

CITY OF SPRINGDALE, OHIO

Independent Auditors' Report on
Internal Controls and Compliance
Year Ended December 31, 2017



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of Springdale, Hamilton County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2017 through December 31, 2017. 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

July 9, 2018

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS****INDEPENDENT AUDITORS' REPORT**

To the City Council
City of Springdale, Ohio:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Springdale, Ohio (the "City") as of and for the year ended December 31, 2017 and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 18, 2018.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as 2017-001 that we consider to be a significant deficiency.

Compliance and Other Matters

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

City Response to the Finding

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

Purpose of this Report

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

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
June 18, 2018

City of Springdale
Schedule of Findings and Responses
Year Ended December 31, 2017

2017-001 Financial Reporting

During the course of our audit, we identified misstatements in the financial statements that were not initially identified by the City's internal control over financial reporting. Internal control over reporting includes not only the transaction entries to the City's books and records throughout the year but also the financial statement preparation process at year-end. A deficiency in internal control exists when the design of 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.

Throughout the year, the City maintains its books and records on the cash-basis of accounting and converts its financial statements at year-end to generally accepted accounting principles (GAAP). The audit adjustments necessary to correct the financial statements were related to the conversion to the GAAP basis as opposed to errors in the City's books. Audit adjustments were recommended to record additional capital assets acquired and to reclassify the components of net position.

We recommend the City enhance its internal controls over financial reporting with steps such as additional management analysis of the financial statements.

Views of Responsible Officials: Response provided by Jeffrey T. Williams, Finance Officer/Tax Commissioner:

Please see the responses below regarding the Audit Finding over financial reporting:

During the course of our audit, we identified misstatements in the financial statements that were not initially identified by the City's internal control over financial reporting.

I agree with this statement.

Internal control over reporting includes not only the transaction entries to the City's books and records throughout the year but also the financial statement preparation process at year-end.

I agree with this statement.

A deficiency in internal control exists when the design of 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.

I agree with the definition of a deficiency in internal control as noted above.

Throughout the year, the City maintains its books and records on the cash-basis of accounting and converts its financial statements at year-end to generally accepted accounting principles (GAAP).

I agree with this statement.

The audit adjustments necessary to correct the financial statements were related to the conversion to the GAAP basis as opposed to errors in the City's books.

I agree with this statement.

Audit adjustments were recommended to record additional capital assets and to reclassify the components of net position.

I agree with this statement.

We recommend the City enhance its internal controls over financial reporting with steps such as additional management analysis of the financial statements.

I believe the internal controls over financial statement reporting do operate as designed, as follows:

- * Working-papers are prepared for each section of the financial statements,*
- * From the working-papers, financial statement adjusting entries are prepared and documented for each fund,*
- * Each adjusting entry is posted to the proper fund and reviewed to assure accuracy, and*
- * The financial statements are prepared and reviewed in detail.*

As the preparer of the financial statements I understand that there cannot be a perfect internal control structure regarding the financial statement preparation. Financial statement adjustments have happened in past audits. When these adjustments are presented I have always been open regarding making necessary adjustments.

City of Springdale
Schedule of Prior Audit Findings
Year Ended December 31, 2017

2016-001 Financial Reporting

Misstatements in the financial statements were identified that were not initially identified by the City's internal control over financial reporting.

Status: Repeated as Finding 2017-001



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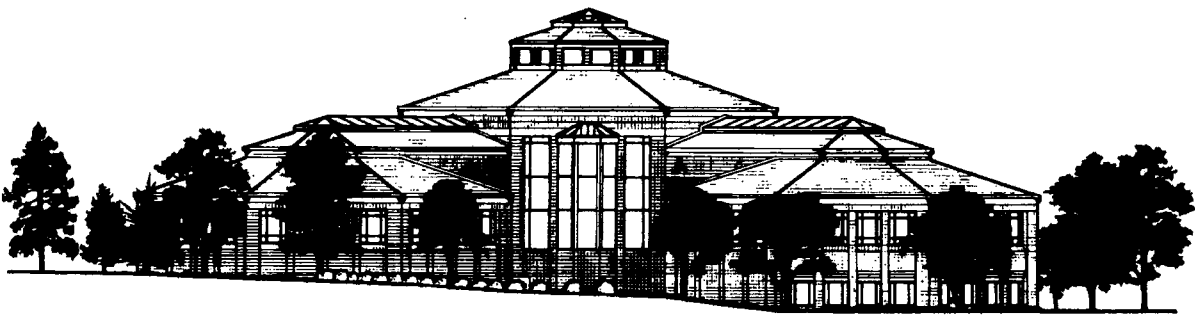
City of Springdale, Ohio



**Comprehensive Annual Financial Report
For the Year Ended December 31, 2017**

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CITY OF SPRINGDALE, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2017



Prepared By:

Jeffrey T. Williams
Finance Officer/Tax Commissioner

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On The Cover

The Cincinnati Chapter of the Sons of the American Revolution (CCSAR) hosted the 17th Century Ceremony to honor twelve Patriots of the Revolutionary War along with the City of Springdale on April 22, 2018. This was held at the Old St. Mary's Cemetery, located at State Route 4 and Cameron Road, Springdale, Ohio.

CCSAR brought their Nolan Carson Memorial Color Guard, posted colors, and presented a musket salute with the bravado of the 17th Century, clad in the uniforms of those days. Community dignitaries were in attendance as were several descendants of those who were honored for the first time, as their service to the USA had been lost to history until the efforts of the City of Springdale to save the cemetery and the CCSAR's Revolutionary War Sites.

A Granite Monument was dedicated with the names of the twelve Patriots, five of which have no other identification at the St Mary's site. Some of the honorees family members were in attendance, some from as far away as Oklahoma.

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**CITY OF SPRINGDALE, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2017**

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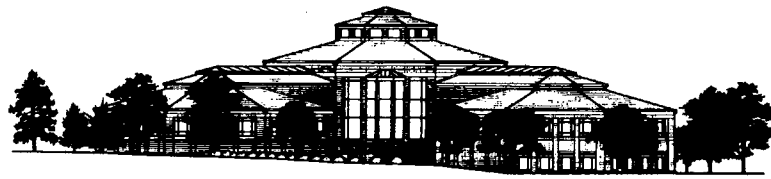
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INTRODUCTORY SECTION

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City of Springdale

DOYLE H. WEBSTER
Mayor

DERRICK PARHAM
City Administrator

KATHY McNEAR
Clerk of Council / Finance Director

June 18, 2018

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, 2017, is hereby submitted. While there is no legal requirement for the preparation of this report, it represents a commitment by the City to conform to nationally recognized standards of excellence in financial reporting. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City of Springdale's activities have been included.

The Comprehensive Annual Financial Report is prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 61, "*The Financial Reporting Entity: Omnibus, an Amendment of GASB Statements No. 14 and No. 34.*" GASB Statement No. 61 was developed to make annual financial reports of state and local governments easier to understand and more useful to those who make decisions using governmental financial information. This report represents and reflects the City's financial operations and condition to the City's residents, its elected officials, management personnel, financial institutions, City bondholders, rating agencies and all other interested parties.

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

1. Introductory Section – includes this letter of transmittal, which addresses the organization, accomplishments, and the operational structure of the City, a list of the principal officials and administrative personnel, the City's organizational table, and the Certificate of Achievement for Excellence in Financial Reporting for the year-ended December 31, 2016.
2. Financial Section – includes the Independent Auditors' Report, Management's Discussion and Analysis, basic financial statements and notes, which provide an overview of the City's financial position and operating results, required supplementary information, and the combining financial statements of nonmajor funds and other schedules that provide detailed information relative to the basic financial statements.

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

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

THE CITY OF SPRINGDALE

The City of Springdale is an Ohio community located in northern Hamilton County, approximately twenty miles from downtown Cincinnati. The City is 5.08 square miles and serves a residential population of 11,223. The City maintains a highly developed commercial and industrial community, as well as stable residential neighborhoods.

The area was settled in the early 1800's 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 2016.

The City operates under a non-partisan Council/Mayor form of government. Under this system, seven council members, who are the policy makers (three elected at-large and four elected by districts), serve four-year terms. The Mayor is the chief executive and administrative officer of the City and is elected at-large to a four-year term. The Mayor appoints the City Administrator 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 2017:

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

The City provides a full range of services including police and fire protection; parks and recreation; planning and zoning; sanitation services; construction and maintenance of highways, streets and infrastructure; recreational activities and cultural events; and general administrative services. Following is a brief summary of the City departments:

Administration Department - responsible for providing support to all elected officials, information to the public and leadership and administrative support to City employees in executing the policies of Council and the laws of the City through effective communication, fiscal management, human resource management, and risk management.

Economic Development Department - responsible for contributing to the economic health and vitality of all segments of the City's commercial, industrial, and retail business sectors.

Police Department - responsible for interacting with the community and promoting public safety and providing service through crime prevention, proactive and responsive patrols, investigations, and support service.

Fire Department - responsible for preserving life and property by maintaining a corps of professional, properly trained and fully equipped personnel capable of providing fire prevention, fire suppression and rescue, and emergency medical services.

Building Department - responsible for ensuring a safe and sanitary environment for the community through enforcing City and State laws relating to new and existing construction and land use regulation. The Building Official enforces the provisions of the City code, issues zoning and plan reviews, and issues permits for new construction, modifications, and repairs.

Finance Department - responsible for financial management of the City's funds by recording receipts and expenditures, maintaining accurate financial records, investing inactive funds, and issuing the year-end financial report in accordance with accounting principles generally accepted in the United States of America.

Tax Department - responsible for enforcing the City tax code by collecting the City earnings tax, assisting taxpayers in the preparation of tax returns, issuing tax refunds, and maintaining accurate taxpayer records.

Parks and Recreation Department - responsible for providing year-round leisure activities and providing well maintained facilities for City citizens of all ages and interests, and maintaining the City Community Center, playgrounds, and parks.

Health Department - responsible for protecting and promoting the health and well-being of the people who live and work in the City through effective health policy that promotes disease prevention and community health education.

Public Works Department - responsible for providing a safe, effective, aesthetically pleasing physical environment through street maintenance and improvement, public building, grounds and facilities maintenance, vehicle and equipment maintenance, and environmental services.

ECONOMIC CONDITIONS AND OUTLOOK

Local Economy

The estimated daytime population of the City ranges from 45,000 to 50,000, representing the workforce and those who visit the numerous retail and other establishments. At year-end 2017 there were approximately 1,000 businesses and organizations located in the City limits. Also at year-end 2017, there were 16 businesses located in Springdale that employed greater than 300 employees. Springdale also has approximately 70 restaurants and 18 theatre screens. The average 2017 unemployment rate for the Greater Cincinnati area was 4.30%.

Tri-County Mall, over 15 other shopping centers, and numerous individual retail establishments, collectively total approximately 5.5 million square feet and comprise the largest concentration of retail development in Hamilton County. Springdale has approximately 2.3 million square feet of office space (approximately 863,440 square feet represents Class A office space), representing 9.6% of all office space in the suburban Greater Cincinnati area. Springdale's industrial sector encompasses 3.6 million square feet.

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

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

The local economy can be broken down into four major use sectors: office, retail, service/governmental, and industrial. These sectors contributed approximately \$744 million in payroll in 2017, broken down as follows:

- * Office: 49% of payroll generation
- * Retail: 19% of payroll generation
- * Service/Governmental: 11% of payroll generation
- * Industrial: 21% of payroll generation

Springdale's payroll generation (employee withholdings) saw a decrease between 2016 and 2017. This was the result of State House Bill 5, effective January 1, 2016, which changed the business employee withholding payment frequency from quarterly to monthly. In effect, 2016 represents 14 months of payroll while 2017 represents 12 months.

Future Economic Outlook

The outlook for 2018 is positive primarily because of:

- * The addition of companies such as Ascendum Solutions;
- * The expansion of existing businesses such as Plus Group;
- * The leasing of a recently constructed 230,000-square-foot industrial building; and
- * The redevelopment of Tri-County Mall.

Beyond 2018, the economy of the City is expected to have steady growth as the redevelopment of Tri-County Mall and Progress Park continues and commercial development begins on several parcels of vacant land.

MAJOR INITIATIVES AND LONG-TERM FINANCIAL PLANNING

Major Projects for 2017

- * *State Route 4 Southbound Lane Addition Project:* This project consisted of widening a portion of the southbound dedicated lane on State Route 4 to construct a second southbound dedicated lane. This created two exclusive lanes, one for traffic traveling onto westbound Interstate 275 and the other for traveling onto eastbound Interstate 275. The project also replaced the existing concrete median and installed new overhead signage. The project was completed in 2017 at a total construction cost of approximately \$499,000. Outside grant funding was obtained at approximately 80% of the construction cost.
- * *State Route 4 (Cameron Road to Interstate 275) Urban Paving Project:* This project resurfaced State Route 4 from Cameron Road to Interstate 275. The total cost in 2017 for construction was approximately \$720,000. When final grant payments are made by the State of Ohio in 2018, the total cost of construction will be approximately \$794,000. Outside grant funding was obtained at approximately 50% of the construction cost. The City local share for this project was paid from the Street Improvement Bond proceeds issued in 2017.
- * *2017 Annual Street Improvement Project:* This project was divided into two phases. The first phase involved rehabilitation work performed on a number of streets including full curb replacement, catch basin repair, manhole adjustments, sidewalk replacements, ADA ramps at various intersections, pavement repairs, and a complete grind of old asphalt and addition of new asphalt. The rehabilitation work occurred on Cameron Road, Naylor Court, Grandin Avenue, Ray Norrish Drive, and Springdale Lake Drive. The second phase of the project consisted of general maintenance work throughout the City. The majority of the work was completed in 2017. The total construction cost for both phases is approximately \$2,172,000, and approximately \$1,910,000 was spent in 2017. Funding for this project is from the Street Improvement Bond proceeds issued in 2017 and \$63,300 of Municipal Road Grant funding from Hamilton County.

Future Projects

- * *Beacon Hills Subdivision/Kenn Road Rehabilitation Project:* This project incorporates the entire Beacon Hills Subdivision as well as Kenn Road from Interstate 275 to the City of Fairfield corporation line. The improvements will consist of full curb replacement, catch basin repairs, manhole adjustments, sidewalk repairs, ADA ramps in several locations, pavement repairs, the application of a sealant to preserve the pavement throughout the Beacon Hills Subdivision, asphalt resurfacing on Kenn Road, and minor storm sewer repairs. The estimated construction cost is approximately \$2,450,000. Funding for this project is from Street Improvement Bond proceeds issued in 2017. The project is scheduled for 2018.
- * *Cloverdale Area Pavement Rehabilitation Project:* This project will restore City streets following two major water main replacement projects performed by the Greater Cincinnati Water Works. The project will include nine streets in the City's Cloverdale and Smiley neighborhood areas to receive a two inch deep grind and overlay of the full width of the streets. The estimated construction cost is approximately \$1,073,000. Funding for this project is from the Street Improvement Bond proceeds issued in 2017 as well as reimbursements from the Greater Cincinnati Water Works and Metropolitan Sewer District, estimated in total at \$423,000. The project is scheduled for 2018.

- * *Glensprings Drive Rehabilitation Project:* This project will address the condition of Glensprings Drive from State Route 4 to Kenn Road as well as the Glensprings Drive extension to the east of State Route 4. The improvements will involve full curb replacements, catch basin repairs, manhole adjustments, sidewalk repairs, ADA curb ramp installations, pavement repairs, asphalt grind and overlay of streets, and applicable drive apron replacements. The estimated construction cost is \$976,000. Funding for this project is from Street Improvement Bond proceeds issued in 2017. The project is scheduled for 2018.
- * *Jake Sweeny Place Rehabilitation:* This project will include the following on Jake Sweeny Place, full curb and gutter replacement, elimination of the crown in the roadway, replacement of the existing metal corrugated storm sewer pipe, replacement of catch basins, repair of a limited amount of concrete storm sewer, and total replacement with new asphalt. The estimated construction cost is \$940,000. Funding for this project is from Street Improvement Bond proceeds issued in 2017. The project is scheduled for 2018.

Long-Term Financial Planning

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

FINANCIAL INFORMATION

Internal Control Framework and Policies

City management is responsible for establishing and maintaining internal controls designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal controls are designed to provide reasonable assurance that these objectives are met through evaluation of the following criteria: (1) The cost of an internal control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits required involves estimates and judgments by management. Based on these internal controls, the City provides a sound accounting system for safeguarding the City's assets through the recording and reporting of financial transactions according to guidelines of Federal law, Ohio Revised Code, Generally Accepted Accounting Principles (GAAP), and City ordinance.

Budgetary Controls

In addition to the above, the City maintains budgetary internal controls to ensure compliance with legal provisions embodied in the annual appropriated budget by City Council. The activity of all funds is included in the annual appropriation budget. The City also utilizes an encumbrance accounting system to maintain budgetary control through the encumbering of estimated purchases and the use of formal approved purchase orders. City Council receives a monthly report of amounts in the City's bank accounts reconciled to the amounts on the City's internal records. Also, City Council receives a monthly report comparing budgeted and actual revenues and expenditures. As demonstrated by the statements and schedules included in the financial section of this report, the City continues meeting its responsibility for sound financial management.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING - 2016

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, 2016. This was the seventeenth consecutive year that the government received this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

OTHER INFORMATION

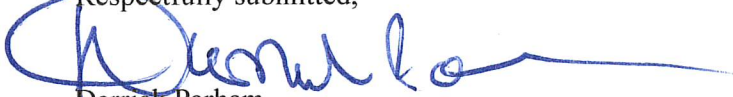
Independent Audit

State statute requires that an annual audit be performed by the Auditor of State or by an independent certified public accountant approved by the Auditor of State. The firm of Clark, Schaefer, Hackett has performed the City audit for the year-ended December 31, 2017. Auditing standards generally accepted in the United States of America and the standards set forth in the General Accounting Office's "Government Auditing Standards" were used by the auditors in conducting the engagement. The auditor's report on the basic financial statements and the combining and individual fund statements and schedules are included in the financial section of this report. The auditors' report on internal controls and compliance with applicable laws and regulations can be found in a separately issued audit report.

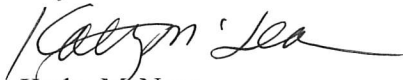
Acknowledgements

The timely preparation of the Comprehensive Annual Financial Report for the year-ended December 31, 2017 was made possible by the dedicated service of Kathy McNear, Clerk of Council/Finance Director, finance department staff, as well as other City departments. We express our sincere appreciation for the contributions made in the preparation of this report. Also, we would like to thank the Mayor and City Council for their interest and support in planning and conducting the financial operations of the City in a dedicated and responsible manner.

Respectfully submitted,



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, 2017**

ELECTED OFFICIALS

<u>Name</u>	<u>Title</u>	<u>Term of Office</u>	<u>Salary</u>
Doyle H. Webster	Mayor	12/01/15-11/30/19	\$21,000
Thomas Vanover	President	12/01/17-11/30/21	8,475
Lawrence Hawkins III	Vice-President	12/01/17-11/30/19	7,875
Jeffrey Anderson	Member	12/01/17-11/30/21	7,875
Meghan Sullivan-Wisecup	Member	12/01/17-11/30/21	7,875
Holly Emerson	Member	12/01/17-11/30/21	7,875
Carolyn Ghantous	Member	12/01/15-11/30/19	7,875
Dan Shroyer	Member	12/01/15-11/30/19	7,875
Kathy McNear (1)	Clerk of Council/ Finance Director	12/01/15-11/30/19	16,800

ADMINISTRATIVE PERSONNEL

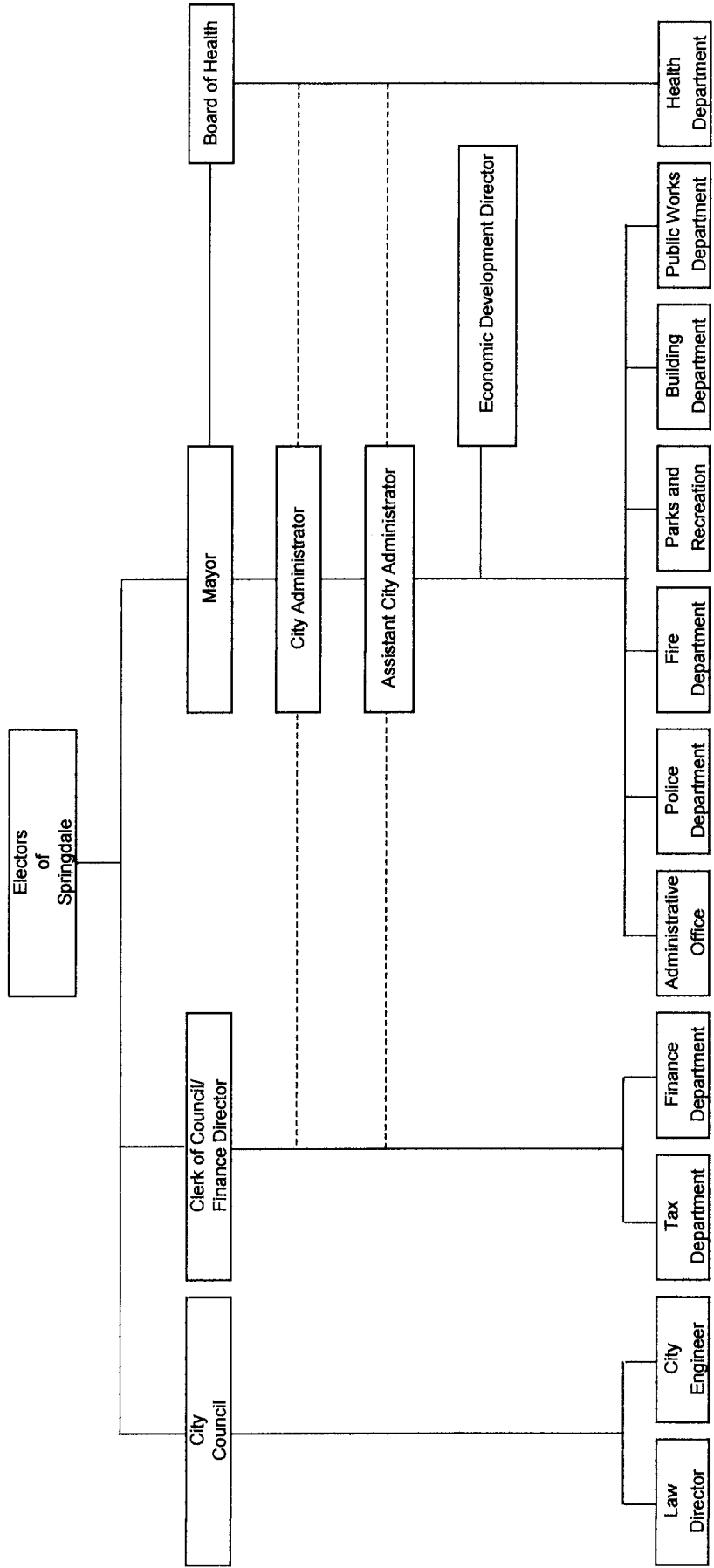
Derrick Parham, City Administrator
Amanda Zimmerlin, Assistant City Administrator
Christine Russell, Economic Development Director

Jeff Agricola, Superintendent of Public Works	Jeffrey Forbes, Law Director
Greg Karle, Parks and Recreation Director	Don Shvezda, City Engineer
Michael Mathis, Chief of Police	Seth Tieger, City Prosecutor
Gregg Taylor, Building Official	Donald White, City Magistrate
Matthew Clayton, Health Commissioner	
Michael Hoffman, Fire Chief	
Jeffrey Williams, Finance Officer/Tax Commissioner (1)	

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

CITY OF SPRINGDALE

ORGANIZATIONAL TABLE





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

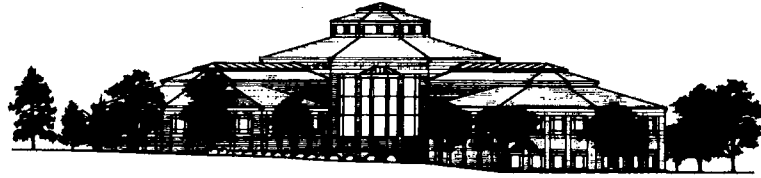
**City of Springdale
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morill

Executive Director/CEO



FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the City Council
City of Springdale, Ohio:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Springdale, Ohio (the "City") as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Springdale, Ohio, as of December 31, 2017, and the respective changes in financial position and the budgetary comparison for the General Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as identified in the table of contents, be

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2018 on our consideration of the City of Springdale's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Springdale's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
June 18, 2018

**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

The City of Springdale discussion and analysis of the financial performance provides an overall review of the City's financial activities for the year-ended December 31, 2017. 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 2017 are as follows:

- * The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at December 31, 2017 by \$27,431,814 (net position). Net position was reduced by the negative governmental unrestricted amount resulting in part from the City's reporting of \$20,503,272 of net pension liability in the government type activities.
- * The City's governmental funds reported a combined ending fund balance of \$11,922,416. Of this amount, \$2,840,164 represents the general fund unassigned fund balance available for spending on behalf of its citizens.
- * During 2017, the City retired the Community Center Expansion General Obligation Bonds.
- * During 2017, the City issued \$8,200,000 (par value) of Street Improvement General Obligation Bonds and received an A1 credit rating from Moody's Investor Services.

USING THIS ANNUAL FINANCIAL REPORT

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

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

REPORTING THE CITY AS A WHOLE

The Statement of Net Position and the Statement of Activities

The analysis of the City as a whole begins with the statement of net position and the statement of activities. These statements provide information that will help the reader to determine if the City is financially better or worse as a result of 2017 activities. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by private sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net position and the change in that position. This change in net position informs the reader whether the City's financial position, as a whole, has improved or diminished. However, in evaluating the overall position of the City, non-financial information such as changes in the

**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

City's tax base and the condition of City capital assets will also need to be evaluated. In the statement of net position and the statement of activities, the City reports governmental activities, where most of the City's services are reported, including police, fire, public works, administration, and all other departments.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

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

Governmental Funds: Most of the City's services and activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides.

Governmental fund information helps to determine whether there are more or less financial resources that can be spent in the near future on services provided to residents. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is reconciled in the basic financial statements.

Fiduciary Funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The City has 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, or major, funds. The major funds are the general fund, street improvement operations fund, capital improvements fund, and the northwest business district tax increment financing fund.

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

Required supplemental information: Information is provided regarding the two pension systems that the City contributes to.

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

**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As stated earlier, the statement of net position and the statement of activities present information about the City as a whole. Table 1 provides a summary of the City's net position for 2017 as compared to 2016:

<u>Table 1</u>	Governmental Activities	
	2017	2016 (restated)
<u>Assets and Deferred Outflows</u>		
Current and other assets	\$17,945,966	\$14,209,976
Capital assets, net (1)	40,939,475	39,464,117
Total assets	58,885,441	53,674,093
Deferred outflows of resources	5,111,755	5,578,658
Total assets and deferred outflows	63,997,196	59,252,751
<u>Liabilities</u>		
Current and other liabilities	2,533,709	3,388,220
Long-term liabilities:		
Due within one year	985,010	576,361
Due in more than one year	30,872,676	22,407,302
Total liabilities	34,391,395	26,371,883
<u>Deferred Inflows of Resources</u>		
Pension	601,582	205,714
Property tax	914,405	893,791
Payments in lieu of tax	658,000	658,700
Total deferred inflows of resources	2,173,987	1,758,205
<u>Net Position</u>		
Net investment in capital assets (1)	36,663,257	37,133,892
Restricted	2,301,520	1,409,383
Unrestricted	(11,532,963)	(7,420,612)
Total net position	\$27,431,814	\$31,122,663

(1) – Capital assets, net, was restated for 2016 due to the correction of an error. The adjustment had the effect of reducing capital assets, net and net invested in capital assets by \$195,273. Additional information can be found in note 9 to the basic financial statements.

In prior years, the City adopted Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions, an amendment of GASB Statement 27", which significantly revised accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

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

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

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

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange", that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system as against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick, comp time, and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position. In accordance with GASB Statement No. 68, the City's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's change in net pension liability not accounted for as deferred inflows/outflows.

**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Net position of the City's governmental activities decreased \$3,690,849 from 2016 to 2017. Notable changes include current and other assets, and long-term liabilities – due in more than a year.

Current and Other Assets

Current and other assets increased \$3,735,990 from 2016 to 2017. This increase is mostly due to the unspent portion of Street Improvement General Obligation Bond proceeds at year-end. The main difference is the equity in pooled cash and cash equivalents account, which increased \$4,488,399 from 2016 to 2017. Another significant change is taxes receivable, which decreased \$899,695 from 2016 to 2017. This was the result of large business account declarations received during the 12-31-16 taxes receivable time frame that were not received during the 12-31-17 taxes receivable time frame. Therefore, this had the effect of increasing the amount of income taxes receivable at 12-31-16 as compared to 12-31-17.

Long-Term Liabilities – Due in More Than a Year

Long term liabilities – due in more than a year increased \$8,465,374 from 2016 to 2017. This increase is due to the issuance of \$8,200,000 (par value) of Street Improvement General Obligation Bonds. The bonds were issued March 30, 2017 and the first principal payment was made in December of 2017. Also in 2017, the City issued \$656,586 of long-term capital leases for a fire engine as well as two vehicles.

Based on table 1 above, the overall financial position of the City has decreased from prior year. Total assets and deferred outflows have increased \$4,744,445 due to a stronger cash position. But, total liabilities increased \$8,019,512 as a result of the Street Improvement General Obligation Bonds and capital leases issued in 2017.

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**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Table 2 provides a summary of the change in net position for 2017 as compared to 2016.

<u>Table 2</u>	Governmental Activities	
	2017	2016 (restated)
<u>Revenues</u>		
Program revenues:		
Charges for services	\$1,256,449	\$1,191,104
Operating grants and contributions	75,025	229,964
Capital grants and contributions	1,090,775	208,732
Total program revenues	<u>2,422,249</u>	<u>1,629,800</u>
General revenues:		
Municipal income taxes	14,024,396	14,185,996
Property and other taxes	1,158,185	1,127,511
Payments in lieu of taxes	658,169	659,227
Special assessments	335,043	324,191
Grants and entitlements not restricted	969,862	991,013
Investment earnings	92,567	16,033
Other	660,922	617,304
Total general revenues	<u>17,899,144</u>	<u>17,921,275</u>
Total revenues	<u>20,321,393</u>	<u>19,551,075</u>
<u>Program Expenses</u>		
Governmental activities:		
Security of persons and property	10,555,584	10,513,238
Public health services	499,155	400,372
Leisure time activities	2,190,508	1,982,267
Community environment	794,151	678,483
Transportation	4,216,505	3,522,560
General government	5,347,176	5,017,827
Interest and fiscal charges	409,163	203,911
Total expenses	<u>24,012,242</u>	<u>22,318,658</u>
Change in net position	(3,690,849)	(2,767,583)
Beginning net position	<u>31,122,663</u>	<u>33,890,246</u>
Ending net position	<u>\$27,431,814</u>	<u>\$31,122,663</u>

Governmental activities, total revenues, increased \$770,318 from 2016 to 2017, and total expenses increased \$1,693,584 from 2016 to 2017. Significant changes in revenues and expenses are addressed below:

Capital Grants and Contributions Revenue

Capital grants and contributions revenue increased \$882,043 from 2016 to 2017. This is a direct result of increased capital improvement projects involving the receipt of grants in 2017.

**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Transportation Expense

Transportation expense increased \$693,945 from 2016 to 2017. The increase is primarily due to amounts expended in the street improvement operations fund, capital improvements fund, and the street construction, repair and maintenance fund in 2017 that did not meet the criteria of a capital asset for financial statement presentation purposes and therefore were recorded as transportation expense.

Table 3 below shows 2017 percentages of revenues and expenses:

Table 3

	\$	%
<u>Revenues</u>		
Program revenues:		
Charges for services	\$1,256,449	6%
Operating grants and contributions	75,025	-
Capital grants and contributions	1,090,775	5%
Total program revenues	2,422,249	11%
General revenues:		
Municipal income taxes	14,024,396	70%
Property and other taxes	1,158,185	6%
Payments in lieu of taxes	658,169	3%
Special assessments	335,043	2%
Grants and entitlements not restricted	969,862	5%
Investment earnings	92,567	-
Other	660,922	3%
Total general revenues	17,899,144	89%
Total revenues	\$20,321,393	100%
<u>Program Expenses</u>		
Governmental activities:		
Security of persons and property	\$10,555,584	44%
Public health services	499,155	2%
Leisure time activities	2,190,508	9%
Community environment	794,151	3%
Transportation	4,216,505	18%
General government	5,347,176	22%
Interest and fiscal charges	409,163	2%
Total expenses	\$24,012,242	100%

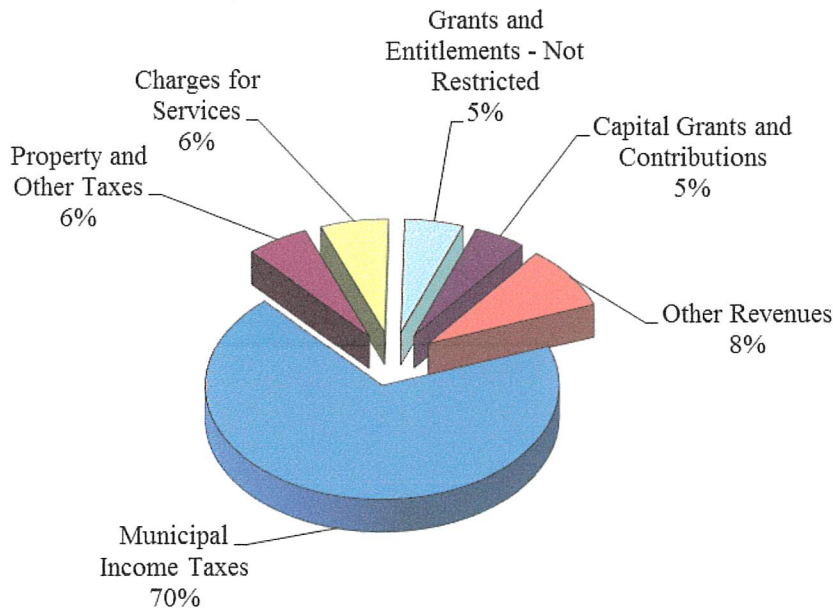
The largest sources of revenue are municipal income taxes, charges for services, property and other taxes, capital grants and contributions, and grants and entitlements not restricted. Municipal income taxes are received from business employee withholdings, business net profit tax returns, resident tax returns, and penalty and interest. Charges for services are mostly from paramedic services, fines and forfeitures related to Mayor's Court, and membership fees to join the community center. 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. Grants and entitlements not restricted are received from the State and County as local government funds, homestead and rollback entitlement, gasoline tax, and license tax.

**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

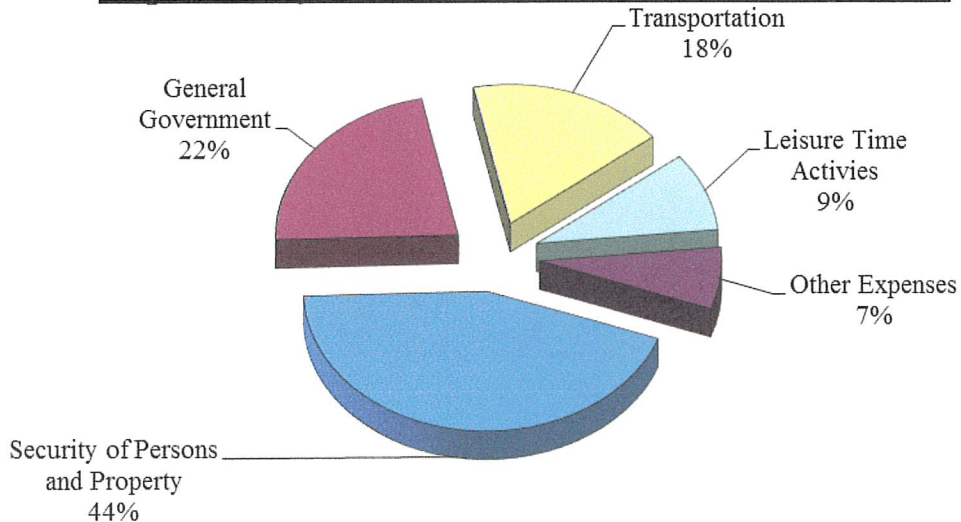
The largest sources of expense are security of persons and property, general government, and transportation. Security of persons and property represent operational activity for the police and fire departments, general government represents administration as well as the tax and finance departments, and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

Following are graphs showing the percentages of revenue and expense for 2017:

Revenues by Source - Governmental Activities



Expenses by Function - Governmental Activities



**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

At year-end 2017, the City's governmental funds reported combined ending fund balances of \$11,922,416. Of this amount, \$2,342,605 is reported as unassigned fund balance, which includes negative fund balances in the Tri-County Mall TIF fund of \$492,378, and the residential recycling fund of \$5,181. The remaining fund balance is classified as nonspendable, restricted, and assigned to indicate amounts not available for new spending due to allocations to liquidate encumbrances, reflect year-end inventory, prepaid items, budgetary constraints, to account for long-term advances, health and liability insurance, capital improvements, debt service, operating grants, law enforcement, and road maintenance. All governmental funds had revenues of \$20,624,999 and expenditures of \$24,914,686, leaving a deficiency of revenues over expenditures of \$4,289,687.

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

General Fund

The general fund is the chief operating fund of the City. At year-end 2017 the total fund balance was \$4,893,573. This represents a decrease of \$1,753,366 from 2016. General fund revenue increased \$234,370 from 2016. This is primarily due to an increase in municipal income tax due to larger business employee withholdings and business declarations as compared to 2016. General fund expenditures increased \$1,159,947 from 2016. This is primarily due to increases in security of persons and property, general government, and capital outlay expenditures. Security of persons and property expenditures increased approximately \$546,000 and general government expenditures increased approximately \$350,000 over 2016. Also, transfers-out increased \$750,106 over 2016 due to activity in the capital improvements fund as well as the street improvement bond fund.

Street Improvement Operations Fund

At year-end 2017, the total fund balance for the street improvement operations fund was \$5,771,070. This fund was established in 2017 to account for the issuance of \$8,200,000 (par value) of street improvement general obligation bonds. Bond proceeds were recorded for \$8,200,000 as well as construction grant revenue of \$467,385. \$2,941,072 was expended for street improvements in 2017.

Capital Improvements Fund

At year-end 2017, the total fund balance for the capital improvements fund was \$706,191, which represents an increase of \$525,557 from 2016. 2017 had expenditures over revenues by \$524,443. The expenditure activity in this fund was consistent from 2016 to 2017. Revenues in 2016 were \$266,828 and revenues in 2017 were \$623,390, this increase was due to a larger amount of capital improvement projects including grants. In 2016, transfers-in were \$550,000 and in 2017 transfers-in were \$1,050,000, resulting in an overall increase in fund balance of \$525,557.

**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Northwest Business District Tax Increment (TIF) Fund

At year-end 2017, the total fund balance for the northwest business district TIF fund was \$319,233, which represents an increase of \$24,894 from 2016. In 2017, fund activity was consistent with 2016, 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 2017, there were two amendments to the City budget passed by City Council.

Comparison of Original Budget to Final Budget

The 2017 original budgeted revenues for the general fund, including transfer activity, were approximately \$17.4 million and the final budgeted revenues were approximately \$18.4 million. This increase was due to actual municipal income taxes being more for the year than the original budgeted amount. The 2017 original budgeted expenditures for the general fund, including transfer and advance activity, were approximately \$19.8 million and the final budgeted expenditures were approximately \$20.8 million. This increase is mainly due to actual transfers being approximately \$820,000 over the original budget amount.

Comparison of Final Budget to Actual Results

The 2017 actual revenues for the general fund, including transfer activity, were approximately \$18.7 million and final budgeted revenues were approximately \$18.4 million. The 2017 actual expenditures, including transfer and advance activity, were approximately \$20 million as compared to the final budgeted expenditures of approximately \$20.8 million. This difference is mostly the result of actual expenditures being less than final budgeted expenditures for the functions of security of persons and property (police and fire departments) and general government (administration, economic development, tax, and finance departments) and not applicable to any specific reason within those functions.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Table 4	Capital Assets at December 31 (Net of Depreciation)	
	Governmental Activities	
	2017	2016
Land	\$2,474,849	\$2,433,429
Construction in progress (1)	2,058,693	276,202
Building	11,661,845	12,007,629
Improvements other than building	546,969	619,826
Machinery and equipment	317,341	336,490
Furniture and fixtures	12,427	13,524
Vehicles	1,689,710	1,096,080

**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Table 4 (Continued)	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2016</u>
Infrastructure:		
Sewers	126,588	141,004
Roads	17,313,327	17,625,545
Right of way	279,752	279,752
Traffic control (1)	1,156,301	1,154,416
Streetscape (1)	1,366,445	1,455,863
Pedestrian traffic (1)	186,422	208,341
Parks	1,303,306	1,365,116
TIF area public improvements	445,500	450,900
Total capital assets	<u>\$40,939,475</u>	<u>\$39,464,117</u>

(1) - Capital assets were restated for 2016 due to the correction of an error. The adjustment had the effect of reducing capital assets, net.

Additional information concerning the City's capital assets can be found in Note 9 to the basic financial statements.

Debt

As of December 31, 2017, the City had outstanding debt of \$12,034,526 in bonds, notes, and capital leases with \$2,138,911 due within one year.

Table 5	<u>Outstanding Debt at December 31</u>	
	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2016</u>
General obligation bonds	\$8,151,657	\$300,000
TIF revenue bonds	1,924,842	2,030,225
Special obligation bond anticipation notes	1,320,000	2,640,000
Capital leases	638,027	0
Total debt	<u>\$12,034,526</u>	<u>\$4,970,225</u>

In 2017, the City entered into three lease agreements categorized as capital leases. Payments for two of these leases were made from the general fund. The first payment of the other lease is not due until 2018.

Under the current City Charter, the City's 2017 general obligation bonded debt was subject to a legal limitation of \$25,344,156 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 11, 12, and 13 to the basic financial statements.

**CITY OF SPRINGDALE, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Budget Procedure

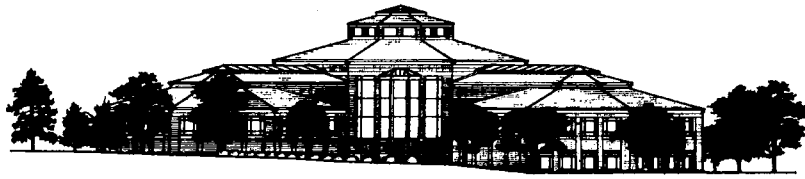
The City's budget procedure is a very detailed process. From May to June of the current year, the tax budget is prepared and approved by City Council for submission to the County in accordance with the Ohio Revised Code. This budget procedure forecasts fund balances at the end of the next fiscal year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

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

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

REQUESTS FOR INFORMATION

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



BASIC FINANCIAL STATEMENTS

**CITY OF SPRINGDALE, OHIO
STATEMENT OF NET POSITION
DECEMBER 31, 2017**

	<u>Governmental Activities</u>
Assets:	
Equity in pooled cash and cash equivalents	\$10,205,738
Cash with fiscal agent	177,903
Cash in segregated account	21,193
Receivables (net):	
Taxes	3,150,891
Payments in lieu of taxes	658,000
Special assessments	335,936
Accounts	327,069
Intergovernmental	515,675
Prepaid items	157,036
Inventory	352,401
Real estate held for resale	1,950,000
Restricted assets:	
Funds on deposit for unclaimed monies	15,455
Funds on deposit for performance bonds and plan review fees	78,669
Nondepreciable capital assets	4,813,294
Depreciable capital assets, net	<u>36,126,181</u>
Total assets	<u>58,885,441</u>
Deferred outflows of resources - pension:	
Ohio Public Employees Retirement System	2,458,825
Ohio Police and Fire Pension System	<u>2,652,930</u>
Total deferred outflows of resources	<u>5,111,755</u>
Liabilities:	
Accounts payable	206,885
Contracts payable	330,516
Accrued wages and benefits payable	402,587
Accrued compensated absences payable	12,456
Accrued interest payable	32,717
Intergovernmental payable	70,582
Undistributed monies payable	80,919
Unclaimed monies payable	15,455
Claims payable	9,534
Unearned revenue	52,058
Bond anticipation notes payable	1,320,000
Long-term liabilities:	
Due within one year	985,010
Due in more than one year:	
Net pension liability	20,503,272
Other long term liabilities	<u>10,369,404</u>
Total liabilities	<u>34,391,395</u>
Deferred inflows of resources:	
Pension	601,582
Property tax	914,405
Payments in lieu of tax	<u>658,000</u>
Total deferred inflows of resources	<u>2,173,987</u>
Net position:	
Net investment in capital assets	36,663,257
Restricted for:	
Capital projects	1,323,519
Street construction, maintenance and repair	735,691
Other purposes	242,310
Unrestricted	<u>(11,532,963)</u>
Total net position	<u>\$27,431,814</u>

See accompanying notes to the basic financial statements

**CITY OF SPRINGDALE, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Expenses	Program Revenues		Net	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
				(Expense) Revenue and Changes in Net Position	
				Total Governmental Activities	
Governmental activities:					
Security of persons and property	\$10,555,584	\$777,306	\$29,458	\$0	(\$9,748,820)
Public health services	499,155	75,140	42,692	0	(381,323)
Leisure time activities	2,190,508	126,582	0	0	(2,063,926)
Community environment	794,151	145,274	2,875	0	(646,002)
Transportation	4,216,505	3,900	0	889,160	(3,323,445)
General government	5,347,176	128,247	0	201,615	(5,017,314)
Interest and fiscal charges	409,163	0	0	0	(409,163)
Total governmental activities	\$24,012,242	\$1,256,449	\$75,025	\$1,090,775	(21,589,993)
General revenues:					
					14,024,396
Municipal income taxes					1,158,185
Property and other taxes					658,169
Payments in lieu of taxes					335,043
Special assessments					969,862
Grants and entitlements not restricted to specific programs					92,567
Investment earnings					660,922
Other revenues					
Total general revenues					17,899,144
Change in net position					(3,690,849)
Net position - beginning (restated)					31,122,663
Net position - ending					\$27,431,814

See accompanying notes to the basic financial statements

**CITY OF SPRINGDALE, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2017**

	General Fund	Street Improvement Operations Fund	Capital Improvements Fund	Northwest Business TIF Fund	Other Governmental Funds	Total Governmental Funds
Assets:						
Equity in pooled cash and cash equivalents	\$3,038,746	\$5,972,198	\$87,875	\$336,975	\$769,944	\$10,205,738
Cash with fiscal agent	177,903	0	0	0	0	177,903
Cash in segregated account	21,193	0	0	0	0	21,193
Receivables (net):						
Taxes	3,150,891	0	0	0	0	3,150,891
Payments in lieu of taxes	0	0	0	658,000	0	658,000
Special assessments	7,936	0	0	328,000	0	335,936
Accounts	327,069	0	0	0	0	327,069
Intergovernmental	156,508	67,496	0	0	291,671	515,675
Interfund loan receivable	2,000	0	0	0	0	2,000
Prepaid items	139,436	0	0	0	2,538	141,974
Inventory	352,401	0	0	0	0	352,401
Real estate held for sale	0	0	1,950,000	0	0	1,950,000
Advances to other funds	492,378	0	0	0	0	492,378
Restricted assets:						
Funds on deposit for unclaimed monies	15,455	0	0	0	0	15,455
Funds on deposit for performance bonds and plan review fees	78,669	0	0	0	0	78,669
Total assets	<u>\$7,960,585</u>	<u>\$6,039,694</u>	<u>\$2,037,875</u>	<u>\$1,322,975</u>	<u>\$1,064,153</u>	<u>\$18,425,282</u>
Liabilities:						
Accounts payable	\$171,896	\$5,636	\$8,032	\$1,208	\$20,113	\$206,885
Contracts payable	67,528	262,988	0	0	0	330,516
Accrued wages and benefits payable	400,675	0	0	0	1,912	402,587
Accrued compensated absences payable	12,456	0	0	0	0	12,456
Intergovernmental payable	41,548	0	0	16,534	12,500	70,582
Accrued interest payable	0	0	3,652	0	0	3,652
Interfund loan payable	0	0	0	0	2,000	2,000
Undistributed monies payable	80,919	0	0	0	0	80,919
Unclaimed monies payable	15,455	0	0	0	0	15,455
Claims payable	9,534	0	0	0	0	9,534
Unearned revenue	0	0	0	0	52,058	52,058
Bond anticipation notes payable	0	0	1,320,000	0	0	1,320,000
Advances from other funds	0	0	0	0	492,378	492,378
Total liabilities	<u>800,011</u>	<u>268,624</u>	<u>1,331,684</u>	<u>17,742</u>	<u>580,961</u>	<u>2,999,022</u>
Deferred inflows of resources:						
Municipal income tax	889,686	0	0	0	0	889,686
Property tax	957,000	0	0	0	0	957,000
Payments in lieu of tax	0	0	0	658,000	0	658,000
Intergovernmental revenue	128,335	0	0	0	250,843	379,178
Special assessments	7,936	0	0	328,000	0	335,936
Other revenue	284,044	0	0	0	0	284,044
Total deferred inflows of resources	<u>2,267,001</u>	<u>0</u>	<u>0</u>	<u>986,000</u>	<u>250,843</u>	<u>3,503,844</u>
Fund balances:						
Nonspendable	984,215	0	0	0	2,538	986,753
Restricted	0	5,771,070	706,191	312,848	727,370	7,517,479
Assigned	1,069,194	0	0	6,385	0	1,075,579
Unassigned (deficit)	2,840,164	0	0	0	(497,559)	2,342,605
Total fund balances	<u>4,893,573</u>	<u>5,771,070</u>	<u>706,191</u>	<u>319,233</u>	<u>232,349</u>	<u>11,922,416</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$7,960,585</u>	<u>\$6,039,694</u>	<u>\$2,037,875</u>	<u>\$1,322,975</u>	<u>\$1,064,153</u>	<u>\$18,425,282</u>

See accompanying notes to the basic financial statements

**CITY OF SPRINGDALE, OHIO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2017**

Total governmental fund balances	\$11,922,416
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	40,939,475
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	1,931,439
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.	(639,888)
Net pension liability is not due and payable in the current period, therefore the liability and related deferred inflows/outflows are not reported in the governmental funds:	
Deferred outflows - pension	5,111,755
Deferred inflows - pension	(601,582)
Net pension liability	(20,503,272)
Certain prepaid items are not reported in the fund financial statements.	15,062
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Street improvement general obligation bonds - Series 2017	(8,151,657)
Tax increment financing phase I revenue bonds	(1,924,842)
Capital Leases	(638,027)
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>(29,065)</u>
Net position of governmental activities	<u><u>\$27,431,814</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, 2017

	General Fund	Street Improvement Operations Fund	Capital Improvements Fund	Northwest Business TIF Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
Municipal income taxes	\$14,407,358	\$0	\$0	\$0	\$0	\$14,407,358
Property and other taxes	1,135,948	0	0	0	0	1,135,948
Payments in lieu of taxes	0	0	0	658,169	0	658,169
Special assessments	5,660	0	0	315,112	0	320,772
Intergovernmental	383,546	467,385	623,390	0	631,330	2,105,651
Charges for services	621,620	0	0	0	0	621,620
Fines and forfeitures	180,247	0	0	0	2,865	183,112
Fees, licenses and permits	465,220	0	0	0	8,515	473,735
Interest	47,460	44,757	0	350	0	92,567
Other	417,267	0	0	170,000	38,800	626,067
Total revenues	17,664,326	512,142	623,390	1,143,631	681,510	20,624,999
Expenditures:						
Current:						
Security of persons and property	9,516,675	0	0	0	39,185	9,555,860
Public health services	390,563	0	0	0	56,877	447,440
Leisure time activities	1,593,380	0	0	0	7,710	1,601,090
Community environment	510,541	0	0	0	103,144	613,685
Transportation	1,214,979	0	0	0	183,304	1,398,283
General government	4,102,722	0	18,976	880,539	118,433	5,120,670
Capital outlay	324,283	2,941,072	1,048,502	0	689,761	5,003,618
Debt service:						
Principal retirement	18,559	0	0	105,383	670,000	793,942
Interest and fiscal charges	0	0	80,355	132,815	166,928	380,098
Total expenditures	17,671,702	2,941,072	1,147,833	1,118,737	2,035,342	24,914,686
Excess (deficiency) of revenues over expenditures	(7,376)	(2,428,930)	(524,443)	24,894	(1,353,832)	(4,289,687)
Other financing sources (uses):						
Proceeds from the sale of bonds	0	8,200,000	0	0	0	8,200,000
Premium from the sale of bonds	0	0	0	0	344,632	344,632
Inception of capital lease	52,586	0	0	0	604,000	656,586
Transfers-in	0	0	1,050,000	0	748,576	1,798,576
Transfers-out	(1,798,576)	0	0	0	0	(1,798,576)
Total other financing sources (uses)	(1,745,990)	8,200,000	1,050,000	0	1,697,208	9,201,218
Net change in fund balances	(1,753,366)	5,771,070	525,557	24,894	343,376	4,911,531
Beginning fund balances (deficit)	6,646,939	0	180,634	294,339	(111,027)	7,010,885
Ending fund balances	\$4,893,573	\$5,771,070	\$706,191	\$319,233	\$232,349	\$11,922,416

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, 2017**

Net change in fund balances - total governmental funds		\$4,911,531
Amounts reported for governmental activities in the statement of activities are different because:		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period:</p>		
Capital asset additions, not being depreciated	2,480,579	
Capital asset additions, being depreciated	985,924	
Depreciation expense	<u>(1,988,466)</u>	1,478,037
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, disposal) is to decrease net capital assets:</p>		
Capital asset deletions, being depreciated	(151,218)	
Accumulated depreciation	<u>148,539</u>	(2,679)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
		(326,941)
<p>Bond and other debt proceeds are reported as other financing sources in governmental funds and therefore contribute to the change in fund balances. In the government-wide statements, however, issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities.</p>		
Par value of bonds issued	(8,200,000)	
Inception of capital leases	(656,586)	
Premium on bonds issued	<u>(344,632)</u>	(9,201,218)
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The difference in these amounts reported on the Statement of Activities is the result of the following:</p>		
Amortization of debt premium	22,975	
Difference of prepaid bond insurance	15,062	
Difference in accrued interest payable	<u>(29,065)</u>	8,972
<p>Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduced long-term liabilities in the statement of net position.</p>		
		793,942
<p>Contractually required contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.</p>		
		1,628,898
<p>Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.</p>		
		(3,011,251)
<p>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.</p>		
		<u>29,860</u>
Change in net position of governmental activities		<u><u>(\$3,690,849)</u></u>

See accompanying notes to the basic financial statements

CITY OF SPRINGDALE, OHIO
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Municipal income taxes	\$14,304,000	\$15,304,000	\$15,353,933	\$49,933
Property and other taxes	1,149,000	1,174,000	1,131,560	(42,440)
Special assessments	5,000	5,000	5,660	660
Intergovernmental	448,300	448,300	394,540	(53,760)
Charges for services	598,900	598,900	619,291	20,391
Fines and forfeitures	197,500	197,500	184,854	(12,646)
Fees, licenses and permits	380,050	380,050	455,595	75,545
Interest	18,000	18,000	47,460	29,460
Other	308,900	308,900	555,700	246,800
Total revenues	17,409,650	18,434,650	18,748,593	313,943
Expenditures:				
Current:				
Security of persons and property	9,472,411	9,627,411	9,459,886	167,525
Public health services	387,838	395,838	392,744	3,094
Leisure time activities	1,720,368	1,720,368	1,642,499	77,869
Community environment	591,122	597,122	579,598	17,524
Transportation	1,421,265	1,361,265	1,226,334	134,931
General government	4,847,709	4,825,813	4,598,561	227,252
Capital outlay	365,837	430,837	287,194	143,643
Debt service:				
Principal retirement	12,545	12,545	18,559	(6,014)
Total expenditures	18,819,095	18,971,199	18,205,375	765,824
Excess (deficiency) of revenues over expenditures	(1,409,445)	(536,549)	543,218	1,079,767
Other financing sources (uses):				
Transfers-in	176	176	176	0
Transfers-out	(978,630)	(1,798,576)	(1,798,576)	0
Advances-out	0	(2,000)	(2,000)	0
Total other financing sources (uses)	(978,454)	(1,800,400)	(1,800,400)	0
Net change in fund balance	(2,387,899)	(2,336,949)	(1,257,182)	1,079,767
Beginning fund balance	3,815,877	3,815,877	3,815,877	0
Prior year encumbrances	387,282	387,282	387,282	0
Ending fund balance	\$1,815,260	\$1,866,210	\$2,945,977	\$1,079,767

See accompanying notes to the basic financial statements

CITY OF SPRINGDALE, OHIO
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUND
DECEMBER 31, 2017

	<u>Agency</u>
Assets:	
Equity in pooled cash and cash equivalents	<u>\$801</u>
 Total assets	 <u><u>\$801</u></u>
 Liabilities:	
Ohio board of building standards assessment (OBBS) payable	<u>\$801</u>
 Total liabilities	 <u><u>\$801</u></u>

See accompanying notes to the basic financial statements

CITY OF SPRINGDALE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

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

The primary government consists of all the organizations, activities, and functions that are not legally separate from the City. Component units are legally separate organizations for which the City is financially accountable. The City would consider an organization to be a component unit if:

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statement of net position presents the financial condition of the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational and capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues. The comparison of direct

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expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the City. The effect of interfund activity has been eliminated from the government-wide financial statements, but interfund services provided and used are not eliminated in the process of consolidation.

Fund Financial Statements

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

Fund Accounting

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

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

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

Street Improvement Operations Fund - This capital projects fund is used to account for activity relating to the road projects associated with the 2017 street improvement general obligation bond issue.

Capital Improvements Fund - This capital projects fund is used to account for various capital projects financed by governmental funds and to account for capital grants obtained from outside sources.

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

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

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

Fund Financial Statements

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

Basis of Accounting

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

Revenues – Exchange and Non-Exchange Transactions

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

Nonexchange transactions, in which the City received value without directly giving equal value in return, include income tax, property tax, admissions tax, transient occupancy tax, payments in lieu of taxes, special assessments, cable franchise fees, state levied taxes, grants, and

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entitlements. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property tax is recognized in the fiscal year for which the taxes are levied. Revenue from state-levied taxes, grants, and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis.

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

Deferred Outflows of Resources

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

Deferred Inflows of Resources

In addition to liabilities, the statement of net position and the balance sheet each report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources until that time. The following transactions recorded a receivable and deferred inflows of resources (either in-part or in-full) at year-end: municipal income tax, property and other taxes, payments in lieu of taxes, special assessments, intergovernmental, and miscellaneous. Deferred inflows of resources related to pension are reported on the government-wide statement of net position (see note 14).

Unearned Revenue

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

Expenses/Expenditures

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

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Budgets and the Budgetary Process

The budgetary process, prescribed by provisions of the Ohio Revised Code and the City Charter, entails the preparation of budgetary documents within an established timetable. This includes the preparation of the tax budget, a certificate of estimated resources, and the appropriation/estimated receipts ordinance, all of which are prepared on the non-GAAP budgetary basis of accounting. The certificate of estimated resources and the appropriation/estimated receipts ordinance may be amended by action of City Council throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

All funds, other than agency funds, are legally required to be budgeted and appropriated. The City adopts a budget and approves appropriations for all funds. The legal level of budgetary control is defined as the level at which City Council must approve any over-expenditure of appropriations or transfers of appropriated amounts. City Council must approve any increase or decrease in appropriations and estimated receipts. The legal level of budgetary control for the general fund is at the departmental level (personal services and other expenditures) and all other funds is at the fund level (personal services and other expenditures). Administrative control is maintained through the establishment of detailed line item budgets. For 2017, all appropriations were approved as required and all funds and departments completed the year within the legally authorized appropriations.

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

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

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

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

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

Budgetary Basis of Accounting – While the City is reporting financial position, results of operations and changes in fund balances on the basis of accounting principles generally accepted in the United States of America (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The statement of revenues, expenditures and changes in fund balances – budget (non-GAAP basis) and actual (presented for the general fund) is presented on a budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

- * Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP),
- * Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP),
- * Year-end encumbrances are treated as expenditures (budget) rather than assigned fund balance (GAAP), and
- * Year-end prepaid items are treated as expenditures (budget) rather than nonspendable fund balance (GAAP).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund.

	Net Change in Fund Balance - General Fund
GAAP basis	(\$1,753,366)
Net adjustment for revenue accruals	1,084,443
Net adjustment for expenditure accruals	(418,912)
2016 prepaid items for 2017	141,528
2017 prepaid items for 2018	(139,436)
Encumbrances	(171,439)
Budget basis	(\$1,257,182)

Cash and Cash Equivalents

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

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The City's investment and depository policy is based on the Ohio Revised Code, Chapter 135, and includes the following objectives and general guidelines:

- * Preservation of capital and protection of principal while earning investment interest,
- * Investments are to remain liquid to meet reasonable anticipated operating requirements,
- * Investment instruments shall be purchased for the safety of capital as well as the income to be derived and never for speculation, and
- * Manage bank account relations to secure adequate services while minimizing costs.

The City invested funds in STAR Ohio during 2017. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at the net asset value per share provided by STAR Ohio on an amortized cost basis at 12-31-17, which approximates fair value.

For 2017 there were no limitations or restrictions on any participants withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

Receivables

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

Prepaid Items

Certain payments made to vendors for services that will benefit subsequent periods are recorded as prepaid items. On government-wide and fund financial statements, prepaid items are presented based on the consumption method, whereas an asset is recognized at year-end for the value of the prepayment remaining and the expense/expenditures are reflected in the year in which services are consumed. On the fund financial statements, prepaid items are equally offset as nonspendable fund balance, which indicates that the prepaid items do not constitute available spendable resources even though they are a component of net current assets. In 2017, the City issued street improvement general obligation bonds. As part of this transaction the City purchased bond insurance. This has been recorded as a prepaid item on the statement of net position and will be amortized over the life of the bonds.

Inventory

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

Real Estate Held for Resale

In January of 2016, the City purchased the former Sheraton Hotel, located at 11911 Sheraton Lane, for \$1,950,000. The goal of purchasing the property was to have the building demolished and sell the vacant lot for development consistent with the City's vision. As of December 31, 2017 the building has been

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demolished and the land is for sale. The City has recorded real estate held for resale on the statement of net position and the governmental funds balance sheet.

Capital Assets

Governmental capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in the governmental funds. Governmental capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and deletions during the year. For purposes of financial reporting, only capital assets valued at \$5,000 or more are reported. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at their acquisition value as of the date received, if valued at \$5,000 or more. The City's infrastructure consists of sewer lines, streets, traffic signals, sidewalks, parks, 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, right of way easements (infrastructure), and construction in progress. Improvements are depreciated over the remaining useful life of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

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

Interest Income

Interest income is distributed to the funds according to the Ohio Revised Code and City Ordinance. The Ohio Revised Code requires interest to be credited to the general fund, however, the City passes legislation allowing interest to be allocated to the applicable funds based on the principal balance. Total interest revenue during 2017 was \$92,567. Total interest credited to the general fund during 2017 was \$47,460, which includes \$3,736 assigned from other funds.

Payments In Lieu Of Taxes

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

Special Assessments

Special assessments represent amounts received from the Hamilton County Auditor based on the Tax Increment Financing (TIF) Service Agreement. As part of the 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

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TIF value was decreased to \$0. The special assessments were levied on the tenants of the office tower to make up the shortfall in service payments. When the special assessments are received from the County Auditor at settlement, the amount is then remitted to the Port bond trustee in accordance with the Service Agreement. Special assessments were also collected as a result of unpaid amounts owed by residents for grass cutting services performed. Billings are sent to the resident owners. If payment is not received within 30 days a special assessment is levied on property taxes through the Hamilton County Auditor's Office. On the statement of activities, special assessment revenue at December 31, 2017 is \$335,043.

Restricted Assets

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

Compensated Absences

The City reports compensated absences in accordance with the provisions of GASB Statement No. 16, *"Accounting for Compensated Absences."* Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Accumulated vacation leave must be used by year-end.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those that the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employee wage rates at fiscal year-end taking into consideration any limits specified in the City's personnel manual. At year-end 2017, a compensated absence liability is reported on the government-wide financial statements as long-term liabilities.

For governmental funds, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "accrued compensated absences payable" in the fund from which the employees who have accumulated leave are paid. In prior years, the liability for compensated absences has been liquidated from the general fund. The noncurrent portion of the liability is not reported. The City has reported a liability for compensated absences in the fund financial statements as a result of retirements at year-end 2017.

Accrued Liabilities and Long-Term Obligations

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

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Pensions

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

Net Position

On the statement of net position, net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Restricted for other purposes is comprised of net position restricted for non-capital grants and other applicable special revenue funds, as well as the debt service fund. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. Of the City's \$2,301,520 restricted net position, \$0 is restricted for enabling legislation.

Fund Balance

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

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

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

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

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by an ordinance of City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts. In

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contrast to fund balance that is restricted by enabling legislation, the committed fund balance may be redirected for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue: therefore, compliance with these constraints are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. The City had no amounts reported as committed fund balance at December 31, 2017.

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

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

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

Interfund Activity

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

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. CHANGE IN ACCOUNTING PRINCIPLE

For fiscal year 2017, the City implemented the following Governmental Accounting Standards Board (GASB) Statements:

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- * GASB Statement No. 81, *“Irrevocable Split-Interest Agreements”*. This statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement.
- * GASB Statement No. 82, *“Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73”*. This statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

The GASB Statements that were implemented had no financial statement impact.

4. FUND BALANCES

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

Fund Balance	General Fund	Street Improve. Operations Fund	Capital Improve-ments Fund	Northwest Business TIF Fund	Nonmajor Governmental Funds	Total
<u>Nonspendable:</u>						
Advances to other funds	\$492,378	\$0	\$0	\$0	\$0	\$492,378
Prepaid items	139,436	0	0	0	2,538	141,974
Inventory	352,401	0	0	0	0	352,401
Total nonspendable	984,215	0	0	0	2,538	986,753
<u>Restricted for:</u>						
Capital improvements	0	5,771,070	706,191	0	0	6,477,261
Debt service	0	0	0	312,848	62,901	375,749
Operating grants	0	0	0	0	21,270	21,270
Road maintenance	0	0	0	0	542,060	542,060
Law enforcement	0	0	0	0	51,821	51,821
Leisure time activities	0	0	0	0	10,518	10,518
Community environment	0	0	0	0	38,800	38,800
Total restricted	0	5,771,070	706,191	312,848	727,370	7,517,479
<u>Assigned to:</u>						
Health insurance	60,827	0	0	0	0	60,827
Liability insurance	41,864	0	0	0	0	41,864
Budget resources	888,077	0	0	0	0	888,077
Other purposes	78,426	0	0	6,385	0	84,811
Total assigned	1,069,194	0	0	6,385	0	1,075,579
Unassigned	2,840,164	0	0	0	(497,559)	2,342,605
Total fund balance	\$4,893,573	\$5,771,070	\$706,191	\$319,233	\$232,349	\$11,922,416

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5. FUND DEFICITS

The capital projects, Tri-County Mall tax increment financing (TIF) fund, and the special revenue, residential recycling fund, at December 31, 2017 included fund deficits of \$492,378 and \$5,181, respectively. The deficit balance in the Tri-County Mall TIF fund is due to the recognition of advances from other funds liability. The deficit balance in the residential recycling fund is due to the recognition of expenditures on the modified accrual basis of accounting which is greater than expenditures recorded on the cash basis. The general fund is liable for fund deficits and provides transfers when cash is required, not when accruals occur.

6. DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool used by all funds. Each fund has an equity interest in this account. Monies of substantially all funds of the City are maintained or invested in a common group of bank accounts and short-term investments. The provisions of the Ohio Revised Code (ORC) and City Ordinance govern the investment and deposit of City monies. In accordance with these provisions, only banks located in Ohio and domestic building and loan associations are eligible to hold public deposits. Ohio law requires the classification of funds held by the City into the following category:

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

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

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it

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will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the City or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. Of the bank balance of deposits of \$3,160,353, \$273,973 was covered by federal deposit insurance. The remaining amount, \$2,886,380 was covered by provided collateral and not subject to custodial credit risk. Although all statutory requirements for the deposit of money have been followed, noncompliance with federal requirements would potentially subject the City to a successful claim by the FDIC.

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

Investments

The City's investment at December 31, 2017 is summarized below:

Categorized Investment	Fair Value Maturity Under One Year	Credit Rating	Concentration Percentage
STAR Ohio	\$7,334,446	S& P - AAAm	100%

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

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

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

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

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

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

7. 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 tax rate for all City operations for the year-ended December 31, 2017 was \$3.08 per \$1,000 of assessed value. The assessed values of real and public utility tangible personal property upon which 2017 property tax receipts were based are as follows:

Real Property – 2016 Assessed Valuation	\$305,874,080
Public Utility Tangible Personal Property – 2016 Assessed Valuation	13,133,660
Total	\$319,007,740

Property taxes receivable represent real property taxes, public utility property taxes, and outstanding delinquencies, which are measurable as of December 31, 2017. Although total property tax collections for the next fiscal year are measurable, the City recognizes property taxes as deferred inflows of resources since the first settlement date is more than thirty-one days after year-end and does not meet the availability criteria for recognition of revenue and because the taxes are not intended to finance current operations.

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

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* Lien date	January 1, 2016
* Levy date - first half	December 31, 2016
* First installment payment due	January 31, 2017
* Levy date - second half	March 31, 2017
* Second installment payment due	June 20, 2017

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

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 offset by deferred inflows of resources on the statement of net position and the balance sheet, with the exception of delinquencies, which are presented as property tax revenue.

Income Taxes

In 2017, 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 monthly or quarterly basis (based on the dollar amount of withholdings). Corporations and other individual taxpayers are encouraged to pay their estimated tax quarterly and file a declaration annually.

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

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Intergovernmental Receivables

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

Gasoline tax	\$188,000
Grants	92,161
Local government	85,000
License tax	76,800
Homestead/rollback	29,000
Other	44,714
Total	<u>\$515,675</u>

8. INTERFUND TRANSACTIONS

Advances To/From Other Funds

A previous year's interfund loan was made from the general fund to the capital projects fund Tri-County Mall tax increment financing fund. This loan was made regarding a previous year's road improvement project and will be repaid to the general fund when service payments are received. At the time, it was believed the interfund loan would be repaid within a year, but since has been determined this should be shown as long-term advances on the fund financial statements. 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	<u>\$492,378</u>

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

Transfers-In/Transfers-Out

In 2017, 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	\$303,576
General fund	Debt service, street improvement debt fund	370,000
General fund	Special revenue, residential recycling fund	75,000
		<u>748,576</u>
General fund	Capital projects, capital improvements fund	1,050,000
		<u>\$1,798,576</u>

The capital projects, community center debt fund, the debt service, street improvement 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, \$176 was transferred in from the unclaimed money fund. On the GAAP basis, the activity in the unclaimed money fund is reflected in the general fund. Therefore, this transfer was eliminated on the GAAP basis statements.

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9. CAPITAL ASSETS

Capital asset activity is summarized below:

<u>Governmental Activities</u>	(Restated) Balance 1/1/17	Additions	Deletions	Balance 12/31/17
Capital assets, not being depreciated:				
Land	\$2,433,429	\$41,420	\$0	\$2,474,849
Infrastructure – right of way	279,752	0	0	279,752
Construction in progress	276,202	2,439,159	(656,668)	2,058,693
Total capital assets not being depreciated	2,989,383	2,480,579	(656,668)	4,813,294
Capital assets, being depreciated:				
Buildings	19,784,111	0	0	19,784,111
Improvements other than building	2,560,838	0	0	2,560,838
Machinery and equipment	1,796,732	41,681	(53,590)	1,784,823
Furniture and fixtures	36,582	0	0	36,582
Vehicles	3,754,232	805,143	0	4,559,375
Infrastructure	56,755,595	795,768	(97,628)	57,453,735
Total capital assets being depreciated	84,688,090	1,642,592	(151,218)	86,179,464
Less accumulated depreciation:				
Buildings	(7,776,482)	(345,784)	0	(8,122,266)
Improvements other than building	(1,941,012)	(72,857)	0	(2,013,869)
Machinery and equipment	(1,460,242)	(58,151)	50,911	(1,467,482)
Furniture and fixtures	(23,058)	(1,097)	0	(24,155)
Vehicles	(2,658,152)	(211,513)	0	(2,869,665)
Infrastructure	(34,354,410)	(1,299,064)	97,628	(35,555,846)
Total accumulated depreciation	(48,213,356)	(1,988,466)	148,539	(50,053,283)
Total capital assets being depreciated, net	36,474,734	(345,874)	(2,679)	36,126,181
Governmental activities capital assets, net	\$39,464,117	\$2,134,705	(\$659,347)	\$40,939,475

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As a result of prior year omissions, the balance of capital assets have been restated from prior year. Following is a summary documenting the beginning balance as previously stated, adjustments noted, and the restated beginning balance.

	<u>Beginning Balance as Previously Stated</u>	<u>Adjustments</u>	<u>Restated Beginning Balance</u>
Capital assets, not being depreciated:			
Construction in progress	\$305,732	(\$29,530)	\$276,202
Accumulated depreciation:			
Infrastructure	(34,188,667)	(165,743)	(34,354,410)
Net position	31,317,936	(195,273)	31,122,663

In 2017, depreciation expense was charged to governmental functions as follows:

Security of persons and property	\$240,249
Public health services	3,021
Leisure time activities	309,731
Community environment	550
Transportation	1,317,092
General government	117,823
Total	<u>\$1,988,466</u>

10. COMPENSATED ABSENCES

Accumulated Unpaid Vacation Leave

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

Accumulated Unpaid Sick Leave

Full-time City employees earn sick leave at the rate of ten hours per month, provided that in each month, one hundred hours were worked. Sick leave balances at year-end are carried over to the next year. Sick leave may be accumulated up to 1,600 hours. Employees are compensated at year-end for sick leave balances over 1,600 hours (paid out at one-half the hours over 1,600). At retirement, an employee is paid for the accumulated sick leave hours as follows (except for fire department employees under union contract, who get paid at one-third of 1,600 hours).

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

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Compensatory Time

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

11. LONG-TERM OBLIGATIONS

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

Governmental Activities	Balance 1-1-17	Additions	Retirements	Balance 12-31-17	Amount Due Within A Year
General obligation bonds:					
Community center expansion bonds – Series 2012	\$300,000	\$0	(\$300,000)	\$0	\$0
Street improvement limited tax bonds – Series 2017:					
- Par amount of issue	0	8,200,000	(370,000)	7,830,000	470,000
- Bond premium	0	344,632	(22,975)	321,657	22,975
Total street Improvement bonds	0	8,544,632	(392,975)	8,151,657	492,975
Total general obligation bonds	300,000	8,544,632	(692,975)	8,151,657	492,975
Tax increment financing phase I revenue bonds	2,030,225	0	(105,383)	1,924,842	112,039
Capital leases	0	656,586	(18,559)	638,027	213,897
Compensated absences	669,748	890,824	(920,684)	639,888	166,099
Net pension liability:					
- OPERS	4,878,879	1,366,357	0	6,245,236	0
- OP&F	15,104,811	0	(846,775)	14,258,036	0
Total net pension liability	19,983,690	1,366,357	(846,775)	20,503,272	0
Total governmental activities	\$22,983,663	\$11,458,399	(\$2,584,376)	\$31,857,686	\$985,010

CITY OF SPRINGDALE, OHIO
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Community Center Expansion General Obligation Bonds – Series 2012

The City issued \$1,900,000 of Community Center Expansion General Obligation Bonds – Series 2012 dated October 25, 2012. The bonds were issued for the purpose of retiring Series 2002 bonds through a current refunding private placement. The 2002 bonds were issued for the purpose of paying the cost of constructing, furnishing and equipping additions and renovations to the Municipal Community Center, and paying related costs, under authority of the general laws of the State of Ohio and the Uniform Public Securities Law of the Ohio Revised Code and by virtue of ordinances duly adopted by Council. The Series 2012 bonds bear interest at the rate of 1.21% and matured on December 1, 2017. For the fiscal year 2017, principal and interest payments were made in the amount of \$300,000 and \$3,630 respectively.

Street Improvement Limited Tax General Obligation Bonds – Series 2017

The City issued \$8,200,000 (par value) of Street Improvement Limited Tax General Obligation Bonds – Series 2017 dated March 30, 2017. The bonds were issued for the purpose of paying the cost of certain street improvements throughout the City, and paying related costs, under authority of the general laws of the State of Ohio and the Uniform Public Securities Law of the Ohio Revised Code and by virtue of ordinances duly adopted by Council. The bonds bear interest at the rate of 2.94% and mature on December 1, 2031. At issuance, a bond premium was recorded in the amount of \$344,632. The bond proceeds for the par amount of the issue, \$8,200,000, was recorded to the capital projects, street improvement operations fund, and the bond premium, \$344,632, was recorded to the debt service, street improvement debt fund. For fiscal year 2017, principal and interest payments were made in the amount of \$370,000 and \$163,298 respectively.

Tax Increment Financing, Pictoria Island - Phase I Revenue Bonds

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

If at any time a shortfall exists in the fund making the bond payments, the developers of the property are liable for the shortfall amount. The service payments, and anticipated shortfall payments, are projected to produce 100% of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$2,789,963 payable through September 2029. For fiscal year 2017, Phase I bond principal and interest payments made were \$238,198 and total service payments and shortfall received were \$247,235. The liability at December 31, 2017 for the TIF – Phase 1 Revenue Bonds Payable is \$1,924,842 and is presented in the government-wide financial statements.

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

<u>Year-Ending December 31</u>	<u>General Obligation Bonds</u>		<u>TIF Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2018	\$470,000	\$240,600	\$112,039	\$126,159
2019	480,000	231,200	119,780	118,417
2020	490,000	221,600	128,057	110,140
2021	500,000	211,800	136,905	101,292
2022	510,000	199,300	146,365	91,831
2023-2027	2,790,000	757,550	898,243	292,742
2028-2031	2,590,000	254,175	383,453	24,540
Total	<u>\$7,830,000</u>	<u>\$2,116,225</u>	<u>\$1,924,842</u>	<u>\$865,121</u>

Under the current City Charter, the City's 2017 general obligation bonded debt was subject to a legal limitation of \$25,344,156, based on 10.5 percent of the total assessed value of real and public utility tangible personal property located within the City.

Tax Increment Financing, Pictoria Island – Phase II

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

12. LEASES

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

<u>Year Ending December 31</u>	
2018	\$227,959
2019	227,958
2020	<u>209,400</u>
Total minimum lease payments	665,317
Less: amount representing interest	<u>(27,290)</u>
Present value of minimum lease	<u>\$638,027</u>

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Leased assets have been capitalized for the amount of the present value of the minimum lease payments at the inception of the lease. \$656,586 represents the amount of capital assets under capital lease obligation at December 31, 2017. In 2017, \$18,559 was paid from the general fund as principal retirement. Capital lease payments have been reclassified and are reflected as debt service in the fund financial statements and on the budgetary basis.

13. SPECIAL OBLIGATION REAL ESTATE ACQUISITION BOND ANTICIPATION NOTES

On April 22, 2016, the City issued \$2,640,000 of Special Obligation Real Estate Acquisition Bond Anticipation Notes. The interest rate on these notes was 3.0%. The notes were issued for the purpose of purchase and demolition of the former Sheraton Hotel, 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. These notes were renewed dated December 30, 2016, maturing on December 1, 2017 with an interest rate of 3.16%. At the time of maturity, the City paid a principle amount of \$1,320,000. Renewal notes in the amount of \$1,320,000 were issued dated December 1, 2017 and bear an interest rate of 3.32%. These notes mature on December 1, 2018. The liability at December 31, 2017 for the bond anticipation notes payable is \$1,320,000 and is recorded in the capital improvements fund. The following shows the Special Obligation Real Estate Acquisition Bond Anticipation Note activity for the period January 1, 2017 to December 31, 2017.

	Balance at 1-1-17	Additions	Retirement	Balance at 12-31-17
Special Obligation Real Estate Acquisition Bond Anticipation Notes	\$2,640,000	\$1,320,000	(\$2,640,000)	\$1,320,000

14. DEFINED BENEFIT PENSION PLANS

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions between an employer and its employees of salaries and benefits for employee services. Pensions are provided to an employee on a deferred-payment basis as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

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

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

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

Plan Description – Ohio Public Employees Retirement System

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

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

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

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Group A
 Eligible to retire prior to
 January 7, 2013 or five years
 after January 7, 2013

Group B
 Twenty years of service credit prior
 to January 7, 2013 or eligible to
 retire ten years after January 7, 2013

Group C
 Members not in other Groups
 and members hired on or after
 January 7, 2013

State and Local

State and Local

State and Local

Age and Service Requirements:

Age 60 with 60 months of service credit or Age 55 with 25 years of service credit.

Age and Service Requirements:

Age 60 with 60 months of service credit or Age 55 with 25 years of service credit.

Age and Service Requirements:

Age 57 with 25 years of service credit or Age 62 with 5 years of service credit.

Formula:

2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30.

Formula:

2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30.

Formula:

2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 35.

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

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the consumer price index, capped at 3 percent.

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

	<u>State and Local</u>
2017 Statutory Maximum Contribution Rates:	
- Employer	14%
- Employee	10%
2017 Actual Contribution Rates -- Employer:	
- Pension	13%
- Post-employment Health Care Benefits	1%
Total Employer	14%
Employee	10%

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$527,136 for 2017.

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Plan Description – Ohio Police & Fire Pension Fund

Plan Description - City full-time police and firefighters participate in the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OP&F fiduciary net position. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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

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

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

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

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

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

	<u>Police</u>	<u>Fire</u>
2017 Statutory Maximum Contribution Rates:		
- Employer	19.5%	24%
- Employee	12.25%	12.25%
2017 Actual Contribution Rates – Employer:		
- Pension	19%	23.5%
- Post-employment Health Care Benefits	<u>.5%</u>	<u>.5%</u>
Total Employer	<u>19.5%</u>	<u>24%</u>
Employee	12.25%	12.25%

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$1,101,762 for 2017.

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

The net pension liability for OPERS was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2016, and was determined by rolling forward the total pension liability as of January 1, 2016, to December 31, 2016. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the Net Pension Liability – Prior Measurement Year	.028167%	.234799%	
Proportion of the Net Pension Liability – Current Measurement Year	<u>.027502%</u>	<u>.225107%</u>	
Change in proportion	<u>(.000665%)</u>	<u>(.009692%)</u>	
Proportionate Share of the Net Pension Liability	\$6,245,236	\$14,258,036	\$20,503,272
Pension Expense	1,313,104	1,698,147	3,011,251

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At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
<u>Deferred Outflows of Resources</u>			
Net difference between projected and actual earnings on pension plan investments	\$932,651	\$1,381,603	\$2,314,254
Change in proportionate share	0	165,532	165,532
Differences between expected and actual experience	8,467	4,033	12,500
Change in assumption	990,571	0	990,571
City contributions subsequent to the measurement date	<u>527,136</u>	<u>1,101,762</u>	<u>1,628,898</u>
Total Deferred Outflows of Resources	<u>\$2,458,825</u>	<u>\$2,652,930</u>	<u>\$5,111,755</u>
<u>Deferred Inflows of Resources</u>			
Difference between expected and actual experience	\$74,160	\$32,828	\$106,988
Change in proportionate share	<u>56,427</u>	<u>438,167</u>	<u>494,594</u>
Total Deferred Inflows of Resources	<u>\$130,587</u>	<u>\$470,995</u>	<u>\$601,582</u>

\$1,628,898 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
2018	\$723,108	\$477,293	\$1,200,401
2019	777,173	477,293	1,254,466
2020	328,300	354,109	682,409
2021	(27,479)	(140,904)	(168,383)
2022	-	(79,106)	(79,106)
2023	-	(8,512)	(8,512)
Total	<u>\$1,801,102</u>	<u>\$1,080,173</u>	<u>\$2,881,275</u>

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Actuarial Assumptions - Ohio Public Employees Retirement System

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2016, using the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. In 2016, the Board's actuarial consultants conducted an experience study for the period 2011 through 2015, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 8.0% down to 7.5%, for the defined benefit investments. Key methods and assumptions used in the latest actuarial valuations (2017 and 2016), reflecting experience study results, are presented below:

	2017	2016
Wage inflation	3.25%	3.75%
Future salary increases, including inflation	3.25% to 10.75% including wage inflation	4.25% to 10.05% including wage inflation
COLA or Ad Hoc COLA	Pre 1-7-2013 retirees: 3% Post 1-7-2013 retirees: 3% simple through 2018, then 2.15% simple	Pre 1-7-2013 retirees: 3% Post 1-7-2013 retirees: 3% simple through 2018, then 2.8% simple
Investment rate of return	7.50%	8%
Actuarial cost method	Individual entry age	Individual entry age

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

Mortality rates are based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

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

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During 2016, OPERS managed investments in four investment portfolios: the Defined Benefit portfolio, the 401(h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The 401(h) Health Care Trust portfolio was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. The Defined Benefit portfolio historically included the assets of the Member-Directed retiree medical accounts funded through the VEBA Trust. However, the VEBA Trust was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio is 8.3% for 2016.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2016 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (arithmetic)
Fixed income	23%	2.75%
Domestic equities	20.7%	6.34%
Real estate	10%	4.75%
Private equity	10%	8.97%
International equities	18.3%	7.95%
Other investments	18%	4.92%
Total	100%	5.66%

Discount Rate - The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following table presents the City's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.5%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.5%) or one-percentage-point higher (8.5%) than the current rate:

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	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
City's proportionate share of the net pension liability - OPERS	\$9,540,994	\$6,245,236	\$3,498,804

Actuarial Assumptions – Ohio Police and Fire Pension System

The Ohio Police and Fire Pension System's (OP&F) total pension liability as of December 31, 2016 is based on the results of an actuarial valuation date of January 1, 2016, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with Governmental Accounting Standards Board (GASB) Statement No. 67, "Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25", as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuations, prepared as of January 1, 2016, and 2015 are presented below:

Valuation date	January 1, 2016	January 1, 2015
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return	8.25%	8.25%
Projected salary increases	4.25% to 11%	4.25% to 11%
Payroll increases	3.75%	3.75%
Inflation assumptions	3.25%	3.25%
Cost of living adjustments	2.6% and 3% simple	2.6% and 3% simple

Rates of death are based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

The most recent experience study was completed January 1, 2012.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2016 are summarized below:

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<u>Asset Class</u>	<u>Target Allocation</u>	<u>10 Year Expected Rate of Return**</u>	<u>30 Year Expected Rate of Return**</u>
Cash and cash equivalents	-	-	-
Domestic equity	16%	4.46%	5.21%
Non-U.S. equity	16%	4.66%	5.40%
Core fixed income *	20%	1.67%	2.37%
Global inflation protected *	20%	0.49%	2.33%
High yield	15%	3.33%	4.48%
Real estate	12%	4.71%	5.65%
Private markets	8%	7.31%	7.99%
Timber	5%	6.87%	6.87%
Master limited partnerships	8%	6.92%	7.36%
Total	<u>120%</u>		

Note: Assumptions are geometric.

* - levered 2 times

** - Numbers are net of expected inflation

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

Discount Rate

The total pension liability was calculated using the discount rate of 8.25%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8.25%. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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

Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25%), or one percentage point higher (9.25%) than the current rate.

	<u>1% Decrease (7.25%)</u>	<u>Current Discount Rate (8.25%)</u>	<u>1% Increase (9.25%)</u>
City's proportionate share of the net pension liability - OP&F	\$18,990,035	\$14,258,036	\$10,247,631

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In 2017, the OP&F Board of Trustees adopted certain assumption changes which will impact their annual actuarial valuation prepared as of January 1, 2017. The most significant change is a reduction in the discount rate from 8.25% to 8.00%. Although the exact amount of these changes is not known, the impact to the City's net pension liability is expected to be significant.

15. POST EMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

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

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

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement No. 45, "*Accounting and Financial Reporting by Employers for Post-employment Benefits other than Pension*". Please see the Plan Statement in the OPERS 2016 Comprehensive Annual Financial Report for details.

The Ohio Revised Code (ORC) permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the OPERS Board of Trustees 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/financial/reports.shtml#CAFR>, by writing to OPERS at 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code (ORC) provides the statutory authority requiring public employers to fund health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2017, state and local employers contributed at a rate of 14% of earnable salary and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the ORC. Active member contributions do not fund health care.

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Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0% during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0% for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited for Member-Directed Plan participants for 2017 was 4.0%.

The rates stated above are the statutorily required contribution rates for OPERS. The employer contributions actually made by the City to fund post-employment benefits for the years ending December 31, 2017, 2016, and 2015, were \$40,428, \$79,160, and \$78,074, respectively, equal to 100% of the required contributions.

Ohio Police and Fire Pension Fund

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

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

The Ohio Revised Code (ORC) allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits are codified in Chapter 742 of the ORC.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164. The report is also available on OP&F's website at www.op-f.org.

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.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. The portion of employer contributions allocated to health care was .5% of covered payroll from January 1, 2017 thru December 31, 2017. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The employer contributions made to fund post-employment benefits for the years ending December 31, 2017, 2016, and 2015, were \$26,411, \$24,440, and \$24,361, respectively, equal to 100% of the required contributions.

16. OTHER EMPLOYEE BENEFITS

Deferred Compensation Plan

City employees may participate in the Ohio Public Employees Deferred Compensation Plan ("Plan") created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary, payroll deduction basis. Under the Plan, employees can defer up to \$11,000 annually until a future time (usually after retirement). The deferred amounts as well as any income earned related to the deferral are not subject to federal or state income tax until actually received by the employee. The Plan permits deferral of compensation until future years. According to the Plan, the deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The Plan agreement states that the City and the Plan have no liability for losses under the Plan with the exception of fraud or wrongful taking. The Deferred Compensation Plan assets are placed in trust for the sole benefit of employees or other beneficiaries. In accordance with GASB Statement No. 32, "*Accounting and Financial Reporting for Internal Revenue Code, Section 457, Deferred Compensation Plans*", these amounts are not reflected on the City's financial statements.

17. RISK MANAGEMENT

Property Insurance Program

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

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\$10,000 to \$350,000 per-occurrence retention limit. General liability had a per-occurrence retention limit of \$12,000,000. Settled claims have not exceeded commercial coverage in any of the past three years. There have been no significant reductions in insurance coverage from the prior year.

Workers Compensation Program

The City pays the state Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Health and Dental Insurance Program

Health insurance coverage is offered to employees through a self-funded insurance program. The program is offered to local governments state-wide through the Ohio Mid-Eastern Regional Education Service Agency (OME-RESA) located in Steubenville, Ohio, and administered by United Healthcare of Ohio. The City joined this program effective August 1, 2010. The City accounts for this activity in the general fund. Monthly premium payments are made based on actuarial estimates of the amounts needed to pay claims and actual amounts needed to pay fixed costs (premiums for stop-loss coverage, medical conversion, and administrative fees and services). There is a monthly charge for employees enrolled in the health plan. OME-RESA's independent advisor has determined that a liability for incurred but not reported health claims is not applicable as of December 31, 2017.

Also, the City provides a self-funded dental plan with coverage ranging from 50 percent to 100 percent depending on the type of dental services performed. A third party administrator, Dental Care Plus, reviews all claims which are then paid by the City. There is a monthly charge for employees enrolled in the dental plan. The liability for incurred but not reported dental claims as of December 31, 2017 is \$9,534.

The total claims liability is based on the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be accrued at the estimated ultimate cost of settling claims.

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

<u>Health Insurance</u>	<u>2017</u>	<u>2016</u>
Claims payable, beginning of the year	\$0	\$0
Claims incurred during the year	1,157,386	1,016,485
Claim payments during the year	<u>(1,157,386)</u>	<u>(1,016,485)</u>
Claims payable, end of year	<u>\$0</u>	<u>\$0</u>
<u>Dental Insurance</u>	<u>2017</u>	<u>2016</u>
Claims payable, beginning of the year	\$6,530	\$4,556
Claims incurred during the year	117,240	103,558
Claim payments during the year	<u>(114,236)</u>	<u>(101,584)</u>
Claims payable, end of year	<u>\$9,534</u>	<u>\$6,530</u>

The total liability for claims payable at December 31, 2017 is \$9,534.

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18. JOINT VENTURES

Miami Valley Risk Management Association

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

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

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, 2017, MVRMA purchased the following types of insurance/reinsurance in excess of its self-insurance retention:

General liability:	\$12,000,000 per occurrence
Property (excluding flood and earthquake)	\$1,000,000,000 per occurrence
Property – flood and earthquake:	\$25,000,000 per occurrence and annual aggregate
Boiler and machinery:	\$100,000,000 per occurrence
Cyber coverage – third party liability and first party computer liability	\$2,000,000 per occurrence
Pollution liability:	\$1,000,000 pollution condition and \$750,000 underground storage tank

MVRMA has established a Shock Loss Fund (SLF) to replace the aggregate stop-loss policy. Each year a moving target equal to the annual loss fund is established. MVRMA members will fund approximately 15% of that amount annually with the expectation that over a period of time, the balance of the SLF will be equivalent to the current year's annual loss fund. Contributions to the SLF will be recorded with separate accounting designed to preserve each member municipality's percentage ownership. Each member's SLF balance will be reviewed annually in conjunction with MVRMA's preliminary budget process. Any member whose balance is equivalent to its upcoming annual loss fund contribution will not be required to make an additional deposit. Unless otherwise waived by the MVRMA Board, any member whose balance falls below its targeted amount, will be required to contribute the amount needed to reach the targeted amount or 15% of the annual loss year contribution, whichever is less.

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There was no joint venture debt at December 31, 2017. MVRMA was created to enable its members to share risk, and it is reasonably possible that MVRMA may make additional assessments to the City. The pool contribution factors at December 31, 2017 are: Beaver Creek – 9.7%, Bellbrook - 1.1%, Blue Ash – 7.6%, Centerville – 4.1%, Englewood – 2.8%, Indian Hill – 2.4%, Kettering - 12.0%, Maderia – 1.1%, Mason – 6.5%, Miamisburg - 5.4%, Montgomery - 2.6%, NAWA - .2%, Piqua – 7.2%, Sidney – 6.2%, Springdale – 3.7%, Tipp City – 4.7%, Troy – 7.2%, Vandalia – 4.5%, West Carolton – 2.9%, Wilmington – 5.1%, Wyoming – 3.0%.

A summary of audited financial information for MVRMA as of December 31, 2016, the latest information available, is presented below:

Total assets and deferred outflows of resources	<u>\$18,912,051</u>
Total liabilities and deferred inflows of resources	\$7,717,720
Total net position	<u>11,194,331</u>
Total liabilities, deferred inflows of resources and net position	<u>\$18,912,051</u>
Total operating revenues	\$4,493,666
Total non-operating revenues	<u>201,828</u>
Total revenue	4,695,494
Total expenses	<u>(4,085,056)</u>
Change in net position	610,438
Beginning net position	<u>10,583,893</u>
Ending net position	<u>\$11,194,331</u>

Joint Economic Development District

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

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

The City of Springdale receives funding under the JEDD for a total of 10 years, at 7% of the net distribution. The City began receiving JEDD distributions in January of 2010. The amounts received from the JEDD are recorded to the general fund as intergovernmental revenue. A total of \$131,339 was recorded as revenue in 2017. The distribution of funds under the JEDD is as follows:

CITY OF SPRINGDALE, OHIO
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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

19. CONSTRUCTION AND OTHER COMMITMENTS

Construction Commitments

As of December 31, 2017, the City had the following construction commitments with respect to capital improvement projects:

<u>Project</u>	<u>Contract Amount</u>	<u>Amount Paid at 12/31/17</u>	<u>Remaining Construction Commitment</u>
State Route 4 (Cameron Road to I-275) Urban Paving Program	\$794,034	\$720,278	\$73,756
2017 Street Rehabilitation Program	1,622,234	1,273,242	348,992
Beacon Hills Subdivision / Kenn Road Rehabilitation Project	2,326,652	0	2,326,652

The State Route 4 (Cameron Road to I-275) Urban Paving 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. The 2017 Street Rehabilitation Program and the Beacon Hills Subdivision/Kenn Road Rehabilitation is administered by the City. Transactions are recorded as invoices are paid. The City encumbers these transactions on the internal financial system and amounts were encumbered at year-end. The remaining construction commitment is expected to be paid in 2018.

Other Commitments

As of December 31, 2017, the City had the following cash basis encumbrances:

<u>Fund</u>	<u>Fund Type</u>	<u>Major/ Nonmajor Fund</u>	<u>Cash Basis Encumbrance</u>
General Fund		Major	\$171,439
Street Improvement Operations Fund	Capital Projects	Major	390,092
Capital Improvements Fund	Capital Projects	Major	47,520
Street Construction, Maintenance and Repair Fund	Special Revenue	Nonmajor	13,800

CITY OF SPRINGDALE, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

20. 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.

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

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

(1) - Information prior to 2014 is not available

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

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

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

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Contractually Required Contributions	\$527,136	\$473,083	\$468,551	\$560,883	\$498,376	\$376,045	\$371,540	\$338,277	\$350,995	\$307,784
Contributions in Relation to the Contractually Required Contribution	(527,136)	(473,083)	(468,551)	(560,883)	(498,376)	(376,045)	(371,540)	(338,277)	(350,995)	(307,784)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
The City Covered Payroll	\$4,044,425	\$3,959,585	\$3,904,592	\$4,124,389	\$3,833,664	\$3,760,452	\$3,715,395	\$3,897,199	\$4,228,854	\$4,396,915
Contributions as a Percentage of Covered Payroll	13%	12%	12%	12%	13%	10%	10%	8.68%	8.30%	7%

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

	Fiscal Year			
	2017	2016	2015	2014
The City's Proportion of the Net Pension Liability	0.225107%	0.234799%	0.230192%	0.230192%
The City's Proportion Share of the Net Pension Liability	\$14,258,036	\$15,104,811	\$11,924,906	\$11,211,073
The City's Covered Payroll	\$4,912,650	\$4,829,863	\$4,797,330	\$4,538,496
The City's Proportion Share of the Net Pension Liability as a Percentage of its Covered Payroll	290.23%	312.74%	248.57%	247.02%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.36%	66.77%	72.20%	73.00%
Actuarial Assumptions:				
Valuation date	January 1, 2016	January 1, 2015	January 1, 2014	NA
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	NA
Investment rate of return	8.25%	8.25%	8.25%	NA
Projected salary increases	4.25% to 11%	4.25% to 11%	4.25% to 11%	NA
Payroll increases	3.75%	3.75%	3.75%	NA
Inflation assumptions	3.25%	3.25%	3.25%	NA
Cost of living adjustments	2.6% and 3% simple	2.6% and 3% simple	2.6% and 3% simple	NA

(1) - Information prior to 2014 is not available

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

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

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

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Contractually Required Contributions	\$1,011,762	\$1,011,704	\$1,002,956	\$877,278	\$792,193	\$622,964	\$613,488	\$649,578	\$665,446	\$656,193
Contributions in Relation to the Contractually Required Contribution	(1,011,762)	(1,011,704)	(1,002,956)	(877,278)	(792,193)	(622,964)	(613,488)	(649,578)	(665,446)	(656,193)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
The City Covered Payroll	\$5,222,789	\$4,912,650	\$4,829,863	\$4,797,330	\$4,538,496	\$4,315,701	\$4,228,041	\$4,491,370	\$4,619,121	\$4,548,314
Contributions as a Percentage of Covered Payroll	19.37%	20.59%	20.77%	18.29%	17.45%	14.43%	14.51%	14.46%	14.41%	14.43%



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 restricted for maintenance of streets within the City. Ninety-two and one-half percent of gasoline and auto license taxes are allocated to this fund.

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

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

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

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

**CITY OF SPRINGDALE, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2017**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	\$707,043	\$0	\$62,901	\$769,944
Receivables:				
Intergovernmental	291,671	0	0	291,671
Prepaid items	2,538	0	0	2,538
Total assets	\$1,001,252	\$0	\$62,901	\$1,064,153
Liabilities:				
Accounts payable	\$20,113	\$0	\$0	\$20,113
Accrued wages and benefits payable	1,912	0	0	1,912
Intergovernmental payable	12,500	0	0	12,500
Interfund loan payable	2,000	0	0	2,000
Unearned revenue	52,058	0	0	52,058
Advances from other funds	0	492,378	0	492,378
Total liabilities	88,583	492,378	0	580,961
Deferred inflows of resources:				
Intergovernmental revenue	250,843	0	0	250,843
Total deferred inflows of resources	250,843	0	0	250,843
Fund balances:				
Nonspendable	2,538	0	0	2,538
Restricted	664,469	0	62,901	727,370
Unassigned (deficit)	(5,181)	(492,378)	0	(497,559)
Total fund balance (deficit)	661,826	(492,378)	62,901	232,349
Total liabilities, deferred inflows of resources and fund balances	\$1,001,252	\$0	\$62,901	\$1,064,153

CITY OF SPRINGDALE, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
Revenues:				
Intergovernmental	\$631,330	\$0	\$0	\$631,330
Fines and forfeitures	2,865	0	0	2,865
Fees, licenses and permits	8,515	0	0	8,515
Other	38,800	0	0	38,800
Total revenues	681,510	0	0	681,510
Expenditures:				
Current:				
Security of persons and property	39,185	0	0	39,185
Public health services	56,877	0	0	56,877
Leisure time activities	7,710	0	0	7,710
Community environment	103,144	0	0	103,144
Transportation	183,304	0	0	183,304
General government	0	0	118,433	118,433
Capital outlay	689,761	0	0	689,761
Debt service:				
Principal retirement	0	300,000	370,000	670,000
Interest and fiscal charges	0	3,630	163,298	166,928
Total expenditures	1,079,981	303,630	651,731	2,035,342
Deficiency of revenues over expenditures	(398,471)	(303,630)	(651,731)	(1,353,832)
Other financing sources:				
Premium from the sale of bonds	0	0	344,632	344,632
Inception of capital lease	604,000	0	0	604,000
Transfers-in	75,000	303,576	370,000	748,576
Total other financing sources	679,000	303,576	714,632	1,697,208
Net change in fund balances	280,529	(54)	62,901	343,376
Beginning fund balance (deficit)	381,297	(492,324)	0	(111,027)
Ending fund balance (deficit)	\$661,826	(\$492,378)	\$62,901	\$232,349

**CITY OF SPRINGDALE, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2017**

	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	\$504,347	\$11,259	\$87,110	\$15,852	\$11,870
Receivables:					
Intergovernmental	245,000	19,800	19,915	2,206	0
Prepaid items	<u>0</u>	<u>0</u>	<u>1,938</u>	<u>0</u>	<u>600</u>
Total assets	<u>\$749,347</u>	<u>\$31,059</u>	<u>\$108,963</u>	<u>\$18,058</u>	<u>\$12,470</u>
Liabilities:					
Accounts payable	\$11,744	\$0	\$0	\$0	\$0
Intergovernmental payable	0	0	12,500	0	0
Accrued wages and benefits payable	1,912	0	0	0	0
Interfund loan payable	0	0	2,000	0	0
Unearned revenue	<u>0</u>	<u>0</u>	<u>52,058</u>	<u>0</u>	<u>0</u>
Total liabilities	<u>13,656</u>	<u>0</u>	<u>66,558</u>	<u>0</u>	<u>0</u>
Deferred inflows of resources:					
Intergovernmental revenue	<u>207,898</u>	<u>16,792</u>	<u>19,197</u>	<u>2,206</u>	<u>0</u>
Total deferred inflows of resources	<u>207,898</u>	<u>16,792</u>	<u>19,197</u>	<u>2,206</u>	<u>0</u>
Fund balances:					
Nonspendable	0	0	1,938	0	600
Restricted	527,793	14,267	21,270	15,852	11,870
Unassigned	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total fund balances	<u>527,793</u>	<u>14,267</u>	<u>23,208</u>	<u>15,852</u>	<u>12,470</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$749,347</u>	<u>\$31,059</u>	<u>\$108,963</u>	<u>\$18,058</u>	<u>\$12,470</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
\$12,269	\$9,531	\$3,188	\$2,299	\$38,800	\$10,518	\$707,043
0	0	4,750	0	0	0	291,671
0	0	0	0	0	0	2,538
<u>\$12,269</u>	<u>\$9,531</u>	<u>\$7,938</u>	<u>\$2,299</u>	<u>\$38,800</u>	<u>\$10,518</u>	<u>\$1,001,252</u>
\$0	\$0	\$8,369	\$0	\$0	\$0	\$20,113
0	0	0	0	0	0	12,500
0	0	0	0	0	0	1,912
0	0	0	0	0	0	2,000
0	0	0	0	0	0	52,058
0	0	8,369	0	0	0	88,583
0	0	4,750	0	0	0	250,843
0	0	4,750	0	0	0	250,843
0	0	0	0	0	0	2,538
12,269	9,531	0	2,299	38,800	10,518	664,469
0	0	(5,181)	0	0	0	(5,181)
<u>12,269</u>	<u>9,531</u>	<u>(5,181)</u>	<u>2,299</u>	<u>38,800</u>	<u>10,518</u>	<u>661,826</u>
<u>\$12,269</u>	<u>\$9,531</u>	<u>\$7,938</u>	<u>\$2,299</u>	<u>\$38,800</u>	<u>\$10,518</u>	<u>\$1,001,252</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, 2017

	Street Construction, Maintenance and Repair Fund	State Highway Fund	Grants Fund	Drug Law Enforcement Fund	Law Enforcement Fund
Revenues:					
Intergovernmental	\$516,948	\$41,914	\$58,132	\$0	\$0
Fines and forfeitures	0	0	0	160	1,734
Fees, licenses and permits	0	0	0	0	0
Other	0	0	0	0	0
Total revenues	516,948	41,914	58,132	160	1,734
Expenditures:					
Current:					
Security of persons and property	0	0	33,091	2,068	2,541
Public health services	0	0	56,877	0	0
Leisure time activities	0	0	0	0	0
Community environment	0	0	2,875	0	0
Transportation	143,518	39,786	0	0	0
Capital outlay	689,761	0	0	0	0
Total expenditures	833,279	39,786	92,843	2,068	2,541
Excess (deficiency) of revenues over expenditures	(316,331)	2,128	(34,711)	(1,908)	(807)
Other financing sources:					
Inception of capital lease	604,000	0	0	0	0
Transfers-in	0	0	0	0	0
Total other financing sources	604,000	0	0	0	0
Net change in fund balances	287,669	2,128	(34,711)	(1,908)	(807)
Beginning fund balances	240,124	12,139	57,919	17,760	13,277
Ending fund balances (deficit)	<u>\$527,793</u>	<u>\$14,267</u>	<u>\$23,208</u>	<u>\$15,852</u>	<u>\$12,470</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
\$7,480	\$0	\$6,856	\$0	\$0	\$0	\$631,330
0	971	0	0	0	0	2,865
0	0	0	0	0	8,515	8,515
0	0	0	0	38,800	0	38,800
<u>7,480</u>	<u>971</u>	<u>6,856</u>	<u>0</u>	<u>38,800</u>	<u>8,515</u>	<u>681,510</u>
1,200	285	0	0	0	0	39,185
0	0	0	0	0	0	56,877
0	0	0	0	0	7,710	7,710
0	0	100,269	0	0	0	103,144
0	0	0	0	0	0	183,304
0	0	0	0	0	0	689,761
<u>1,200</u>	<u>285</u>	<u>100,269</u>	<u>0</u>	<u>0</u>	<u>7,710</u>	<u>1,079,981</u>
<u>6,280</u>	<u>686</u>	<u>(93,413)</u>	<u>0</u>	<u>38,800</u>	<u>805</u>	<u>(398,471)</u>
0	0	0	0	0	0	604,000
0	0	75,000	0	0	0	75,000
<u>0</u>	<u>0</u>	<u>75,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>679,000</u>
6,280	686	(18,413)	0	38,800	805	280,529
5,989	8,845	13,232	2,299	0	9,713	381,297
<u>\$12,269</u>	<u>\$9,531</u>	<u>(\$5,181)</u>	<u>\$2,299</u>	<u>\$38,800</u>	<u>\$10,518</u>	<u>\$661,826</u>

**CITY OF SPRINGDALE, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 DECEMBER 31, 2017**

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

**CITY OF SPRINGDALE, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2017**

	Tri-County Mall TIF Fund	Community Center Debt Fund	Total Nonmajor Capital Projects Funds
Revenues	\$0	\$0	\$0
Expenditures:			
Debt service:			
Principal retirement	0	300,000	300,000
Interest and fiscal charges	0	3,630	3,630
Total expenditures	<u>0</u>	<u>303,630</u>	<u>303,630</u>
Deficiency of revenues over expenditures	<u>0</u>	<u>(303,630)</u>	<u>(303,630)</u>
Other financing sources:			
Transfers-in	<u>0</u>	<u>303,576</u>	<u>303,576</u>
Total other financing sources	<u>0</u>	<u>303,576</u>	<u>303,576</u>
Net change in fund balance	0	(54)	(54)
Beginning fund balance (deficit)	<u>(492,378)</u>	<u>54</u>	<u>(492,324)</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, 2017**

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Municipal income taxes	\$14,304,000	\$15,304,000	\$15,353,933	\$49,933
Property and other taxes	1,149,000	1,174,000	1,131,560	(42,440)
Special assessments	5,000	5,000	5,660	660
Intergovernmental	448,300	448,300	394,540	(53,760)
Charges for services	598,900	598,900	619,291	20,391
Fines and forfeitures	197,500	197,500	184,854	(12,646)
Fees, licenses and permits	380,050	380,050	455,595	75,545
Interest	18,000	18,000	47,460	29,460
Other	308,900	308,900	555,700	246,800
Total revenues	17,409,650	18,434,650	18,748,593	313,943
Expenditures:				
Police department:				
Personal services	4,951,311	4,871,311	4,811,962	59,349
Other	791,343	871,343	784,995	86,348
Total police department	5,742,654	5,742,654	5,596,957	145,697
Fire department:				
Personal services	3,521,609	3,646,609	3,615,494	31,115
Other	403,896	433,896	412,719	21,177
Total fire department	3,925,505	4,080,505	4,028,213	52,292
Health department:				
Personal services	342,677	348,677	346,000	2,677
Other	47,523	49,523	49,046	477
Total health department	390,200	398,200	395,046	3,154
Parks and recreation department:				
Personal services	1,272,441	1,247,441	1,195,149	52,292
Other	588,663	613,663	551,989	61,674
Total parks and recreation department	1,861,104	1,861,104	1,747,138	113,966
Building department:				
Personal services	521,251	527,251	521,357	5,894
Other	70,871	70,871	64,255	6,616
Total building department	592,122	598,122	585,612	12,510
Public works department:				
Personal services	955,842	895,842	832,186	63,656
Other	484,031	544,031	404,564	139,467
Total public works department	1,439,873	1,439,873	1,236,750	203,123
Finance department:				
Personal services	281,292	273,292	269,939	3,353
Other	58,412	66,412	56,725	9,687
Total finance department	339,704	339,704	326,664	13,040

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, 2017
(CONTINUED)

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Tax department:				
Personal services	384,299	394,299	388,765	5,534
Other	457,815	462,815	445,724	17,091
Total tax department	<u>842,114</u>	<u>857,114</u>	<u>834,489</u>	<u>22,625</u>
Administration department:				
Personal services	923,329	923,329	873,241	50,088
Other	2,762,490	2,730,594	2,581,265	149,329
Total administration department	<u>3,685,819</u>	<u>3,653,923</u>	<u>3,454,506</u>	<u>199,417</u>
Total expenditures	<u>18,819,095</u>	<u>18,971,199</u>	<u>18,205,375</u>	<u>765,824</u>
Excess (deficiency) of revenues over expenditures	<u>(1,409,445)</u>	<u>(536,549)</u>	<u>543,218</u>	<u>1,079,767</u>
Other financing sources (uses):				
Transfers-in	176	176	176	0
Transfers-out	(978,630)	(1,798,576)	(1,798,576)	0
Advances-out	0	(2,000)	(2,000)	0
Total other financing sources (uses)	<u>(978,454)</u>	<u>(1,800,400)</u>	<u>(1,800,400)</u>	<u>0</u>
Net change in fund balance	(2,387,899)	(2,336,949)	(1,257,182)	1,079,767
Beginning fund balance	3,815,877	3,815,877	3,815,877	0
Prior years encumbrances	387,282	387,282	387,282	0
Ending fund balance	<u>\$1,815,260</u>	<u>\$1,866,210</u>	<u>\$2,945,977</u>	<u>\$1,079,767</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, 2017**

	<u>Street Improvement Operations Fund</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues	\$905,670	\$905,670	\$507,812	(\$397,858)
Expenditures:				
Other	<u>4,663,985</u>	<u>4,663,985</u>	<u>3,125,705</u>	<u>1,538,280</u>
Total expenditures	<u>4,663,985</u>	<u>4,663,985</u>	<u>3,125,705</u>	<u>1,538,280</u>
Excess (deficiency) of revenues over expenditures	<u>(3,758,315)</u>	<u>(3,758,315)</u>	<u>(2,617,893)</u>	<u>1,140,422</u>
Other financing sources:				
Proceeds from the sale of bonds	<u>8,300,000</u>	<u>8,300,000</u>	<u>8,200,000</u>	<u>(100,000)</u>
Total other financing sources	<u>8,300,000</u>	<u>8,300,000</u>	<u>8,200,000</u>	<u>(100,000)</u>
Net change in fund balance	4,541,685	4,541,685	5,582,107	1,040,422
Beginning fund balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending fund balance	<u><u>\$4,541,685</u></u>	<u><u>\$4,541,685</u></u>	<u><u>\$5,582,107</u></u>	<u><u>\$1,040,422</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, 2017**

	Capital Improvements Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$1,583,915	\$688,245	\$624,778	(\$63,467)
Expenditures:				
Other	8,562,009	3,888,024	3,849,253	38,771
Total expenditures	8,562,009	3,888,024	3,849,253	38,771
Deficiency of revenues over expenditures	(6,978,094)	(3,199,779)	(3,224,475)	(24,696)
Other financing sources:				
Proceeds from the sale of notes	3,500,000	0	1,320,000	1,320,000
Sale of real estate	2,000,000	1,300,000	0	(1,300,000)
Transfers-in	600,000	1,050,000	1,050,000	0
Total other financing sources	6,100,000	2,350,000	2,370,000	20,000
Net change in fund balance	(878,094)	(849,779)	(854,475)	(4,696)
Beginning fund balance	887,617	887,617	887,617	0
Prior year encumbrances	7,213	7,213	7,213	0
Ending fund balance	<u>\$16,736</u>	<u>\$45,051</u>	<u>\$40,355</u>	<u>(\$4,696)</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, 2017**

	Northwest Business District TIF Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$1,134,984	\$1,134,984	\$1,143,631	\$8,647
Expenditures:				
Other	1,109,709	1,119,709	1,118,101	1,608
Total expenditures	1,109,709	1,119,709	1,118,101	1,608
Net change in fund balance	25,275	15,275	25,530	10,255
Beginning fund balance	311,445	311,445	311,445	0
Ending fund balance	\$336,720	\$326,720	\$336,975	\$10,255

**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, 2017**

	<u>Street Construction, Maintenance and Repair Fund</u>			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$499,000	\$499,000	\$517,109	\$18,109
Expenditures:				
Personal services	115,000	125,000	110,801	14,199
Other	439,576	429,576	134,437	295,139
Total expenditures	554,576	554,576	245,238	309,338
Net change in fund balance	(55,576)	(55,576)	271,871	327,447
Beginning fund balance	179,600	179,600	179,600	0
Prior year encumbrances	39,076	39,076	39,076	0
Ending fund balance	\$163,100	\$163,100	\$490,547	\$327,447

**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, 2017**

	State Highway Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$40,500	\$40,500	\$41,928	\$1,428
Expenditures:				
Personal services	40,000	40,000	39,786	214
Total expenditures	40,000	40,000	39,786	214
Net change in fund balance	500	500	2,142	1,642
Beginning fund balance	9,117	9,117	9,117	0
Ending fund balance	\$9,617	\$9,617	\$11,259	\$1,642

**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, 2017**

	Grants Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$66,624	\$64,624	\$113,954	\$49,330
Expenditures:				
Personal services	34,706	39,706	35,755	3,951
Other	55,844	55,844	44,588	11,256
Total expenditures	90,550	95,550	80,343	15,207
Excess (deficiency) of revenues over expenditures	(23,926)	(30,926)	33,611	64,537
Other financing sources:				
Advance-in	0	2,000	2,000	0
Total other financing sources	0	2,000	2,000	0
Net change in fund balance	(23,926)	(28,926)	35,611	64,537
Beginning fund balance	51,499	51,499	51,499	0
Ending fund balance	\$27,573	\$22,573	\$87,110	\$64,537

**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, 2017**

	Drug Law Enforcement Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$0	\$0	\$160	\$160
Expenditures:				
Other	17,759	17,759	2,068	15,691
Total expenditures	17,759	17,759	2,068	15,691
Net change in fund balance	(17,759)	(17,759)	(1,908)	15,851
Beginning fund balance	17,760	17,760	17,760	0
Ending fund balance	\$1	\$1	\$15,852	\$15,851

**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, 2017**

	Law Enforcement Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$0	\$0	\$1,734	\$1,734
Expenditures:				
Other	12,677	12,677	2,541	10,136
Total expenditures	12,677	12,677	2,541	10,136
Net change in fund balance	(12,677)	(12,677)	(807)	11,870
Beginning fund balance	12,677	12,677	12,677	0
Ending fund balance	<u>\$0</u>	<u>\$0</u>	<u>\$11,870</u>	<u>\$11,870</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, 2017**

	Law Enforcement Training Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$0	\$0	\$7,480	\$7,480
Expenditures:				
Other	5,988	5,988	1,200	4,788
Total expenditures	5,988	5,988	1,200	4,788
Net change in fund balance	(5,988)	(5,988)	6,280	12,268
Beginning fund balance	5,989	5,989	5,989	0
Ending fund balance	\$1	\$1	\$12,269	\$12,268

**CITY OF SPRINGDALE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Driving Under the Influence Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$0	\$0	\$971	\$971
Expenditures:				
Other	8,441	8,441	285	8,156
Total expenditures	8,441	8,441	285	8,156
Net change in fund balance	(8,441)	(8,441)	686	9,127
Beginning fund balance	8,845	8,845	8,845	0
Ending fund balance	\$404	\$404	\$9,531	\$9,127

**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, 2017**

	<u>Residential Recycling Incentive Fund</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues	\$9,000	\$9,000	\$6,856	(\$2,144)
Expenditures:				
Other	<u>100,425</u>	<u>100,425</u>	<u>100,233</u>	<u>192</u>
Total expenditures	<u>100,425</u>	<u>100,425</u>	<u>100,233</u>	<u>192</u>
Deficiency of revenues over expenditures	<u>(91,425)</u>	<u>(91,425)</u>	<u>(93,377)</u>	<u>(1,952)</u>
Other financing sources:				
Transfers-in	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>0</u>
Total other financing sources	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>0</u>
Net change in fund balance	(16,425)	(16,425)	(18,377)	(1,952)
Beginning fund balance	<u>21,565</u>	<u>21,565</u>	<u>21,565</u>	<u>0</u>
Ending fund balance	<u><u>\$5,140</u></u>	<u><u>\$5,140</u></u>	<u><u>\$3,188</u></u>	<u><u>(\$1,952)</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, 2017**

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

**CITY OF SPRINGDALE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Parks and Urban Forestry Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$0	\$0	\$38,800	\$38,800
Expenditures:				
Other	0	0	0	0
Total expenditures	0	0	0	0
Net change in fund balance	0	0	38,800	38,800
Beginning fund balance	0	0	0	0
Ending fund balance	\$0	\$0	\$38,800	\$38,800

This fund was included in the budgeting process, all activity was budgeted at \$0.

**CITY OF SPRINGDALE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Adult Sports Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$7,500	\$7,500	\$8,515	\$1,015
Expenditures:				
Other	9,100	9,100	7,710	1,390
Total expenditures	9,100	9,100	7,710	1,390
Net change in fund balance	(1,600)	(1,600)	805	2,405
Beginning fund balance	9,713	9,713	9,713	0
Ending fund balance	<u>\$8,113</u>	<u>\$8,113</u>	<u>\$10,518</u>	<u>\$2,405</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, 2017**

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

This fund was included in the budgeting process, all activity was budgeted at \$0.

**CITY OF SPRINGDALE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Community Center Debt Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Other	303,630	303,630	303,630	0
Total expenditures	303,630	303,630	303,630	0
Excess (deficiency) of revenues over expenditures	(303,630)	(303,630)	(303,630)	0
Other financing sources:				
Transfers-in	303,630	303,576	303,576	0
Total other financing sources	303,630	303,576	303,576	0
Net change in fund balance	0	(54)	(54)	0
Beginning fund balance	54	54	54	0
Ending fund balance	\$54	\$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, 2017**

	Street Improvement Debt Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Other	515,050	655,050	651,731	3,319
Total expenditures	515,050	655,050	651,731	3,319
Excess (deficiency) of revenues over expenditures	(515,050)	(655,050)	(651,731)	3,319
Other financing sources:				
Bond premium	0	345,050	344,632	(418)
Transfers-in	515,050	370,000	370,000	0
Total other financing sources	515,050	715,050	714,632	(418)
Net change in fund balance	0	60,000	62,901	2,901
Beginning fund balance	0	0	0	0
Ending fund balance	\$0	\$60,000	\$62,901	\$2,901

AGENCY FUND

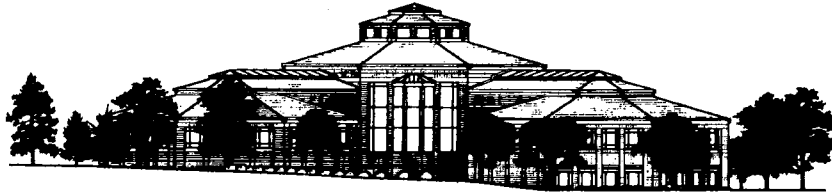
An agency fund is used to account for assets held by the City in the capacity of an agent for individuals, private organizations, other governmental units, and/or other funds. The City had the following agency fund at year-end 2017:

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

CITY OF SPRINGDALE, OHIO
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

OHIO BOARD OF BUILDING STANDARDS ASSESSMENT FUND

	Balance 1-1-17	Additions	Deductions	Balance 12-31-17
Assets:				
Equity in pooled cash and cash equivalents	\$159	\$3,489	(\$2,847)	\$801
Total assets	\$159	\$3,489	(\$2,847)	\$801
Liabilities:				
OBBS assessment payable	\$159	\$3,489	(\$2,847)	\$801
Total liabilities	\$159	\$3,489	(\$2,847)	\$801



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	110 - 117
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	118 - 123
These schedules contain information to help the reader assess the City's most significant local revenue sources.	
Debt Capacity	124 - 128
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	129 - 130
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	131 - 135
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.

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

	Fiscal Year									
	2017	2016 (1)	2015	2014 (1)	2013	2012	2011 (1)	2010 (1)	2009 (1)	2008
Governmental Activities:										
Net investment in capital assets	\$36,663,257	\$37,133,892	\$38,238,676	\$38,170,787	\$38,533,392	\$39,189,433	\$39,179,133	\$40,153,924	\$39,758,751	\$38,409,204
Restricted for:										
Capital projects	1,323,519	789,973	1,023,621	547,635	907,494	686,213	957,961	807,915	1,233,445	1,493,138
Street construction, maintenance and repair	735,691	447,861	419,142	336,703	377,041	794,548	577,658	437,259	296,822	304,504
Other purposes	242,310	171,549	141,896	134,250	153,790	169,814	173,051	143,200	218,237	343,119
Unrestricted	(11,532,963)	(7,420,612)	(5,933,089)	(5,396,633)	8,003,670	8,285,009	7,280,317	6,592,820	8,142,658	8,024,198
Total governmental activities net position	\$27,431,814	\$31,122,663	\$33,890,246	\$33,792,742	\$47,975,387	\$49,125,017	\$48,168,120	\$48,135,118	\$49,649,913	\$48,574,163

(1) - restated from originally reported.

Note - The figures above reflect the primary government

Source: City of Springdale, Finance Department.

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

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Expenses:										
Governmental activities:										
Security of persons and property	\$10,555,584	\$10,513,238	\$9,513,086	\$8,787,814	\$9,044,012	\$8,355,590	\$8,302,605	\$8,810,920	\$8,456,664	\$8,621,133
Public health services	499,155	400,372	342,195	364,198	356,082	325,784	325,822	374,701	329,233	350,211
Leisure time activities	2,190,508	1,982,267	1,833,841	1,815,741	1,710,927	1,694,907	1,680,816	1,857,647	1,966,513	2,165,723
Community environment	794,151	678,483	619,289	624,292	608,190	547,371	496,284	697,507	636,329	569,724
Transportation	4,216,505	3,327,287	2,880,630	2,870,199	3,604,730	3,289,348	2,316,491	2,405,106	3,042,133	2,404,303
General government	5,347,176	5,017,827	4,221,723	4,224,780	4,541,366	4,200,749	3,994,792	5,403,997	5,934,624	6,009,237
Interest and fiscal charges	409,163	203,911	160,677	174,095	186,477	247,217	281,867	300,536	318,455	334,096
Total governmental activities	24,012,242	22,123,385	19,571,441	18,861,119	20,051,784	18,660,966	17,398,677	19,850,414	20,683,951	20,454,427
Program revenues:										
Governmental activities:										
Charges for services:										
Security of persons and property	777,306	751,886	906,931	679,841	777,168	778,009	571,589	697,654	686,782	635,002
Public health services	75,140	73,815	66,605	69,516	58,140	60,606	63,923	63,643	60,417	57,306
Leisure time activities	126,582	121,698	129,858	134,541	133,533	141,918	143,706	166,211	188,263	173,481
Community environment	145,274	100,730	73,784	82,919	88,206	79,397	76,933	99,775	57,079	69,096
Transportation	3,900	3,070	3,885	5,160	4,845	5,060	4,600	5,190	3,780	5,690
General government	128,247	139,905	125,170	128,570	127,862	118,324	115,153	115,973	106,800	105,075
Operating grants and contributions:										
Security of persons and property	29,458	173,601	25,080	36,511	177,513	26,669	25,716	24,538	105,998	74,859
Public health services	42,692	44,450	8,540	5,880	5,250	12,137	36,380	63,992	47,140	24,374
Leisure time activities	0	0	0	0	0	0	29,350	0	0	4,669
Community environment	2,875	11,913	20,058	15,885	19,039	18,285	29,713	23,195	16,801	0
Transportation	0	0	0	0	0	0	0	0	0	151,263
Capital grants and contributions:										
Transportation	889,160	60,347	651,493	313,597	116,928	1,243,668	88,541	1,137,457	2,472,788	225,827
General government	201,615	148,385	0	0	0	0	0	0	0	0
Total governmental activities	2,422,249	1,629,800	2,011,404	1,472,420	1,508,484	2,484,073	1,185,604	2,397,628	3,745,848	1,526,642
program revenues	(21,589,993)	(20,493,585)	(17,560,037)	(17,388,699)	(18,543,300)	(16,176,893)	(16,213,073)	(17,452,786)	(16,938,103)	(18,927,785)
Net expense										

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

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General revenues and other changes in net position:										
Governmental activities:										
Municipal income taxes	14,024,396	14,185,996	14,004,548	12,837,195	13,028,396	12,974,628	12,092,698	11,720,803	12,903,475	13,924,066
Property and other taxes	1,158,185	1,127,511	1,108,953	1,178,894	1,196,576	1,264,751	1,125,767	1,520,103	1,533,906	1,615,652
Payments in lieu of taxes	658,169	659,227	659,104	639,122	634,654	588,089	579,923	359,032	682,506	813,210
Special assessments	335,043	324,191	258,601	177,199	187,509	185,007	156,600	108,135	430,108	217,836
Grants and entitlements - not restricted	969,862	991,013	1,060,404	1,009,804	1,652,715	1,718,217	1,873,767	2,006,063	1,921,521	2,305,337
Investment earnings	92,567	16,033	7,438	7,897	7,939	14,263	16,504	23,728	30,041	190,659
Other revenues	660,922	617,304	558,493	547,233	685,881	388,835	400,816	567,508	439,322	447,775
Total general revenues	17,899,144	17,921,275	17,657,541	16,397,344	17,393,670	17,133,790	16,246,075	16,305,372	17,940,879	19,514,535
Change in net position:										
Governmental activities	<u>(\$3,690,849)</u>	<u>(\$2,572,310)</u>	<u>\$97,504</u>	<u>(\$991,355)</u>	<u>(\$1,149,630)</u>	<u>\$956,897</u>	<u>\$33,002</u>	<u>(\$1,147,414)</u>	<u>\$1,002,776</u>	<u>\$586,750</u>

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

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

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

Expenses:

Governmental activities:

Transportation: Increase of \$889,218 from 2016-2017 due to the following:
- In 2017 the City issued \$8,200,000 (par value) of Street Improvement General Obligation Bonds. Amounts spent for road projects that were not applicable to record as capital assets were recorded as transportation expense.

General government: 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.

Security of persons and property: Increase of \$1,000,152 from 2015-2016 due to the following:
- increase in the amount of year-end 2016 accruals related to the Ohio Police and Fire Pension over 2015.

Program revenues:

Operating grants and contributions:

Security of persons/prop Increase of \$148,521 from 2015-2016 due to the following:
- FEMA Grant received in 2016 for \$146,572 which was not applicable in 2015.

Capital grants and contributions:

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

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

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

Decrease of \$591,146 from 2015-2016 due to the following:
- less capital activity involving grants in 2016.

Increase of \$828,813 from 2016-2017 due to the following:
- increase in the amount of grant funding received for road projects.

General government Increase of \$148,385 from 2015 to 2016 due to the following:
- 2016 includes grant from Hamilton County to assist with the demolition of the Former Sheraton Hotel mwhich was not applicable in 2015.

General revenues:

Municipal income taxes: Increase of \$1,167,353 from 2014-2015 due to the following:
- increase in cash basis municipal income taxes from 2014 to 2015 from increased withholdings and business declarations.

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

	Fiscal Year								
	2017	2016	2015	2014	2013	2012	2011	2010	2009
General fund:									
Nonspendable	\$984,215	\$1,033,286	\$966,341	\$1,191,012	\$797,545	\$852,609	\$822,942	\$736,668	\$761,361
Assigned	1,069,194	2,482,357	362,509	470,437	611,155	524,316	658,193	761,575	1,044,782
Unassigned	2,840,164	3,131,296	5,448,358	6,060,896	6,133,938	6,407,053	5,562,965	4,552,787	5,763,841
Total general fund	4,893,573	6,646,939	6,777,208	7,722,345	7,542,638	7,783,978	7,044,100	6,051,030	7,569,984
All other governmental funds:									
Nonspendable	2,538	2,538	2,536	2,451	0	0	0	0	0
Restricted	7,517,479	847,899	1,094,936	566,261	967,356	1,140,069	1,389,495	1,041,045	809,552
Committed	0	0	0	0	0	0	0	5,618	3,347
Assigned	6,385	5,887	5,322	5,356	5,468	4,474	3,335	0	0
Unassigned	(497,559)	(492,378)	(492,378)	(492,663)	(492,895)	(492,467)	(493,685)	(464,673)	(519,136)
Total all other governmental funds	7,028,843	363,946	610,416	81,405	479,929	652,076	899,145	581,990	293,763
Total governmental funds	\$11,922,416	\$7,010,885	\$7,387,624	\$7,803,750	\$8,022,567	\$8,436,054	\$7,943,245	\$6,633,020	\$7,863,747

Source: City of Springdale, Finance Department.

Note - In 2009, the City implemented Governmental Accounting Standards Board Statement No. 54 (fund balance classification).

CITY OF SPRINGDALE, OHIO
FUND BALANCES OF GOVERNMENTAL FUNDS
2008

	Fiscal Year
	2008
General fund:	
Reserved	\$355,177
Unreserved, designated	1,018,149
Unreserved, undesignated	5,982,500
Total general fund	7,355,826
All other governmental funds:	
Reserved	1,031,609
Unreserved, reported in:	
Special revenue funds	238,687
Capital projects funds (deficit)	(545,758)
Total all other governmental funds	724,538
Total governmental funds	\$8,080,364

Source: City of Springdale, Finance Department.

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

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Revenues:										
Municipal income taxes	\$14,407,358	\$14,223,463	\$13,590,952	\$13,234,481	\$13,064,120	\$12,671,825	\$12,058,356	\$11,557,740	\$13,080,829	\$14,461,358
Property and other taxes	1,135,948	1,161,052	1,102,654	1,167,087	1,196,487	1,291,654	1,245,380	1,494,203	1,477,370	1,619,032
Payments in lieu of taxes	658,169	659,227	659,104	639,122	668,004	575,096	559,566	359,032	682,506	813,210
Special assessments	320,772	254,034	165,965	200,825	190,167	159,692	104,712	434,728	209,128	302,535
Intergovernmental	2,105,651	1,432,715	1,850,860	1,365,268	2,019,176	3,044,584	2,070,566	3,519,833	4,666,460	3,105,629
Charges for services	621,620	599,847	571,355	537,200	493,352	545,153	309,450	387,996	377,922	261,639
Fines and forfeitures	183,112	217,005	217,967	225,759	247,980	247,040	292,462	281,087	339,888	373,985
Fees, licenses and permits	473,735	417,519	389,456	403,135	399,341	368,762	418,156	428,055	400,417	391,356
Interest	92,567	16,033	7,438	7,897	7,939	14,263	16,504	23,728	30,042	190,659
Contributions	0	0	0	0	0	0	4,400	0	751	575
Other	626,067	592,762	536,453	564,999	694,910	375,948	429,099	555,052	544,911	287,506
Total revenues	20,624,999	19,573,657	19,092,204	18,345,782	18,981,476	19,294,017	17,508,651	19,041,454	21,810,224	21,807,484
Expenditures:										
Current:										
Security of persons and property	9,555,860	9,164,901	9,065,029	8,542,578	8,768,672	8,166,456	7,978,954	8,518,865	8,017,532	8,130,860
Public health services	447,440	382,360	335,166	381,686	355,768	325,675	325,481	368,056	324,026	329,263
Leisure time activities	1,601,090	1,621,406	1,507,843	1,478,464	1,425,049	1,372,690	1,372,776	1,543,884	1,664,188	1,817,404
Community environment	613,685	596,970	650,120	618,921	593,810	540,791	495,347	682,047	634,854	560,983
Transportation	1,398,283	1,452,084	1,628,653	1,580,438	1,433,309	1,199,094	1,231,140	1,432,956	1,436,394	1,679,504
General government	5,120,670	4,622,098	4,100,230	4,028,048	4,236,227	3,954,504	3,743,571	5,115,314	5,737,292	5,493,993
Capital outlay	5,003,618	1,317,264	1,477,723	1,340,386	1,794,379	2,570,843	486,755	1,848,077	3,440,393	2,628,467
Debt service:										
Principal retirement	793,942	589,402	581,780	689,579	600,486	592,276	476,499	471,480	469,626	481,691
Interest and fiscal charges	380,098	203,911	161,786	174,499	187,263	258,505	272,903	291,522	309,391	325,032
Total expenditures	24,914,686	19,950,396	19,508,330	18,834,599	19,394,963	18,980,834	16,333,426	20,272,181	22,033,696	21,447,197
Excess (deficiency) of revenues over expenditures	(4,289,687)	(376,739)	(416,126)	(488,817)	(413,487)	313,183	1,175,225	(1,230,727)	(223,472)	360,287
Other financing sources (uses):										
Proceeds from the sale of bonds	8,200,000	0	0	0	0	0	0	0	0	0
Premium from the sale of bonds	344,632	0	0	0	0	0	0	0	0	0
Inception of capital lease	656,586	0	0	270,000	0	200,000	135,000	0	6,855	24,599
Face value of refunding bonds	0	0	0	0	0	1,900,000	0	0	0	0
Retirement from refunding bonds	0	0	0	0	0	(1,900,000)	0	0	0	0
Proceeds from the sale of assets	0	0	0	0	0	0	0	0	0	34,983
Transfers-in	1,798,576	1,048,470	1,327,715	533,150	1,441,289	1,037,500	763,800	1,080,400	865,400	2,973,780
Transfers-out	(1,798,576)	(1,048,470)	(1,327,715)	(533,150)	(1,441,289)	(1,037,500)	(763,800)	(1,080,400)	(865,400)	(2,973,780)
Total other financing sources (uses)	9,201,218	0	0	270,000	0	200,000	135,000	0	6,855	59,582
Net change in fund balances	4,911,531	(376,739)	(416,126)	(218,817)	(413,487)	513,183	1,310,225	(1,230,727)	(216,617)	419,869
Beginning fund balance (restated)	7,010,885	7,387,624	7,803,750	8,022,567	8,436,054	7,922,871	6,612,646	7,843,373	8,059,990	7,640,121
Ending fund balance	\$11,922,416	\$7,010,885	\$7,387,624	\$7,803,750	\$8,022,567	\$8,436,054	\$7,922,871	\$6,612,646	\$7,843,373	\$8,059,990
Debt service as a percentage of noncapital expenditures	6%	4%	4%	5%	4%	5%	5%	4%	4%	4%

Source: City of Springdale, Finance Department.

CITY OF SPRINGDALE, OHIO
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
Page 2

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

Revenues:

Municipal income taxes: Decrease of \$1,380,529 from 2008-2009 due to the following:
 - larger year-end accruals for 2008 as compared to 2009.
 Decrease of \$1,523,089 from 2009-2010 due to the following:
 Smaller amounts received in 2010 based on the general economy and businesses closing.

Intergovernmental: Increase of \$1,560,831 from 2008-2009 due to the following:
 - increase in the amount of grant funding received for road projects.
 Decrease of \$1,449,267 from 2010-2011 due to the following:
 - decrease in the amount of road project capital grants.
 Decrease of \$1,025,408 from 2012 to 2013:
 - decrease in the amount of grant funding received for road projects.
 Decrease of \$653,908 from 2013 to 2014:
 - decrease in the amount of estate tax received due to State legislation changes.
 Increase of \$672,936 from 2016 to 2017:
 - increase in the amount of grant funds received from road projects.

Expenditures:

General government: Decrease of \$1,371,743 from 2010-2011 due to the following:
 - In October of 2010, City changed from self-insured health insurance program to joining health insurance pool. Prior claim expenditures were recorded as general government. Under the current program, premiums are allocated to all City departments.

Capital Outlay: Decrease of \$3,945,914 from 2009-2010 due to the following:
 - decrease in road improvement projects in 2010.
 Decrease of \$1,411,322 from 2010-2011 due to the following:
 - decrease in road improvement projects in 2011.
 Increase of \$2,134,088 from 2011-2012 due to the following:
 - Increase in road improvement projects in 2012.
 Increase of \$3,686,354 from 2016-2017 due to the following:
 - In 2017 the City issued \$8,200,000 (par value) of Street Improvement General Obligation Bonds. Increase due to a portion of bond proceeds expended for road improvement projects.

Other Financing Sources (Uses):

Proceeds from the sale of bonds Increase of \$8,200,000 from 2016-2017 due to the following:
 - In 2017 the City issued \$8,200,000 (par value) of Street Improvement General Obligation Bonds.

Premium from the sale of bonds Increase of \$344,632 from 2016-2017 due to the following:
 - In 2017 the City issued \$8,200,000 (par value) of Street Improvement General Obligation Bonds. At issuance, a premium on sale of bonds was received.

Inception of capital lease Increase of \$656,586 from 2016-2017 due to the following:
 - In 2017 the City entered into three leases classified as capital leases.

**CITY OF SPRINGDALE, OHIO
 ASSESSED VALUATION AND ESTIMATED ACTUAL VALUES OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS**

Tax Year/ Collection Year	Real Property		Public Utility - Personal		Tangible Personal Property		Total		Assessed Value as a Percent of Actual Value	Total Direct Rate
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2007/2008	\$433,739,770	\$1,239,256,486	\$6,607,440	\$6,607,440	\$46,206,990	\$184,827,960	\$486,554,200	\$1,430,691,886	34.01%	3.08
2008/2009	423,920,790	1,211,202,257	7,279,450	7,279,450	583,050	2,332,200	431,783,290	1,220,813,907	35.37%	3.08
2009/2010	365,922,290	1,045,492,257	8,598,540	8,598,540	2,497,350	9,989,400	377,018,180	1,064,080,197	35.43%	3.08
2010/2011	328,657,460	939,021,314	9,301,190	9,301,190	0	0	337,958,650	948,322,504	35.64%	3.08
2011/2012	325,063,190	928,751,971	9,583,800	9,583,800	0	0	334,646,990	938,335,771	35.66%	3.08
2012/2013	315,474,370	901,355,343	10,590,730	10,590,730	0	0	326,065,100	911,946,073	35.75%	3.08
2013/2014	301,198,030	860,565,800	11,356,610	11,356,610	0	0	312,554,640	871,922,410	35.85%	3.08
2014/2015	305,314,990	872,328,543	11,965,680	11,965,680	0	0	317,280,670	884,294,223	35.88%	3.08
2015/2016	308,973,190	882,780,543	12,157,000	12,157,000	0	0	321,130,190	894,937,543	35.88%	3.08
2016/2017	305,874,080	873,925,943	13,133,660	13,133,660	0	0	319,007,740	887,059,603	35.96%	3.08

Source - Hamilton County Auditor

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

Tax Year/ Collection Year	Direct Rate City of Springdale	Overlapping Rates					Total Full Rate
		Hamilton County	Princeton City School District	Winton Woods School District	Great Oaks Joint Vocational School		
2007/2008	3.08	20.56	49.03	78.03	2.70	75.37	
2008/2009	3.08	20.63	48.99	78.03	2.70	75.40	
2009/2010	3.08	20.48	48.99	85.93	2.70	76.25	
2010/2011	3.08	19.45	50.48	86.03	2.70	77.74	
2011/2012	3.08	19.03	50.83	87.32	2.70	77.67	
2012/2013	3.08	19.03	61.28	87.41	2.70	88.12	
2013/2014	3.08	19.03	61.28	87.41	2.70	88.12	
2014/2015	3.08	18.85	62.58	87.41	2.70	89.24	
2015/2016	3.08	18.85	62.58	87.81	2.70	89.24	
2016/2017	3.08	18.85	62.58	94.76	2.70	89.24	

Source: Hamilton County, Ohio: County Auditor.

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

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

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

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

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

Tax Year/ Collection Year	Current Levy	Delinquent Levy	Total Tax Levy	Current Tax Levy Collections	Percent of Current Tax Levy Collected	Delinquent Tax Levy Collections	Total Tax Collections	Percent of		
								Total Tax Collections to Total Tax Levy	Delinquent Taxes to Total Tax Levy	
2007/2008	\$1,421,941	\$103,772	\$1,525,713	\$1,374,382	96.66%	\$49,383	\$1,423,765	93.32%	\$101,999	6.69%
2008/2009	1,343,107	139,648	1,482,755	1,302,250	96.96%	88,057	1,390,307	93.77%	92,423	6.23%
2009/2010	1,319,247	102,650	1,421,897	1,250,657	94.80%	52,742	1,303,399	91.67%	118,418	8.33%
2010/2011	1,159,497	104,512	1,264,009	1,110,489	95.77%	44,888	1,155,377	91.41%	108,605	8.59%
2011/2012	1,039,831	95,359	1,135,190	1,002,554	96.42%	38,387	1,040,941	91.70%	94,140	8.29%
2012/2013	1,036,242	72,230	1,108,472	999,949	96.50%	31,450	1,031,399	93.05%	76,956	6.94%
2013/2014	1,006,078	78,083	1,084,161	970,023	96.42%	48,990	1,019,013	93.99%	65,485	6.04%
2014/2015	966,374	65,667	1,032,041	923,240	95.54%	26,268	949,508	92.00%	82,732	8.02%
2015/2016	977,281	95,855	1,073,136	958,544	98.08%	54,361	1,012,905	94.39%	60,230	5.61%
2016/2017	989,960	87,620	1,077,580	973,627	98.35%	32,616	1,006,243	93.38%	71,337	6.62%

Source: Hamilton County, Ohio: County Auditor.

**CITY OF SPRINGDALE, OHIO
PRINCIPAL PROPERTY TAXPAYERS
DECEMBER 31, 2017 AND 2008**

Taxpayer	Fiscal Year 2017		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
LSREF2 Oreo Direct LLC	\$10,237,520	1	3%
Duke Energy Ohio Inc.	10,099,910	2	3%
Tri-County Mall LLC	9,617,300	3	3%
Tri-County Towne Center 15A LLC@3	8,505,020	4	3%
Mallard Lakes Apartments LLC	6,557,070	5	2%
Springdale-Kemper RE LLC	6,451,890	6	2%
Jubilee Springdale LLC	4,456,240	7	2%
KE Tri-County LLC	3,780,570	8	1%
Costco Wholesale Corporation	3,594,540	9	1%
Mayuri LLC	3,294,030	10	1%
All Others	252,413,650	-	79%
Total assessed valuation	\$319,007,740		100%

Taxpayer	Fiscal Year 2008		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Thor Gallery and Tri County LLC	\$50,400,010	1	10%
NRFC Cinn Investor LLC	19,600,020	2	4%
Merchant Street 27 LLC @30	11,000,510	3	3%
Springdale-Kemper Association	7,726,890	4	2%
KE Tri-County LLC	7,605,500	5	2%
Kimco 420 Inc.	7,221,200	6	1%
Avon Capital Corporation	6,824,550	7	1%
Duke Energy Ohio Inc.	6,483,230	8	1%
National Amusements Inc.	5,704,620	9	1%
Kir Tri-County 018 LLC	5,482,220	10	1%
All others	358,505,450	-	74%
Total assessed valuation	\$486,554,200		100%

Source: Hamilton County Auditor

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

<u>Year</u>	<u>Municipal Income Taxes</u>	<u>Property and Other Taxes</u>	<u>Total</u>
2008	\$13,924,066	\$1,615,652	\$15,539,718
2009	12,903,475	1,533,906	14,437,381
2010	11,720,803	1,520,103	13,240,906
2011	12,092,698	1,125,767	13,218,465
2012	12,974,628	1,264,751	14,239,379
2013	13,028,396	1,196,576	14,224,972
2014	12,837,195	1,178,894	14,016,089
2015	14,004,548	1,108,953	15,113,501
2016	14,185,996	1,127,511	15,313,507
2017	14,024,396	1,158,185	15,182,581

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 (%)	Percentage of Total									
		Withholding	Business	Individuals	Penalty/Interest	Total	Withholding	Business	Individual	Penalty/Interest	Total
2008	1.5%	\$11,545,811	\$2,602,265	\$616,552	\$120,197	\$14,884,825	78%	17%	4%	1%	100%
2009	1.5%	11,080,439	1,875,776	610,370	112,316	13,678,901	81%	14%	4%	1%	100%
2010	1.5%	9,771,007	1,570,397	566,677	86,217	11,994,298	81%	13%	5%	1%	100%
2011	1.5%	10,197,760	1,631,364	587,499	68,937	12,485,560	82%	13%	4%	1%	100%
2012	1.5%	10,479,109	1,836,242	590,629	61,137	12,967,117	81%	14%	5%	0%	100%
2013	1.5%	10,660,949	1,990,931	617,888	52,126	13,321,894	80%	15%	5%	0%	100%
2014	1.5%	10,450,851	2,179,906	619,416	50,533	13,300,706	79%	16%	5%	0%	100%
2015	1.5%	11,235,551	2,484,512	598,853	55,746	14,374,662	78%	17%	5%	0%	100%
2016	1.5%	13,044,526	1,768,966	682,276	46,304	15,542,072	84%	12%	4%	0%	100%
2017	1.5%	11,619,143	3,010,953	669,057	54,780	15,353,933	76%	20%	4%	0%	100%

Source: City of Springdale, Tax Department

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

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

Year	Governmental Activities				Total Debt	Estimated Personal Income (1)	Percentage of Personal Income (2)	Per Capita
	General Obligation Bonds	TIF Revenue Bonds	Capital Leases					
2008	\$3,509,336	\$2,661,709	\$27,787	\$6,198,832	\$162,961,333	4%	\$597	
2009	3,108,264	2,599,959	26,766	5,734,989	159,929,333	4%	552	
2010	2,707,192	2,533,942	21,305	5,262,439	117,792,933	4%	469	
2011	2,306,120	2,463,364	150,384	4,919,868	126,908,667	4%	438	
2012	1,900,000	2,387,909	233,562	4,521,471	161,756,200	3%	403	
2013	1,500,000	2,307,240	113,745	3,920,985	162,073,000	2%	349	
2014	1,100,000	2,220,998	180,409	3,501,407	148,093,133	2%	312	
2015	700,000	2,128,797	90,830	2,919,627	165,911,000	2%	260	
2016	300,000	2,030,225	0	2,330,225	171,110,333	1%	208	
2017	8,151,657	1,924,842	638,027	10,714,526	172,821,436	6%	955	

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, 12, and 13 to the basic financial statements.

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

Year	(A) Population	(B) Estimated Actual Value	(C) General Bonded Debt	(D) Resources Available to Pay Principal	Net General Bonded Debt	Ratio of Net Bonded Debt to Estimated Actual Value	Net Bonded Debt Per Capita
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
2012	11,223	938,335,771	1,900,000	0	1,900,000	0.20%	169
2013	11,223	911,946,073	1,500,000	0	1,500,000	0.16%	134
2014	11,223	871,922,410	1,100,000	0	1,100,000	0.13%	98
2015	11,223	884,294,223	700,000	0	700,000	0.08%	62
2016	11,223	894,937,543	300,000	0	300,000	0.03%	27
2017	11,223	887,059,603	8,151,657	62,901	8,088,756	0.91%	721

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

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

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

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

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

Year	Principal	Interest	Total Debt Service	General Governmental Expenditures (1)	Ratio of Debt Service to General Governmental Expenditures
2008	\$400,000	\$143,400	\$543,400	\$17,618,657	3.08%
2009	400,000	130,400	530,400	17,274,957	3.07%
2010	400,000	117,400	517,400	17,071,878	3.03%
2011	400,000	103,800	503,800	14,642,758	3.44%
2012	400,000	89,600	489,600	15,388,379	3.18%
2013	400,000	25,289	425,289	17,072,507	2.49%
2014	400,000	18,002	418,002	16,663,163	2.51%
2015	400,000	13,270	413,270	16,934,579	2.44%
2016	400,000	8,456	408,456	17,499,791	2.33%
2017	670,000	166,928	836,928	18,751,683	4.46%

(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, 2017**

	Net Debt Outstanding	Percentage (1) Applicable to City of Springdale	Amount Applicable to City of Springdale
<u>Direct:</u>			
City of Springdale	\$10,714,526	100%	\$10,714,526
<u>Overlapping:</u>			
Hamilton County	133,845,000	1.74%	2,328,903
Princeton City School District	166,112,139	21.61%	35,896,833
Great Oaks Joint Vocational School	6,070,000	1.71%	103,797
Subtotal			38,329,533
			\$49,044,059

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

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

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

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total assessed property value (1)	\$319,007,740	\$321,130,190	\$317,280,670	\$312,554,640	\$326,065,100	\$334,646,990	\$337,958,650	\$377,018,180	\$431,783,290	\$486,554,200
Total debt limit (10.5% of assessed value):	\$33,495,813	\$33,718,670	\$33,314,470	\$32,818,237	\$34,236,836	\$35,137,934	\$35,485,658	\$39,586,909	\$45,337,245	\$51,086,191
Total net debt applicable to limit:										
General obligation bonds (2)	8,151,657	300,000	700,000	1,100,000	1,500,000	1,900,000	2,306,120	2,707,192	3,108,264	3,509,336
Legal debt limit margin	\$25,344,156	\$33,418,670	\$32,614,470	\$31,718,237	\$32,736,836	\$33,237,934	\$33,179,538	\$36,879,717	\$42,228,981	\$47,576,855
Total net debt applicable to the limit as a percentage of total debt limit	24%	1%	2%	3%	4%	5%	6%	7%	7%	7%
Total unvoiced debt limit (5.5% of assessed value):	\$17,545,426	\$17,662,160	\$17,450,437	\$17,190,505	\$17,933,581	\$18,405,584	\$18,587,726	\$20,736,000	\$23,748,081	\$26,760,481
Total net debt applicable to limit:										
General obligation bonds (2)	8,151,657	300,000	700,000	1,100,000	1,500,000	1,900,000	2,306,120	2,707,192	3,108,264	3,509,336
General obligation notes	0	0	0	0	0	0	0	0	0	0
Legal debt limit margin	\$9,393,769	\$17,362,160	\$16,750,437	\$16,090,505	\$16,433,581	\$16,505,584	\$16,281,606	\$18,028,808	\$20,639,817	\$23,251,145
Total net debt applicable to the limit as a percentage of total debt limit	46%	2%	4%	6%	8%	10%	12%	13%	13%	13%

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 unvoiced 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)
2008	5.08	10,384	\$162,961,333	\$15,694	39	808	5.60%
2009	5.08	10,384	159,929,333	15,402	39	758	8.90%
2010	5.08	11,223	117,792,933	10,496	39	815	9.40%
2011	5.08	11,223	126,908,667	11,308	39	824	8.60%
2012	5.08	11,223	161,756,200	14,413	39	830	7.00%
2013	5.08	11,223	162,073,000	14,441	39	862	7.80%
2014	5.08	11,223	148,093,133	13,196	39	995	5.70%
2015	5.08	11,223	165,911,000	14,783	36	1,007	4.50%
2016	5.08	11,223	171,110,333	15,246	38	983	4.30%
2017	5.08	11,223	172,821,436	15,399	40	968	4.30%

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

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

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

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

(E): Source: Princeton City School District.

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

**CITY OF SPRINGDALE, OHIO
PRINCIPAL EMPLOYERS
DECEMBER 31, 2017 AND 2008**

<u>Employer</u>	<u>2017 - Number of Employees (A)</u>	<u>Percent of Total</u>
Humana Pharmacy Inc.	1,025	3%
Smithfield Packaged Meats Corp.	649	2%
Jake Sweeny Chevrolet Import	630	2%
One Source Employee Management	619	2%
Universal Protection Service LLC	595	2%
ORC International Inc.	539	2%
First Financial Bank	442	1%
General Electric Engine Services Inc.	429	1%
Cincinnati Bell Inc.	418	1%
Pappas Restaurants Inc.	417	1%
All Others	<u>26,318</u>	<u>83%</u>
Total employment within the City	<u><u>32,081</u></u>	<u><u>100%</u></u>

<u>Employer</u>	<u>2008 - Number of Employees (A)</u>	<u>Percent of Total</u>
General Electric	1,711	5%
Avon Products Inc.	1,023	3%
John Morrell and Company	789	2%
Macy's Retail Holdings	764	2%
Spherion Atlantic Enterprises	717	2%
Maple Knoll Communities Inc.	688	2%
Abercrombie and Fitch Stores Inc.	620	2%
Princeton City Schools	489	1%
Minute Men Inc.	469	1%
AMPAC Plastics	406	1%
All others	<u>29,902</u>	<u>79%</u>
Total employment within the City	<u><u>37,578</u></u>	<u><u>100%</u></u>

Source: City of Springdale, Tax Department.

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

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

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Full-time positions at December 31	106	108	108	108	110	106	104	114	123	127
Security of Persons and Property										
Police Department:										
Police Chief	1	1	1	1	1	1	1	1	1	1
Police Captain	1	1	1	1	1	1	1	0	1	1
Sworn Officers	30	32	30	31	31	34	31	33	36	37
Administrative Secretary	0	1	1	1	1	1	1	1	1	1
Clerks	4	4	4	4	5	5	5	5	6	6
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	0	1	1	1	1
Fire Captain	3	3	3	3	3	3	3	3	3	3
Fire Inspector	1	1	1	1	1	1	1	1	0	1
Firefighter	3	4	5	4	4	4	4	4	4	4
Firefighters/Paramedic	15	13	13	13	14	12	12	15	16	15
Administrative Secretary	1	1	1	1	1	1	1	1	1	1
Public Health Services										
Health Department:										
Health Commissioner	1	1	1	1	1	1	1	1	1	1
Health Nurse	1	1	1	1	1	1	1	1	1	1
Sanitarian	1	1	1	1	1	1	1	1	1	1
Administrative Assistant	1	1	1	1	1	1	1	1	1	1
Leisure Time Activities										
Parks and Recreation Department:										
Parks and Recreation Director	1	1	1	1	1	1	1	1	1	1
Assistant Recreation Director	2	2	2	2	2	2	3	3	3	3
Fitness Center Manager	1	1	1	1	1	1	1	1	1	1
Parks Maintenance	3	3	3	3	3	3	3	3	4	5
Recreation Programmer	1	1	1	1	1	0	0	1	1	1
Administrative Assistant	1	1	1	1	1	1	0.6	0.6	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/Property Inspector	2	2	2	2	2	2	2	2	2	2
Property Inspector	1	1	1	1	1	1	1	2	2	2
Administrative Assistant	1	1	1	1	1	1	1	1	1	1

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

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Transportation										
Public Works Department:										
Director of Public Works	1	1	1	1	1	1	1	1	1	1
Assistant Director of Public Works	1	1	1	1	1	1	1	1	0	0
Public Works Inspector	1	1	1	1	1	1	1	1	1	1
Fleet Mechanic	2	2	2	2	2	1	1	2	2	1
Maintenance Worker	6	7	7	7	7	6	5	7	10	12
Administrative Assistant	0	0	0	0	0	0	0	0	0	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	1	1	1	1	1	1	0.4	0.4	1	1
Technical Services Administrator	1	1	1	1	1	1	1	1	1	0
Administrative Assistant	0	0	0	0	0	0	0	0	0	1
Administrative Secretary	1	1	1	1	1	1	1	1	1	1
Custodian	1	0	1	1	1	1	1	1	1	1
Finance Department:										
Finance Officer/Tax Commissioner	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Account Clerk	2	2	2	2	2	2	2	2	2	2
Tax Department:										
Finance Officer/Tax Commissioner	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Account Clerk	3	3	3	3	3	3	3	4	4	4
Administrative Secretary	1	1	1	1	1	0	1	1	1	1
Total Full Time Positions	106	108	108	108	110	106	104	114	123	127

Source: City of Springdale, Finance Department

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

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Security of Persons and Property										
Police Department										
Number of stations	1	1	1	1	1	1	1	1	1	1
Total patrol calls for services:	12,757	12,544	12,628	12,522	13,189	13,530	13,795	13,954	14,496	14,826
- Arrests	1,440	1,349	1,460	1,757	1,753	1,868	1,620	2,052	2,307	2,518
- Auto accidents	1,142	1,009	1,002	930	1,014	985	1,165	862	889	1,113
- Traffic incidents	959	878	925	1,018	796	940	2,898	844	816	1,165
- Offense report	1,072	1,142	1,414	1,456	1,454	1,561	1,397	1,300	1,802	1,817
Mayor's court cases heard	1,384	2,134	2,383	2,537	2,634	2,102	2,822	2,912	4,032	4,265
Fire Department										
Number of stations	1	1	1	1	1	1	1	1	1	1
Fire responses	1,203	1,102	380	835	850	872	760	770	693	986
Emergency medical services (EMS) responses	2,495	2,520	2,159	2,135	2,077	2,025	1,706	1,957	1,889	1,967
Fire losses	\$599,800	\$178,500	\$51,800	\$88,300	\$69,800	\$87,285	\$153,100	\$240,200	\$109,400	\$168,830
Public Health Services										
Health Department										
Number of health department food inspections	261	341	450	414	401	479	329	397	390	376
Animal nuisance removals (2)	73	2	0	0	0	0	0	0	85	97
Home health care visits (1)	63	99	114	64	100	92	72	67	65	220
Leisure Time Activities										
Parks and Recreation Department										
Number of parks	6	6	6	6	6	6	6	6	6	6
Total park acreage	100	100	100	100	100	100	100	100	100	100
Number of community center memberships	2,985	2,149	2,086	2,358	2,182	1,810	1,865	1,910	2,114	3,112
Community center membership (cash basis)	\$91,952	\$92,524	\$93,780	\$100,777	\$103,012	\$107,706	\$118,629	\$114,978	\$123,131	\$101,612
Active member fitness center visits	29,453	25,662	26,023	33,002	35,800	42,751	39,812	40,124	44,453	50,731
Community Environment										
Building Department										
Total number of permits issued	519	509	564	526	587	552	566	710	682	658
Number of residential permits issued	295	326	336	280	292	289	334	428	505	368
Value of residential permits issued (cash basis)	\$1,650,975	\$1,631,335	\$1,759,977	\$1,301,948	\$1,373,911	\$1,448,090	\$1,537,673	\$1,942,286	\$2,780,380	\$1,998,921
Number of commercial permits issued	224	183	228	260	295	263	232	282	177	290
Value of commercial permits issued (cash basis)	\$65,033,038	\$20,242,173	\$20,274,438	\$11,749,132	\$11,358,037	\$11,464,347	\$11,123,570	\$13,452,349	\$4,486,595	\$15,409,775
Number of building inspections	573	733	841	825	954	954	823	1,372	1,163	1,923
Number of certificates of occupancy issued	48	14	31	39	139	82	75	33	73	124

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

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Transportation										
Public Works Department										
Chipper man hours	2,628	2,654	2,308	2,530	1,920	2,398	2,582	3,021	2,696	4,283
Debris removal requests (3)	19	34	32	46	38	44	44	49	95	160
Cubic yards of mulch delivered to residents	420	697	875	712	1,250	790	775	620	600	1,288
Tons of salt used	1,344	689	586	2,089	1,244	248	734	1,206	1,298	1,625
Snow and ice control callouts	12	8	6	16	17	7	12	19	11	14
General Government										
Finance Department										
Average number of business days to post receipts	4.0	2.2	3.2	3.4	3.5	2.7	3.0	3.2	2.8	3.8
Average number of business days to pay invoices	4.6	4.2	5.3	5.7	6.6	6.2	5.3	6.0	5.0	6.0
Number of non-payroll checks written	2,872	2,947	2,932	3,067	2,971	2,960	2,762	2,914	3,364	3,500
Number of payroll checks written	1,075	1,111	1,231	953	1,254	1,199	1,208	1,396	1,629	1,606
Number of payroll direct deposits issued	4,056	4,200	4,143	4,322	4,178	3,993	4,017	4,146	4,234	4,298
Tax Department										
Number of business accounts at year-end	2,881	2,866	2,600	2,619	2,468	2,637	2,796	2,798	2,785	2,915
Number of resident accounts at year-end	4,603	4,827	4,799	4,867	4,556	4,728	4,691	4,620	4,634	4,373
Current year no-file % (at due date):										
Business returns (4)	52%	54%	36%	30%	32%	23%	22%	37%	37%	43%
Resident returns	43%	43%	39%	33%	43%	33%	32%	35%	35%	29%
Average days to process and mail tax refund	53	47	42	41	37	43	42	27	26	25
Tax accounts assigned to mayor's court	84	89	81	132	169	163	173	192	183	207
Tax department overtime hours worked	154	159	156	152	132	76	47	54	243	297

Source: City of Springdale, departmental annual reports, information available from year 2000 forward.
(1): 2007-2008 reflects number of residents visited. 2009-2016 reflects total number of visits.
(2): Program discontinued from 2010-2015. Program restarted in 2016.
(3): 2009 decrease due to first year a fee was charged for debris removal services.
(4): Increase in 2016 is the result of income tax changes from State House Bill 5, effective 1-1-16, which allowed accounts on Federal extension to file without sending extension documentation to the City. Therefore at the time of the no-file % calculation the total number of accounts on extension was not known.

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

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<u>General Government</u>										
<u>Administration Department</u>										
Square footage - municipal building	33,620	33,620	33,620	33,620	33,620	33,620	33,620	33,620	33,620	33,620
Administrative vehicles	0	0	0	0	0	0	0	0	1	1
<u>Security of Persons and Property</u>										
<u>Police Department</u>										
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	25	23	26	25	30	27	27	25	23
Number of other police vehicles	13	13	11	12	10	9	9	8	9	9
<u>Fire Department</u>										
Number of stations	1	1	1	1	1	1	1	1	1	1
Square footage - fire building	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800
Number of fire vehicles	4	3	3	3	6	6	5	5	4	4
Number of EMS vehicles	3	3	3	3	3	4	4	4	5	5
Number of other vehicles	7	6	6	6	3	4	4	4	5	5
<u>Public Health Services</u>										
<u>Health Department</u>										
Number of health vehicles	2	2	2	2	1	1	1	1	1	1
<u>Leisure Time Activities</u>										
<u>Parks and Recreation Department</u>										
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	6	6	6	6	6
<u>Community Environment</u>										
<u>Building Department</u>										
Number of vehicles	5	4	4	4	4	4	4	4	3	3
<u>Transportation</u>										
<u>Public Works Department</u>										
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	13	13	16	15	15	15	15	15	15
Number of other vehicles	3	3	3	3	2	2	2	2	2	2

Source: City of Springdale, finance department



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
JULY 19, 2018**