollback entitlement, gasoline tax, and license tax. 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 security of persons and property, general government, and transportation. Security of persons and property represent operational activity for the police and fire departments, general government represents administration as well as the tax and finance departments, and transportation represents the public works department, as well as certain expenditures of a capital nature that did not meet the criteria of a capital asset, and therefore were recorded as transportation expense.

**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Following are graphs showing the percentages of revenue and expense for 2011:



**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The focus of City governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year. These funds are accounted for by using the modified accrual basis of accounting. See the table of contents regarding the fund financial statements.

At year-end 2011, the City's governmental funds reported combined ending fund balances of \$7,943,245. Of this amount, \$5,069,280 represents unassigned fund balance. The remaining fund balance is classified as nonspendable, restricted, and assigned to indicate amounts not available for new spending due to allocations to liquidate encumbrances, reflect year-end inventory and prepaid items, and to account for long-term advances, health and liability insurance, capital improvements, debt service, operating grants, and road maintenance. All governmental funds had total revenues of \$17,508,651 and expenditures of \$16,333,426, leaving an excess of revenues over expenditures of \$1,175,225.

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

General Fund

The general fund is the chief operating fund of the City and at year-end 2011 the total fund balance was \$7,044,100. This represents an increase of \$993,070 from year-end 2010. General fund revenues for 2011 were consistent with 2010. General fund expenditures decreased \$2,279,454 from 2010. This is due to lower expenditures from the police and fire departments, public works department, and administration departments. Administration (general government) had the largest decrease due to changing the process for the health insurance program from self-insured to, in October of 2010, joining a health insurance pool through the Ohio Mid-Eastern Regional Education Service Agency (OME-RESA), therefore reducing health insurance costs.

Capital Improvements Fund

At year-end 2011, the total fund balance for the capital improvements fund was \$700,729, which represents an increase of \$138,935 from 2010. This is the result of capital improvement project local shares decreasing in the current year due to a reduction of road and other capital project activity, as well as reductions in the City street program.

Northwest Business District Tax Increment (TIF) Fund

At year-end 2011, the total fund balance for the northwest business district TIF fund was \$166,735, which represents an increase of \$26,291 from year-end 2010. In 2011, fund activity was consistent with 2010. 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, disbursements, and encumbrance basis. Month-end financial reports, which compare budgeted projections to actual results, are presented to administration and City Council on a monthly basis to review and measure the effectiveness of budgetary controls. For 2011, there was one amendment to the City budget passed by City Council.

**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Comparison of Original Budget to Final Budget

For 2011, the original budgeted revenues for the general fund were approximately \$15.3 million and the final budgeted revenues were approximately \$16.2 million. The increase is the result of receiving more earnings tax revenue than originally budgeted. Also, the general fund original budgeted 2011 expenditures, including transfer and advance activity, were approximately \$17 million and the final budgeted expenditures were approximately \$16.4 million. The decrease is mainly the result of budgeted transfer activity which was not transferred, and reduced general government expenditures based on the change to the health insurance program as explained above.

Comparison of Final Budget to Actual Results

For 2011, the final actual revenues for the general fund were consistent with final budgeted revenues, at approximately \$16.2 million. Also, the final 2011 actual expenditures, including transfer and advance activity were approximately \$15.6 million as compared to the final budgeted expenditures of \$16.4 million. This difference is the result of actual expenditures being smaller than final budgeted expenditures for the functions of security of persons and property (police and fire departments), leisure time activities (parks department), and general government (administration departments).

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Capital Assets at December 31
(Net of Depreciation)

<u>Table 4</u>	<u>Governmental Activities</u>	
	<u>2011</u>	<u>2010</u>
Land	\$1,944,739	\$1,944,739
Real estate held for development	442,910	442,910
Construction in progress	568,979	315,694
Building	13,738,774	14,087,105
Improvements other than building	981,057	1,085,280
Machinery and equipment	308,134	370,102
Furniture and fixtures	21,397	23,350
Vehicles	811,205	913,495
Infrastructure:		
Sewers	163,062	204,767
Roads	19,673,067	20,392,366
Right of Way	279,752	279,752
Traffic control	737,115	793,668
Streetscape	1,907,370	1,995,189
Pedestrian traffic	249,890	275,556
Parks	1,346,149	1,371,589
TIF area public improvements	790,400	920,800
Total capital assets	<u>\$43,964,000</u>	<u>\$45,416,362</u>

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

**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Debt

As of December 31, 2011, the City had outstanding debt of \$4,919,868 in bonds and capital leases, with \$526,677 due within one year.

<u>Table 5</u>	Outstanding Debt at December 31	
	Governmental Activities	
	2011	2010
General obligation bonds	\$2,306,120	\$2,707,192
TIF revenue bonds	2,463,364	2,533,942
Capital leases	150,384	21,305
Total debt	\$4,919,868	\$5,262,439

The general obligation bonds are the Community Center Expansion Bonds – issued in 2002 for the renovation of the City’s Community Center facility. In preparation for the associated public offering an Official Statement was prepared, and as a result, the City was assigned a rating of Aa3 from Moody’s Investors Services. Payments are made twice a year (two interest payments and one principal payment) from City funds.

The TIF revenue bonds are the Northwest Business District Tax Increment Financing (TIF) Phase I Revenue Bonds. The bonds were issued in 2000 to retire notes issued for the construction of infrastructure and a man-made lake in the Northwest Business District (Pictoria Island) TIF area. TIF revenue bond payments are made monthly (each payment incorporates interest and principal). Bond payments are made from service payments received in lieu of taxes and shortfall payments from the property developers.

In 2011, the City entered into a capital lease as well as retired a portion of lease agreements categorized as capital leases. At year-end 2011, the City has four leases categorized as capital leases. Payments for these leases were made from the general fund and the grants fund.

Under the current City Charter, the City’s 2011 general obligation bonded debt was subject to a legal limitation of \$33,179,538, based on 10.5 percent of the total assessed value of real and personal property located within the City.

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

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

Budget Procedure

The City’s budget procedure is a very detailed process. From May to June of the current year, the tax budget is prepared and approved by City Council for submission to the County in accordance with the Ohio Revised Code. This budget procedure forecasts fund balances at the end of the next fiscal year based on information available in May and June of the current year. The tax budget is prepared jointly between the finance and administration departments.

**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

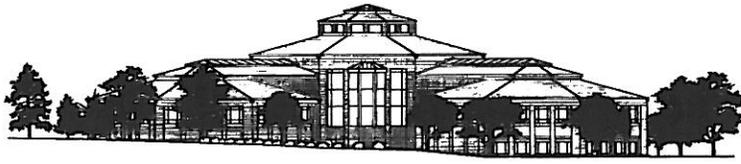
From October to November of the current year, the City five-year budget is prepared. This process starts with the budgeted current year figures and attempts to revise these figures (if applicable) for the remainder of the year. Then predictions are made for the next five years based on assumptions provided by administration. The five-year budget takes a long-term look at the direction of the City. Each department director prepares the budgeted expenditures that relate to the applicable department. The finance department prepares the budgeted revenues. The City Administrator then reviews all figures in detail, and amendments are made as necessary.

From November to December of the current year the one-year budget is prepared. This document becomes the basis for the appropriation/estimated revenue ordinance passed for the next fiscal year. Each department director prepares the budgeted expenditures that relate to the applicable department and the finance department prepares the budgeted revenues. The City Administrator then reviews all figures before the budget is final. At or near the first day of the fiscal year, the budget appropriations/estimated revenues ordinance is passed by City Council.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, creditors, investors and elected officials with a general overview of the City's finances and to show accountability for the money it receives. If you have any questions about this report or need additional information, contact Jeffrey T. Williams, Finance Officer/Tax Commissioner, 11700 Springfield Pike, Springdale, Ohio 45246, (513) 346-5700, or e-mail at jwilliams@springdale.org.

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BASIC FINANCIAL STATEMENTS

**CITY OF SPRINGDALE, OHIO
STATEMENT OF NET ASSETS
DECEMBER 31, 2011**

	<u>Governmental Activities</u>
Assets:	
Equity in pooled cash and cash equivalents	\$6,358,260
Cash in segregated account	\$174,638
Receivables (net):	
Taxes	4,651,392
Payments in lieu of taxes	601,435
Special assessments	160,685
Accounts	184,398
Intergovernmental	731,665
Bond issuance costs	105,802
Prepaid items	19,883
Inventory	313,091
Restricted assets:	
Funds on deposit for unclaimed monies	20,703
Funds on deposit for performance bonds and plan review fees	17,138
Nondepreciable capital assets	3,236,380
Depreciable capital assets, net	<u>40,727,620</u>
 Total assets	 <u>57,303,090</u>
Liabilities:	
Accounts payable	194,661
Contracts payable	48,540
Accrued wages and benefits payable	528,932
Accrued workers compensation payable	272,820
Accrued interest payable	7,467
Intergovernmental payable	60,986
Undistributed monies payable	19,283
Unclaimed monies payable	20,703
Claims payable	713,024
Unearned revenue	1,247,499
Long-term liabilities:	
Due within one year	722,722
Due in more than one year	<u>4,930,952</u>
 Total liabilities	 <u>8,767,589</u>
Net assets:	
Invested in capital assets, net of related debt	39,179,133
Restricted for:	
Capital projects	957,961
Street construction, maintenance and repair	577,658
Other purposes	173,051
Unrestricted	<u>7,647,698</u>
 Total net assets	 <u><u>\$48,535,501</u></u>

See accompanying notes to the basic financial statements

**CITY OF SPRINGDALE, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Expenses	Program Revenues		Capital Grants and Contributions	Net
		Charges for Services	Operating Grants and Contributions		(Expense) Revenue and Changes in Net Assets
					Total Governmental Activities
Governmental activities:					
Security of persons and property	\$8,302,605	\$571,589	\$25,716	\$0	(\$7,705,300)
Public health services	325,822	63,923	36,380	0	(225,519)
Leisure time activities	1,680,816	143,706	29,350	0	(1,507,760)
Community environment	496,284	76,933	29,713	0	(389,638)
Transportation	2,316,491	4,600	0	88,541	(2,223,350)
General government	3,994,792	115,153	0	0	(3,879,639)
Interest and fiscal charges	281,867	0	0	0	(281,867)
Total governmental activities	\$17,398,677	\$975,904	\$121,159	\$88,541	(16,213,073)
General revenues:					
Municipal income taxes					12,092,698
Property and other taxes					1,125,767
Payments in lieu of taxes					579,923
Special assessments					156,600
Grants and entitlements not restricted to specific programs					1,873,767
Investment earnings					16,504
Other revenues					400,816
Total general revenues					16,246,075
Change in net assets					33,002
Net assets - beginning					48,502,499
Net assets - ending					\$48,535,501

See accompanying notes to the basic financial statements

**CITY OF SPRINGDALE, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2011**

	General Fund	Capital Improvements Fund	Northwest Business TIF Fund	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash and cash equivalents	\$5,047,938	\$621,393	\$179,721	\$509,208	\$6,358,260
Cash in segregated account	39,638	135,000	0	0	174,638
Receivables:					
Taxes	4,651,392	0	0	0	4,651,392
Payments in lieu of taxes	0	0	601,435	0	601,435
Special assessments	4,085	0	156,600	0	160,685
Accounts	184,398	0	0	0	184,398
Intergovernmental	410,243	48,540	0	272,882	731,665
Interfund loan receivable	2,562	0	0	0	2,562
Prepaid items	17,473	0	0	2,410	19,883
Inventory	313,091	0	0	0	313,091
Advances to other funds	492,378	0	0	0	492,378
Restricted assets:					
Funds on deposit for unclaimed monies	20,703	0	0	0	20,703
Funds on deposit for performance bonds and plan review fees	17,138	0	0	0	17,138
Total assets	\$11,201,039	\$804,933	\$937,756	\$784,500	\$13,728,228
Liabilities:					
Accounts payable	\$161,814	\$7,124	\$1,000	\$24,723	\$194,661
Contracts payable	0	48,540	0	0	48,540
Accrued wages and benefits payable	522,426	0	0	6,506	528,932
Accrued workers compensation payable	272,820	0	0	0	272,820
Intergovernmental payable	49,000	0	11,986	0	60,986
Interfund loan payable	0	0	0	2,562	2,562
Undistributed monies payable	19,283	0	0	0	19,283
Unclaimed monies payable	20,703	0	0	0	20,703
Claims payable	713,024	0	0	0	713,024
Advances from other funds	0	0	0	492,378	492,378
Deferred revenue	2,397,869	48,540	758,035	226,650	3,431,094
Total liabilities	4,156,939	104,204	771,021	752,819	5,784,983
Fund balances:					
Nonspendable	822,942	0	0	0	822,942
Restricted	0	700,729	163,400	525,366	1,389,495
Assigned	658,193	0	3,335	0	661,528
Unassigned	5,562,965	0	0	(493,685)	5,069,280
Total fund balances	7,044,100	700,729	166,735	31,681	7,943,245
Total liabilities and fund balances	\$11,201,039	\$804,933	\$937,756	\$784,500	\$13,728,228

See accompanying notes to the basic financial statements

**CITY OF SPRINGDALE, OHIO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2011**

Total governmental fund balances	\$7,943,245
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	43,964,000
Some long-term assets, such as bond issuance costs are not available for current-period expenditures and therefore are not reflected in the funds.	105,802
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	2,183,595
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.	(733,806)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(4,919,868)
Accrued interest payable on long-term debt is not due and payable in the current period and therefore is not reported in the funds.	<u>(7,467)</u>
Net assets of governmental activities	<u><u>\$48,535,501</u></u>

See accompanying notes to the basic financial statements

CITY OF SPRINGDALE, OHIO
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	General Fund	Capital Improvements Fund	Northwest Business TIF Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Municipal income taxes	\$12,058,356	\$0	\$0	\$0	\$12,058,356
Property and other taxes	1,245,380	0	0	0	1,245,380
Payments in lieu of taxes	0	0	559,566	0	559,566
Special assessments	2,934	0	101,778	0	104,712
Intergovernmental	1,376,561	43,900	0	650,105	2,070,566
Charges for services	309,450	0	0	0	309,450
Fines and forfeitures	262,058	0	0	30,404	292,462
Fees, licenses and permits	410,064	0	0	8,092	418,156
Interest	16,108	0	396	0	16,504
Contributions	0	0	0	4,400	4,400
Other	192,850	46,749	187,000	2,500	429,099
Total revenues	15,873,761	90,649	848,740	695,501	17,508,651
Expenditures:					
Current:					
Security of persons and property	7,940,932	0	0	38,022	7,978,954
Public health services	305,400	0	0	20,081	325,481
Leisure time activities	1,336,083	0	0	36,693	1,372,776
Community environment	443,765	0	0	51,582	495,347
Transportation	877,754	0	0	353,386	1,231,140
General government	3,109,203	22,412	584,251	27,705	3,743,571
Capital outlay	96,878	314,302	0	25,575	436,755
Debt service:					
Principal retirement	5,463	0	70,578	400,458	476,499
Interest and fiscal charges	1,413	0	167,620	103,870	272,903
Total expenditures	14,116,891	336,714	822,449	1,057,372	16,333,426
Excess (deficiency) of revenues over expenditures	1,756,870	(246,065)	26,291	(361,871)	1,175,225
Other financing sources (uses):					
Inception of capital lease	0	135,000	0	0	135,000
Transfers-in	0	250,000	0	513,800	763,800
Transfers-out	(763,800)	0	0	0	(763,800)
Total other financing sources (uses)	(763,800)	385,000	0	513,800	135,000
Net change in fund balances	993,070	138,935	26,291	151,929	1,310,225
Beginning fund balances (deficit)	6,051,030	561,794	140,444	(120,248)	6,633,020
Ending fund balances	\$7,044,100	\$700,729	\$166,735	\$31,681	\$7,943,245

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, 2011

Net change in fund balances - total governmental funds \$1,310,225

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital asset additions, not being depreciated	253,285	
Capital asset additions, being depreciated	313,610	
Depreciation expense	<u>(2,019,257)</u>	(1,452,362)

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

Capital asset deletions, being depreciated	(2,688)	
Accumulated depreciation	<u>2,688</u>	0

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (76,972)

Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduced long-term liabilities in the statement of net assets. 476,499

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. (80,424)

Some expenses reported in the statement of activities, such as accrued interest, amortization of bond premium, and amortization of bond issuance costs do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The net effect is reported. (8,964)

Proceeds from capital lease issues are an other financing source in the funds, but a debt issue increases long-term liabilities in the statement of net assets. (135,000)

Change in net assets of governmental activities \$33,002

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, 2011

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Municipal income taxes	\$11,305,693	\$12,075,693	\$12,485,560	\$409,867
Property and other taxes	1,456,000	1,456,000	1,206,337	(249,663)
Special assessments	2,000	2,000	2,934	934
Intergovernmental	1,374,089	1,374,089	1,315,559	(58,530)
Charges for services	353,000	353,000	321,005	(31,995)
Fines and forfeitures	293,000	293,000	253,611	(39,389)
Fees, licenses and permits	351,700	351,700	383,974	32,274
Interest	20,000	20,000	16,108	(3,892)
Other	206,129	251,129	221,533	(29,596)
Total revenues	15,361,611	16,176,611	16,206,621	30,010
Expenditures:				
Current:				
Security of persons and property	8,191,243	8,191,243	7,897,270	293,973
Public health services	341,879	341,879	312,805	29,074
Leisure time activities	1,586,295	1,486,295	1,345,414	140,881
Community environment	543,210	543,210	497,412	45,798
Transportation	1,196,036	1,146,036	1,011,697	134,339
General government	3,971,896	3,810,104	3,565,315	244,789
Capital outlay	132,371	132,371	133,782	(1,411)
Debt service:				
Principal retirement	5,463	5,463	5,463	0
Interest	1,413	1,413	1,413	0
Total expenditures	15,969,806	15,658,014	14,770,571	887,443
Excess (deficiency) of revenues over expenditures	(608,195)	518,597	1,436,050	917,453
Other financing sources (uses):				
Transfers-in	195	195	195	0
Transfers-out	(1,055,800)	(763,800)	(763,800)	0
Advances-out	(1,475)	(30,267)	(30,267)	0
Total other financing sources (uses)	(1,057,080)	(793,872)	(793,872)	0
Net change in fund balance	(1,665,275)	(275,275)	642,178	917,453
Beginning fund balance	4,213,709	4,213,709	4,213,709	0
Prior year encumbrances	77,790	77,790	77,790	0
Ending fund balance	\$2,626,224	\$4,016,224	\$4,933,677	\$917,453

See accompanying notes to the basic financial statements

**CITY OF SPRINGDALE, OHIO
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUND
DECEMBER 31, 2011**

	<u>Agency</u>
Assets:	
Equity in pooled cash and cash equivalents	<u>\$70</u>
Total assets	<u><u>\$70</u></u>
Liabilities:	
Ohio board of building standards assessment (OBBS) payable	<u>\$70</u>
Total liabilities	<u><u>\$70</u></u>

See accompanying notes to the basic financial statements

CITY OF SPRINGDALE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2011

The accounting methods and procedures adopted by the City of Springdale, Ohio, conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental entities. The following notes to the financial statements are an integral part of the basic financial statements.

1. FINANCIAL REPORTING ENTITY

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, "*The Financial Reporting Entity*", in that the financial statements include all the funds and activity of the primary government. The primary government consists of all the organizations, activities, and functions that are not legally separate from the City. Component units are legally separate organizations for which the City is financially accountable. The City would consider an organization to be a component unit if:

1. The City appoints a voting majority of the organization's body; and is able to impose its will on that organization or there is a potential for the organization to provide specific financial burdens on the City; or
2. The organization is fiscally dependent upon the City; or
3. The nature of the relationship between the City and the organization is such that the exclusion from the financial reporting entity would render the financial statements misleading.

Based on above, potential component units were considered for inclusion, the City has no component units.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a statement of net assets and statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements

The statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statement of net assets presents the financial condition of the government at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the City. The effect of interfund activity has been eliminated from the government-wide financial statements, but interfund services provided and used are not eliminated in the process of consolidation.

CITY OF SPRINGDALE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2011

Fund Financial Statements

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

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

Fund Accounting

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

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

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

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

CITY OF SPRINGDALE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2011

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

Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

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

Basis of Accounting

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

Revenues – Exchange and Non-Exchange Transactions

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

Nonexchange transactions, in which the City received value without directly giving equal value in return, include income tax, admissions tax, occupancy tax, property tax, payments in lieu of taxes, 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.

CITY OF SPRINGDALE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2011

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 a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis of accounting, the following revenue sources are considered to be both measurable and available (either in-part or in-full) at year-end: income tax, admissions tax, transient occupancy tax, cable franchise fees, certain reimbursements, certain charges for services, estate tax, joint economic development district tax, state-levied locally shared taxes (including gasoline tax and motor vehicle license tax), and license and permit fees, and grants.

Deferred Revenue

Deferred revenues are presented on the fund financial statements. Deferred revenues arise when potential revenue does not meet both the measurable and available criteria for recognition in the current period. In a subsequent period when both revenue recognition criteria are met, the liability, or deferred revenue, is removed and revenue is recognized. The following transactions are measurable at year-end but availability is indeterminate and are not intended to finance current period obligations, and have been recorded (either in-part or in-full) as a receivable and deferred revenue: income tax, transient occupancy tax, current and delinquent property taxes, homestead and rollback entitlement, payments in lieu of tax, special assessments, plan review fees, certain reimbursements, certain charges for services, estate tax, state-levied locally shared taxes (including gasoline tax and motor vehicle license tax), and grants.

Unearned Revenue

Unearned revenues are presented on the full accrual statements. Unearned revenue represents amounts under the accrual basis of accounting for which asset recognition criteria has been met, but for which revenue recognition has not yet been met because such amounts have not yet been earned. The following transactions recorded a receivable and unearned revenue: current property taxes and payments in lieu of tax.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are recorded when the related fund liability is incurred. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Budgets and the Budgetary Process

The budgetary process, prescribed by provisions of the Ohio Revised Code and the City Charter, entails the preparation of budgetary documents within an established timetable. This includes the preparation of the tax budget, a certificate of estimated resources, and the appropriation/estimated receipts ordinance, all of which are prepared on the non-GAAP budgetary basis of accounting. The certificate of estimated

CITY OF SPRINGDALE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2011

resources and the appropriation/estimated receipts ordinance may be amended by councilmanic action throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

All funds, other than agency funds, are legally required to be budgeted and appropriated. The City adopts a budget and approves appropriations for all funds. The legal level of budgetary control is defined as the level at which City Council must approve any over-expenditure of appropriations or transfers of appropriated amounts. City Council must approve any increase or decrease in appropriations and estimated receipts. The legal level of budgetary control for the general fund is at the departmental level (personal services and all other expenditures), all other funds are at the fund level (personal services and all other expenditures). Administrative control is maintained through the establishment of detailed line item budgets. For 2011, all appropriations were approved as required and all funds and departments completed the year within the legally authorized appropriations.

A tax budget of estimated revenues and expenditures for all funds is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year. The County Budget Commission certifies its actions to the City by September 1, and as part of this certification, the City receives the official certificate of estimated resources, which states the projected revenue of each fund. Prior to December 31, the City must prepare its annual budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation ordinance.

On or about January 1, the certificate of estimated resources is amended to include unencumbered fund balances at December 31 of the preceding year. The certificate may be further amended during the year if a new source of revenue is received or actual receipts exceed current estimated receipts. The amounts reported on the budgetary statement reflect as final budget the amounts in the final amended official certificate of estimated resources.

Appropriations - A temporary appropriation measure to control expenditures may be passed on or about January 1 of each year for the period from January 1 to March 31. The annual appropriation ordinance must be passed by April 1 of each year for the period January 1 to December 31. The appropriation ordinance may be supplemented during the year by councilmanic action, as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified.

Encumbrances - As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On the modified accrual basis, encumbrances outstanding at year-end are reported within restricted or assigned fund balance.

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

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

CITY OF SPRINGDALE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2011

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 restricted or assigned fund balance (GAAP), and

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	\$993,070
Net adjustment for revenue accruals	(39,283)
Net adjustment for expenditure accruals	(182,277)
2010 prepaid items for 2011	19,539
2011 prepaid items for 2012	(17,473)
Encumbrances	(131,398)
Budget basis	\$642,178

Cash and Cash Equivalents

Cash is pooled and invested short-term for cash management purposes. Investments with original maturities of three months or less are considered to be cash equivalents. The City reports cash in segregated account in the general fund and the capital improvements fund, the general fund amount represents the balance at year-end of Mayor’s Court activity and the capital improvements fund amount represents the balance in an separate account in the City’s name after a lease obligation was entered into, but before delivery of the leased asset.

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.

CITY OF SPRINGDALE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2011

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.

Inventory

On government-wide and fund financial statements, inventories are presented based on the consumption method at the lower of cost or market on a first-in, first-out basis and are expensed when used. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption.

Capital Assets

Governmental capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in the governmental funds. Governmental capital assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and deletions during the year. For purposes of financial reporting, only capital assets valued at \$5,000 or more are reported. Donated capital assets are recorded at their fair market value as of the date received, if valued at \$5,000 or more. The City's infrastructure consists of sewer lines, streets, traffic signals, sidewalks, parks, and construction in progress. Improvements are capitalized if value is added and the life of the asset is materially extended; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

All reported capital assets are depreciated except land, real estate held for development, right of way easements (infrastructure), and construction in progress. Improvements are depreciated over the remaining useful life of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

Buildings	15 - 60 years
Improvements other than building	10 - 25 years
Machinery and equipment	5 - 10 years
Furniture and fixtures	15 - 20 years
Vehicles	5 - 20 years
Infrastructure	15-100 years

CITY OF SPRINGDALE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2011

Interest Income

Interest income is distributed to the funds according to the Ohio Revised Code and City Ordinance. The Ohio Revised Code requires interest to be credited to the general fund, however, the City passes legislation allowing interest to be allocated to the applicable funds based on the principal balance. Total interest revenue during 2011 was \$16,504. Total interest credited to the general fund during 2011 was \$16,108, which includes \$859 assigned from other funds.

Payments In Lieu Of Taxes

Payments in lieu of taxes represent service payments received from the Hamilton County Auditor in lieu of property taxes for the purpose of making Northwest Business District Tax Increment TIF - Phase I bond payments and other applicable expenditures.

Special Assessments

Special assessments represent amounts received from the Hamilton County Auditor based on the Tax Increment Financing (TIF) Service Agreement. As part of the Pictoria Island Service Agreement, Phase II, long term bonds were issued by the Greater Cincinnati Port Authority (Port). Phase II of the agreement covers an office tower as well as the adjacent parking garage. The special assessments were levied based on lost service payments as a result of the parking garage becoming a public purpose parcel and therefore the TIF value was decreased to \$0. The special assessments were levied on the tenants of the office tower to make up the shortfall in service payments. When the special assessments are received from the County Auditor at settlement, the amount is then remitted to the Port bond trustee in accordance with the Service Agreement. On the statement of activities, special assessments at December 31, 2011 are \$156,600.

Special assessments were also collected as a result of unpaid amounts owed by residents for grass cutting services performed. Billings are sent to the resident owners. If payment is not received within 30 days, a special assessment is levied on property taxes through the Hamilton County Auditor's Office.

Restricted Assets

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

Interfund Balances

On the fund financial statements balance sheet, long-term interfund loans are classified as "advances to other funds/advances from other funds". These amounts are eliminated in the governmental activities column of the statement of net assets. Also on the fund financial statements balance sheet, short-term interfund loans are classified as "interfund loan receivable/interfund loan payable". These amounts are also eliminated in the governmental activities column of the statement of net assets.

Compensated Absences

The City reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences." Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Accumulated vacation leave normally must be used by year-end, but based on the City implementing voluntary furlough leave in 2011, up to thirty-two hours of vacation leave was allowed to be carried over for use in 2012. The balance carried over must be used by March 31, 2012.

CITY OF SPRINGDALE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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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 2011, 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 "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. In prior years, the liability for compensated absences has been liquidated from the general fund, street construction, maintenance and repair fund, and the state highway fund. The noncurrent portion of the liability is not reported. The City has not reported a compensated absence liability in the fund financial statements at year-end 2011.

Accrued Liabilities and Long-Term Obligations

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

Net Assets

On the statement of net assets, net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Restricted for other purposes is comprised of net assets restricted for non-capital grants. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. Of the City's \$1,708,670 restricted net assets, \$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 advances to/from other funds.

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

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

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution) 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.

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. In the general fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance.

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, committed, or assigned.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then 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

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“Advances to other funds” and “Advances from other funds”. The short-term outstanding interfund loans are reported as “Interfund loan receivable” and “Interfund loan payable”. These interfund loans are classified as nonspendable fund balance which indicates they are not in spendable form even though it is a component of net current assets. These amounts are eliminated in the statement of net assets.

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:

<u>Fund Balance</u>	<u>General Fund</u>	<u>Capital Improve- ments Fund</u>	<u>Northwest Business TIF Fund</u>	<u>Nonmajor Govern- mental Funds</u>	<u>Total</u>
<u>Nonspendable:</u>					
Interfund loans	\$492,378	\$0	\$0	\$0	\$492,378
Prepaid items	17,473	0	0	0	17,473
Inventory	313,091	0	0	0	313,091
Total nonspendable	<u>822,942</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>822,942</u>
<u>Restricted for:</u>					
Capital improvements	0	700,729	0	0	700,729
Debt service	0	0	163,400	0	163,400
Operating grants	0	0	0	64,604	64,604
Road maintenance	0	0	0	396,957	396,957
Law enforcement	0	0	0	52,690	52,690
Leisure time activities	0	0	0	6,715	6,715
Community environment	0	0	0	4,400	4,400
Total restricted	<u>0</u>	<u>700,729</u>	<u>163,400</u>	<u>525,366</u>	<u>1,389,495</u>
<u>Assigned to:</u>					
Health insurance	48,425	0	0	0	48,425
Liability insurance	516,380	0	0	0	516,380
Other purposes	93,388	0	3,335	0	96,723
Total assigned	<u>658,193</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>655,631</u>
Unassigned	<u>5,562,965</u>	<u>0</u>	<u>0</u>	<u>(493,685)</u>	<u>5,069,280</u>
Total fund balance	<u><u>\$7,044,100</u></u>	<u><u>\$700,729</u></u>	<u><u>\$166,735</u></u>	<u><u>\$31,681</u></u>	<u><u>\$7,943,245</u></u>

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4. FUND DEFICITS

The capital projects, Tri-County Mall tax increment financing fund, and the special revenue, residential recycling fund, at December 31, 2011 included fund deficits of \$492,378 and \$1,307, respectively. These are due to the recognition of expenditures on the modified accrual basis of accounting which are greater than expenditures recorded on the cash basis. The general fund is liable for fund deficits and provides transfers when cash is required, not when accruals occur.

5. DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool used by all funds. Each fund has an equity interest in this account. Monies of substantially all funds of the City are maintained or invested in a common group of bank accounts and in short-term investments. The 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 three categories:

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.

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

Public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the Federal Deposit Insurance Corporation (FDIC) or Federal Savings and Loan Insurance Corporation (FSLIC), or may pledge a pool of government securities the face value of which is at least 105 percent of the total value of public monies on deposit at the institution.

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 \$6,833,723, \$565,355 was covered by federal deposit insurance. The remaining amount, \$6,268,368 was covered by provided collateral and not subject to custodial credit risk. Although all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements would potentially subject the City to a successful claim by the FDIC.

The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the City or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least 105 percent of the deposits being secured.

Investments

The City had no items classified as investments at December 31, 2011.

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

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

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

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

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 taxes, 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 full tax rate for all City operations for the year-ended December 31, 2011 was \$3.08 per \$1,000 of assessed value. The assessed values of real and public utility tangible personal property upon which 2010 property tax receipts were based are as follows:

Real Property – 2010 Assessed Valuation	\$328,657,460
Public Utility Tangible Personal Property – 2010 Assessed Valuation	9,301,190
Total	\$337,958,650

Property taxes receivable represents real property taxes, public utility property taxes, and outstanding delinquencies, which are measurable as of December 31, 2011. Although total property tax collections for the next fiscal year are measurable, the City recognizes property taxes as deferred revenue since the first settlement date is more than thirty-one days after year-end and does not meet the availability criteria for 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, 2010 |
| • Levy date - first half | December 31, 2010 |
| • First installment payment due | January 31, 2011 |
| • Levy date - second half | March 31, 2011 |
| • Second installment payment due | June 20, 2011 |

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

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year in which a sexennial reappraisal is completed as ordered by the State Commissioner of Tax Equalization. Real property last experienced a sex-ennial reappraisal during 2011 with the results affecting collections to begin in 2012.

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 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 therefore offset by deferred revenue in the fund financial statements. The receivable is also offset by unearned revenue in the government-wide financial statements, with the exception of delinquencies, which are presented as property tax revenue.

Income Taxes

In 2011, the City levied a municipal income tax of 1.5% on substantially all earnings (qualified wages and other personal service compensation) of its residents working both in and out of the City and to earnings of nonresidents working within the City. In conjunction with a mandatory filing requirement, the City allows a credit for applicable income taxes paid to other governments up to 100% of the City's tax rate.

The municipal income tax also applies to net income of business conducted in the City. Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City on a quarterly basis. Corporations and other individual taxpayers are encouraged to pay their estimated tax quarterly and file a declaration annually.

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

Intergovernmental Receivables

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

Local government	\$219,928
Gasoline tax	172,800
License tax	81,100
Estate tax	137,480
Homestead/rollback	30,000
Grants	65,722
Other	24,635
Total	<u>\$731,665</u>

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7. INTERFUND TRANSACTIONS

Interfund Loans Receivable/Payable

Interfund loan assets and liability balances reflected by fund at December 31, 2011 are as follows:

<u>Interfund Loan Receivable</u>	<u>Interfund Loan Payable</u>	<u>Amount</u>
General fund	Grants fund	\$2,562

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

Advances To/From Other Funds

A previous years interfund loan was made from the general fund to the Tri-County Mall tax increment financing fund. This loan was made regarding the East Kemper Road at Tri-County Mall Road Improvements project and will be repaid to the general fund when service payments are received to the fund. At the time, it was believed the interfund loan would be repaid within a year, but since has been determined these should be shown as long-term advances on the fund financial statements. In 2011, \$27,705 was further advanced to the Tri-County Mall tax increment financing fund from the general fund.

Following is a schedule of advances to/from other funds:

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

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

Transfers In/Transfers Out

In 2011, the City had the following interfund transfers:

<u>Transfer-Out Fund</u>	<u>Transfer-In Fund</u>	<u>Amount</u>
General fund	Capital projects, community center debt fund	\$503,800
General fund	Special revenue, residential recycling fund	10,000
		513,800
General fund	Capital projects, capital improvements fund	250,000
		\$763,800

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

On the statement of revenues, expenditures, and changes in fund balances, budget and actual, general fund, \$195 was transferred in from the unclaimed money fund. 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 1/1/11</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/11</u>
Capital assets, not being depreciated:				
Land	\$1,944,739	\$0	\$0	\$1,944,739
Real estate held for development	442,910	0	0	442,910
Infrastructure	279,752	0	0	279,752
Construction in progress	315,694	253,285	0	568,979
Total capital assets not being depreciated	<u>2,983,095</u>	<u>253,285</u>	<u>0</u>	<u>3,236,380</u>
Capital assets, being depreciated:				
Buildings	19,781,607	0	0	19,781,607
Improvements other than building	2,523,354	0	0	2,523,354
Machinery and equipment	1,517,112	27,416	0	1,544,528
Furniture and fixtures	36,582	0	0	36,582
Vehicles	3,306,526	59,977	0	3,366,503
Infrastructure	52,679,645	226,217	(2,688)	52,903,174
Total capital assets being depreciated	<u>79,844,826</u>	<u>313,610</u>	<u>(2,688)</u>	<u>80,155,748</u>
Less accumulated depreciation:				
Buildings	(5,694,502)	(348,331)	0	(6,042,833)
Improvements other than building	(1,438,074)	(104,223)	0	(1,542,297)
Machinery and equipment	(1,147,010)	(89,384)	0	(1,236,394)
Furniture and fixtures	(13,232)	(1,953)	0	(15,185)
Vehicles	(2,393,031)	(162,267)	0	(2,555,298)
Infrastructure	(26,725,710)	(1,313,099)	2,688	(28,036,121)
Total accumulated depreciation	<u>(37,411,559)</u>	<u>(2,019,257)</u>	<u>2,688</u>	<u>(39,428,128)</u>
Total capital assets being depreciated, net	<u>42,433,267</u>	<u>(1,705,647)</u>	<u>0</u>	<u>40,727,620</u>
Governmental activities capital assets, net	<u>\$45,416,362</u>	<u>(\$1,452,362)</u>	<u>\$0</u>	<u>\$43,964,000</u>

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In 2011, depreciation expense was charged to governmental functions as follows:

Security of persons and property	\$240,150
Public health services	2,348
Leisure time activities	313,920
Community environment	4,056
Transportation	1,208,771
General government	250,012
	<u>\$2,019,257</u>

9. COMPENSATED ABSENCES

Accumulated Unpaid Vacation Leave

Full-time City employees earn vacation leave at varying rates based upon years of service. Employees are compensated at year-end for any unused vacation if requested by the employee. Vacation leave accumulated normally must be used by year-end, but based on the City implementing voluntary furlough leave in 2011, up to thirty-two hours of vacation leave was allowed to be carried over to 2012. The balance carried over must be used by March 31, 2012.

Accumulated Unpaid Sick Leave

Full-time City employees earn sick leave at the rate of ten hours per month, provided that in each month, one hundred hours were worked. Sick leave balances at year-end are carried over to the next year. Sick leave may be accumulated up to 1,600 hours. Employees are compensated at year-end for sick leave balances over 1,600 (paid out at one-half the hours over 1,600). At retirement, an employee (or the employee's estate in the case of an employee's death) is paid for the accumulated sick leave hours as follows:

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

Compensatory Time

Compensatory time can only be accumulated by full-time employees for hours worked in excess of their regular schedule. Compensatory hours are compensated at a rate of one and one-half times the employees regular pay rate. Compensatory time balances at year-end are carried over to the next year. For non-union employees, the maximum balance of compensatory time to be accumulated at any given time is sixty-eight hours. Employees of the fire department under union contract can accrue and use up to a balance of seventy-two hours at any given time. Employees of the police department under union contract can accrue and use up to a balance of one hundred hours at any given time.

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10. LONG-TERM OBLIGATIONS

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

Governmental Activities	Balance 1-1-11	Addition s	Deletions	Balance 12-31-11	Amount Due Within A Year
General obligation bonds:					
Community center expansion bonds	\$2,707,192	\$0	(\$401,072)	\$2,306,120	\$401,072
Total general obligation bonds	2,707,192	0	(401,072)	2,306,120	401,072
Tax increment financing phase I revenue bonds	2,533,942	0	(70,578)	2,463,364	75,036
Capital leases	21,305	135,000	(5,921)	150,384	50,569
Compensated absences	661,967	841,164	(769,325)	733,806	196,045
Total governmental activities	<u>\$5,924,406</u>	<u>\$976,164</u>	<u>(\$1,246,896)</u>	<u>\$5,653,674</u>	<u>\$722,722</u>

The 1-1-11 balance reflects unamortized bond premium for the general obligation bond issue. The deletions above reflect amortization of bond premium of \$1,072 for the community center expansion bonds that is not reflected in the fund financial statements.

Community Center Expansion General Obligation Bonds Payable

The City issued \$5,900,000 of Community Center Expansion General Obligation Bonds dated September 15, 2002. The bonds mature December 1, 2017 and bear interest at the rate of 3.72%. The bonds were issued for the purpose of paying the cost of constructing, furnishing and equipping additions and renovations to the Municipal Community Center, and paying related costs, under authority of the general laws of the State of Ohio and the Uniform Public Securities Law of the Ohio Revised Code and by virtue of ordinances duly adopted by Council. For the fiscal year 2011, principal and interest payments were \$400,000 and \$103,800, respectively. The liability at December 31, 2011 for the Community Center Expansion General Obligation Bonds payable is \$2,306,120 and is recorded in the government-wide financial statements.

Tax Increment Financing - Phase I Revenue Bonds Payable

The City issued \$3,040,000 of Pictoria Island Phase I Tax Increment Financing (TIF) Revenue Bonds dated September 14, 2000. The bonds retired notes that were issued for the construction of infrastructure and a man-made lake in the Northwest Business District (Pictoria Island) TIF area. The bonds mature September 1, 2029 and bear interest at the rate of 6.70%. The City has pledged future service payments (payments in lieu of taxes) received from the owners of the property under the TIF agreement to repay the bond principal and interest. The service payments are based on the incremental value of improvements made to the

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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 \$4,222,147 payable through September 2029. For fiscal year 2011, principal and interest payments made and total service payments and shortfall received were \$238,198 and \$259,489, respectively. The liability at December 31, 2011 for the TIF Revenue Bonds Payable is \$2,463,364 and is presented in the government-wide financial statements.

Principal and interest requirements to retire the City's long-term obligations outstanding at year-end are as follows:

<u>Year-Ending</u> <u>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>
2012	\$401,072	\$89,600	\$75,036	\$163,162
2013	401,072	74,800	80,221	157,977
2014	401,072	59,800	85,764	152,434
2015	401,072	44,600	91,690	146,508
2016	401,072	29,000	98,025	140,174
2017-2021	300,760	12,600	601,580	589,409
2022-2026	0	0	840,190	350,799
2027-2029	0	0	590,858	58,320
Total	<u>\$2,306,120</u>	<u>\$310,400</u>	<u>\$2,463,364</u>	<u>\$1,758,783</u>

Under the current City Charter, the City's 2011 general obligation bonded debt was subject to legal limitation of \$33,198,538, based on 10.5 percent of the total assessed value of real and public utility tangible personal property located within the City.

11. LEASES

The City's lease obligations that meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 "*Accounting for Leases*", have been recorded on the government-wide statements. The following is a schedule of the future long-term minimum lease payments required under capital lease, and the present value of the minimum lease payments:

<u>Year Ending December 31</u>	
2012	\$54,036
2013	55,706
2014	47,018
Total minimum lease payments	<u>156,760</u>
Less: amount representing interest	<u>(6,376)</u>
Present value of minimum lease payments	<u>\$150,384</u>

Except as noted below, the leased assets have been capitalized for the amount of the present value of the minimum lease payments at the inception of the lease. \$31,454 represents the amount of capital assets

CITY OF SPRINGDALE, OHIO
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under capital lease obligation at December 31, 2011. In 2011, \$5,463 was paid from the general fund as principal retirement and \$458 was paid from the grants 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.

In 2011, the City entered into a capital lease transaction for the acquisition of an ambulance. When the ambulance is delivered to the city, the bank-lessor will purchase the ambulance from the vendor and the City will lease the ambulance from bank-lessor. At the closing of the lease, the funds to purchase the ambulance were placed in a separate account in the City's name. At December 31, 2011, the ambulance was not yet delivered to the City. Therefore, the lease obligation is included as cash in segregated account on the government-wide statements and fund financial statements. The ambulance is not reflected as a capital asset at December 31, 2011.

12. DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System

Substantially all City employees, other than full-time fire and police personnel, participate in the Ohio Public Employees Retirement System (OPERS). The OPERS administers three separate pension plans as described below:

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

The Member-Directed Plan - a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings.

The Combined Plan - a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code (ORC). OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or calling 614-222-5601 or 1-800 222-7377.

The ORC provides statutory authority for member and employer contributions. For 2011, member and employer contribution rates were consistent across all three plans. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan. The 2011 member contribution rates were 10.0% of covered payroll for members in state and local classifications. Public safety and law enforcement members contributed 11.0% and 11.6%, respectively. The 2011 employer contribution rate for state and local employers was 14.0% of covered payroll. The law enforcement and public safety division employer contribution rate was 18.10% of covered payroll. The City's contributions to OPERS for the years ended December 31, 2011, 2010, and

CITY OF SPRINGDALE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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2009 were \$520,157, \$545,608, and \$592,041, respectively, equal to the required contribution for each year.

Ohio Police and Fire Pension Fund

All full-time police officers and firefighters participate in the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. The City's contributions to OP&F for the years ending December 31, 2011, 2010, and 2009, were \$898,883, \$952,746, and \$977,239, respectively, or 62% of the required contributions for 2011, and 100% of the required contributions for 2010 and 2009.

13. POST EMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

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

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by the OPERS meets the definition of an Other Post-employment Benefit as described in GASB Statement No. 45, "*Accounting and Financial Reporting by Employers for Post-employment Benefits other than Pension*".

The Ohio Revised Code (ORC) permits, but does not mandate, OPERS to provide other post-employment benefits (OPEB) to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the ORC. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or calling 614-222-5601 or 1-800 222-7377.

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Funding Policy - The ORC provides the statutory authority requiring public employers to fund post-employment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2011, state and local employers contributed at a rate of 14% of covered payroll and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the ORC. Active members do not make contributions to the OPEB Plan.

The OPERS' Post Employment Health Care Plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4% during calendar year 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05% during calendar year 2011. The portion of employer contributions allocated to health care for the calendar year beginning January 1, 2012 remained the same, but they are subject to change based on Board action. Employers will be notified if the portion allocated to health care changes during calendar year 2012. The OPERS Board of Trustees is also authorized to establish rules for the retiree, or their surviving beneficiaries, to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependants and the coverage selected.

The rates stated above are the contractually required contribution rates for OPERS. The employer contributions actually made by the City to fund post-employment benefits for the years ending December 31, 2011, 2010, and 2009 were \$148,609, \$198,569, and \$249,607, respectively, equal to 100% of the required contributions.

The Health Care Preservation Plan adopted by the OPERS Board of Trustees on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates for state and local employers increased on January 1 of each year from 2006 to 2008. Rates for law and public safety employers increased over a six year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

Ohio Police and Fire Pension Fund

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

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by the OP&F meets the definition of an Other Post Employment Benefit as described in GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Post-employment Benefits other than Pension".

CITY OF SPRINGDALE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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The ORC allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits are codified in Chapter 742 of the ORC. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2011, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the healthcare 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 also is 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 contributions to OP&F for the years ending December 31, 2011, 2010, and 2009, were \$898,883, \$952,746, and \$977,239, respectively, of which \$563,599, \$597,372, and \$612,729, respectively, was allocated to the healthcare plan.

14. OTHER EMPLOYEE BENEFITS

Deferred Compensation Plan

City employees may participate in the Ohio Public Employees Deferred Compensation Plan ("Plan") created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary, payroll deduction basis. Under the Plan, employees can defer up to \$11,000 annually until a future time (usually after retirement). The deferred amounts as well as any income earned related to the deferral are not subject to federal or state income tax until actually received by the employee. The Plan permits deferral of compensation until future years. According to the Plan, the deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The Plan agreement states that the City and the Plan have no liability for losses under the Plan with the exception of fraud or wrongful taking. The Deferred Compensation Plan assets are placed in trust for the sole benefit of employees or

CITY OF SPRINGDALE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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other beneficiaries. In accordance with GASB Statement No. 32, *“Accounting and Financial Reporting for Internal Revenue Code, Section 457, Deferred Compensation Plans”*, these amounts are not reflected on the City’s financial statements.

15. RISK MANAGEMENT

Property Insurance Program

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters and has established a risk management strategy that attempts to minimize losses and the carrying cost of insurance. Effective June 1, 1991, the City joined the Miami Valley Risk Management Association (MVRMA), a property and casualty pooling arrangement. MVRMA’s deductible is \$2,500 per community per occurrence. MVRMA retains responsibility for the payment of claims within specified self-insured retention limits prior to the application of coverage provided by excess reinsurance contracts. MVRMA’s per-occurrence retention limit for property was \$250,000 effective July 1, 2009 with the exception of boiler and machinery for which there was a \$5,000 per-occurrence retention limit. General liability had a per-occurrence retention limit of \$10,000,000 in 2011. 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 plan. Under this program, coverage is provided for up to \$100,000 per covered person. The plan 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 plan effective August 1, 2010. The City accounts for this activity in the general fund (premium payments are made on a monthly basis).

Premium payments are made based on actuarial estimates of the amounts needed to pay claims and actual amounts needed to pay fixed costs (premiums for stop-loss coverage, medical conversion, and administrative fees and services). OME-RESA’s independent advisor has determined that \$705,508 is a good and sufficient provision for incurred but not reported health claims as of December 31, 2011. This amount is non-discounted and is based on historical claims experience.

Also, the City provides a dental plan with coverage ranging from 50 percent to 100 percent depending on the type of dental services performed. A third party administrator (Dental Care Plus) reviews all claims which then are paid by the City. There is a monthly charge for employees enrolled in the dental plan. The liability for incurred but not reported dental claims as of December 31, 2011 is \$7,516.

The total health and dental claims liability of \$713,024 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 incurred but not reported claims, be accrued at the estimated ultimate cost of settling claims.

CITY OF SPRINGDALE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Following are reconciliations of the changes in aggregate liabilities for claims payable for the past two years for health insurance and dental insurance programs:

<u>Health Insurance</u>	<u>2011</u>	<u>2010</u>
Claims payable, beginning of the year	\$725,888	\$76,465
Claims incurred during the year	973,898	2,334,157
Claim payments during the year	<u>(994,278)</u>	<u>(1,684,734)</u>
Claims payable, end of year	<u>\$705,508</u>	<u>\$725,888</u>
<u>Dental Insurance</u>	<u>2011</u>	<u>2010</u>
Claims payable, beginning of the year	\$27,050	\$9,566
Claims incurred during the year	90,831	205,769
Claim payments during the year	<u>(110,365)</u>	<u>(188,285)</u>
Claims payable, end of year	<u>\$7,516</u>	<u>\$27,050</u>

The total liability for claims payable at December 31, 2011 is \$713,024.

16. JOINT VENTURES

Miami Valley Risk management Association

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

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

MVRMA maintains excess reinsurance contracts with insurance carriers who provide various limits of coverage over MVRMA's self-insured retention limits. For the year-ended December 31, 2011, MVRMA purchased the following types of insurance/reinsurance in excess of its self-insurance retention presented in the previous paragraph:

CITY OF SPRINGDALE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2011

General liability	\$10,000,000 per occurrence
Automobile liability	10,000,000 per occurrence
Police professional liability	10,000,000 per occurrence
Employment practices liability	500,000 per occurrence and annual aggregate
Public officials liability including employee benefits liability	500,000 per occurrence and annual aggregate
Property (excluding flood and earthquake)	1,000,000,000 per occurrence
Property – flood and earthquake	25,000,000 per occurrence and annual aggregate
Boiler and machinery	100,000,000 per occurrence
Cyber coverage	100,000 per occurrence
Pollution liability	100,000 pollution condition, 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, 2011. MVRMA was created to enable its members to share risk, and it is reasonably possible that MVRMA, Inc. may make additional assessments to the City. The pool contribution factors at December 31, 2011 are: Beavercreek - 5.85%, Bellbrook - .95%, Blue Ash – 6.9%, Centerville – 4.55%, Englewood – 3.46%, Indian Hill - 3.39%, Kettering - 11.90%, Maderia - 1.91%, Mason - 6.47%, Miamisburg - 8.3%, Montgomery - 3.11%, NAWA - .23%, Piqua – 5.90%, Sidney - 6.77%, Springdale – 3.99%, Tipp City - 2.82%, Troy - 7.16%, Vandalia - 4.71%, West Carolton - 3.24%, Wilmington - 5.73%, Wyoming - 2.66%.

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CITY OF SPRINGDALE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2011

A summary of audited financial information for MVRMA as of December 31, 2010, is presented below:

Total assets	<u>\$18,829,056</u>
Total liabilities	\$7,314,101
Total net assets	<u>11,514,955</u>
Total liabilities and net assets	<u>\$18,829,056</u>
Total operating revenues	\$4,143,479
Total non-operating revenues	<u>115,903</u>
Total revenue	4,259,382
Total operating expenses	<u>4,528,992</u>
Change in net assets	(269,610)
Beginning net assets	<u>11,784,565</u>
Ending net assets	<u>\$11,514,955</u>

Joint Economic Development District

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

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

The City of Springdale receives funding under the JEDD for a total of 10 years, at 7% of the net distribution. The City began receiving JEDD distributions in January of 2010. The amounts received are recorded to the general fund as intergovernmental revenue. A total of \$103,590 was recorded as revenue in 2011. The distribution of funds under the JEDD is as follows:

Distribution of Gross Tax:

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

Net Distribution:

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

**CITY OF SPRINGDALE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2011**

17. CONSTRUCTION COMMITMENTS

As of December 31, 2011, the City had the following construction commitments with respect to capital improvement projects:

Project	Contract Amount	Amount Paid at 12/31/11	Remaining Construction Commitment
Traffic Signal System Upgrades	\$788,330	\$153,760	\$634,570
Beaver Run Riparian Restoration - Phase II	277,417	0	277,417

The Traffic Signal System Upgrade project is administered by the Ohio Department of Transportation (ODOT), except for the City’s local obligation. The City records transactions as ODOT makes on-behalf-of-payments to the contractor. ODOT has encumbered these transactions on their internal financial system, therefore, no amounts are encumbered by the City at year-end outside any anticipated remaining local obligation. The Beaver Run Riparian Restoration – Phase II project is administered by the City. The City records transactions as payments are made and then reimbursement is obtained from the Ohio Environmental Protection Agency.

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

18. CONTINGENT LIABILITIES

The City’s attorney is of the opinion that ultimate disposition of actual or potential claims against the City and other actual or potential legal proceedings will not materially affect the financial condition of the City. Therefore, the financial statements do not present estimated claims from legal proceedings.

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Combining Statements and Individual Fund Schedules

NONMAJOR GOVERNMENTAL FUNDS

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

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

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

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

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

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

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

Driving Under the Influence Fund – To account for fines imposed on DUI offenders. Under state law disbursements may be made from this fund for law enforcement purposes related to informing the public of laws governing the operation of a motor vehicle while under the influence of alcohol.

Residential Recycling Incentive Fund – To account for payments received from the Hamilton County Solid Waste Management District incentive funds and expenditures made for solid waste management activities.

Vehicle Immobilization Fee Fund – To account for the vehicle immobilization fee received by the State and make expenditures for law enforcement purposes relating to the costs incurred in enforcing Ohio Revised Code Section 4503.233.

Parks and Urban Forestry Fund – To account for the cost of purchasing and planting municipal street trees.

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

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

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

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

**CITY OF SPRINGDALE, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2011**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets:			
Equity in pooled cash and cash equivalents	\$509,208	\$0	\$509,208
Receivables:			
Intergovernmental	272,882	0	272,882
Prepaid items	2,410	0	2,410
Total assets	\$784,500	\$0	\$784,500
Liabilities:			
Accounts payable	\$24,723	\$0	\$24,723
Accrued wages and benefits payable	6,506	0	6,506
Interfund loan payable	2,562	0	2,562
Advances from other funds	0	492,378	492,378
Deferred revenue	226,650	0	226,650
Total liabilities	260,441	492,378	752,819
Fund balances:			
Restricted	525,366	0	525,366
Unassigned	(1,307)	(492,378)	(493,685)
Total fund balance (deficit)	524,059	(492,378)	31,681
Total liabilities and fund balances	\$784,500	\$0	\$784,500

CITY OF SPRINGDALE, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Intergovernmental	650,105	0	650,105
Fines and forfeitures	30,404	0	30,404
Fees, licenses and permits	8,092	0	8,092
Contributions and donations	4,400	0	4,400
Other	2,500	0	2,500
	<u>695,501</u>	<u>0</u>	<u>695,501</u>
Expenditures:			
Current:			
Security of persons and property	38,022	0	38,022
Public health services	20,081	0	20,081
Leisure time activities	36,693	0	36,693
Community environment	51,582	0	51,582
Transportation	353,386	0	353,386
General government	0	27,705	27,705
Capital outlay	25,575	0	25,575
Debt service:			
Principal retirement	458	400,000	400,458
Interest and fiscal charges	70	103,800	103,870
	<u>525,867</u>	<u>531,505</u>	<u>1,057,372</u>
Ecess (deficiency) of revenues over expenditures	<u>169,634</u>	<u>(531,505)</u>	<u>(361,871)</u>
Other financing sources:			
Transfers-in	<u>10,000</u>	<u>503,800</u>	<u>513,800</u>
Total other financing sources	<u>10,000</u>	<u>503,800</u>	<u>513,800</u>
Net change in fund balances	179,634	(27,705)	151,929
Beginning fund balance (deficit)	<u>344,425</u>	<u>(464,673)</u>	<u>(120,248)</u>
Ending fund balance (deficit)	<u><u>\$524,059</u></u>	<u><u>(\$492,378)</u></u>	<u><u>\$31,681</u></u>

**CITY OF SPRINGDALE, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2011**

	Street Construction, Maintenance and Repair Fund	State Highway Fund	Grants Fund	Drug Law Enforcement Fund	Law Enforcement Fund
Assets:					
Equity in pooled cash and cash equivalents	\$365,388	\$13,746	\$61,337	\$13,440	\$5,205
Receivable:					
Intergovernmental	235,000	18,900	12,578	0	0
Prepaid items	<u>0</u>	<u>0</u>	<u>2,410</u>	<u>0</u>	<u>0</u>
Total assets	<u><u>\$600,388</u></u>	<u><u>\$32,646</u></u>	<u><u>\$76,325</u></u>	<u><u>\$13,440</u></u>	<u><u>\$5,205</u></u>
Liabilities:					
Accounts payable	\$18,184	\$0	\$0	\$1,298	\$0
Accrued wages and benefits payable	4,546	1,960	0	0	0
Interfund loan payable	0	0	2,562	0	0
Deferred revenue	<u>195,676</u>	<u>15,711</u>	<u>9,159</u>	<u>0</u>	<u>0</u>
Total liabilities	<u>218,406</u>	<u>17,671</u>	<u>11,721</u>	<u>1,298</u>	<u>0</u>
Fund balances:					
Restricted	381,982	14,975	64,604	12,142	5,205
Unassigned	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total fund balances	<u>381,982</u>	<u>14,975</u>	<u>64,604</u>	<u>12,142</u>	<u>5,205</u>
Total liabilities and fund balances	<u><u>\$600,388</u></u>	<u><u>\$32,646</u></u>	<u><u>\$76,325</u></u>	<u><u>\$13,440</u></u>	<u><u>\$5,205</u></u>

Law Enforcement Training Fund	Driving Under the Influence Fund	Residential Recycling Fund	Vehicle Immobilization Fee Fund	Parks and Urban Forestry Fund	Adult Sports Fund	Total Nonmajor Special Revenue Funds
\$8,410	\$27,584	\$684	\$2,299	\$4,400	\$6,715	\$509,208
0	1,800	4,604	0	0	0	272,882
0	0	0	0	0	0	2,410
<u>\$8,410</u>	<u>\$29,384</u>	<u>\$5,288</u>	<u>\$2,299</u>	<u>\$4,400</u>	<u>\$6,715</u>	<u>\$784,500</u>
\$0	\$3,250	\$1,991	\$0	\$0	\$0	\$24,723
0	0	0	0	0	0	6,506
0	0	0	0	0	0	2,562
0	1,500	4,604	0	0	0	226,650
0	4,750	6,595	0	0	0	260,441
8,410	24,634	0	2,299	4,400	6,715	525,366
0	0	(1,307)	0	0	0	(1,307)
<u>8,410</u>	<u>24,634</u>	<u>(1,307)</u>	<u>2,299</u>	<u>4,400</u>	<u>6,715</u>	<u>524,059</u>
<u>\$8,410</u>	<u>\$29,384</u>	<u>\$5,288</u>	<u>\$2,299</u>	<u>\$4,400</u>	<u>\$6,715</u>	<u>\$784,500</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, 2011**

	Street Construction, Maintenance and Repair Fund	State Highway Fund	Grants Fund	Drug Law Enforcement Fund	Law Enforcement Fund
Revenues:					
Intergovernmental	\$478,861	\$38,828	\$122,125	\$0	\$0
Fines and forfeitures	0	0	0	19,583	6,452
Fees, licenses and permits	0	0	0	0	0
Contributions and donations	0	0	0	0	0
Other	0	0	2,500	0	0
	<u>478,861</u>	<u>38,828</u>	<u>124,625</u>	<u>19,583</u>	<u>6,452</u>
Total revenues					
Expenditures:					
Current:					
Security of persons and property	0	0	21,969	7,713	1,690
Public health services	0	0	20,081	0	0
Leisure time activities	0	0	29,350	0	0
Community environment	0	0	29,713	0	0
Transportation	313,698	39,688	0	0	0
Capital outlay	20,275	0	0	1,000	3,000
Debt service:					
Principal retirement	0	0	458	0	0
Interest and fiscal charges	0	0	70	0	0
	<u>333,973</u>	<u>39,688</u>	<u>101,641</u>	<u>8,713</u>	<u>4,690</u>
Total expenditures					
Excess (deficiency) of revenues over expenditures	<u>144,888</u>	<u>(860)</u>	<u>22,984</u>	<u>10,870</u>	<u>1,762</u>
Other financing sources:					
Transfers-in	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total other financing sources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balances	144,888	(860)	22,984	10,870	1,762
Beginning fund balances	<u>237,094</u>	<u>15,835</u>	<u>41,620</u>	<u>1,272</u>	<u>3,443</u>
Ending fund balance (deficit)	<u>\$381,982</u>	<u>\$14,975</u>	<u>\$64,604</u>	<u>\$12,142</u>	<u>\$5,205</u>

Law Enforcement Training Fund	Driving Under the Influence Fund	Residential Recycling Fund	Vehicle Immobilization Fee Fund	Parks and Urban Forestry Fund	Adult Sports Fund	Total Nonmajor Special Revenue Funds
\$0	\$0	\$10,291	\$0	\$0	\$0	\$650,105
0	4,369	0	0	0	0	30,404
0	0	0	0	0	8,092	8,092
0	0	0	0	4,400	0	4,400
0	0	0	0	0	0	2,500
0	4,369	10,291	0	4,400	8,092	695,501
3,400	3,250	0	0	0	0	38,022
0	0	0	0	0	0	20,081
0	0	0	0	0	7,343	36,693
0	0	21,869	0	0	0	51,582
0	0	0	0	0	0	353,386
0	1,300	0	0	0	0	25,575
0	0	0	0	0	0	458
0	0	0	0	0	0	70
3,400	4,550	21,869	0	0	7,343	525,867
(3,400)	(181)	(11,578)	0	4,400	749	169,634
0	0	10,000	0	0	0	10,000
0	0	10,000	0	0	0	10,000
(3,400)	(181)	(1,578)	0	4,400	749	179,634
11,810	24,815	271	2,299	0	5,966	344,425
\$8,410	\$24,634	(\$1,307)	\$2,299	\$4,400	\$6,715	\$524,059

**CITY OF SPRINGDALE, OHIO
BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUND
DECEMBER 31, 2011**

	<u>Tri-County Mall TIF Fund</u>	<u>Total Nonmajor Capital Projects Fund</u>
Liabilities:		
Advances from other funds	<u>\$492,378</u>	<u>\$492,378</u>
Total liabilities	<u>492,378</u>	<u>492,378</u>
Fund balance:		
Unassigned	<u>(492,378)</u>	<u>(492,378)</u>
Total fund deficit	<u>(492,378)</u>	<u>(492,378)</u>
Total liabilities and fund balance	<u><u>\$0</u></u>	<u><u>\$0</u></u>

CITY OF SPRINGDALE, OHIO
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Tri-County Mall TIF Fund	Community Center Debt Fund	Total Capital Projects Funds
	<u> </u>	<u> </u>	<u> </u>
Revenues:	\$0	\$0	\$0
Expenditures:			
Current:			
General government	27,705	0	27,705
Debt service:			
Principal retirement	0	400,000	400,000
Interest and fiscal charges	<u>0</u>	<u>103,800</u>	<u>103,800</u>
Total expenditures	<u>27,705</u>	<u>503,800</u>	<u>531,505</u>
Deficiency of revenues over expenditures	<u>(27,705)</u>	<u>(503,800)</u>	<u>(531,505)</u>
Other financing sources:			
Transfers-in	<u>0</u>	<u>503,800</u>	<u>503,800</u>
Total other financing sources	<u>0</u>	<u>503,800</u>	<u>503,800</u>
Net change in fund balance	(27,705)	0	(27,705)
Beginning fund balance (deficit)	<u>(464,673)</u>	<u>0</u>	<u>(464,673)</u>
Ending fund balance (deficit)	<u><u>(\$492,378)</u></u>	<u><u>\$0</u></u>	<u><u>(\$492,378)</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, 2011**

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Municipal income taxes	\$11,305,693	\$12,075,693	\$12,485,560	\$409,867
Property and other taxes	1,456,000	1,456,000	1,206,337	(249,663)
Special assessments	2,000	2,000	2,934	934
Intergovernmental	1,374,089	1,374,089	1,315,559	(58,530)
Charges for services	353,000	353,000	321,005	(31,995)
Fines and forfeitures	293,000	293,000	253,611	(39,389)
Fees, licenses and permits	351,700	351,700	383,974	32,274
Interest	20,000	20,000	16,108	(3,892)
Other	206,129	251,129	221,533	(29,596)
Total revenues	15,361,611	16,176,611	16,206,621	30,010
Expenditures:				
Police department:				
Personal services	4,137,170	4,137,170	4,103,148	34,022
Other	713,591	713,591	624,102	89,489
Total police department	4,850,761	4,850,761	4,727,250	123,511
Fire department:				
Personal services	3,072,849	3,072,849	2,971,657	101,192
Other	356,654	356,654	304,239	52,415
Total fire department	3,429,503	3,429,503	3,275,896	153,607
Health department:				
Personal services	306,829	306,829	282,558	24,271
Other	35,050	35,050	30,247	4,803
Total health department	341,879	341,879	312,805	29,074
Parks and recreation department:				
Personal services	1,158,237	1,118,237	1,047,933	70,304
Other	456,908	396,908	314,413	82,495
Total parks and recreation department	1,615,145	1,515,145	1,362,346	152,799
Building department:				
Personal services	482,910	482,910	461,749	21,161
Other	60,356	60,356	36,719	23,637
Total building department	543,266	543,266	498,468	44,798
Public works department:				
Personal services	758,287	733,287	678,166	55,121
Other	452,749	427,749	347,217	80,532
Total public works department	1,211,036	1,161,036	1,025,383	135,653
Finance department:				
Personal services	213,962	218,962	213,021	5,941
Other	75,300	80,300	72,744	7,556
Total finance department	289,262	299,262	285,765	13,497

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, 2011
(CONTINUED)

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Tax department:				
Personal services	415,246	390,246	364,212	26,034
Other	463,775	438,775	403,201	35,574
Total tax department	879,021	829,021	767,413	61,608
Administration department:				
Personal services	794,324	794,324	761,141	33,183
Other	2,015,609	1,893,817	1,754,104	139,713
Total administration department	2,809,933	2,688,141	2,515,245	172,896
Total expenditures	15,969,806	15,658,014	14,770,571	887,443
Excess (deficiency) of revenues over expenditures	(608,195)	518,597	1,436,050	917,453
Other financing sources (uses):				
Transfers-in	195	195	195	0
Transfers-out	(1,055,800)	(763,800)	(763,800)	0
Advances-out	(1,475)	(30,267)	(30,267)	0
Total other financing sources (uses)	(1,057,080)	(793,872)	(793,872)	0
Net change in fund balance	(1,665,275)	(275,275)	642,178	917,453
Beginning fund balance	4,213,709	4,213,709	4,213,709	0
Prior years encumbrances	77,790	77,790	77,790	0
Ending fund balance	\$2,626,224	\$4,016,224	\$4,933,677	\$917,453

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, 2011

	<u>Capital Improvements Fund</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues	\$1,199,580	\$141,580	\$90,649	(\$50,931)
Expenditures:				
Other	<u>2,537,409</u>	<u>787,409</u>	<u>712,859</u>	<u>74,550</u>
Excess (deficiency) of revenues over expenditures	<u>(1,337,829)</u>	<u>(645,829)</u>	<u>(622,210)</u>	<u>23,619</u>
Other financing sources:				
Transfers-in	<u>542,000</u>	<u>250,000</u>	<u>250,000</u>	<u>0</u>
Total other financing sources	<u>542,000</u>	<u>250,000</u>	<u>250,000</u>	<u>0</u>
Net change in fund balance	(795,829)	(395,829)	(372,210)	23,619
Beginning fund balance	202,632	202,632	202,632	0
Prior year encumbrances	<u>643,329</u>	<u>643,329</u>	<u>643,329</u>	<u>0</u>
Ending fund balance	<u><u>\$50,132</u></u>	<u><u>\$450,132</u></u>	<u><u>\$473,751</u></u>	<u><u>\$23,619</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, 2011**

	Northwest Business District TIF Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$770,001	\$849,001	\$848,740	(\$261)
Expenditures:				
Other	747,175	825,175	822,596	2,579
Net change in fund balance	22,826	23,826	26,144	2,318
Beginning fund balance	153,577	153,577	153,577	0
Ending fund balance	\$176,403	\$177,403	\$179,721	\$2,318

**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, 2011**

	<u>Street Construction, Maintenance and Repair Fund</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues	\$487,000	\$487,000	\$479,372	(\$7,628)
Expenditures:				
Personal services	325,000	185,000	163,877	21,123
Other	191,000	191,000	173,298	17,702
Total expenditures	<u>516,000</u>	<u>376,000</u>	<u>337,175</u>	<u>38,825</u>
Net change in fund balance	(29,000)	111,000	142,197	31,197
Beginning fund balance	<u>204,721</u>	<u>204,721</u>	<u>204,721</u>	<u>0</u>
Ending fund balance	<u><u>\$175,721</u></u>	<u><u>\$315,721</u></u>	<u><u>\$346,918</u></u>	<u><u>\$31,197</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, 2011**

	State Highway Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$39,000	\$39,000	\$38,868	(\$132)
Expenditures:				
Personal services	32,000	32,000	22,728	9,272
Other	15,000	15,000	15,000	0
Total expenditures	47,000	47,000	37,728	9,272
Net change in fund balance	(8,000)	(8,000)	1,140	9,140
Beginning fund balance	12,606	12,606	12,606	0
Ending fund balance	\$4,606	\$4,606	\$13,746	\$9,140

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, 2011

	Grants Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$109,562	\$119,475	\$118,925	(\$550)
Expenditures:				
Personal services	37,326	29,326	29,052	274
Other	69,200	85,200	82,549	2,651
Total expenditures	106,526	114,526	111,601	2,925
Excess of revenues over expenditures	3,036	4,949	7,324	2,375
Other financing sources:				
Advance-in	1,475	2,562	2,562	0
Total other financing sources	1,475	2,562	2,562	0
Net change in fund balance	4,511	7,511	9,886	2,375
Beginning fund balance	43,901	43,901	43,901	0
Ending fund balance	\$48,412	\$51,412	\$53,787	\$2,375

**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, 2011**

	Drug Law Enforcement Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$200	\$19,700	\$19,583	(\$117)
Expenditures:				
Other	1,672	9,172	8,913	259
Net change in fund balance	(1,472)	10,528	10,670	142
Beginning fund balance	272	272	272	0
Prior year encumbrances	1,200	1,200	1,200	0
Ending fund balance	\$0	\$12,000	\$12,142	\$142

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, 2011

	Law Enforcement Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$0	\$6,452	\$6,452	\$0
Expenditures:				
Other	3,443	5,443	4,690	753
Net change in fund balance	(3,443)	1,009	1,762	753
Beginning fund balance	443	443	443	0
Prior year encumbrances	3,000	3,000	3,000	0
Ending fund balance	<u>\$0</u>	<u>\$4,452</u>	<u>\$5,205</u>	<u>\$753</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, 2011

	Law Enforcement Training Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$0	\$0	\$0	\$0
Expenditures:				
Other	11,810	3,810	3,400	410
Net change in fund balance	(11,810)	(3,810)	(3,400)	410
Beginning fund balance	11,810	11,810	11,810	0
Ending fund balance	\$0	\$8,000	\$8,410	\$410

**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, 2011**

	Driving Under the Influence Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$4,000	\$4,000	\$4,919	\$919
Expenditures:				
Other	27,600	5,600	4,850	750
Net change in fund balance	(23,600)	(1,600)	69	1,669
Beginning fund balance	22,665	22,665	22,665	0
Prior year encumbrances	1,600	1,600	1,600	0
Ending fund balance	\$665	\$22,665	\$24,334	\$1,669

**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, 2011**

	Residential Recycling Incentive Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$11,000	\$11,000	\$10,291	(\$709)
Expenditures:				
Other	23,625	26,825	26,190	635
Deficiency of revenues over expenditures	(12,625)	(15,825)	(15,899)	(74)
Other financing sources:				
Transfers-in	10,000	10,000	10,000	0
Total other financing sources	10,000	10,000	10,000	0
Net change in fund balance	(2,625)	(5,825)	(5,899)	(74)
Beginning fund balance	6,583	6,583	6,583	0
Ending fund balance	\$3,958	\$758	\$684	(\$74)

**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, 2011**

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

CITY OF SPRINGDALE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2011

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

**CITY OF SPRINGDALE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Adult Sports Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$8,500	\$8,500	\$8,092	(\$408)
Expenditures:				
Other	8,750	8,750	7,343	1,407
Net change in fund balance	(250)	(250)	749	999
Beginning fund balance	5,966	5,966	5,966	0
Ending fund balance	\$5,716	\$5,716	\$6,715	\$999

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, 2011

	Tri-County Mall TIF Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$0	\$0	\$0	\$0
Expenditures:				
Other	0	27,705	27,705	0
Excess (deficiency) of revenues over expenditures	0	(27,705)	(27,705)	0
Other financing sources:				
Advances-in	0	27,705	27,705	0
Total other financing sources	0	27,705	27,705	0
Net change in fund balance	0	0	0	0
Beginning fund balance	0	0	0	0
Ending fund balance	\$0	\$0	\$0	\$0

CITY OF SPRINGDALE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2011

	Community Center Debt Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$0	\$0	\$0	\$0
Expenditures:				
Other	\$503,800	\$503,800	\$503,800	\$0
Deficiency of revenues over expenditures	(503,800)	(503,800)	(503,800)	0
Other financing sources:				
Transfers-in	503,800	503,800	503,800	0
Total other financing sources	503,800	503,800	503,800	0
Net change in fund balance	0	0	0	0
Beginning fund balance	0	0	0	0
Ending fund balance	\$0	\$0	\$0	\$0

SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUND

An agency fund is used to account for assets held by the City in the capacity of an agent for individuals, private organizations, other governmental units, and/or other funds. The City had the following agency fund at year-end 2011:

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

**CITY OF SPRINGDALE, OHIO
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

OHIO BOARD OF BUILDING STANDARDS ASSESSMENT FUND

	Balance 1-1-11	Additions	Deductions	Balance 12-31-11
Assets:				
Equity in pooled cash and cash equivalents	\$129	\$1,904	(\$1,963)	\$70
Total assets	\$129	\$1,904	(\$1,963)	\$70
Liabilities:				
OBBS assessment payable	\$129	\$1,904	(\$1,963)	\$70
Total liabilities	\$129	\$1,904	(\$1,963)	\$70

STATISTICAL SECTION

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	94 - 101
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	102 - 107
These schedules contain information to help the reader assess the City's most significant local revenue sources.	
Debt Capacity	108 - 112
These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	113 - 114
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating information	115 - 119
These schedules contain service and capital asset data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

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

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

	Fiscal Year								
	2011	2010	2009 (1)	2008	2007 (1)	2006	2005	2004	2003
Governmental Activities:									
Invested in capital assets, net of related debt	\$39,179,133	\$40,153,924	\$39,758,751	\$38,409,204	\$37,384,095	\$31,627,778	\$30,253,167	\$33,757,865	\$30,481,274
Restricted for:									
Capital projects	957,961	807,915	1,233,445	1,493,138	426,277	405,459	500,209	634,709	530,535
Street construction, maintenance and repair (2)	577,658	437,259	296,822	304,504	310,226	0	0	0	0
Other purposes	173,051	143,200	218,237	343,119	145,191	478,039	466,818	247,618	270,272
Unrestricted	<u>7,647,698</u>	<u>6,960,201</u>	<u>8,142,658</u>	<u>8,024,198</u>	<u>9,721,624</u>	<u>10,137,553</u>	<u>9,350,967</u>	<u>9,569,466</u>	<u>6,847,416</u>
Total governmental activities net assets	<u>\$48,535,501</u>	<u>\$48,502,499</u>	<u>\$49,649,913</u>	<u>\$48,574,163</u>	<u>\$47,987,413</u>	<u>\$42,648,829</u>	<u>\$40,571,161</u>	<u>\$44,209,658</u>	<u>\$38,129,497</u>

(1) - restated from originally reported.

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

Note - The figures above reflect the primary government

Source: City of Springdale, Finance Department.

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

	Fiscal Year								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
Expenses:									
Governmental activities:									
Security of persons and property	\$8,302,605	\$8,810,920	\$8,456,664	\$8,621,133	\$8,012,932	\$7,736,040	\$7,530,755	\$6,787,024	\$6,680,416
Public health services	325,822	374,701	329,233	350,211	307,216	291,719	271,193	237,012	238,119
Leisure time activities	1,680,816	1,857,647	1,966,513	2,165,723	2,122,880	1,982,092	1,780,450	1,561,162	1,599,793
Community environment	496,284	697,507	636,329	569,724	665,349	550,008	898,820	429,532	815,457
Basic utility services	0	0	0	0	0	0	0	351,761	346,257
Transportation	2,316,491	2,405,106	3,042,133	2,404,303	2,754,111	4,040,086	2,698,600	2,966,044	1,903,066
General government	3,994,792	5,403,997	5,934,624	6,009,237	5,878,925	9,856,646	4,654,747	3,493,078	4,019,434
Interest and fiscal charges	281,867	300,536	318,455	334,096	379,544	422,062	435,450	429,712	451,051
Total governmental activities	<u>17,398,677</u>	<u>19,850,414</u>	<u>20,683,951</u>	<u>20,454,427</u>	<u>20,120,957</u>	<u>24,878,653</u>	<u>18,270,015</u>	<u>16,255,325</u>	<u>16,053,593</u>
Program revenues:									
Governmental activities:									
Charges for services:									
Security of persons and property	571,589	697,654	686,782	635,002	701,787	624,188	585,253	295,960	312,763
Public health services	63,923	63,643	60,417	57,306	48,048	54,279	60,608	4,170	2,250
Leisure time activities	143,706	166,211	188,263	173,481	180,271	204,824	152,927	8,039	10,126
Community environment	76,933	99,775	57,079	69,096	198,392	105,286	112,247	0	0
Transportation	4,600	5,190	3,780	5,690	4,005	6,328	5,032	0	0
General government	115,153	115,973	106,800	105,075	100,732	100,312	99,358	0	0
Operating grants and contributions:									
Security of persons and property	25,716	24,538	105,998	74,859	35,043	21,294	78,055	141,294	79,499
Public health services	36,380	63,992	47,140	24,374	22,117	29,049	7,498	6,238	1,633
Leisure time activities	29,350	0	0	4,669	0	1,000	0	0	0
Community environment	29,713	23,195	16,801	0	0	0	0	0	0
Transportation	0	0	0	151,263	0	0	0	35,493	5,105
General government	0	0	0	0	0	1,000	0	0	0
Capital grants and contributions:									
Security of persons and property	0	0	0	0	56,770	0	0	0	0
Leisure time activities	0	0	0	0	10,076	88,080	0	0	0
Transportation	88,541	1,137,457	2,472,788	225,827	2,978,570	6,689,584	4,113,591	4,332,571	839,874
General government	0	0	0	0	0	0	0	0	358,821
Total governmental activities program revenues	<u>1,185,604</u>	<u>2,397,628</u>	<u>3,745,848</u>	<u>1,526,642</u>	<u>4,335,811</u>	<u>7,925,224</u>	<u>5,214,569</u>	<u>4,823,765</u>	<u>1,610,071</u>
Net expense	<u>(16,213,073)</u>	<u>(17,452,786)</u>	<u>(16,938,103)</u>	<u>(18,927,785)</u>	<u>(15,785,146)</u>	<u>(16,953,429)</u>	<u>(13,055,446)</u>	<u>(11,431,560)</u>	<u>(14,443,522)</u>

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

Page 2

	Fiscal Year								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
General revenues and other changes in net assets:									
Governmental activities:									
Municipal income taxes	12,092,698	11,720,803	12,903,475	13,924,066	14,911,874	15,882,753	14,328,990	10,683,944	9,370,885
Property and other taxes	1,125,767	1,520,103	1,533,906	1,615,652	1,763,277	1,627,413	1,719,428	1,883,142	1,847,701
Payments in lieu of taxes	579,923	359,032	682,506	813,210	822,556	712,138	615,809	888,758	715,444
Special assessments	156,600	108,135	430,108	217,836	293,925	39,000	0	0	0
Grants and entitlements - not restricted	1,873,767	2,006,063	1,921,521	2,305,337	2,547,912	2,020,579	2,668,820	2,379,086	2,215,435
Contributions	0	0	0	0	13,495	52,297	5,500	11,902	3,350
Investment earnings	16,504	23,728	30,041	190,659	531,424	549,867	228,536	69,224	64,280
Other revenues	400,816	567,508	439,322	447,775	239,267	445,524	317,532	891,194	618,591
Total general revenues	<u>16,246,075</u>	<u>16,305,372</u>	<u>17,940,879</u>	<u>19,514,535</u>	<u>21,123,730</u>	<u>21,329,571</u>	<u>19,884,615</u>	<u>16,807,250</u>	<u>14,835,686</u>
Special item	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>275,000</u>	<u>0</u>
Change in net assets:									
Governmental activities	<u>\$33,002</u>	<u>(\$1,147,414)</u>	<u>\$1,002,776</u>	<u>\$586,750</u>	<u>\$5,338,584</u>	<u>\$4,376,142</u>	<u>\$6,829,169</u>	<u>\$5,375,690</u>	<u>\$392,164</u>

Note - The above figures reflect the primary government

Source: City of Springdale, Finance Department.

**CITY OF SPRINGDALE, OHIO
CHANGES IN NET ASSETS
LAST NINE FISCAL YEARS
(Accrual Basis of Accounting)
Page 3**

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

Expenses:

- Basic utility services: 2003 and 2004 show expenditures, subsequent years show \$0:
 - determined that transactions should be reflected as community environment expense.
- Transportation: Increase of \$1,341,486 from 2005-2006 due to the following:
 - increase in payroll expenses per hiring of Public Works Assistant Superintendent.
 - increase in expense accruals at year-end 2006 that were not applicable for capital asset inclusion related to road projects.
 Decrease of \$1,285,975 from 2006-2007 due to the following:
 - decrease in expense accruals at year-end 2007 that were not applicable for capital asset inclusion related to road projects.
- General government: Increase of \$5,201,899 from 2005-2006 due to the following:
 - in 2006 as part of the Pictoria Island TIF phase II bond issue closing (bonds issued by the Port of Greater Cincinnati Development Authority), the surplus service payments held by the City were expensed to the Port Authority. The amount expensed was \$2,420,229.
 - in prior years, parcels of commercial property and a parcel of residential property were purchased and held for sale. In 2006, the properties were sold, and as a result a loss on sale was incurred in the amount of \$1,847,662.
 Decrease of \$3,977,721 from 2006-2007 due to the following:
 - the two situations described directly above were not applicable for 2007. A TIF payment was made to the Port Authority in 2007, but was a much smaller amount.
 Decrease of \$1,409,205 from 2010-2011 due to the following:
 - In October of 2010, City changed from self-insured health insurance program to joining health insurance pool. Prior claim expenses were recorded as general government. Under the current program, premiums are allocated to all City departments.

Program revenues:

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

Capital grants and contributions:

- Transportation: Increase of \$2,575,993 from 2005-2006 due to the following:
 - increase in the amount of grant funding received for road projects.
 Decrease of \$3,711,014 from 2006-2007 due to the following:
 - decrease in the amount of grant funding received for road projects.
 Decrease of \$2,752,743 from 2007-2008 due to the following:
 - decrease in the amount of grant funding received for road projects.
 Increase of \$2,246,961 from 2008-2009 due to the following:
 - increase in the amount of grant funding received for road projects.
 Decrease of \$1,048,916 from 2010-2011 due to the following:
 - general decrease in capital related projects.

General revenues:

- Municipal income taxes: Increase of \$3,645,046 from 2004-2005 due to the following:
 - voted increase in the earnings tax rate from 1% to 1.5% effective July 1, 2004.
 Increase of \$1,553,763 from 2005-2006 due to the following:
 - increase in overall earnings tax revenue as a result of the increase in the earnings tax rate.

CITY OF SPRINGDALE, OHIO
FUND BALANCES OF GOVERNMENTAL FUNDS
2001 TO 2008

	Fiscal Year						
	2008	2007	2006	2005	2004	2003	2002
General fund:							
Reserved	\$355,177	\$445,239	\$361,580	\$391,429	\$693,491	\$636,607	\$257,261
Unreserved, designated	1,018,149	1,158,419	982,601	370,498	827,470	942,556	701,454
Unreserved, undesignated	5,982,500	6,333,372	6,760,794	5,864,970	3,916,729	2,101,035	4,757,956
Total general fund	<u>7,355,826</u>	<u>7,937,030</u>	<u>8,104,975</u>	<u>6,626,897</u>	<u>5,437,690</u>	<u>3,680,198</u>	<u>5,716,671</u>
All other governmental funds:							
Reserved	1,031,609	709,099	1,316,668	128,994	646,907	141,110	588,495
Unreserved, reported in:							
Special revenue funds	238,687	197,787	259,959	171,206	147,469	31,627	124,476
Capital projects funds	(545,758)	(1,183,421)	(962,847)	(86,627)	87,951	665,013	739,883
Total all other governmental funds	<u>724,538</u>	<u>(276,535)</u>	<u>613,780</u>	<u>213,573</u>	<u>882,327</u>	<u>837,750</u>	<u>1,452,854</u>
Total governmental funds	<u><u>\$8,080,364</u></u>	<u><u>\$7,660,495</u></u>	<u><u>\$8,718,755</u></u>	<u><u>\$6,840,470</u></u>	<u><u>\$6,320,017</u></u>	<u><u>\$4,517,948</u></u>	<u><u>\$7,169,525</u></u>

Source: City of Springdale, Finance Department.

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

	Fiscal Year		
	2011	2010	2009
General fund:			
Nonspendable	\$822,942	\$736,668	\$761,361
Assigned	658,193	761,575	1,044,782
Unassigned	5,562,965	4,552,787	5,763,841
Total general fund	<u>7,044,100</u>	<u>6,051,030</u>	<u>7,569,984</u>
All other governmental funds:			
Restricted	1,389,495	1,041,045	809,552
Committed	0	5,618	3,347
Assigned	3,335	0	0
Unassigned	(493,685)	(464,673)	(519,136)
Total all other governmental funds	<u>899,145</u>	<u>581,990</u>	<u>293,763</u>
Total governmental funds	<u><u>\$7,943,245</u></u>	<u><u>\$6,633,020</u></u>	<u><u>\$7,863,747</u></u>

Source: City of Springdale, Finance Department.

Note - In 2010, the City implemented GASB Statement No. 54

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

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Revenues:										
Municipal income taxes	\$12,058,356	\$11,557,740	\$13,080,829	\$14,461,358	\$14,404,184	\$16,078,321	\$14,566,459	\$11,180,495	\$7,949,572	\$9,259,493
Property and other taxes	1,245,380	1,494,203	1,477,370	1,619,032	1,814,939	1,820,299	1,685,775	1,701,993	1,817,457	1,801,239
Payments in lieu of taxes	559,566	359,032	682,506	813,210	822,556	804,220	709,717	702,767	715,444	0
Special assessments	104,712	434,728	209,128	302,535	39,226	0	0	0	5,600	222,212
Intergovernmental	2,070,566	3,519,833	4,666,460	3,105,629	5,026,769	8,949,194	6,821,970	7,255,039	3,173,085	2,479,949
Charges for services	309,450	387,996	377,922	261,639	300,654	363,065	323,797	313,901	292,263	264,265
Fines and forfeitures	292,462	281,087	339,888	373,985	359,820	315,589	274,318	218,577	210,759	217,872
Fees, licenses and permits	418,156	428,055	400,417	391,356	518,593	450,932	419,479	362,885	350,538	368,405
Interest	16,504	23,728	30,042	190,659	531,424	549,867	228,536	69,224	64,280	113,149
Contributions	4,400	0	751	575	30,195	35,598	5,500	11,902	3,350	4,950
Other	429,099	555,052	544,911	287,506	286,423	390,310	338,692	260,576	21,215	54,728
Total revenues	17,508,651	19,041,454	21,810,224	21,807,484	24,134,783	29,757,395	25,374,243	22,077,359	14,603,563	14,786,262
Expenditures:										
Current:										
Security of persons and property	7,978,954	8,518,865	8,017,532	8,130,860	7,611,391	7,360,010	7,062,613	6,444,052	6,115,425	5,890,142
Public health services	325,481	368,056	324,026	329,263	297,746	304,679	264,326	233,212	219,686	240,994
Leisure time activities	1,372,776	1,543,884	1,664,188	1,817,404	1,789,681	1,597,798	1,390,308	1,269,150	1,302,775	1,318,863
Community environment	495,347	682,047	634,854	560,983	675,411	549,928	850,070	415,126	743,674	411,324
Basic utility services	0	0	0	0	0	0	0	351,761	346,257	344,241
Transportation	1,231,140	1,432,936	1,436,394	1,679,504	1,599,785	3,549,015	1,349,958	1,259,781	1,315,080	1,253,692
General government	3,743,571	5,115,314	5,737,292	5,493,993	5,591,828	7,570,993	3,941,265	3,281,585	3,232,456	3,527,996
Capital outlay	436,755	1,848,077	3,440,393	2,628,467	6,574,381	7,200,735	8,874,766	6,238,427	3,015,420	4,609,300
Debt service:										
Principal retirement	476,499	471,480	469,626	481,691	695,783	712,823	704,333	701,097	674,909	38,652
Interest and fiscal charges	272,903	291,522	309,391	325,032	371,819	415,185	428,315	420,110	421,889	367,642
Total expenditures	16,333,426	20,272,181	22,033,696	21,447,197	25,207,825	29,261,166	24,865,954	20,614,301	17,387,571	18,002,846
Excess (deficiency) of revenues over expenditures	1,175,225	(1,230,727)	(223,472)	360,287	(1,073,042)	496,229	508,289	1,463,058	(2,784,008)	(3,216,584)
Other financing sources (uses):										
Proceeds from the sale of bonds	0	0	0	0	0	0	0	0	0	7,000,000
Premium/accrued interest on sale of bonds	0	0	0	0	0	0	0	0	0	19,161
Proceeds from the sale of assets	0	0	0	34,983	14,782	1,372,695	0	0	0	1,186,715
Inception of capital lease	135,000	0	6,855	24,599	0	12,362	9,163	64,011	79,446	0
Transfers-in	763,800	1,080,400	865,400	2,973,780	4,125,400	4,005,993	3,978,485	1,625,644	1,965,052	1,905,379
Transfers-out	(763,800)	(1,080,400)	(865,400)	(2,973,780)	(4,125,400)	(4,005,993)	(3,978,485)	(1,625,644)	(1,965,052)	(1,905,379)
Total other financing sources (uses)	135,000	0	6,855	59,582	14,782	1,385,057	9,163	64,011	79,446	8,205,876
Special Item	0	275,000	0	0						
Net change in fund balances	1,310,225	(1,230,727)	(216,617)	419,869	(1,058,260)	1,881,286	517,452	1,802,069	(2,704,562)	4,989,292
Beginning fund balance	6,633,020	7,863,747	8,080,364	7,660,495	8,718,755	6,837,469	6,320,017	4,517,948	7,222,510	2,233,218
Ending fund balance	\$7,943,245	\$6,633,020	\$7,863,747	\$8,080,364	\$7,660,495	\$8,718,755	\$6,837,469	\$6,320,017	\$4,517,948	\$7,222,510
Debt service as a percentage of noncapital expenditures	5%	4%	4%	4%	6%	5%	7%	8%	8%	3%

Source: City of Springdale, Finance Department.

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		
2001/2002	\$382,430,560	\$1,092,658,743	\$7,487,710	\$7,487,710	\$92,046,250	\$368,185,000	\$481,964,520	\$1,468,331,453	32.82%	3.08
2002/2003	409,639,450	1,170,398,429	6,900,910	6,900,910	97,091,650	388,366,600	513,632,010	1,565,665,939	32.81%	3.08
2003/2004	402,402,890	1,149,722,543	6,920,450	6,920,450	89,565,420	358,261,680	498,888,760	1,514,904,673	32.93%	3.08
2004/2005	397,960,080	1,137,028,800	8,239,230	8,239,230	88,825,590	355,302,360	495,024,900	1,500,570,390	32.99%	3.08
2005/2006	433,234,010	1,237,811,457	7,980,030	7,980,030	89,553,900	358,215,600	530,767,940	1,604,007,087	33.09%	3.08
2006/2007	428,485,490	1,224,244,257	7,602,980	7,602,980	64,267,110	257,068,440	500,355,580	1,488,915,677	33.61%	3.08
2007/2008	433,739,770	1,239,256,486	6,607,440	6,607,440	46,206,990	184,827,960	486,554,200	1,430,691,886	34.01%	3.08
2008/2009	423,920,790	1,211,202,257	7,279,450	7,279,450	583,050	2,332,200	431,783,290	1,220,813,907	35.37%	3.08
2009/2010	365,922,290	1,045,492,257	8,598,540	8,598,540	2,497,350	9,989,400	377,018,180	1,064,080,197	35.43%	3.08
2010/2011	328,657,460	939,021,314	9,301,190	9,301,190	0	0	337,958,650	948,322,504	35.64%	3.08

Source - Hamilton County Auditor

The assessed valuation of property within the City is subject to the levy of ad valorem taxes and includes real property and public utilities property (and tangible personal property prior to 2011). The City's property taxes are collected by the Hamilton County Auditor and are remitted to the City on a periodic basis. The direct tax rate for all City operations for the years ended as noted above was \$3.08 per \$1,000 of assessed value. Assessed values are established by the County Auditor at no more than 35% of appraised market value. The laws of the State of Ohio require that all property be revalued every six years, and at any time the County Auditor finds that true or taxable value thereof has changed, and in the third calendar year following the year in which a sexennial reappraisal is completed as ordered by the State Commissioner of Tax Equalization.

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

The County Treasurer collects property taxes on behalf of all taxing districts in the county. The County Auditor periodically remits to the City its portion of the taxes collected. Accrued property taxes receivable represent real property taxes, public utility taxes and outstanding delinquencies which are measurable as of year-end for which there is an enforceable legal claim. Although total property tax collections for the next year are measurable, amounts to be received during the available period are not subject to reasonable estimation at year-end, nor were they levied to finance current year operations. The receivable is therefore offset by deferred revenue in the fund financial statements. The receivable is also offset by unearned revenue in the government-wide financial statements, with the exception of delinquencies, which are presented as property tax revenue.

CITY OF SPRINGDALE, OHIO
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(Per \$1,000 of Assessed Valuation)
LAST TEN FISCAL YEARS

Tax Year/ Collection Year	City of Springdale	Overlapping Rates				Total Full Rate
		Hamilton County	Princeton City School District	Winton Woods School District	Great Oaks Joint Vocational School	
2001/2002	3.08	21.47	46.19	70.08	2.70	73.44
2002/2003	3.08	21.87	45.79	70.08	2.70	73.44
2003/2004	3.08	21.51	49.03	70.08	2.70	76.32
2004/2005	3.08	21.06	49.03	78.03	2.70	75.87
2005/2006	3.08	20.81	49.03	78.03	2.70	75.62
2006/2007	3.08	20.18	49.03	78.03	2.70	74.99
2007/2008	3.08	20.56	49.03	78.03	2.70	75.37
2008/2009	3.08	20.63	48.99	78.03	2.70	75.40
2009/2010	3.08	20.48	48.99	85.93	2.70	76.25
2010/2011	3.08	19.45	50.48	86.03	2.70	77.74

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.

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

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

Tax Year/ Collection Year	Current Levy	Delinquent Levy	Total Tax Levy	Current Tax Levy Collections	Percent of Current Tax Levy Collected	Delinquent Tax Levy Collections	Total Tax Collections	Percent of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Tax	Percent of Delinquent Taxes to Total Tax Levy
2001/2002	\$1,499,295	\$132,084	\$1,631,379	\$1,450,468	96.74%	\$75,601	\$1,526,069	93.54%	\$107,560	6.59%
2002/2003	1,566,369	147,353	1,713,722	1,507,336	96.23%	60,359	1,567,695	91.48%	142,605	8.32%
2003/2004	1,537,364	313,482	1,850,846	1,468,355	95.51%	74,515	1,542,870	83.36%	307,976	16.64%
2004/2005	1,536,064	332,387	1,868,451	1,476,075	96.09%	58,350	1,534,425	82.12%	329,068	17.61%
2005/2006	1,546,413	183,797	1,730,210	1,475,484	95.41%	109,178	1,584,662	91.59%	149,660	8.65%
2006/2007	1,495,740	175,198	1,670,938	1,443,253	96.49%	128,569	1,571,822	94.07%	99,116	5.93%
2007/2008	1,421,941	103,772	1,525,713	1,374,382	96.66%	49,383	1,423,765	93.32%	101,999	6.69%
2008/2009	1,343,107	139,648	1,482,755	1,302,250	96.96%	88,057	1,390,307	93.77%	92,423	6.23%
2009/2010	1,319,247	102,650	1,421,897	1,250,657	94.80%	52,742	1,303,399	91.67%	118,418	8.33%
2010/2011	1,159,497	104,512	1,264,009	1,110,489	95.77%	44,888	1,155,377	91.41%	108,605	8.59%

Source: Hamilton County, Ohio: County Auditor.

**CITY OF SPRINGDALE, OHIO
PRINCIPAL PROPERTY TAXPAYERS
DECEMBER 31, 2011 AND 2002**

Taxpayer	Fiscal Year 2011		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Tri-County Mall LLC	\$19,346,530	1	6%
Duke Energy Ohio Inc.	9,085,130	2	3%
Merchant Street 27 LLC @30	7,608,590	3	2%
WOP Mallard Lakes LLC	6,769,880	4	2%
Springdale-Kemper Association	6,708,980	5	2%
Kimco 420 Inc.	6,546,510	6	2%
KE Tri-County LLC	6,544,550	7	2%
Jubilee Springdale LLC	4,649,000	8	1%
Kir Tri-County 018 LLC	4,261,660	9	1%
NAI Entertainment Holdings	4,229,230	10	1%
All others	262,208,590	-	78%
Total assessed valuation	<u>\$337,958,650</u>		<u>100%</u>

Taxpayer	Fiscal Year 2002		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Concordia Properties LLC	\$52,549,210	1	11%
G & I Executive Centre LLC	17,500,020	2	4%
Kimco 420 Inc.	7,933,240	3	2%
Duke Realty	7,125,650	4	1%
Kir Tri-County 018 LLC	7,084,840	5	1%
Avon Capital Corporation	6,903,645	6	1%
Springdale-Kemper Association	6,632,050	7	1%
National Amusement Incorporated	5,265,855	8	1%
Lazurus Real Estate Incorporated	5,180,000	9	1%
Cinergy	4,784,420	10	1%
All others	361,005,590	-	75%
Total assessed valuation	<u>\$481,964,520</u>		<u>100%</u>

Source: Hamilton County Auditor.

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

<u>Year</u>	<u>Municipal Income Taxes</u>	<u>Property and Other Taxes</u>	<u>Total</u>
2003	\$9,370,885	\$1,847,701	\$11,218,586
2004	10,683,944	1,883,142	12,567,086
2005	14,328,990	1,719,428	16,048,418
2006	15,882,753	1,627,413	17,510,166
2007	14,911,874	1,763,277	16,675,151
2008	13,924,066	1,615,652	15,539,718
2009	12,903,475	1,533,906	14,437,381
2010	11,720,803	1,520,103	13,240,906
2011	12,092,698	1,125,767	13,218,465

Source: City of Springdale, Finance Department.

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

Fiscal Year	Tax Rate (1)	Percentage of Total									
		Withholding	Business	Individuals	Penalty/ Interest	Total	Withholding	Business	Individual	Penalty/ Interest	Total
2002	1.0%	\$7,385,399	\$1,810,504	\$430,402	\$119,800	\$9,746,105	76%	19%	4%	1%	100%
2003	1.0%	7,353,205	1,658,689	420,360	132,701	9,564,955	77%	17%	4%	1%	100%
2004	1.5%	7,954,118	1,089,399	437,379	68,451	9,549,347	83%	11%	5%	1%	100%
2005	1.5%	10,951,054	2,533,670	648,207	106,919	14,239,850	77%	18%	5%	1%	100%
2006	1.5%	11,469,191	3,513,412	598,308	96,326	15,677,237	73%	22%	4%	1%	100%
2007	1.5%	11,801,203	3,161,780	611,839	96,878	15,671,700	75%	20%	4%	1%	100%
2008	1.5%	11,545,811	2,602,265	616,552	120,197	14,884,825	78%	17%	4%	1%	100%
2009	1.5%	11,080,439	1,875,776	610,370	112,316	13,678,901	81%	14%	4%	1%	100%
2010	1.5%	9,771,007	1,570,397	566,677	86,217	11,994,298	81%	13%	5%	1%	100%
2011	1.5%	10,197,760	1,631,364	587,499	68,937	12,485,560	82%	13%	5%	1%	100%

Source: City of Springdale, Tax Department

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

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

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

Year	Governmental Activities						Total Debt	Estimated Personal Income (1)	Percentage of Personal Income (2)	Per Capita
	General Obligation Bonds	General Obligation Bond Anticipation Notes	TIF Revenue Bonds	Ohio Police/Fire Pension Loan	Capital Leases					
2002	\$7,000,000	\$0	\$2,956,667	\$13,890	\$0	\$9,970,557	\$153,279,600	7%	955	
2003	6,413,118	0	2,915,311	13,680	66,102	9,408,211	152,999,400	6%	914	
2004	5,786,905	1,500,000	2,871,098	13,462	93,443	10,264,908	124,347,280	8%	1,006	
2005	5,160,692	1,250,000	2,823,830	13,238	65,765	9,313,525	147,145,333	6%	920	
2006	4,534,479	625,000	2,773,494	13,004	35,873	7,981,850	147,732,533	5%	791	
2007	3,910,408	0	2,719,468	12,760	14,360	6,656,996	155,278,067	4%	640	
2008	3,509,336	0	2,661,709	0	27,787	6,198,832	162,961,333	4%	597	
2009	3,108,264	0	2,599,959	0	26,766	5,734,989	159,929,333	4%	552	
2010	2,707,192	0	2,533,942	0	21,305	5,262,439	117,792,933	4%	469	
2011	2,306,120	0	2,463,364	0	150,384	4,919,868	146,894,533	3%	438	

Source: City of Springdale, finance department

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

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

Note: Details regarding the City's outstanding debt can be found in notes 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

<u>Year</u>	<u>Population (A)</u>	<u>Estimated Actual Value (B)</u>	<u>General Bonded Debt (C)</u>	<u>Less Balance In General Obligation Bond Retirement Fund (C)</u>	<u>Net General Bonded Debt (C)</u>	<u>Ratio of Net Bonded Debt to Estimated Actual Value</u>	<u>Net Bonded Debt Per Capita</u>
2002	10,435	\$1,468,331,453	\$7,000,000	\$0	\$7,000,000	0.48%	671
2003	10,297	1,565,665,939	6,413,118	0	6,413,118	0.41%	623
2004	10,206	1,514,904,673	5,786,905	0	5,786,905	0.38%	567
2005	10,118	1,500,570,390	5,160,692	0	5,160,692	0.34%	510
2006	10,085	1,604,007,087	4,534,479	0	4,534,479	0.28%	450
2007	10,408	1,488,915,677	3,910,408	0	3,910,408	0.26%	376
2008	10,384	1,430,691,886	3,509,336	0	3,509,336	0.25%	338
2009	10,384	1,220,813,907	3,108,264	0	3,108,264	0.25%	299
2010	11,223	1,064,080,197	2,707,192	0	2,707,192	0.25%	241
2011	11,223	948,322,504	2,306,120	0	2,306,120	0.24%	205

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

(B) - Source: Hamilton County, Ohio: County Auditor.

(C) - Source: City of Springdale, Finance Department.

CITY OF SPRINGDALE, OHIO
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL OBLIGATION
BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN FISCAL YEARS

Year	Principal	Interest	Total Debt Service	General Governmental Expenditures (1)	Ratio of Debt Service to General Governmental Expenditures
2002	\$0	\$168,508	\$168,508	\$13,155,565	1.28%
2003	620,000	225,047	845,047	13,452,462	6.28%
2004	620,000	221,164	841,164	13,439,455	6.26%
2005	620,000	231,183	851,183	15,206,598	5.60%
2006	620,000	183,120	803,120	16,440,230	4.89%
2007	620,000	163,980	783,980	16,899,870	4.64%
2008	400,000	143,400	543,400	17,618,657	3.08%
2009	400,000	130,400	530,400	17,274,957	3.07%
2010	400,000	117,400	517,400	17,071,878	3.03%
2011	400,000	103,800	503,800	14,642,758	3.44%

(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, 2011**

	<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	\$2,300,000	100%	\$2,300,000
<u>Overlapping:</u>			
Hamilton County	84,155,000	1.88%	1,582,114
Princeton City School District	194,554,930	23.34%	45,409,121
Great Oaks Joint Vocational School	17,500,000	1.96%	<u>343,000</u>
Subtotal			<u>47,334,235</u>
			<u><u>\$49,634,235</u></u>

(1) - The overlap percentage was calculated based on assessed valuation.
Information above obtained from the Ohio Municipal Advisory Council.

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

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Total assessed property value (1)	<u>\$337,958,650</u>	<u>\$377,018,180</u>	<u>\$431,783,290</u>	<u>\$486,554,200</u>	<u>\$500,355,580</u>	<u>\$530,767,940</u>	<u>\$495,024,900</u>	<u>\$498,888,760</u>	<u>\$513,632,010</u>	<u>\$481,964,520</u>
Total debt limit (10.5% of assessed value):	\$35,485,658	\$39,586,909	\$45,337,245	\$51,088,191	\$52,537,336	\$55,730,634	\$51,977,615	\$52,383,320	\$53,931,361	\$50,606,275
Total net debt applicable to limit:										
General obligation bonds (2)	2,306,120	2,707,192	3,108,264	3,509,336	3,910,408	4,534,479	5,160,905	5,786,905	6,413,118	7,000,000
General obligation notes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>625,000</u>	<u>1,250,000</u>	<u>1,500,000</u>	<u>0</u>	<u>0</u>
Legal debt limit margin	<u>\$33,179,538</u>	<u>\$36,879,717</u>	<u>\$42,228,981</u>	<u>\$47,578,855</u>	<u>\$48,626,928</u>	<u>\$50,571,155</u>	<u>\$45,566,710</u>	<u>\$45,096,415</u>	<u>\$47,518,243</u>	<u>\$43,606,275</u>
Total net debt applicable to the limit as a percentage of total debt limit	6%	7%	7%	7%	7%	9%	12%	14%	12%	14%
Total unvoted debt limit (5.5% of assessed value):	\$18,587,726	\$20,736,000	\$23,748,081	\$26,760,481	\$27,519,557	\$29,192,237	\$27,226,370	\$27,438,882	\$28,249,761	\$26,508,049
Total net debt applicable to limit:										
General obligation bonds (2)	2,306,120	2,707,192	3,108,264	3,509,336	3,910,408	4,534,479	5,160,905	5,786,905	6,413,118	7,000,000
General obligation notes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>625,000</u>	<u>1,250,000</u>	<u>1,500,000</u>	<u>0</u>	<u>0</u>
Legal debt limit margin	<u>\$16,281,606</u>	<u>\$18,028,808</u>	<u>\$20,639,817</u>	<u>\$23,251,145</u>	<u>\$23,609,149</u>	<u>\$24,032,758</u>	<u>\$20,815,465</u>	<u>\$20,151,977</u>	<u>\$21,836,643</u>	<u>\$19,508,049</u>
Total net debt applicable to the limit as a percentage of total debt limit	12%	13%	13%	13%	14%	18%	24%	27%	23%	26%

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)
2002	5.08	10,435	153,279,600	14,689	39	1,003	5.10%
2003	5.08	10,297	152,999,400	14,859	39	962	5.10%
2004	5.08	10,206	124,347,280	12,184	39	849	5.20%
2005	5.08	10,118	147,145,333	14,543	39	862	5.70%
2006	5.08	10,085	147,732,533	14,649	39	480	5.00%
2007	5.08	10,408	155,278,067	14,919	39	796	5.00%
2008	5.08	10,384	162,961,333	15,694	39	808	5.60%
2009	5.08	10,384	159,929,333	15,402	39	758	8.90%
2010	5.08	11,223	117,792,933	10,496	39	815	9.40%
2011	5.08	11,223	146,894,533	13,089	39	824	8.60%

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

(B): U.S. Census Bureau population estimates, obtained through Hamilton County

(C): Obtained from the Springdale Tax Department - total residential tax liability

(D): Calculated as estimated personal income (C) divided by population (B).

(E): Source: Princeton City School District.

(F): Source: Ohio Bureau of Employment Services, rates are for Hamilton County, which approximates City of Springdale.

**CITY OF SPRINGDALE, OHIO
PRINCIPAL EMPLOYERS
DECEMBER 31, 2011 AND 2002**

<u>Employer</u>	<u>2011 - Number of Employees (A)</u>	<u>Percent of Total</u>
Avon Products Inc.	846	3%
General Electric	758	3%
C. M. Temprary Services	584	2%
John Morrell and Company	537	2%
Maple Knoll Communities Inc.	506	2%
First Financial Bank	442	2%
General Electric Engine Services	414	1%
Macy's Retail Holding	408	1%
Marketing Research Services Inc.	380	1%
Pappa's Restaurants	377	1%
All others	<u>23,734</u>	<u>82%</u>
Total employment within the City	<u><u>28,986</u></u>	<u><u>100%</u></u>

<u>Employer</u>	<u>2002 - Number of Employees (A)</u>	<u>Percent of Total</u>
Avon Products Inc.	1,687	4%
Adelco NA LLC	1,301	3%
John Morrell and Company	1,034	2%
General Electric	963	2%
Wal-Mart Associates Inc	754	2%
Sears Roebuck and Company	727	2%
Lifesphere	666	1%
Mercantile Stores Company Inc	658	1%
M.R. Temporary Services Inc	652	1%
Rich's Department Stores	603	1%
All others	<u>37,229</u>	<u>80%</u>
Total employment within the City	<u><u>46,274</u></u>	<u><u>100%</u></u>

Source: City of Springdale, Tax Department.

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

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

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Full-time positions at December 31	104	114	123	127	127	123	117	117	116	120
Security of Persons and Property										
Police Department:										
Police Chief	1	1	1	1	1	1	1	1	1	1
Police Captain	1	0	1	1	1	1	1	1	1	1
Sworn Officers	31	33	36	37	36	36	33	36	32	34
Administrative Secretary	1	1	1	1	1	1	1	1	1	1
Clerks	5	5	6	6	7	7	7	6	7	7
Custodian	1	1	1	1	1	1	1	1	1	1
Fire Department:										
Fire Chief	1	1	1	1	1	1	1	1	1	1
Assistant Fire Chief	1	1	1	1	1	-	1	-	-	-
Fire Captain	3	3	3	3	3	3	3	4	2	3
Fire Inspector	1	1	0	1	0	1	1	1	1	1
Firefighter	4	4	4	4	4	4	5	4	6	6
Firefighters/Paramedic	12	15	16	15	16	15	12	11	12	12
Administrative Secretary	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						
Administrative Assistant	1	1	1	1	1	1	1	1	1	1
Leisure Time Activities										
Parks and Recreation Department:										
Parks and Recreation Director	1	1	1	1	1	1	1	1	1	1
Assistant Recreation Director	3	3	3	3	3	3	2	2	2	3
Fitness Center Manager	1	1	1	1	1	1	1	1	1	1
Parks Maintenance	3	3	4	5	4	4	4	5	5	5
Adult/Senior Programmer	0	1	1	1	1	1	-	-	-	-
Administrative Assistant	0.6	0.6	1	1	1	1	1	1	1	1
Custodian	1	1	1	1	1	1	1	1	1	1
Community Environment										
Building Department:										
Building Official	1	1	1	1	1	1	1	1	1	1
Building Inspector	2	2	2	2	1	2	2	2	2	2
Property Inspector	1	2	2	2	2	1	1	1	1	1
Administrative Assistant	1	1	1	1	1	1	1	1	1	1

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

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
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	0	0	1	1	-	-	-	-
Public Works Inspector	1	1	1	1	1	1	1	1	1	1
Mechanic	1	2	2	1	2	2	2	2	2	2
Maintenance Worker	5	7	10	12	12	10	11	11	11	11
Administrative Assistant	0	0	0	1	1	1	1	1	1	1
General Government										
Administration Department:										
City Administrator	1	1	1	1	1	1	1	1	1	1
Assistant City Administrator	1	1	1	1	1	1	1	1	1	1
Economic Development Director	1	1	1	1	1	1	1	1	1	1
Senior Administrative Assistant	0.4	0.4	1	1	2	1	1	1	1	1
Technical Services Administrator	1	1	1	0	0	0	0	0	0	0
Administrative Assistant	0	0	0	1	1	1	1	1	1	1
Administrative Secretary	1	1	1	1	1	1	1	1	1	1
Custodian	1	1	1	1	1	1	1	1	1	1
Finance Department:										
Finance Officer/Tax Commissioner	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Account Clerk	2	2	2	2	2	2	2	2	2	2
Tax Department:										
Finance Officer/Tax Commissioner	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Account Clerk	3	4	4	4	4	4	4	4	4	4
Administrative Secretary	1	1	1	1	1	1	1	1	1	1
Total Full Time Positions	104	114	123	127	127	123	117	117	116	120

Source: City of Springdale, Finance Department

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

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<u>Security of Persons and Property</u>										
Police Department										
Number of stations	1	1	1	1	1	1	1	1	1	1
Total patrol calls for services:	13,795	13,954	14,496	14,826	14,117	15,239	15,372	15,948	18,895	19,649
- Arrests	1,620	2,052	2,307	2,518	2,267	2,197	1,923	1,948	2,024	1,935
- Auto accidents	1,165	862	889	1,113	1,314	1,180	1,343	1,425	1,473	1,369
- Traffic incidents	2,898	844	816	1,165	541	419	269	273	293	132
- Offense report	1,397	1,300	1,802	1,817	1,723	2,361	2,421	2,605	2,958	3,011
Mayor's court cases heard	2,822	2,912	4,032	4,265	3,886	4,089	3,533	3,148	3,825	3,939
Fire Department										
Number of stations	1	1	1	1	1	1	1	1	1	1
Fire responses	(4)	770	693	986	932	912	893	806	846	792
Emergency medical services (EMS) responses	(4)	1,957	1,889	1,967	1,968	2,056	2,142	1,816	2,100	1,907
Fire losses	(4)	\$240,200	\$109,400	\$168,830	\$229,490	\$121,985	\$132,450	\$169,335	\$85,395	\$197,298
<u>Public Health Services</u>										
Health Department										
Number of health department food inspections	253	397	390	376	463	556	618	486	417	546
Animal nuisance removals (2)	0	0	85	97	127	132	127	71	56	320
Home health care visits (1)	72	67	65	220	291	263	366	444	49	51
<u>Leisure Time Activities</u>										
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	1,865	1,910	2,114	3,112	2,115	2,663	2,125	1,984	2,137	2,177
Community center membership dollars (cash basis)	\$118,629	\$114,978	\$123,131	\$101,612	\$110,194	\$121,699	\$116,106	\$117,783	\$112,874	\$122,183
Active member fitness center visits	39,812	40,124	44,453	50,731	52,453	53,787	50,662	51,621	50,173	49,324
<u>Community Environment</u>										
Building Department										
Total number of permits issued	566	710	682	658	652	950	682	688	624	638
Number of residential permits issued	334	428	505	368	266	618	375	266	278	229
Value of residential permits issued	\$1,537,673	\$1,942,286	\$2,780,380	\$1,998,921	\$1,324,170	\$16,050,007	\$4,854,928	\$1,512,000	\$1,361,489	\$1,129,614
Number of commercial permits issued	232	282	177	290	380	332	307	422	346	409
Value of commercial permits issued	\$11,123,570	\$13,452,349	\$4,486,595	\$15,409,775	\$31,133,543	\$29,386,840	\$27,131,533	\$19,286,071	\$7,374,016	\$20,129,821
Number of building inspections	823	1,372	1,163	1,923	2,016	2,212	2,308	1,256	1,163	1,765
Number of certificates of occupancy issued	75	33	73	124	63	72	72	82	78	98

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

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<u>Transportation</u>										
Public Works Department										
Chipper man hours	2582	3,021	2,696	4,283	2,938	2,615	2,475	2,564	2,565	1,781
Debris removal requests (3)	44	49	95	160	194	225	255	274	311	304
Cubic yards of mulch delivered to residents	775	620	600	1,288	1,788	1,476	1,098	1,926	268	NA
Tons of salt used	734	1,206	1,298	1,625	1,332	683	1,186	1,299	2,257	671
Snow and ice control callouts	12	19	11	14	11	12	19	12	34	11
<u>General Government</u>										
Finance Department										
Average number of business days to post receipts	3.0	3.2	2.8	3.8	4.3	5.1	4.1	5.2	3.5	4.7
Average number of business days to pay invoices	5.3	6.0	5.0	6.0	8.0	8.2	9.4	9.6	6.2	9.0
Number of non-payroll checks written	2,762	2,914	3,364	3,500	3,961	4,018	3,706	3,386	3,591	3,924
Number of payroll checks written	1,208	1,396	1,629	1,606	1,886	1,979	2,210	2,373	2,290	2,675
Number of payroll direct deposits issued	4,017	4,146	4,234	4,298	4,175	3,779	NA	NA	NA	NA
Tax Department										
Number of business accounts at year-end	2,796	2,798	2,785	2,915	2,971	2,879	2,910	2,857	2,837	2,917
Number of resident accounts at year-end	4,691	4,620	4,634	4,373	4,530	4,365	3,894	3,887	4,391	4,410
Current year no-file % (at due date):										
Business returns	22%	37%	37%	43%	42%	44%	51%	33%	45%	NA
Resident returns	32%	35%	35%	29%	33%	29%	24.5%	29%	29%	NA
Average days to process and mail tax refund	42	27	26	25	35	32	31	28	23	23
Tax accounts assigned to mayor's court	173	192	183	207	171	157	152	196	218	190
Tax department overtime hours worked	47	54	243	297	260	277	386	286	376	495

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

- (1): 2001-2003 reflects number of residents visited, 2004-2010 reflects total number of visits
- (2): Program discontinued in 2010
- (3): 2009 was first year a fee was charged for debris removal services
- (4): Information not available from fire chief.
- NA: Information not available

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

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<u>General Government</u>										
Administration Department										
Square footage - municipal building	33,620	33,620	33,620	33,620	33,620	33,620	33,620	33,620	33,620	33,620
Administrative vehicles	0	0	1	1	1	1	1	1	2	2
<u>Security of Persons and Property</u>										
Police Department										
Number of stations	1	1	1	1	1	1	1	1	1	1
Square footage - police building	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500
Number of police cruisers	27	27	25	23	24	24	26	25	23	23
Number of other police vehicles	9	8	9	9	9	9	8	8	8	7
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	5	5	4	4	4	4	4	5	7	7
Number of EMS vehicles	4	4	5	5	4	4	4	3	3	3
Number of other vehicles	4	4	5	5	5	4	3	3	3	3
<u>Public Health Services</u>										
Health Department										
Number of health vehicles	1	1	1	1	1	1	1	1	2	2
<u>Leisure Time Activities</u>										
Parks and Recreation Department										
Square footage - community center	72,000	72,000	72,000	72,000	72,000	72,000	72,000	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	6	4	4	4	4	4
<u>Community Environment</u>										
Building Department										
Number of vehicles	4	4	3	3	3	3	3	3	3	3
<u>Transportation</u>										
Public Works Department										
Square Footage - office and garage	19,680	19,680	19,680	19,680	19,680	19,680	19,680	19,680	19,680	19,680
Number of work vehicles	15	15	15	15	14	13	13	12	12	12
Number of other vehicles	2	2	2	2	2	2	1	1	1	1

Source: City of Springdale, finance department
NA: Information not available



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*

To the Honorable Mayor and Members of City Council
City of Springdale, Ohio:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Springdale, Ohio ("City"), as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 11, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Mayor, and Members of City Council, and the Ohio Auditor of State and is not intended to be and should not be used by anyone other than these specified parties.

Berninger Maddox Inc.

Cincinnati, OH
June 11, 2012

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Dave Yost • Auditor of State

CITY OF SPRINGDALE

HAMILTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 19, 2013**