



**Auditor of State  
Betty Montgomery**



CITY OF MADEIRA  
HAMILTON COUNTY

TABLE OF CONTENTS

<b>TITLE</b>	<b>PAGE</b>
Independent Accountants' Report..... (Under Separate Cover)	
Comprehensive Annual Financial Report ..... (Under Separate Cover)	
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	1
Schedule of Prior Audit Findings.....	3

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON  
INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

City of Madeira  
Hamilton County  
7141 Miami Avenue  
Madeira, Ohio 45243

To the City Council:

We have audited the financial statements of the City of Madeira, Hamilton County, Ohio (the City), as of and for the year ended December 31, 2002, and have issued our report thereon dated June 25, 2003. 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.

**Compliance**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under Government Auditing Standards. However, we also noted immaterial instances of noncompliance that we have reported to the management of the City in a separate letter dated June 25, 2003.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to the management of the City in a separate letter dated June 25, 2003.

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

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

June 25, 2003

**CITY OF MADEIRA  
HAMILTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2002**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2001-20431-001	Citation of ORC Section 5705.41(D) stating that all contracts or orders involving the expenditure of money must have a certificate of the fiscal officer that the amount required to meet the obligation has been lawfully appropriated.	No	Partially corrected. See comments contained in the management letter.





THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

**CITY OF MADEIRA**

**STATE OF OHIO**

**FOR THE YEAR ENDED DECEMBER 31, 2002**



THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

**CITY OF MADEIRA**

**STATE OF OHIO**

**FOR THE YEAR ENDED DECEMBER 31, 2002**

**PREPARED BY THE TREASURER'S OFFICE  
OF THE CITY OF MADEIRA**

THE COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 OF THE  
 CITY OF MADEIRA  
 STATE OF OHIO  
 FOR THE YEAR ENDED DECEMBER 31, 2002

**TABLE OF CONTENTS**

	<u>Page</u>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal .....	1
GFOA Certificate of Achievement. . . . .	12
List of Officials .....	13
Organization Chart .....	14
<b>FINANCIAL SECTION</b>	
Independent Accountants' Report .....	15
General Purpose Financial Statements:	
Combined Balance Sheet - All Fund Types and Account Groups. ....	17
Combined Statement of Revenues, Expenditures and Changes in Fund Balance - All Governmental Fund Types .....	18
Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - All Governmental Fund Types .....	19
Proprietary Fund Statement of Revenues, Expenses and Changes in Accumulated Deficit .....	24
Proprietary Fund Statement of Cash Flows .....	25
Notes to the Financial Statements (an integral part of the liftable General Purpose Financial Statements) .....	26
Combining, Individual Fund and Account Group Statements and Schedules:	
General Fund: .....	44
Comparative Balance Sheet .....	45
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual .....	46
Schedule of Expenditures by Dept. at Legal Level of Control - Budget and Actual	47
Special Revenue Funds .....	48
Combining Balance Sheet .....	49
Comparative Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual .....	50

	<u>Page</u>
Debt Service Fund .....	54
Comparative Balance Sheet .....	55
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual .....	56
Capital Projects Funds .....	57
Combining Balance Sheet .....	58
Comparative Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual .....	59
Enterprise Fund .....	62
Comparative Balance Sheet .....	66
Comparative Statement of Revenues, Expenses and Changes in Accumulated Deficit .....	64
Comparative Statement of Cash Flows .....	65
Agency Funds .....	66
Comparative Balance Sheet .....	67
Statement of Changes in Assets and Liabilities .....	68
Account Groups .....	69
Schedule of General Fixed Assets by Function and Source .....	70
Schedule of Changes of General Fixed Assets .....	71
Comparative Schedule of Assets, Liabilities and Fund Balance .....	72

## STATISTICAL SECTION

General Fund Revenues By Source for Ten Years .....	73
General Fund Expenditures by Function for Ten Years .....	74
Assessed and Estimated Actual Value of Real Property .....	75
Property Tax Rates - Direct and Overlapping Governments .....	76
Property Tax Levies and Collection .....	77
Computation of Legal Debt Margin .....	78
Computation of Direct and Overlapping Debt .....	79
Ratio of Annual Debt Service Expenditures to General Fund Expenditures .....	80
Ratio of Net General Bonded Debt to Assessed Valuation and Per Capita .....	81
Demographic Statistics .....	82
Construction in Madeira .....	83
Principal Real Estate Taxpayers .....	84
Real Estate Tax Valuations by Class .....	85
General Information .....	86

## **INTRODUCTORY SECTION**



June 25, 2003

TO THE CITIZENS OF THE CITY OF MADEIRA, OHIO:

The Comprehensive Annual Financial Report (CAFR) of the City of Madeira, Ohio, for the year ended December 31, 2002, is hereby submitted. While there is no legal requirement for the preparation of this report, it represents a commitment by the City of Madeira 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 City of Madeira. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The CAFR is presented in three sections as follows:

1. The Introductory Section includes this transmittal letter, which addresses the organization, accomplishments, and operational structure of the City, the City's organizational chart, and a list of principal officials.
2. The Financial Section begins with the Independent Accountants' Report and includes the General Purpose Financial Statements and Notes which provide an overview of the City's financial position and operating results, and the Financial Statements and Schedules of Individual Funds and Account Groups which provide detailed information relative to the General Purpose Financial Statements.
3. The Statistical Section presents social and economic data and financial trend information, and data relative to the fiscal capacity of the City.

## **REPORTING ENTITY**

For financial purposes, the City includes in this report all funds and account groups of the government. Two other local government jurisdictions which overlap the City boundaries--Hamilton County and the Madeira Board of Education--are separate legal entities which do not meet the reporting entity criteria and therefore are not included in the City's financial report.

## **INTRODUCTION**

Madeira was incorporated as a village in 1910 as a municipal form of government. In 1959 a charter form of government, adopting the council-manager plan, was approved and, after the 1960 census, Madeira officially became a city under Ohio Law.

In 1994 and then again in 2000, *Cincinnati Magazine* identified Madeira as one of the most livable communities in Southwestern Ohio. The City offers a broad range of housing, a vibrant business district, an excellent public and private school system, comprehensive public services and easy accessibility to the shopping, business and residential districts of the Greater Cincinnati area. Furthermore, its residents are dedicated to maintaining a safe, comfortable and welcoming community with high ideals. Hundreds of active volunteers dedicate thousands of hours each year in active support of community projects and goals.

The following pages further describe the structure of Madeira's government and some of the outstanding accomplishments made in the past year by its many dedicated employees, citizens, business people, and especially volunteers. Without their commitment to excellence, we would not have our high quality of living standards in Madeira and for this commitment and participation we thank them.

## ***MADEIRA CITY COUNCIL***

Madeira's City Council is comprised of seven Madeira residents who are elected by their fellow residents to serve staggered four-year terms. All members of Council are elected at large from the City. The Madeira Home Rule Charter specifies term limits of three consecutive terms.

City Council positions are classified as part-time and council members receive nominal compensation for their community service. City Council's responsibilities include reviewing, deliberating and passing legislation as prescribed by the City Charter and the laws of the State of Ohio applicable to municipalities. Council also establishes long-range policies for our community.

The Madeira City Council elects a Mayor and Vice-Mayor from within its ranks. The Mayor and Vice-Mayor each serve a two-year term. The Mayor's primary duties include presiding over City Council meetings, performing ceremonial civic duties and overseeing the proceedings of Mayor's Court. The Vice-Mayor assumes the duties of the Mayor in his or her absence.

## ***BOARDS AND COMMISSIONS***

The City Council established various boards and commissions to help in its development and evaluation of the numerous projects carried out each year. The following is a brief description of the goals of those boards and commissions.

### **Madeira Planning Commission**

Reviews zoning and building variance requests, subdivision plats and development plans. Also, submits an annual Capital Improvement Program to the City Council and advises City Council on



all land use planning issues and proposed zoning code amendments. Membership includes eight volunteer residents appointed by City Council to three-year staggered terms. The ninth member of the Commission is a City Council member appointed by the City Council. On December 31, 2002, those members were:

Council Member Rob Steier  
Chairman Rick Brasington  
Daniel Bascom  
Jim Moore  
Donald Caton

Jeff Evans  
Steve Karoly  
Richard Staubach  
Piyush Swami

### **Recreation and Parks Board**

This Board performs administrative functions on matters related to the City's parks and recreational facilities, programs and activities. They also review proposals and makes recommendations to City Council. Membership includes eleven residents appointed by City Council to two-year staggered terms. The twelfth member is a City Council member appointed by the City Council. The City employs a part-time recreation director. On December 31, 2002, those members were:

Council Member Sara Evans  
Recreation Director Richard Hartmann  
Chairperson Julie Rule  
James Erion  
Chris Carr  
Jill Tuke  
Tim Dicke

Tim Phillips  
Shirley Seeger  
Jim Benjamin  
Kathy Bechtold  
John Dobbs  
Melinda Reckers

### **Civil Service Commission**

This Commission conducts and reviews examinations for hiring and promotions within the classified service of the City. They also hear appeals filed by city employees regarding personnel decisions made by the administration dealing with the City's Personnel Policies and Procedures. Membership includes three residents of the City appointed by City Council for six-year overlapping terms. On December 31, 2002, those members were:

Timothy Quinn, Chair

Robert Gehring

Earle Maiman

### **Tax Board of Review**

This Board hears and rules on appeals from any ruling or decision made by the City Tax Commissioner. Membership includes three residents appointed to two-year concurrent terms. At December 31, 2002, those members were:

Pamela Katz Kropveld

Council Member John P. Murray

Linda Gill

## **Administration**

The administration of the City of Madeira is carried out by several departments which have their offices in the Municipal Building located at the corner of Euclid and Miami Avenues.

The City Manager is the chief executive and administrative officer of the City and is charged with the responsibility for the proper administration of all municipal affairs and enforcement of its laws and ordinances as empowered by the City Charter. The City Manager is appointed by Council. The Chief of Police, the Tax Commissioner, Assistant to the City Manager, and Recreation Director report directly to the City Manager.

The Clerk of Council attends all meetings of Council and keeps its records. The Treasurer serves as fiscal and accounting officer of the City. These positions are part-time.

The Law Director is an attorney-at-law and is the legal advisor of and attorney and counsel for the City. The Law Director's time is billed at an hourly rate by the Law Director's legal firm.

## **Services Provided**

The City provides many services to the community. Some of these services are:

### Police Department

Preserve and Protect Madeira Property and Residents  
Law Enforcement of City, State and Federal Laws  
Training of Residents in Safety Procedures  
Drug Education Program for Residents

### Public Works

Street Cleaning  
Snow Removal  
Leaf and Limb Collection  
Replacement of Street Signs  
Storm Sewer Maintenance  
Solid Waste Disposal and Recycling  
Minor Road Repairs and Inspection of Right-of-way  
Maintenance of the City Parks  
Maintenance of Public Properties

### Madeira/Indian Hill Joint Fire District

Fire Protection  
Emergency Medical Services  
Educational Programs Concerning Fire Prevention and Protection, and Medical Assistance

## Recreation Department

Planning and Conducting Special Events  
Coordination of Athletic Programs  
Assistance to Public Works in Park Maintenance  
Street Lining

## Earnings Tax

Administration and Enforcement of Earnings Tax Code for the City  
Maintenance and Monitoring of approximately 4,000 Individual and Business Tax Accounts for the City  
Updating Property Plats for Changes in Property Ownership

## Finance Department

Maintenance of All Accounting and Payroll Functions  
Investment Management  
Analysis and Proposals for Operating and Cost Efficiencies  
Computer Hardware and Software Maintenance and Upgrades for All Departments Except Police

## Planning, Zoning, Building and Development

Inspection of All Construction  
Review of Property Boundary Changes  
Zoning Enforcement  
Sign Code Enforcement  
All Code Variance Requests

## **FINANCIAL INFORMATION**

The City's financial condition continued to improve as it has over the past several years. Expenditures have remained within budget, while revenue has continued to increase. In 2002, grants from the state have allowed us to continue on an aggressive street repair program, as well as, fund other important capital improvements. Service levels provided by the individual departments have remained constant over this year; no cuts in services were made or are anticipated in the future. All remaining General Fund receipts and expenditures remained very stable through 2002. The City's Five Year Budget was updated in November and will continue to be used by Council and the Administration so that financial planning takes place at an optimum level.

### **Major Initiatives**

A number of significant programs and projects were implemented in 2002:

1. **2002 Street Repair Program.** This year's program included improvements of approximately \$400,000. The streets this year included Windridge Drive, Windsong Court,

Juniperview Drive, Pineneedle Lane, Springcrest Circle, and Meadowdale Circle. The project included new curbs, sidewalk repairs, base pavement repairs and a complete resurfacing of the streets. The project was completed in the July, 2002.

2. **2002 Storm Water Program.** Two projects were completed this year:

**Springcrest Circle.** In conjunction with the 2002 Street Repair Program, the cul-de-sac of Springcrest Circle was reconstructed to improve drainage in this location. Also, the city installed a 36" concrete pipe to improve Storm water drainage which comes from the Euclid Avenue and Kenview Drive Area. Some properties in the Springcrest Circle location experience significant flooding during severe rain events. The additional pipe will help reduce the number of flooding incidents. Cost of this project was \$97,000.

**Camargo Road Stabilization Project.** Due to excessive erosion and Storm water flows, a portion of Camargo Road near Shawnee Run Road was subject to a slide condition. The Service Department installed a concrete block wall along the sides of the stream to stabilize the hillside and prevent further damage from occurring to the roadway. Cost of the project was less than \$10,000.

3. **Sellman Park Shelter House/Restroom Project.** The city received funding in 2001 from the Ohio Department of Natural Resources for the construction of two shelter structures at Sellman Park. The existing shelter facility was in need of significant repairs and the restrooms were not conveniently located to the rest of the park facility. The construction of the two shelters began in late 2001 and was completed in the summer of 2002. Cost of the construction was \$190,000. The Ohio Department of Natural Resources provided \$138,500 toward the project in 2001.
4. **Railroad Depot Plaza Project.** Design work continued on this project through 2002. There will be a delay in construction of the project due to the impending installation of a major sanitary sewer line by Metropolitan Sewer District in this area. The sanitary sewer line will be installed in late 2003. Construction of the plaza project is expected to begin in 2004.
5. **Miami Avenue Signal Project.** This project began in late 2001 and was completed in the summer of 2002. Three intersections received new signal systems mounted on decorative posts. In addition to being much more aesthetic than the old systems, the new signals have improved traffic flow for the 18,000 vehicles which travel through the Central Business District each day. Also, new pedestrian signals offer more safety for the public when crossing Miami Avenue.

#### Internal Control

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure was

designed to provide reasonable assurance that these objectives are met through evaluation of the following criteria:

- (a) the cost of a control should not exceed the benefits likely to be derived and
- (b) the valuation of costs and benefits required involves estimates and judgments made by management.

The City of Madeira receives state and county financial assistance for certain projects and is responsible for having an adequate internal control structure in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by the management of the City.

In addition to the above, the City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriation budget approved by the City Council. Activities of all funds are included in that annual appropriation budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the function level for all budgeted funds.

In 1994, City Council voted to change its budgeting method from the cash basis to the modified accrual/accrual basis of accounting. The purpose of this change was to make the statements more directly comparable, inasmuch as reporting is done on the modified accrual basis for governmental funds and the accrual basis for enterprise funds. This method of accounting is preferred under generally accepted accounting principles (GAAP).

The City also maintains an encumbrance accounting system as a technique of maintaining budgetary control. The City Manager must approve all expenditures and, in addition, the following controls must be followed:

1. All expenditures of \$10,000 or more are approved by Council. Ordinances are prepared and approved to authorize these expenditures.
2. Expenditures of \$1,000 or more must have a purchase order prepared and certified by the City Treasurer that funds are available to cover those expenditures. All purchase orders are sent to the vendor as the vendor's authorization for the approved expenditure. Periodically, reminders are sent to vendors of the requirements to authorize the purchase of a product or service.
3. Expenditures of less than \$1,000 must have a then and now certificate.

Through municipal fund accounting software, amounts approved by Ordinance or purchase order are encumbered in the designated fund; invoices entered for the approved product or service relieve the encumbrance and invoiced amounts exceeding the encumbrances evoke warning messages in the computer system. Encumbered amounts lapse at year end and are re-encumbered in the following year.

## GENERAL GOVERNMENT FUNCTIONS

The following schedule compares revenues and expenditures for all governmental fund types (i.e., general, special revenue, debt service and capital projects) for 2002 with those of 2001.

### Combined Statement of Revenues and Expenditures

#### All Governmental Fund Types

For the Year Ended December 31, 2002

	2002		2001		Inc/(Dec) 2002 vs. 2001	
	Amount	% of Total	Amount	% of Total	Amount	Percent
<b>Revenues</b>						
Taxes	\$3,108,302	63.1%	\$2,966,126	63.6%	\$142,176	4.8%
Licenses & Permits	55,012	1.1%	56,523	1.2%	(1,511)	-2.7%
Intergovernmental Revenue	1,476,324	30.0%	1,289,236	27.5%	187,088	14.5%
Charges for Services	63,573	1.3%	89,407	1.9%	(25,834)	-28.9%
Investment Earnings	51,002	1.0%	120,323	2.6%	(69,321)	-57.6%
Fines & Forfeitures	48,905	1.0%	59,734	1.3%	(10,829)	-18.1%
All Other Revenues	123,736	2.5%	87,126	1.9%	36,610	42.0%
<b>TOTAL REVENUES</b>	<b>\$4,926,854</b>	<b>100.0%</b>	<b>\$4,668,475</b>	<b>100.0%</b>	<b>258,379</b>	<b>5.5%</b>
<b>Expenditures</b>						
Security of Persons and Property	2,146,004	37.8%	1,930,936	41.4%	215,068	11.1%
Leisure Time Activity	145,453	2.6%	143,300	3.1%	2,153	1.5%
Community Environment	128,920	2.3%	49,592	1.1%	79,328	160.0%
Transportation	1,472,638	26.0%	1,383,813	29.6%	88,825	6.4%
General Government	828,094	14.6%	729,755	15.6%	98,339	13.5%
Capital Outlay	650,978	11.5%	134,998	2.9%	515,980	382.2%
<b>Debt Service</b>						
Principal Retirement	200,000	3.5%	190,000	4.1%	10,000	5.3%
Interest and Fiscal Charges	94,368	1.7%	101,632	2.2%	(7,264)	-7.1%
<b>TOTAL EXPENDITURES</b>	<b>\$5,666,455</b>	<b>100.0%</b>	<b>\$4,664,026</b>	<b>100.0%</b>	<b>\$1,002,429</b>	<b>21.5%</b>
<b>Excess/(Deficiency) of Revenues</b>						
Over/(Under) Expenditures	<u>(\$739,601)</u>		<u>\$ 4,449</u>		<u>(\$744,050)</u>	

Revenues for general governmental functions (excluding interfund transfers) totaled \$4,926,854 in 2002, representing an increase of \$258,379 from 2001 or 5.5%. The increase in taxes was due primarily to higher earnings tax collections and real estate tax collections. A decrease in investment earnings was due to a decrease in interest rates. The increase in intergovernmental revenues was due primarily to an increase of state grants for road work and park improvements.

Expenditures for general governmental purposes totaled \$5,666,455, an increase of \$1,002,429 over 2001 or 21.5%. An increase in capital outlay of \$515,980 was due to new park improvements and major road resurfacing projects. An increase in community environment is due to storm water projects completed in 2002. An increase in security of persons and property reflects the increase in fire department manpower and equipment needs.

### Fund Balances

The general fund balance decreased by (\$437,234); special revenue funds increased by \$16,551; the debt service fund increased by \$4,913; and the capital projects fund decreased by (\$323,831). The general fund balance decreased due to transfers to other funds. The special revenue fund balance increased due to transfers in excess of road work expenditures. Debt service fund increase is due to amounts transferred in excess of debt service costs. The capital projects funds decreased due to completion of projects funded in prior years.

### Proprietary Operations

The City's proprietary fund is an enterprise fund established to report on the activities of rental property owned by the City. This fund had net income of \$3,730 in 2002, compared to a net loss of (\$7,570) in 2001. Rental income increased slightly, but there was a substantial decrease in professional services of \$10,894. On a cash basis (which excludes depreciation) the rental properties earned \$17,394 in 2002 and earned \$4,179 in 2001.

### Fiduciary Functions

The City's fiduciary responsibilities are comprised of one fund: Mayor's Court. The Mayor's Court had collections in 2002 of \$63,122. A minimal balance is maintained in the Mayor's Court account; all other proceeds are distributed as required by law to either the City or the State.

### Debt Administration

On April 1, 1999, the city issued bonds in the amount of \$2,750,000. Proceeds were used to pay off outstanding notes as they matured during 1999, as well as, bonds that were callable on December 1, 1999. The balance of the proceeds were used to fund improvements. At December 31, 2002 the City had outstanding general obligation bonds in the amount of \$2,175,000.

### Cash Management

Cash temporarily idle during the year was invested in an interest-bearing demand deposit account or in the State Treasurer's investment pool--Star Ohio. Funds which were determined to be available for longer term investment (\$586,406 at December 31, 2002) were invested in Certificates of Deposit. The City's investment policy is to minimize credit and market risks while obtaining the highest yield possible on its investments. Accordingly, all depository funds are either insured by federal depository insurance or collateralized. All investments meet the State of Ohio's requirements on allowable investments.

### Risk Management

The City of Madeira tries to minimize its exposure to risk through employee training and insurance protection plans. The City participated in an insurance pool operated by Miami Valley Risk Management Association (MVRMA) for the purpose of obtaining lower insurance rates.

MVRMA is a joint insurance pool for municipalities which has been operational since December 1, 1988, and was formed according to Section 2744 of the Ohio Revised Code. This pool covers all property, crime, liability, machinery and public official liability for the City.

Workers' Compensation insurance is provided by the State of Ohio, but rates are pooled with other members of the Ohio Municipal League to obtain a lower rate than the City would obtain on its own.

### Independent Audit

The general purpose financial statements of the City of Madeira were audited by the Auditor of State of Ohio. The Independent Accountants' Report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

## **ECONOMIC OUTLOOK**

The City relies heavily on the success of the business district for its tax revenue base. In that regard, the City continues to aggressively develop, improve and market the business district so that tax revenues continue to increase. Several private development projects were initiated in 2001 and 2002, including the expansion of Kroger's and Camargo Rental. The City also continues to work closely with businesses and the Madeira Chamber of Commerce to improve the aesthetics of the business district in order to increase its vitality and attractiveness for shoppers from around the area. The aesthetics and maintenance of the entire community is essential to supporting both commercial and residential property values, which also improves the tax base. Economic growth continues to be a high priority for the City so that it will continue to be a high quality place to live, work and play.

At the same time, many of the City's streets were repaved and, in some instances, new curbs were installed. The City's capital improvement programs continue to be handled in a systematic and cost-effective manner.

## **CERTIFICATE OF ACHIEVEMENT**

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 Madeira for its CAFR for the fiscal year ended December 31, 2001. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.



In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Madeira has received a Certificate of Achievement for the last eight consecutive years (fiscal years ended 1994-2001.) We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

### ACKNOWLEDGMENTS

We would like to express our sincere appreciation for the support and assistance we have received in the preparation of the CAFR from City Council and, in particular, Council's Finance Committee. Special thanks also to the members of City Council and all City employees and volunteers in their support of our efforts to maintain sound fiscal practices.

Sincerely,



Thomas W. Moeller  
City Manager



Steven A. Soper, C.P.A.  
Treasurer

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Madeira, Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2001

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



President

Executive Director

**City of Madeira, Ohio**

**LIST OF OFFICIALS**

***ELECTED OFFICIALS***

***as of 12/31/02:***

**MAYOR, Stephen Shaw, Term on Council: 12/1/93-11/30/05**

**VICE MAYOR, Sharon Mattes, Term on Council: 12/1/95-11/30/03**

**MEMBERS OF COUNCIL:**

**David Eberly, Term on Council: 12/1/99-11/30/03**

**John P. Murray, C.P.A., Term on Council: 12/1/93-11/30/05**

**David Sams, Term on Council: 12/1/99-11/30/03**

**Robert Steier, Term on Council: 12/1/01-11/30/05**

**Sarah Evans, Term on Council: 12/1/01-11/30/05**

***APPOINTED OFFICIALS:***

**ARCHITECTURAL REVIEW OFFICER,**

**David H. Ballweg, Term of Office: 7/1/94-1/1/04**

**CITY MANAGER,**

**Thomas W. Moeller, M.P.A., Hired 3/6/89 for Indefinite Term**

**TREASURER,**

**Steven A. Soper, C.P.A., Term of Office: 12/1/97-11/30/04**

**PROSECUTOR,**

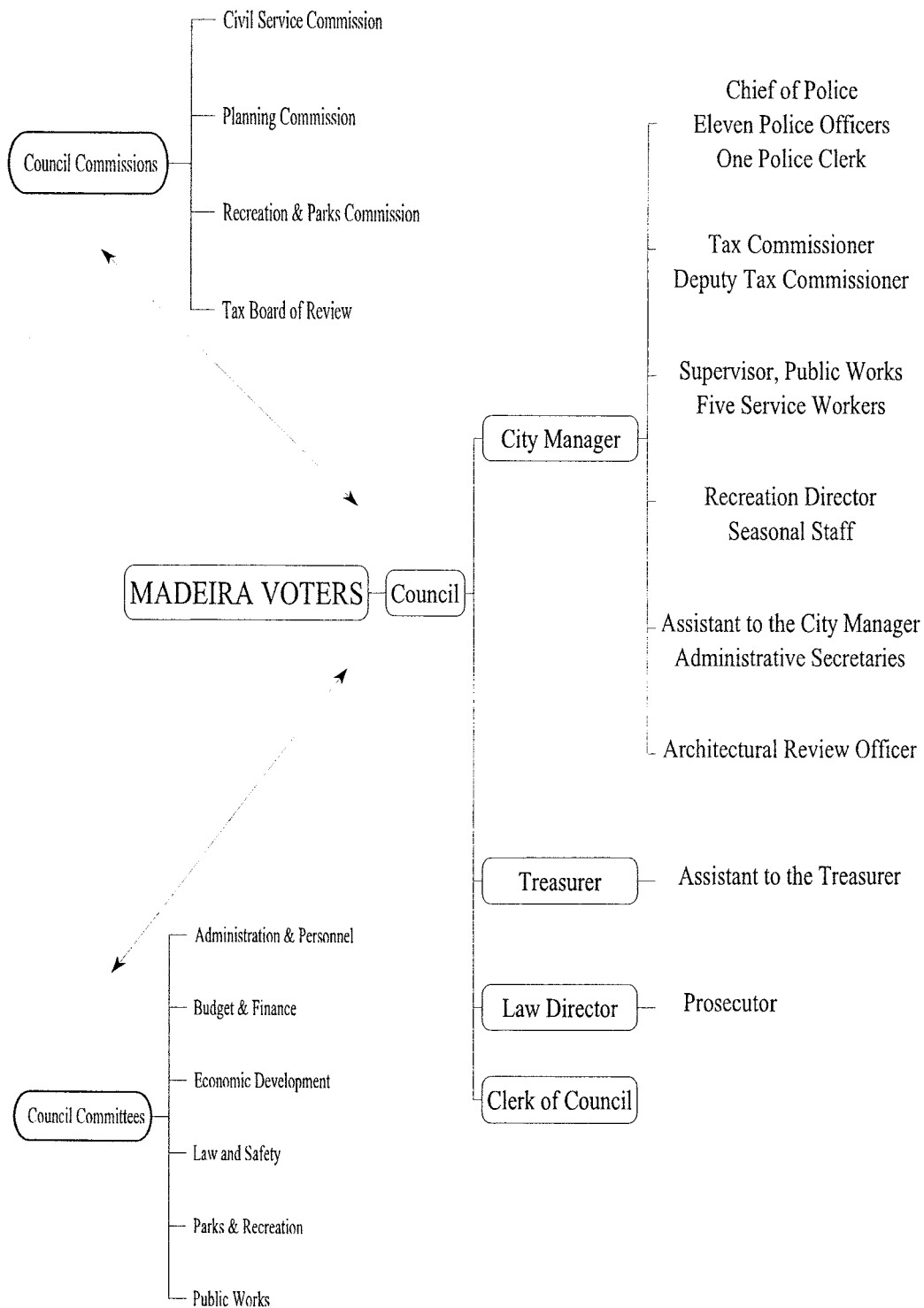
**Bradley Greenberg, Term of Office: 3/1/98-11/30/04**

**LAW DIRECTOR,**

**Robert Malloy, L.L.P., Term of Office: 12/1/89-3/20/95, 12/1/95-11/30/04**

# City of Madeira

Organization Chart  
December 31, 2002



## **FINANCIAL SECTION**





**Auditor of State  
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

City of Madeira  
Hamilton County  
7141 Miami Avenue  
Madeira, Ohio 45243

To the City Council:

We have audited the accompanying general purpose financial statements of the City of Madeira, Hamilton County, Ohio (the City), as of and for the year ended December 31, 2002, as listed in the table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Madeira, Hamilton County, Ohio, as of December 31, 2002, and the results of its operations and the cash flows of its proprietary fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated June 25, 2003, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for additional analysis and are not a required part of the general purpose financial statements. We subjected this information to the auditing procedures applied in the audit of the general purpose financial statements. In our opinion, it is fairly stated in all material respects, in relation to the general purpose financial statements taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report and therefore express no opinion thereon.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

June 25, 2003



**CITY OF MADEIRA, OHIO**  
 Combined Balance Sheet - All Fund Types and Account Groups  
 December 31, 2002

	Governmental Fund Types				Proprietary Enterprise	Fiduciary Agency	Account Groups		Total 2002 (Memorandum Only)	Total 2001 (Memorandum Only)		
	General	Special Revenue	Debt Service	Capital Projects			General L-T Obligations	Fixed Assets			Total 2002	
											General	Fixed Assets
<b>ASSETS AND OTHER DEBITS</b>												
ASSETS:												
Cash and Cash Equivalents	\$1,146,641	\$183,990	\$4,282	\$27,537	\$45,920	\$0	\$0	\$1,408,370	\$2,170,081			
Investments	586,406	0	0	0	0	0	0	586,406	571,457			
Cash with Fiscal Agent	0	0	0	0	0	4,447	0	4,447	5,265			
Receivables Net of Allowance for Uncollectible Accounts:												
Taxes Receivable	2,109,033	0	103,242	0	0	0	0	2,212,275	2,035,320			
Intergovernmental Receivable	275,660	148,734	6,382	138,074	0	0	0	569,050	551,916			
Accounts Receivables	29,321	200	0	0	0	0	0	29,521	40,188			
Interfund Receivables	76,296	0	0	0	0	0	0	76,296	581			
Inventory of Supplies	6,382	0	0	0	0	0	0	6,382	2,557			
Fixed Assets, Net of Depreciation	0	0	0	0	392,582	0	0	4,360,432	4,166,949			
OTHER DEBITS:												
Amount Available in Debt Service Fund	0	0	0	0	0	0	8,032	8,032	3,119			
Amount to be Provided for Retirement of General Long-Term Debt	0	0	0	0	0	0	0	2,352,399	2,517,218			
<b>TOTAL ASSETS</b>	<b>\$4,229,739</b>	<b>\$332,924</b>	<b>\$114,106</b>	<b>\$165,611</b>	<b>\$438,502</b>	<b>\$4,447</b>	<b>\$2,360,431</b>	<b>\$11,613,610</b>	<b>\$12,064,651</b>			
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>												
LIABILITIES:												
Accounts Payable	217,608	31,612	0	2,468	2,003	0	0	253,691	218,897			
Interfund Payable	0	0	0	76,296	0	0	0	76,296	581			
Accrued Payroll	143,994	0	0	0	0	0	0	143,994	101,793			
Compensated Absences Payable	8,024	0	0	0	0	0	184,694	192,718	150,518			
Deferred Revenues	1,922,694	107,800	106,074	0	814	0	0	2,137,382	2,044,951			
Due to Other Governments	0	0	0	0	0	4,447	0	4,447	5,265			
General Obligation:												
Notes Payable	0	0	0	0	0	0	737	737	9,577			
Bonds Payable	0	0	0	0	0	0	2,175,000	2,175,000	2,375,000			
	2,292,320	139,412	106,074	78,764	2,817	4,447	2,360,431	4,984,265	4,906,582			
<b>TOTAL LIABILITIES</b>												
EQUITY AND OTHER CREDITS:												
Investment in Fixed Assets	0	0	0	0	0	0	0	3,967,850	3,760,703			
Contributed Capital	0	0	0	0	467,677	0	0	467,677	467,677			
Retained Earnings - Unreserved	0	0	0	0	(31,992)	0	0	(31,992)	(35,722)			
Reserve-Inventory of Supplies Unreserved:	6,382	0	0	0	0	0	0	6,382	2,557			
Designated for Debt Service Undesignated	0	0	8,032	0	0	0	0	8,032	3,119			
	1,931,037	193,512	8,032	86,847	0	0	0	2,211,396	2,959,735			
<b>TOTAL FUND EQUITY AND OTHER CREDITS</b>	<b>1,937,419</b>	<b>193,512</b>	<b>8,032</b>	<b>86,847</b>	<b>435,685</b>	<b>0</b>	<b>3,967,850</b>	<b>6,629,345</b>	<b>7,158,069</b>			
<b>TOTAL LIABILITIES, EQUITY AND OTHER CREDIT</b>	<b>\$4,229,739</b>	<b>\$332,924</b>	<b>\$114,106</b>	<b>\$165,611</b>	<b>\$438,502</b>	<b>\$4,447</b>	<b>\$2,360,431</b>	<b>\$11,613,610</b>	<b>\$12,064,651</b>			

The Notes to the Financial Statements are an integral part of this statement.

**CITY OF MADEIRA, OHIO**

Combined Statement of Revenues, Expenditures  
and Changes in Fund Balances

**All Governmental Fund Types**

For the Year Ended December 31, 2002

	General Fund	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
<b>REVENUES</b>					
Taxes	\$3,019,423	\$0	\$88,879	\$0	\$3,108,302
Licenses & Permits	55,012	0	0	0	55,012
Intergovernmental Revenue	892,464	326,711	11,575	245,574	1,476,324
Charges for Services	51,095	12,478	0	0	63,573
Investment Earnings	51,002	0	0	0	51,002
Fines & Forfeitures	47,024	1,881	0	0	48,905
All Other Revenues	115,192	7,674	0	870	123,736
<b>TOTAL REVENUES</b>	<b>4,231,212</b>	<b>348,744</b>	<b>100,454</b>	<b>246,444</b>	<b>4,926,854</b>
<b>EXPENDITURES</b>					
Current					
Security of Persons and Property	2,145,082	922	0	0	2,146,004
Leisure Time Activity	112,969	32,484	0	0	145,453
Community Environment	24,623	0	0	104,297	128,920
Transportation	886,230	586,408	0	0	1,472,638
General Government	811,542	15,379	1,173	0	828,094
Capital Outlay	0	0	0	650,978	650,978
Debt Service					
Principal Retirement	0	0	200,000	0	200,000
Interest and Fiscal Charges	0	0	94,368	0	94,368
<b>TOTAL EXPENDITURES</b>	<b>3,980,446</b>	<b>635,193</b>	<b>295,541</b>	<b>755,275</b>	<b>5,666,455</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	250,766	(286,449)	(195,087)	(508,831)	(739,601)
<b>OTHER FINANCING SOURCES/(USES)</b>					
Operating Transfers In	0	303,000	200,000	185,000	688,000
Operating Transfers Out	(688,000)	0	0	0	(688,000)
<b>TOTAL OTHER FINANCING SOURCES/(USES)</b>	<b>(688,000)</b>	<b>303,000</b>	<b>200,000</b>	<b>185,000</b>	<b>0</b>
Excess/(Deficiency) of Revenues and Financing Sources Over/(Under) Expenditures and Other Uses	(437,234)	16,551	4,913	(323,831)	(739,601)
Fund Balance - Beginning	2,374,653	176,961	3,119	410,678	2,965,411
Fund Balance - Ending	\$1,937,419	\$193,512	\$8,032	\$86,847	\$2,225,810

The Notes to the Financial Statements are an integral part of this statement.

**CITY OF MADEIRA, OHIO**

*All Governmental Fund Types  
Page 1 of 5*

Combined Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Budget and Actual

**General Fund**

For the Year Ended December 31, 2002

	Budget	Actual	Variance Fav/(Unfav)
<b>REVENUES</b>			
Taxes	\$2,952,700	\$3,019,423	\$66,723
Licenses & Permits	46,100	55,012	8,912
Intergovernmental Revenue	634,200	892,464	258,264
Charges for Services	46,700	51,095	4,395
Investment Earnings	65,000	51,002	(13,998)
Fines & Forfeitures	51,000	47,024	(3,976)
All Other Revenues	73,500	115,192	41,692
<b>TOTAL REVENUES</b>	<b>3,869,200</b>	<b>4,231,212</b>	<b>362,012</b>
<b>EXPENDITURES</b>			
Current:			
Security of Persons and Property	2,154,000	2,145,082	8,918
Leisure Time Activity	117,150	112,969	4,181
Community Environment	24,900	24,623	277
Transportation	895,100	886,230	8,870
General Government	820,890	811,542	9,348
<b>TOTAL EXPENDITURES</b>	<b>4,012,040</b>	<b>3,980,446</b>	<b>31,594</b>
Excess of Revenues Over Expenditures	(142,840)	250,766	393,606
<b>OTHER FINANCING SOURCES/(USES)</b>			
Operating Transfers Out	(688,000)	(688,000)	0
<b>TOTAL OTHER FINANCING SOURCES/(USES)</b>	<b>(688,000)</b>	<b>(688,000)</b>	<b>0</b>
Excess/(Deficiency) of Revenues and Financing Sources Over/(Under) Expenditures and Other Uses	(830,840)	(437,234)	393,606
Fund Balance - Beginning	2,374,653	2,374,653	0
Fund Balance - Ending	\$1,543,813	\$1,937,419	\$393,606

(Continued)

**CITY OF MADEIRA, OHIO**

*All Governmental Fund Types*

*Page 2 of 5*

Combined Statement of Revenues, Expenditures  
and Changes in Fund Balances

(Continued)

Budget and Actual

**Special Revenue Funds**

For the Year Ended December 31, 2002

	Budget	Actual	Variance Fav/(Unfav)
<b>REVENUES</b>			
Intergovernmental Revenue	\$249,694	\$326,711	\$77,017
Charges for Services	19,498	12,478	(7,020)
Investment Earnings	10,000	0	(10,000)
Fines & Forfeitures	3,000	1,881	(1,119)
All Other Revenues	8,900	7,674	(1,226)
<b>TOTAL REVENUES</b>	<b>291,092</b>	<b>348,744</b>	<b>57,652</b>
<b>EXPENDITURES</b>			
Current			
Security of Persons and Property	3,200	922	2,278
Leisure Time Activity	34,700	32,484	2,216
Transportation	620,000	586,408	33,592
General Government	15,900	15,379	521
<b>TOTAL EXPENDITURES</b>	<b>673,800</b>	<b>635,193</b>	<b>38,607</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(382,708)	(286,449)	96,259
<b>OTHER FINANCING SOURCES/(USES)</b>			
Operating Transfers In	306,000	303,000	(3,000)
Operating Transfers Out	(40,000)	0	40,000
<b>TOTAL OTHER FINANCING SOURCES/(USES)</b>	<b>266,000</b>	<b>303,000</b>	<b>37,000</b>
Excess/(Deficiency) of Revenues and Financing Sources Over/(Under) Expenditures and Other Uses	(116,708)	16,551	133,259
Fund Balance - Beginning	176,961	176,961	0
Fund Balance - Ending	\$60,253	\$193,512	\$133,259

(Continued)

**CITY OF MADEIRA, OHIO**

*All Governmental Fund Types*

*Page 3 of 5*

Combined Statement of Revenues, Expenditures  
and Changes in Fund Balances

(Continued)

Budget and Actual

**Debt Service Fund**

For the Year Ended December 31, 2002

	Budget	Actual	Variance Fav/(Unfav)
<b>REVENUES</b>			
Taxes	\$85,500	\$88,879	\$3,379
Intergovernmental Revenue	11,000	11,575	575
<b>TOTAL REVENUES</b>	<b>96,500</b>	<b>100,454</b>	<b>3,954</b>
<b>EXPENDITURES</b>			
Current:			
General Government	1,200	1,173	27
Debt Service			
Principal Retirement	200,000	200,000	0
Interest and Fiscal Charges	94,368	94,368	0
<b>TOTAL EXPENDITURES</b>	<b>295,568</b>	<b>295,541</b>	<b>27</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(199,068)	(195,087)	3,981
<b>OTHER FINANCING SOURCES/(USES)</b>			
Operating Transfers In	200,000	200,000	0
<b>TOTAL OTHER FINANCING SOURCES/(USES)</b>	<b>200,000</b>	<b>200,000</b>	<b>0</b>
Excess/(Deficiency) of Revenues and Financing Sources Over Expenditures and Other Uses	932	4,913	3,981
Fund Balance - Beginning	3,119	3,119	0
Fund Balance - Ending	\$4,051	\$8,032	\$3,981

(Continued)

**CITY OF MADEIRA, OHIO**

*All Governmental Fund Types*

*Page 4 of 5*

Combined Statement of Revenues, Expenditures  
and Changes in Fund Balances

(Continued)

Budget and Actual

**Capital Projects Funds**

For the Year Ended December 31, 2002

	Budget	Actual	Variance Fav/(Unfav)
<b>REVENUES</b>			
Intergovernmental Revenue	\$107,500	\$245,574	\$138,074
Investment Earnings	0	0	0
All Other Revenues	21,700	870	(20,830)
<b>TOTAL REVENUES</b>	<b>129,200</b>	<b>246,444</b>	<b>117,244</b>
<b>EXPENDITURES</b>			
Current:			
Community Environment	115,000	104,297	10,703
Capital Improvements	662,500	650,978	11,522
<b>TOTAL EXPENDITURES</b>	<b>777,500</b>	<b>755,275</b>	<b>22,225</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(648,300)	(508,831)	139,469
<b>OTHER FINANCING SOURCES/(USES)</b>			
Operating Transfers In	185,000	185,000	0
Operating Transfers Out	0	0	0
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>185,000</b>	<b>185,000</b>	<b>0</b>
Excess/(Deficiency) of Revenues and Financing Sources Over/(Under) Expenditures and Other Uses	(463,300)	(323,831)	139,469
Fund Balance - Beginning	410,678	410,678	0
Fund Balance - Ending	(\$52,622)	\$86,847	\$139,469

(Continued)

**CITY OF MADEIRA, OHIO**

*All Governmental Fund Types*

*Page 5 of 5*

*(Continued)*

Combined Statement of Revenues, Expenditures  
and Changes in Fund Balances

Budget and Actual

**Totals (Memorandum Only)**

For the Year Ended December 31, 2002

	Budget	Actual	Variance Fav/(Unfav)
<b>REVENUES</b>			
Taxes	\$3,038,200	\$3,108,302	\$70,102
Licenses & Permits	46,100	55,012	8,912
Intergovernmental Revenue	1,002,394	1,476,324	473,930
Charges for Services	66,198	63,573	(2,625)
Investment Earnings	75,000	51,002	(23,998)
Fines & Forfeitures	54,000	48,905	(5,095)
All Other Revenues	104,100	123,736	19,636
<b>TOTAL REVENUES</b>	<b>4,385,992</b>	<b>4,926,854</b>	<b>540,862</b>
<b>EXPENDITURES</b>			
Current			
Security of Persons and Property	2,157,200	2,146,004	11,196
Leisure Time Activity	151,850	145,453	6,397
Community Environment	139,900	128,920	10,980
Transportation	1,515,100	1,472,638	42,462
General Government	837,990	828,094	9,896
Capital Outlay	662,500	650,978	11,522
Debt Service			
Principal Retirement	200,000	200,000	0
Interest and Fiscal Charges	94,368	94,368	0
<b>TOTAL EXPENDITURES</b>	<b>5,758,908</b>	<b>5,666,455</b>	<b>92,453</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<b>(1,372,916)</b>	<b>(739,601)</b>	<b>633,315</b>
<b>OTHER FINANCING SOURCES/(USES)</b>			
Operating Transfers In	691,000	688,000	3,000
Operating Transfers Out	(728,000)	(688,000)	(40,000)
<b>TOTAL OTHER FINANCING SOURCES/(USES)</b>	<b>(37,000)</b>	<b>0</b>	<b>37,000</b>
Excess/(Deficiency) of Revenues and Financing Sources Over/(Under) Expenditures and Other Uses	<b>(1,409,916)</b>	<b>(739,601)</b>	<b>670,315</b>
Fund Balance - Beginning	2,965,411	2,965,411	0
Fund Balance - Ending	<b>\$1,555,495</b>	<b>\$2,225,810</b>	<b>\$670,315</b>

The Notes to the Financial Statements are an integral part of this statement.

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**CITY OF MADEIRA, OHIO**

Statement of Revenues, Expenses  
and Changes in Accumulated Deficit  
**Proprietary Fund**  
For the Year Ended December 31, 2002

	<u>Enterprise Fund</u>
OPERATING REVENUES:	
Rental Revenue	\$27,304
Total Operating Revenues	<u>27,304</u>
OPERATING EXPENSES:	
General Operating Supplies	27
Insurance	4,178
Professional Services	0
Repairs & Maintenance	1,699
Depreciation	13,664
Property Taxes	4,006
Total Operating Expenses	<u>23,574</u>
Operating (Loss)/Income	3,730
NET (LOSS)/INCOME	3,730
Accumulated Deficit, Beginning of Year	<u>(35,722)</u>
Accumulated Deficit, End of Year	<u><u>(\$31,992)</u></u>

The Notes to the Financial Statements are an integral part of this statement.

## CITY OF MADEIRA, OHIO

### Statement of Cash Flows

#### Proprietary Fund

For the Year Ended December 31, 2002

	Enterprise Fund
Cash Flows from Operating Activities:	
Cash Received from Renters and Others	\$27,200
Cash Paid to Suppliers	(9,910)
<b>Net cash provided by operating activities</b>	<u>17,290</u>
Cash Flows from capital and related financing activities:	
Property Improvements	0
<b>Net cash (used) by capital and related financing activities</b>	<u>0</u>
Net (Decrease)/Increase in Cash and Cash Equivalents	17,290
<b>Cash and Cash Equivalents, January 1</b>	<u>28,630</u>
<b>Cash and Cash Equivalents, December 31</b>	<u><u>\$45,920</u></u>
<b>Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:</b>	
Operating Income/(Loss)	3,730
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by Operating Activities:	
Depreciation	13,664
Change in Assets and Liabilities:	
Decrease in Receivables	0
Decrease in Deferred Revenue	(104)
Increase in Accounts Payable	0
Total Adjustments	<u>(104)</u>
<b>Net Cash Provided by Operating Activities</b>	<u><u>\$17,290</u></u>

The Notes to the Financial Statements are an integral part of this statement.

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CITY OF MADEIRA, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002

NOTE 1. REPORTING ENTITY AND BASIS OF PRESENTATION

Reporting Entity

The City of Madeira (the City) is a home rule municipal corporation organized under the laws of the State of Ohio. The City operates under its own charter, which provides for a council/manager form of government and was adopted in 1959. The seven-member council is elected to four-year terms. Every two years council selects one of its members to serve as mayor and one of its members to serve as vice-mayor. Council also appoints the city manager, treasurer, law director and clerk of council.

The City provides various services including police protection, parks and recreation, planning, street maintenance and repair, and community development. The City also provides refuse collection and fire protection through annual contracts with outside contractors.

For financial reporting purposes, the City's financial statements include all funds and account groups for which the City is financially accountable based upon criteria set forth in Governmental Accounting Standards Board (GASB) Statement 14. The City reviewed certain legally separate organizations to determine if the elected officials of the City were financially accountable. No such organizations were identified.

Basis of Presentation

The financial statements of the City are prepared in accordance with standards promulgated by the Governmental Accounting Standards Board (GASB). These standards include the effective pronouncements of the National Council on Governmental Accounting (NCGA) and the American Institute of Certified Public Accountants (AICPA) which are considered to be generally accepted accounting principles for the state and local entities, until they are altered, amended, supplemented, revoked or superseded by a subsequent GASB pronouncement. The City applies all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board of Opinions, and Accounting Research Bulletins issued on or before November 30, 1989 unless they conflict with GASB pronouncements.

The accounts of the City are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures/expenses. The individual funds account for the governmental resources allocated to them for the purpose of carrying on specific activities in accordance with laws, regulations or other restrictions. The various funds are summarized by type in the combined financial statements. The following fund types and account groups are used by the City:

**Governmental Fund Types**

Governmental funds are those through which most governmental functions typically are financed. Governmental funds are segregations of financial resources where the measurement focus is upon

determination of financial position and changes in that financial position. Annual appropriations are made by Council action. The City maintains records showing revenues, actual and accrued expenditures, and encumbrances to assure that budgetary authority is not exceeded.

*General Fund.* This fund is established to account for resources devoted to financing the general services that the City performs for its citizens. General tax revenues and 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.

*Special Revenue Funds.* Special revenue funds are used to account for proceeds of specific revenue sources other than amounts relating to special assessments or major capital projects that are legally restricted to disbursements for specified purposes.

*Debt Service Fund.* A debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. According to governmental accounting principles, the debt service fund accounts for the payment of long-term debt for governmental funds only. Under Ohio law, the debt service fund might also be used to account for the payment of the short-term debt of governmental funds.

*Capital Projects Funds.* Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

### **Proprietary Fund Type**

These funds account for operations that are organized to be self-supporting through user charges. The City's proprietary fund type consists of only one Enterprise Fund.

*Enterprise Fund.* An enterprise fund accounts for operations that are financed and operated in a manner similar to private business enterprises, i.e., where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis should be recovered primarily through user charges, or in the alternative, where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

### **Fiduciary Fund Type**

A fiduciary fund accounts for assets held by the government in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the government under the terms of a formal trust agreement.

*Agency Fund.* The agency fund is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. This fund is used to account for assets that the government holds for others in an agency capacity.

## Account Groups

Account groups are used to establish accounting control and accountability for the City's general fixed assets and general long-term obligations. Because these assets and obligations are long-term, they are neither spendable resources nor require current appropriation.

*General Long-Term Obligations Account Group.* This account group accounts for long-term obligations of the City, except those accounted for in the proprietary fund type.

*General Fixed Asset Account Group.* This account group accounts for all fixed assets required for general City purposes, excluding fixed assets of the proprietary fund type.

## Total Columns on Financial Statements

Total columns on the general purpose financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis and do not reflect consolidated financial information. Data in these columns do not present financial position, operating results, or cash flows in conformity with generally accepted accounting principles (GAAP). Interfund eliminations have not been made in the aggregation of this data.

## NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net current assets. All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary funds' operating statements present increases ( e.g., revenues) and decreases (e.g., expenses) in net total assets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made. The modified accrual basis of accounting is followed for the governmental and the agency funds. The full accrual basis of accounting is followed for the proprietary fund types.

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

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: income taxes, interest, and intergovernmental revenue.

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2002, but which were levied to finance fiscal year 2003 operations, have been recorded as deferred revenue. Grants and entitlements received before eligibility requirements are met are also recorded as deferred revenue. On a modified accrual basis, receivables that will not be collected within the available period have also been reported as deferred revenue.

Under the modified accrual basis, expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt, which is recognized when due, and certain compensated absences which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Allocations of cost, such as depreciation and amortization, are not recognized for governmental fund types.

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

### NOTE 3. BUDGETARY BASIS OF ACCOUNTING

In 1994 the City, being a home rule municipal corporation, adopted, through ordinance, GAAP (generally accepted accounting principle) as its budgetary basis. This change was thought necessary in order to provide more comparable budget and actual revenue and expenditure analysis. Therefore, the revenue and expenditure statements contained herein for comparative purposes are presented on the basis of generally accepted accounting principles. The City is reporting at the legal level of budgetary control which requires the governing body to approve any over budget expenditures of appropriations or transfers of appropriated amounts at the function level.

#### Budgetary Process

Annual budgets are adopted for all governmental funds. The City adopts an annual budget for the proprietary fund; however, budgetary data is not presented for the proprietary fund due to the nature of the fund. There is no legal requirement to report on such budget. The budgetary process is prescribed

by provisions of the Ohio Revised Code. The legal level of budgetary control under Ohio law is the level at which the appropriation measure is passed by the legislative authority of a local government. For the City, the legal level of control is the function level within each fund. Management may not amend the budget without council approval. Budgetary modifications may only be made by resolution of the City council. The major documents prepared are:

*Tax Budget.* A tax budget of estimated cash revenues and expenditures for all budgeted funds, for the period January 1 to December 31 of the following year, is submitted to the County Auditor by July 20 of each year. The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The commission certifies its actions to the City by October 1. As part of this certification, the City receives the official certificate of estimated resources, which states the projected revenues of each fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual 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 the fiscal officer determines that the revenue collected is greater or less than the current estimates. Because the tax budget prepared for the County Auditor is on a cash basis, those numbers do not match the GAAP-basis budget shown in this report as required by ordinance.

*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 amended during the year as new information becomes available provided that total fund appropriations do not exceed current estimated resources, as certified. The appropriations may be modified during the year only by an ordinance of council. During the year, one supplemental appropriation measure was passed. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all amendments and modifications.

*Encumbrances.* As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. Unencumbered and unexpended appropriations lapse at year end. Encumbrances are closed to unreserved fund balance/retained earnings at year end and are re-encumbered and re-appropriated at the start of the following year.

#### NOTE 4. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

The City follows the practice of pooling cash and investments with the Treasurer, except for the cash and cash equivalents in Fiduciary Funds. Each fund's portion of total cash and investments is summarized by fund type in the Combined Balance Sheet under "Cash and Cash Equivalents and Investments."



Investment and deposit procedures are restricted by the provisions of the Ohio Revised Code. In accordance with these provisions, only banks located in Ohio and domestic building and loan associations are eligible to hold public funds. Interest earned is recognized and recorded when earned.

The City has invested funds in the State Treasury Asset Reserve of Ohio (Star Ohio) during 2002. Star Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the state to pool their funds for investment purposes. Star Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Star Ohio are valued at Star Ohio's share price, which is the price the investment could be sold for on December 31, 2002.

Protection of City cash and investments is provided by the Federal Deposit Insurance Corporation as well as qualified securities pledged by the institution holding the assets. By law, financial institutions may establish a collateral pool to cover all public deposits. The face value of the pooled collateral must equal at least 105 percent of public funds deposited. Collateral is held by trustees, including the Federal Reserve Bank and designated third party trustees of the financial institutions, but not in the name of the City.

For purposes of the statement of cash flows and for presentation on the combined balance sheet, investments with original maturities of three months or less are considered to be cash and cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

GASB Statement No. 3 requires that the City's investments be classified in categories of credit risk. Category 1 includes investments that are insured or registered or securities held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments with securities held by the counter party's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments with the securities held by the counter party's trust department or agent but not in the City's name.

Deposits. At year-end, the carrying amount of the City's deposits per the City's records was \$966,862, which \$376,009 is the cash balance, \$4,447 represents the Mayor's Court book balance with a bank balance of \$4,452 fully covered by FDIC, and \$586,406 is the certificates of deposit, and the bank balance was \$409,306. (The City also included \$400 in change funds and a petty cash fund in the balance sheet presentation.) The bank balance of \$409,306 was covered by the Federal Depository Insurance Corporation. All deposits in excess of Federal Depository Insurance limits would be covered by pooled collateral and considered uninsured and uncollateralized. The City had purchased Certificates of Deposit and at year-end, consisted of two outstanding certificates classified as follows:

	<u>Due</u>	<u>Rate</u>	<u>Category I</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Certificates of Deposit	3/03/03	1.78%	\$290,656	\$290,656	\$290,656
	9/09/03	2.03%	\$295,750	\$295,750	<u>\$295,750</u>
				Total	\$586,406

These funds are covered by the Federal Depository Insurance Corporation. All deposits in excess of Federal Depository Insurance limits would be covered by pooled collateral and considered uninsured and uncollateralized.

Investments. The State of Ohio statutes authorize the City to invest in obligations of the U.S. Treasury, agencies, instrumentalities and bonds of the State of Ohio and its political subdivisions. The City also may, but has not, entered into repurchase agreements. Investments in Star Ohio are not categorized since they are not evidenced by securities that exist in physical or book entry form.

	<u>Carrying Amount</u>	<u>Fair Value</u>
Star Ohio	\$1,031,961	\$1,031,961

The classification of cash and cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. A reconciliation between the classifications of cash and investments on the combined financial statements and the classifications per GASB Statement No. 3 is as follows:

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
GASB Statement 9	\$ 1,412,817	\$ 586,406
Investments:		
Certificates of Deposit	586,406	(586,406)
Star Ohio	<u>(1,031,961)</u>	<u>1,031,961</u>
GASB Statement 3	\$ 967,262	\$ 1,031,961

#### NOTE 5. INVENTORY OF SUPPLIES

Inventory of supplies consists of salt purchased for road use and is recorded at cost using the first-in-first-out (FIFO) method of identification. At December 31, 2002 the City had 200 tons of salt at a cost of \$6,382. The cost of governmental fund type inventories are recorded as expenditures when used rather than when purchased.

#### NOTE 6. ENCUMBRANCES

Encumbrance accounting is employed in all City funds during the normal course of operations for purchase orders and contract-related expenditures/expenses. There were no outstanding encumbrances at year end.

#### NOTE 7. RECEIVABLES

As reported earlier, revenues are recognized in the accounting period in which they become measurable and available. "Measurable" means that the amount of the transaction can be determined; "available"

means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City uses 60 days after year-end to define its available period. Allowances for uncollectible amounts are based upon evaluating the actual aging of accounts receivable and determining those accounts which, due to collection efforts results, are likely to be uncollectible.

In the General Fund, franchise fees due of \$25,608 are from Warner Cable for the last six months of 2002. The sidewalk receivables account, in the amount of \$1,245 represents assessments for sidewalk repairs made in 1995. Other receivables due of \$2,468 are for Shawnee Hills Landscaping project and other miscellaneous amounts.

All receivables are considered collectible at December 31, 2002, and the allowance for uncollectible receivables is zero.

The City has adopted GASB 33 with regards to recognizing receivables and deferred revenue and follows the modified accrual rules for revenue recognition.

#### NOTE 8. FIXED ASSETS

Fixed assets include land and land improvements, vehicles, buildings, equipment and software owned by the City. Estimated useful lives of the various classes of fixed assets are 27 years for buildings and 3 to 10 years for equipment. Software is estimated to have a life of 3 years. When purchased, fixed assets used in governmental fund type operations are recorded as expenditures in the Governmental Funds and accounted for in the General Fixed Assets Account Group. No depreciation is recorded for general fixed assets.

Infrastructure fixed assets such as streets, sidewalks, curbs and gutters and drainage systems are not capitalized along with other general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair market value on the date donated.

Changes in fixed assets in the General Fixed Asset Account Group during the year ended December 31, 2002 were as follows:

<u>Asset Category</u>	<u>Balance at 1/1/02</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at 12/31/02</u>
Land	\$ 645,000	\$ -0-	\$ -0-	\$645,000
Bldg. & Land Improvements	2,384,073	236,765	25,000	2,595,838
Vehicles	469,338	46,261	60,631	454,968
Furniture, Equipment and Software	<u>262,292</u>	<u>11,316</u>	<u>1,564</u>	<u>272,044</u>
	<u>\$3,760,703</u>	<u>\$294,342</u>	<u>\$87,195</u>	<u>\$3,967,850</u>

Fixed assets used in Proprietary operations are recorded in the Proprietary Fund. Estimated useful lives of the various classes of fixed assets are 27 years for buildings and 5 years for land improvements. The straight-line method of calculating depreciation is used for depreciable assets. A summary of the Proprietary Fund fixed assets as of December 31, 2002 follows:

<u>Proprietary Fund</u>	<u>Balance at 12/31/02</u>
Land	\$134,008
Land Improvements	54,320
Buildings	<u>304,489</u>
Subtotal	\$492,817
Less Accum. Depreciation	<u>(100,235)</u>
Net Fixed Assets	<u>\$392,582</u>

NOTE 9. COMPENSATED ABSENCES

The City's police officers and public works employees are employed under the terms of union contracts. Consequently, vacation, sick leave, holiday pay, overtime and personal time benefits are determined by the union contract in effect at the time.

In accordance with GASB Statement No. 16 which requires state and local governments to recognize the liabilities associated with employees' compensated absences, compensated absences are accrued as they are earned if the following conditions are met:

1. The employer's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered.
2. The obligation relates to rights that vest or accumulate.
3. Payment of the compensation is probable.
4. The amount can be reasonably estimated.

For Governmental Funds, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources, i.e., within sixty days of the end of the year. This amount is recorded as a fund liability while the balance of the liability is recorded under general long-term obligations. (There are no compensated absences for the Proprietary Fund because there are no employees whose salaries are charged to this fund.)

City policy generally requires that vacation time not be accumulated for more than 2½ years (1½ years for Public Works employees). At separation from employment, employees are paid for the vacation they have accrued up to those limits. Sick time not taken may be accumulated until retirement up to 1440 hours (unlimited for Police officers). Employees eligible to retire under a City recognized retirement plan, with a minimum of ten years of service, or five years if retirement is due to disability, are paid 40% up to 480 hours (25% up to 360 hours for public works employees) of accumulated sick time upon retirement.

Changes in Long-Term Compensated Absences

Comp. Absences, 1/1/02	\$ 135,760
Increase in Accrued Comp. Absences	<u>48,934</u>
Comp. Absences, 12/31/02	<u>\$184,694</u>
	=====

NOTE 10. DEFINED BENEFIT PENSION PLANS

Public Employees Retirement System

The City of Madeira contributes to the Public Employees Retirement System of Ohio (PERS), a cost-sharing multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Chapter 145 of the Ohio Revised Code provides the authority to establish and amend benefit provisions. PERS issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for PERS. That report may be obtained by writing to PERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 466-2085.

The Ohio Revised Code provides statutory authority for employee and employer contributions. Plan members are required to contribute at an actuarially determined rate of 8.5% of covered salary. The 2002 employer pension contribution rate for the City was 13.55% of covered payroll. The City's contributions to PERS for the years ending December 31, 2002, 2001 and 2000 were \$ 81,406, \$78,610, and \$60,131, respectively, equal to the required contributions each year.

Ohio Police and Fire Pension Fund

The City of Madeira contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability 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. The OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% for police officers. Contributions are authorized by state statute. The City's contributions to OP&F for the years ended December 31, 2002, 2001 and 2000 were \$129,842, \$121,923, and \$113,608, respectively, equal to the required contributions for each year.

## NOTE 11. POSTEMPLOYMENT BENEFITS

### Public Employees Retirement System

The Public Employees Retirement System of Ohio provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to the System is set aside for the funding of post retirement health care based on authority granted by State statute. The 2002 employer contribution rate for local government employer units was 13.55% of covered payroll; of that amount 5.0% was the portion that was used to fund health care for 2002.

Benefits are advance-funded using the entry age normal cost method. Significant actuarial assumptions, based on PERS's latest actuarial review performed as of December 31, 2001, include a rate of return on investments of 8.0%, an annual increase in active employee total payroll of 4.0% compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50% and 6.3% based on additional annual pay increases. Health care premiums were assumed to increase 4.0% annually.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25% of unrealized market appreciation or depreciation on investment assets.

The number of active contributing participants was 402,041. The City's actual contributions for 2002 which were used to fund postemployment benefits were \$30,039. The actual contribution and the actuarially required contribution amounts are the same. PERS's net assets available for payment of benefits at December 31, 2001, (the latest information available) were \$11.6 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$16.4 billion and \$4.8 billion, respectively.

For 2001 PERS elected to return to an actuarially pre-funded type of disclosure because it is a better presentation of PERS's actual funding methodology. Since 1997, disclosures had been based on a pay-as-you-go funding basis.

### Ohio Police and Fire Pension Fund

The Ohio Police and Fire Pension Fund (OP&F) provides post-retirement health care coverage to any person who received or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending school full-time or on a two-thirds basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the Ohio Police and Fire Pension Fund shall be included in the

employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution rate is 19.5% of covered payroll, of which 7.75% of covered payroll was applied to the postemployment health care program during 2002. For 2001 the percent used to fund healthcare was 7.5%. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of health care coverage through a deduction from their monthly benefit payment.

The City's actual contributions for 2002 that were used to fund postemployment benefits were \$51,547. The OP&F's total health care expenses for the year ended December 31, 2001, (the latest information available) were \$122,298,771, which was net of member contributions of \$6,874,699. The total number of participants eligible to receive health care benefits as of December 31, 2001 were 13,174 for police.

NOTE 12. LONG-TERM DEBT

Section 133.03, Revised Code, provides that the net debt of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total taxable value of property. The statutory limitations on debt are measured by a direct ratio of net debt to tax valuation and expressed in terms of percentage.

Overall Debt Limitation: 10.5% of Assessed Valuation	\$23,394,982
Net Debt Within Limitations	<u>2,166,968</u>
Legal Debt Margin Within 10.5% Limitation	<u>\$21,228,014</u>
	=====
 Un-voted Debt Limitation: 5.5% of Assessed Valuation	 \$12,254,514
Net Debt Within Limitations	<u>2,166,968</u>
Legal Debt Margin Within 5.5% Limitation	<u>\$10,087,546</u>
	=====

Description of Issues

Debt transactions for the year ended December 31, 2002 consisted of the following:

1. In April 1, 1999, the City issued bonds in the amount of \$2,750,000 with interest rates ranging from 3.5% to 4.5% and maturing April 1, 2001 through April 1, 2011. Proceeds were used to pay off \$625,000 of outstanding notes as they matured during 1999, as well as, \$1,500,000 of bonds that were callable on December 1, 1999. The balance of the proceeds were used to fund improvements throughout the City.

Changes in Long-Term Debt

Bonds, 1/1/02	\$2,375,000
Bonds Issued	0
Bonds Retired	<u>(200,000)</u>
Bonds, 12/31/02	<u>\$ 2,175,000</u>

Debt Service Requirements to Maturity

<u>Year End</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2003	205,000	86,671	291,671
2004	215,000	78,532	293,532
2005	220,000	69,940	289,940
2006	230,000	60,882	290,882
2007	240,000	51,305	291,305
2008-2011	<u>1,065,000</u>	<u>96,607</u>	<u>1,161,607</u>
 Total	 <u>\$2,175,000</u>	 <u>\$443,937</u>	 <u>\$2,618,937</u>

NOTE 13. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

COMPLIANCE

For the year ended December 31, 2002, expenditures exceeded appropriations in the 2002 Capital Project Fund - Central Business District - by \$2,486. This over expenditure was funded by available fund balance.

At December 31, 2002, the City had deficit fund balance/retained earnings in the following funds:

Enterprise Fund Property Rentals	(\$31,992)
Central Business District Fund	(\$2,486)

For the year ended December 31, 2002, estimated receipts exceeded actual receipts in the Capital Project Fund - Central Business District - by \$20,830.

For the year ended December 31, 2002, appropriations exceeded estimate revenue for OPWC of the Capital Projects Fund by \$107,500.



NOTE 14. EARNINGS TAX

The City levies a municipal income tax of 1% on substantially all income earned within the City. In addition, the residents of the City are required to pay income tax on income earned outside of the City; however, the City allows a credit for income taxes paid to another municipality up to 100% of the City's current tax rate.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. Actual collections in cash for 2002 were \$1,635,164.

NOTE 15. PROPERTY TAX

Real property taxes are levied on assessed values which equal 35% of appraised value. The county auditor reappraises all real property every six years with a triennial update. The last update was completed for tax year 2001.

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:

Property Tax Calendar - 2002 Collections

Lien Date	January 1, 2001
Levy Date	October 31, 2001
First Installment Payment Due	January 31, 2002
Second Installment Payment Due	June 20, 2002

The full tax rate applied to real property for the fiscal year ended December 31, 2002, was \$7.50 per \$1,000 of assessed valuation. Real property owners' tax bills are further reduced by homestead and rollback deductions, when applicable. The amount of these homestead and rollback reductions is reimbursed to the City by the State of Ohio.

The Hamilton County Treasurer collects property tax on behalf of all taxing districts within the County. The Hamilton County Auditor periodically remits to the taxing districts their portions of the taxes collected. The assessed valuations for tax year 2001 collected in 2002, were:

Real Property	\$212,432,810
Tangible Personal Property	6,112,850
Public Utility Personal Property	<u>4,263,690</u>
	\$222,809,350
	=====

Tangible personal property used in business, other than public utilities, is currently assessed for ad valorem taxation purposes at 25% of its true value. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment

is due April 30; if paid semiannually, the first payment is due April 30 with the remainder payable by September 20.

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

Property taxes that are measurable but not available at fiscal year end are recorded as a receivable with the corresponding revenue deferred until available. Delinquent property tax amounts, net of allowance for uncollectibles, are recorded if material in amount.

#### NOTE 16. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; injuries to employees and natural disasters. During 2002, the City contracted with Miami Valley Risk Management Association for vehicle, property and general liability insurance. The City provided medical insurance through Anthem Blue Cross & Blue Shield, dental insurance through Dental Care Plus and life insurance through Anthem Life Insurance Company.

#### Insurance Pool

Miami Valley Risk Management Association, Inc. (MVRMA, Inc.) is a consortium of municipalities located in southwest Ohio which, beginning in 1988, formed an Association under Section 2744.081 of the Ohio Revised Code (ORC) to act collectively in addressing its members' risk management and risk financing needs. At December 31, 2002, Madeira's participation was limited to coverage for all property, crime liability, boiler and machinery and public official liability up to the limits stated below. MVRMA provides broad-based coverage, through self-insurance and commercial reinsurance, up to the limits stated below, with increased emphasis on safety and loss prevention and to create an opportunity for other local governments to participate.

MVRMA, Inc. is a corporation governed by a board of trustees, consisting of a representative appointed by each of the member cities. The board of trustees elects the officers of the corporation, with each trustee having a single vote. The board is responsible for its own financial matters and the corporation maintains its own books of account. Budgeting and financing of MVRMA, Inc. is subject to the approval of the board. The City of Madeira does not hold an equity interest in MVRMA, Inc.

The following is a summary of insurance coverage at year end:

1.	General Liability	\$10,500,000 per occurrence
	Automobile Liability	\$10,500,000 additional coverage
	Public Officials Liability	\$500,000 each occurrence and aggregate
2.	Boiler & Machinery	\$100,000,000 per occurrence
3.	Property (excluding Flood and Earthquake)	\$100,000,000 per occurrence
4.	Property - Flood and Earthquake	\$25,000,000 annual aggregate

The deductible per occurrence for all types is \$2,500. Pool coverage is \$2,501 - \$500,000 per occurrence for general liability, automobile liability, public officials liability and crime. Insurance coverage is \$2,501 - \$150,000 per occurrence for property losses. Boiler & Machinery has individual City deductible of \$2,500 and insurance coverage of \$5,000. The City also has umbrella excess insurance coverage through MVRMA, Inc. of \$10,000,000 each occurrence and aggregate. Settlements have not exceeded insurance coverage in any of the past three years.

MVRMA prepares annual financial statements. Additional information can be obtained from their Comprehensive Annual Financial Report for 2002 by writing MVRMA, 4625 Presidential Way, Kettering, OH 45429.

The City pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. In order to lower rates charged to the City, the City has joined a group rating program through Ohio Municipal League.

NOTE 17. CONTINGENT LIABILITIES

The City is of the opinion that ultimate disposition of claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

NOTE 18. RENTER RELATIONSHIP

The City entered three rental agreements for properties owned: 7010 Miami Avenue (Muchmore House), 7014 Miami Avenue (Hosbrook House) and the railroad depot at 7701 Railroad Avenue. These rental agreements for Muchmore House and the railroad depot were for three-year terms. The Muchmore House lease expires May 31, 2003, and the railroad depot lease expires April 30, 2003. A rental agreement for 7014 Miami Avenue (Hosbrook House) was entered into for a one-year period commencing October 1, 2002. The rent received for 7010 Miami Avenue was \$12,100, for 7014 Miami Avenue was \$3,300 and the rent received for the railroad depot was \$11,904, all in 2002.

All three properties are accounted for in SR-70 Rental Properties, an enterprise fund.

NOTE 19. CONTRACTUAL COMMITMENTS

The City contracts with the Madeira/Indian Hill Joint Fire District for fire protection and emergency medical services. The contract fee for 2002 was \$986,022.

The City also contracts with CSI for solid waste collection. The contract fee for 2002 was \$356,785.

Health Department services are provided through Hamilton County. The cost of \$12,609 was deducted from property tax receipts collected by the County.

NOTE 20. RESOLUTION OF LEGAL CLAIM

In March 1992 one of the City's employees suffered a fatal accident while working on City business. In February 1993 City Council passed Resolution 10-93 which reached agreement concerning payment of claims related to this matter.

The guaranteed balance of the note remaining at December 31, 2002, was \$737, and is shown as a note payable in the long-term debt account group.

Changes in Note Payable for Legal Claim

Note Payable Balance, 1/1/02	\$ 9,577
Payments Made in 2002	<u>8,840</u>
Note Payable Balance, 12/31/02	<u>\$ 737</u>
	=====

NOTE 21. MAYOR'S COURT

The financial transactions of the City's Mayor's Court are included in the City's financial statements as an Agency Fund. The breakdown of collections, distributions, and undistributed collections of the Mayor's Court for 2002 is as follows:

Mayor's Court

Cash Balance 1/1/02	\$ 5,265
Collections:	
Fines & Forfeitures	\$44,852
City Cost	1,070
State Cost	16,930
Seat Belt Enforcement	<u>270</u>
	63,122
Disbursements:	
Paid to the City	\$46,540
Paid to the State	17,390
Paid to Others	<u>10</u>
	<u>(63,940)</u>
Cash Balance 12/31/02	<u>\$4,447</u>
	=====

## NOTE 22. CONTRIBUTED CAPITAL

Contributed capital represents assets provided to the Proprietary Fund from the General Fund and from private sources prior to January 1, 2001, which are not subject to repayment. These assets are recorded at their fair market value on the date contributed. Depreciation expense on the assets is closed against Retained Earnings.

The balance in the City's contributed capital account for its Enterprise Fund did not change in 2002. The amount of capital contributed by the City was \$397,677 and the amount from Hamilton County was \$70,000. Contributed capital received after January 1, 2001, will be recorded as non operating revenue in the Proprietary Fund.

**COMBINING, INDIVIDUAL FUND AND ACCOUNT  
GROUP STATEMENTS AND SCHEDULES**

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## GENERAL FUND

Accounts for all City operations which are supported by taxes and fees that have unrestricted use and are not required to be accounted for in a separate fund.



**CITY OF MADEIRA, OHIO**

Comparative Balance Sheet  
**General Fund**  
December 31, 2002 and 2001

	<u>2002</u>	<u>2001</u>
ASSETS:		
Cash and Cash Equivalents	\$1,146,641	\$1,517,460
Investments	586,406	571,457
Receivables Net of Allowance for Uncollectible Accounts:		
Taxes Receivable	2,109,033	1,943,217
Intergovernmental Receivable	275,660	418,661
Accounts Receivable	29,321	32,232
Interfund Receivables	76,296	581
Inventory of Supplies	6,382	2,557
<b>TOTAL ASSETS</b>	<u><u>\$4,229,739</u></u>	<u><u>\$4,486,165</u></u>
LIABILITIES AND FUND BALANCE:		
LIABILITIES:		
Accounts Payable	217,608	148,185
Accrued Payroll	143,994	101,793
Compensated Absences Payable	8,024	14,758
Deferred Revenues	1,922,694	1,846,776
<b>TOTAL LIABILITIES</b>	<u><u>2,292,320</u></u>	<u><u>2,111,512</u></u>
FUND BALANCE:		
Reserve for Inventories	6,382	2,557
Unreserved and Undesignated	1,931,037	2,372,096
<b>TOTAL FUND BALANCE</b>	<u><u>1,937,419</u></u>	<u><u>2,374,653</u></u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u><u>\$4,229,739</u></u>	<u><u>\$4,486,165</u></u>

**CITY OF MADEIRA, OHIO**

Comparative Statement of Revenues, Expenditures  
and Changes in Fund Balances

Budget and Actual

**General Fund**

For the Years Ended December 31, 2002 and 2001

	2002			2001		
	Budget	Actual	Variance Fav/(Unfav)	Budget	Actual	Variance Fav/(Unfav)
<b>REVENUES</b>						
Taxes	\$2,952,700	\$3,019,423	\$66,723	\$2,866,500	\$2,882,095	\$15,595
Licenses & Permits	46,100	55,012	8,912	45,300	56,523	11,223
Intergovernmental Revenue	634,200	892,464	258,264	646,700	950,860	304,160
Charges for Services	46,700	51,095	4,395	45,700	48,571	2,871
Investment Earnings	65,000	51,002	(13,998)	75,000	120,323	45,323
Fines & Forfeitures	51,000	47,024	(3,976)	36,000	57,390	21,390
All Other Revenues	73,500	115,192	41,692	48,700	66,647	17,947
<b>TOTAL REVENUES</b>	<b>3,869,200</b>	<b>4,231,212</b>	<b>362,012</b>	<b>3,763,900</b>	<b>4,182,409</b>	<b>418,509</b>
<b>EXPENDITURES</b>						
Current:						
Security of Persons and Property	2,154,000	2,145,082	8,918	2,025,400	1,930,067	95,333
Leisure Time Activity	117,150	112,969	4,181	108,600	97,034	11,566
Community Environment	24,900	24,623	277	22,800	19,637	3,163
Transportation	895,100	886,230	8,870	971,300	951,894	19,406
General Government	820,890	811,542	9,348	752,340	714,361	37,979
<b>TOTAL EXPENDITURES</b>	<b>4,012,040</b>	<b>3,980,446</b>	<b>31,594</b>	<b>3,880,440</b>	<b>3,712,993</b>	<b>167,447</b>
Excess of Revenues Over Expenditures	(142,840)	250,766	393,606	(116,540)	469,416	585,956
<b>OTHER FINANCING SOURCES/(USES)</b>						
Operating Transfers Out	(688,000)	(688,000)	0	(673,350)	(673,350)	0
<b>TOTAL OTHER FINANCING SOURCES/(USES)</b>	<b>(688,000)</b>	<b>(688,000)</b>	<b>0</b>	<b>(673,350)</b>	<b>(673,350)</b>	<b>0</b>
Excess/(Deficiency) of Revenues and Financing Sources Over/(Under) Expenditures and Other Uses	(830,840)	(437,234)	393,606	(789,890)	(203,934)	585,956
Fund Balance - Beginning	2,374,653	2,374,653	0	2,578,587	2,578,587	0
Fund Balance - Ending	\$1,543,813	\$1,937,419	\$393,606	\$1,788,697	\$2,374,653	\$585,956

**CITY OF MADEIRA, OHIO**

Schedule of Expenditures  
by Department  
Budget and Actual  
**General Fund**  
For the Year Ended December 31, 2002

	Legislative	Treasurer	Clerk	Mayor's Court	Solicitor	Planning	Civil Service	Police	Fire	Public Works	Recreation	Building	Admin.	Tax	Total
<b>BUDGETED EXPENDITURES:</b>															
Security of Persons and Property															
Personal Service								962,000							\$962,000
All Other								200,000	992,000						\$1,192,000
Leisure Time Activity															
Personal Service											57,000				\$57,000
All Other											60,150				\$60,150
Community Environment															
All Other						24,900									\$24,900
Transportation															
Personal Service										298,000					\$298,000
All Other										597,100					\$597,100
General Government															
Personal Service	10,600	61,000	5,900	9,300	500		600					220,000	98,600		\$405,900
All Other	21,700	54,700	6,100	2,000	50,000						67,600	200,340	11,950		\$414,990
<b>TOTAL EXPENDITURES</b>	<b>\$32,300</b>	<b>\$115,700</b>	<b>\$12,000</b>	<b>\$11,300</b>	<b>\$50,500</b>	<b>\$24,900</b>	<b>\$600</b>	<b>\$1,162,000</b>	<b>\$992,000</b>	<b>\$895,100</b>	<b>\$117,150</b>	<b>\$67,600</b>	<b>\$420,340</b>	<b>\$110,550</b>	<b>\$4,012,040</b>
<b>ACTUAL EXPENDITURES:</b>															
Security of Persons and Property															
Personal Service								943,134							\$943,134
All Other								209,976	991,972						\$1,201,948
Leisure Time Activity															
Personal Service											53,171				\$53,171
All Other											59,798				\$59,798
Community Environment															
All Other						24,623									\$24,623
Transportation															
Personal Service										289,804					\$289,804
All Other										596,426					\$596,426
General Government															
Personal Service	9,569	58,425	5,616	8,692			0					214,561	97,799		\$394,662
All Other	21,973	51,987	5,715	167	49,442						67,529	209,762	10,305		\$416,880
<b>TOTAL EXPENDITURES</b>	<b>\$31,542</b>	<b>\$110,412</b>	<b>\$11,331</b>	<b>\$8,859</b>	<b>\$49,442</b>	<b>\$24,623</b>	<b>\$0</b>	<b>\$1,153,110</b>	<b>\$991,972</b>	<b>\$886,230</b>	<b>\$112,969</b>	<b>\$67,529</b>	<b>\$424,323</b>	<b>\$108,104</b>	<b>\$3,980,446</b>
Fav/(Unfav) Actual vs. Budget	\$758	\$5,288	\$669	\$2,441	\$1,058	\$277	\$600	\$8,890	\$28	\$8,870	\$4,181	\$71	(\$3,983)	\$2,446	\$31,594

## SPECIAL REVENUE FUNDS

Street Repair: Required by the Ohio Revised Code to account for that portion of the state gasoline tax and motor vehicle registration fees designated for maintenance of streets within the City.

Recycle Ohio Grant: Receives grant funds generated from the Recycle Ohio Grant program to account for the expenditure of the Saturday cardboard drop off program.

Recreation and Parks: Accounts for the City's operation of recreation programs and improvements to the City's two parks, Sellman and McDonald Commons. Revenues are derived from recreation fees.

Street Dance: Accounts for the annual Street Dance held in August by the Recreation and Parks Commission. Revenues are proceeds from the sale of beer at the function.

Police Trust: Receives proceeds from the sale of confiscated properties (vehicles, weapons, etc.) other than from drug cases. Disbursements may be made from the fund only to pay the costs of investigations, technical training, matching funds for federal grants or other appropriate law enforcement purposes.

Police Forfeitures: Receives proceeds from the sale of confiscated properties and equipment from drug related cases. Expenditures may only be made for drug enforcement programs.

DUI: Receives fines imposed upon 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, and other information relating to the operation of a motor vehicle and the consumption of alcoholic beverages.

**CITY OF MADEIRA, OHIO**

Combining Balance Sheet  
**Special Revenues Funds**  
 December 31, 2002  
 (with comparative totals for December 31, 2001)

	Recreation										Total 2001
	Street Repair	Recycle Ohio	Parks	Street Dance	Police Trust	Police Forfeitures	DUI	Total 2002	Total 2001		
<b>ASSETS:</b>											
Cash and Cash Equivalent	\$150,715	\$65	\$13,789	\$5,476	\$1,811	\$4,089	\$8,045	\$183,990		\$195,237	
Receivables Net of Allowance for Uncollectible Accounts:											
Intergovernmental Receivable	148,734	0	0	0	0	0	0	148,734		127,476	
Accounts Receivable	200	0	0	0	0	0	0	200		7,920	
<b>TOTAL ASSETS</b>	<b>\$299,649</b>	<b>\$65</b>	<b>\$13,789</b>	<b>\$5,476</b>	<b>\$1,811</b>	<b>\$4,089</b>	<b>\$8,045</b>	<b>\$332,924</b>		<b>\$330,633</b>	
<b>LIABILITIES AND FUND BALANCE:</b>											
<b>LIABILITIES:</b>											
Accounts Payable	31,547	0	0	0	0	65	0	31,612		50,633	
Deferred Revenue	107,800	0	0	0	0	0	0	107,800		103,039	
<b>TOTAL LIABILITIES</b>	<b>139,347</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>65</b>	<b>0</b>	<b>139,412</b>		<b>153,672</b>	
<b>FUND BALANCE:</b>											
Unreserved and Undesignated	160,302	65	13,789	5,476	1,811	4,024	8,045	193,512		176,961	
<b>TOTAL FUND BALANCE</b>	<b>160,302</b>	<b>65</b>	<b>13,789</b>	<b>5,476</b>	<b>1,811</b>	<b>4,024</b>	<b>8,045</b>	<b>193,512</b>		<b>176,961</b>	
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$299,649</b>	<b>\$65</b>	<b>\$13,789</b>	<b>\$5,476</b>	<b>\$1,811</b>	<b>\$4,089</b>	<b>\$8,045</b>	<b>\$332,924</b>		<b>\$330,633</b>	

CITY OF MADEIRA, OHIO

Special Revenue Funds  
Page 1 of 4

Comparative Combining Statement of Revenues,  
Expenditures and Changes in Fund Balances  
Budget and Actual

Special Revenue Funds

For the Years Ended December 31, 2002 and 2001

	2002 Street Repair			2001 Street Repair			2002 Recycle Ohio Grant			2001 Recycle Ohio Grant		
	Budget	Actual	Variance Fav/(Unfav)	Budget	Actual	Variance Fav/(Unfav)	Budget	Actual	Variance Fav/(Unfav)	Budget	Actual	Variance Fav/(Unfav)
REVENUES												
Intergovernmental Revenue	\$249,694	\$326,711	\$77,017	\$315,000	\$327,625	\$12,625	\$0	\$0	\$0	\$0	\$0	\$0
Charges for Services	0	0	0	0	0	0	0	0	0	0	0	0
Investment Earnings	10,000	0	(10,000)	10,000	0	(10,000)	0	0	0	0	0	0
Fines & Forfeitures	0	0	0	0	0	0	0	0	0	0	0	0
All Other Revenues	0	(2,880)	(2,880)	0	8,420	8,420	8,900	10,554	1,654	8,900	8,129	(771)
TOTAL REVENUES	259,694	323,831	64,137	325,000	336,045	11,045	8,900	10,554	1,654	8,900	8,129	(771)
EXPENDITURES												
Current												
Security of Persons and Property	0	0	0	0	0	0	0	0	0	0	0	0
Leisure Time Activity	0	0	0	0	0	0	0	0	0	0	0	0
Transportation	620,000	586,408	33,592	545,400	431,919	113,481	15,900	15,379	521	15,900	14,300	1,600
General Government	0	0	0	0	0	0	15,900	15,379	521	15,900	14,300	1,600
TOTAL EXPENDITURES	620,000	586,408	33,592	545,400	431,919	113,481	15,900	15,379	521	15,900	14,300	1,600
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(360,306)	(262,577)	97,729	(220,400)	(95,874)	124,526	(7,000)	(4,825)	2,175	(7,000)	(6,171)	829
OTHER FINANCING SOURCES/(USES)												
Operating Transfers In	285,000	285,000	0	0	0	0	3,000	0	(3,000)	7,000	7,000	0
Operating Transfers Out	(40,000)	0	40,000	(58,250)	(58,250)	0	0	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES/(USES)	245,000	285,000	40,000	(58,250)	(58,250)	0	3,000	0	(3,000)	7,000	7,000	0
Excess/(Deficiency) of Revenues and Financing Sources Over/(Under) Expenditures and Other Uses	(115,306)	22,423	137,729	(278,650)	(154,124)	124,526	(4,000)	(4,825)	(825)	0	829	829
Fund Balance - Beginning	137,879	137,879	0	292,003	292,003	0	4,890	4,890	0	4,061	4,061	0
Fund Balance - Ending	\$22,573	\$160,302	\$137,729	\$13,353	\$137,879	\$124,526	\$890	\$65	(\$825)	\$4,061	\$4,890	\$829

CITY OF MADEIRA, OHIO

Comparative Combining Statement of Revenues,  
Expenditures and Changes in Fund Balances  
Budget and Actual

Special Revenue Funds  
For the Years Ended December 31, 2002 and 2001

	2002 Recreation and Parks			2001 Recreation and Parks			2002 Street Dance			2001 Street Dance		
	Budget	Actual	Variance Fav/(Unfav)	Budget	Actual	Variance Fav/(Unfav)	Budget	Actual	Variance Fav/(Unfav)	Budget	Actual	Variance Fav/(Unfav)
REVENUES												
Intergovernmental Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Charges for Services	15,498	9,290	(6,208)	32,000	36,602	4,602	4,000	3,188	(812)	3,000	4,234	1,234
Investment Earnings	0	0	0	0	0	0	0	0	0	0	0	0
Fines & Forfeitures	0	0	0	0	0	0	0	0	0	0	0	0
All Other Revenues	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL REVENUES	15,498	9,290	(6,208)	32,000	36,602	4,602	4,000	3,188	(812)	3,000	4,234	1,234
EXPENDITURES												
Current												
Security of Persons and Property	0	0	0	0	0	0	0	0	0	0	0	0
Leisure Time Activity	25,200	24,149	1,051	30,200	39,242	(9,042)	9,500	8,335	1,165	7,600	7,024	576
Transportation	0	0	0	0	0	0	0	0	0	0	0	0
General Government	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	25,200	24,149	1,051	30,200	39,242	(9,042)	9,500	8,335	1,165	7,600	7,024	576
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(9,702)	(14,859)	(5,157)	1,800	(2,640)	(4,440)	(5,500)	(5,147)	353	(4,600)	(2,790)	1,810
OTHER FINANCING SOURCES/(USES)												
Operating Transfers In	10,000	10,000	0	20,000	20,000	0	8,000	8,000	0	4,600	4,600	0
Operating Transfers Out	0	0	0	(25,000)	0	25,000	0	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES/(USES)	10,000	10,000	0	(5,000)	20,000	25,000	8,000	8,000	0	4,600	4,600	0
Excess/(Deficiency) of Revenues and Financing Sources Over/(Under) Expenditures and Other Uses	298	(4,859)	(5,157)	(3,200)	17,360	20,560	2,500	2,853	353	0	1,810	1,810
Fund Balance - Beginning	18,648	18,648	0	1,288	1,288	0	2,623	2,623	0	813	813	0
Fund Balance - Ending	\$18,946	\$13,789	(\$5,157)	(\$1,912)	\$18,648	\$20,560	\$5,123	\$5,476	\$353	\$813	\$2,623	\$1,810

CITY OF MADEIRA, OHIO

Comparative Combining Statement of Revenues,  
Expenditures and Changes in Fund Balances  
Budget and Actual

Special Revenue Funds

For the Years Ended December 31, 2002 and 2001

	2002 Police Trust Fund			2001 Police Trust Fund			2002 Police Forfeitures			2001 Police Forfeitures		
	Budget	Actual	Variance Fav/(Unfav)	Budget	Actual	Variance Fav/(Unfav)	Budget	Actual	Variance Fav/(Unfav)	Budget	Actual	Variance Fav/(Unfav)
REVENUES												
Intergovernmental Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Charges for Services	0	0	0	0	0	0	0	0	0	0	0	0
Investment Earnings	0	0	0	0	0	0	0	0	0	0	0	0
Fines & Forfeitures	1,000	0	(1,000)	1,000	0	(1,000)	1,000	921	(79)	1,000	1,524	524
All Other Revenues	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL REVENUES	1,000	0	(1,000)	1,000	0	(1,000)	1,000	921	(79)	1,000	1,524	524
EXPENDITURES												
Current												
Security of Persons and Property	1,000	0	1,000	1,000	350	650	1,200	617	583	1,200	393	807
Leisure Time Activity	0	0	0	0	0	0	0	0	0	0	0	0
Transportation	0	0	0	0	0	0	0	0	0	0	0	0
General Government	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	1,000	0	1,000	1,000	350	650	1,200	617	583	1,200	393	807
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	0	0	0	0	(350)	(350)	(200)	304	504	(200)	1,131	1,331
OTHER FINANCING SOURCES/(USES)												
Operating Transfers In	0	0	0	0	0	0	0	0	0	0	0	0
Operating Transfers Out	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES/(USES)	0	0	0	0	0	0	0	0	0	0	0	0
Excess/(Deficiency) of Revenues and Financing Sources Over/(Under) Expenditures and Other Uses	0	0	0	0	(350)	(350)	(200)	304	504	(200)	1,131	1,331
Fund Balance - Beginning	1,811	1,811	0	2,161	2,161	0	3,720	3,720	0	2,589	2,589	0
Fund Balance - Ending	\$1,811	\$1,811	\$0	\$2,161	\$1,811	(\$350)	\$3,520	\$4,024	\$504	\$2,389	\$3,720	\$1,331



**CITY OF MADEIRA, OHIO**

Comparative Combining Statement of Revenues,  
Expenditures and Changes in Fund Balances  
Budget and Actual

**Special Revenue Funds**

For the Years Ended December 31, 2002 and 2001

	2002 DUI			2001 DUI			2002 Total Special Revenue			2001 Total Special Revenue		
	Budget	Actual	Variance Fav/(Unfav)	Budget	Actual	Variance Fav/(Unfav)	Budget	Actual	Variance Fav/(Unfav)	Budget	Actual	Variance Fav/(Unfav)
<b>REVENUES</b>												
Intergovernmental Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$249,694	\$326,711	\$77,017	\$315,000	\$327,625	\$12,625
Charges for Services	0	0	0	0	0	0	19,498	12,478	(7,020)	35,000	40,836	5,836
Investment Earnings	0	0	0	0	0	0	10,000	0	(10,000)	10,000	0	(10,000)
Fines & Forfeitures	1,000	960	(40)	1,000	820	(180)	3,000	1,881	(1,119)	3,000	2,344	(656)
All Other Revenues	0	0	0	0	0	0	8,900	7,674	(1,226)	8,900	16,549	7,649
<b>TOTAL REVENUES</b>	<b>1,000</b>	<b>960</b>	<b>(40)</b>	<b>1,000</b>	<b>820</b>	<b>(180)</b>	<b>291,092</b>	<b>348,744</b>	<b>57,652</b>	<b>371,900</b>	<b>387,354</b>	<b>15,454</b>
<b>EXPENDITURES</b>												
Current												
Security of Persons and Property	1,000	305	695	1,000	126	874	3,200	922	2,278	3,200	869	2,331
Leisure Time Activity	0	0	0	0	0	0	34,700	32,484	2,216	37,800	46,266	(8,466)
Transportation	0	0	0	0	0	0	620,000	586,408	33,592	545,400	431,919	113,481
General Government	0	0	0	0	0	0	15,900	15,379	521	15,900	14,300	1,600
<b>TOTAL EXPENDITURES</b>	<b>1,000</b>	<b>305</b>	<b>695</b>	<b>1,000</b>	<b>126</b>	<b>874</b>	<b>673,800</b>	<b>635,193</b>	<b>38,607</b>	<b>602,300</b>	<b>493,354</b>	<b>108,946</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	0	655	655	0	694	694	(382,708)	(286,449)	96,259	(230,400)	(106,000)	124,400
<b>OTHER FINANCING SOURCES/(USES)</b>												
Operating Transfers In	0	0	0	0	0	0	306,000	303,000	(3,000)	31,600	31,600	0
Operating Transfers Out	0	0	0	0	0	0	(40,000)	0	40,000	(83,250)	(58,250)	25,000
<b>TOTAL OTHER FINANCING SOURCES/(USES)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>266,000</b>	<b>303,000</b>	<b>37,000</b>	<b>(51,650)</b>	<b>(26,650)</b>	<b>25,000</b>
Excess/(Deficiency) of Revenues and Financing Sources Over/(Under) Expenditures and Other Uses	0	655	655	0	694	694	(116,708)	16,551	133,259	(282,050)	(132,650)	149,400
Fund Balance - Beginning	7,390	7,390	0	6,696	6,696	0	176,961	176,961	0	309,611	309,611	0
Fund Balance - Ending	\$7,390	\$8,045	\$655	\$6,696	\$7,390	\$694	\$60,253	\$193,512	\$133,259	\$27,561	\$176,961	\$149,400

## DEBT SERVICE FUND

General Obligation Bond Retirement Fund: Accounts for payments of principal and interest on the City's general obligation bonds which are recorded in the general long-term debt account group.

**CITY OF MADEIRA, OHIO**

Comparative Balance Sheet  
**Debt Service Fund**  
December 31, 2002

	<u>2002</u>	<u>2001</u>
ASSETS:		
Cash and Cash Equivalent	\$4,282	\$0
Receivables Net of Allowance for Uncollectible Accounts:		
Taxes Receivable	103,242	92,103
Intergovernmental Receivable	<u>6,582</u>	<u>5,779</u>
TOTAL ASSETS	<u>\$114,106</u>	<u>\$97,882</u>
LIABILITIES AND FUND BALANCE:		
LIABILITIES:		
Deferred Revenues	106,074	94,182
Interfund Payable	<u>0</u>	<u>581</u>
TOTAL LIABILITIES	106,074	94,763
FUND BALANCE:		
Unreserved:		
Designated for Debt Service	<u>8,032</u>	<u>3,119</u>
TOTAL FUND BALANCE	<u>8,032</u>	<u>3,119</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$114,106</u>	<u>\$97,882</u>

**CITY OF MADEIRA, OHIO**

Comparative Statement of Revenues, Expenditures  
and Changes in Fund Balances

Budget and Actual

**Debt Service Fund**

For the Years Ended December 31, 2002 and 2001

	2002			2001		
	Budget	Actual	Variance Fav/(Unfav)	Budget	Actual	Variance Fav/(Unfav)
REVENUES						
Taxes	\$85,500	\$88,879	\$3,379	\$82,700	\$84,031	\$1,331
Intergovernmental Revenue	11,000	11,575	575	10,300	10,751	451
TOTAL REVENUES	96,500	100,454	3,954	93,000	94,782	1,782
EXPENDITURES						
Current:						
General Government	1,200	1,173	27	2,000	1,094	906
Debt Service						
Principal Retirement	200,000	200,000	0	190,000	190,000	0
Interest and						
Fiscal Charges	94,368	94,368	0	101,700	101,632	68
TOTAL EXPENDITURES	295,568	295,541	27	293,700	292,726	974
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(199,068)	(195,087)	3,981	(200,700)	(197,944)	2,756
OTHER FINANCING SOURCES/(USES)						
Operating Transfers In	200,000	200,000	0	205,000	180,000	(25,000)
TOTAL OTHER FINANCING SOURCES/(USES)	200,000	200,000	0	205,000	180,000	(25,000)
Excess/(Deficiency) of Revenues and Financing Sources Over Expenditures and Other Uses	932	4,913	3,981	4,300	(17,944)	(22,244)
Fund Balance - Beginning	3,119	3,119	0	21,063	21,063	0
Fund Balance - Ending	4,051	8,032	3,981	25,363	3,119	(22,244)

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## CAPITAL PROJECTS FUNDS

OPWC: Accounts for expenditures for road improvements reimbursed by the State of Ohio.

Stormwater: Accounts for expenditures made to repair and replace parts of the City's stormwater system.

Central Business District: Accounts for expenditures made for the repair and improvement of Madeira's central business district.

CI&R: Accounts for capital expenditures made for all general improvement projects not funded elsewhere.

**CITY OF MADEIRA, OHIO**

Combining Balance Sheet

**Capital Projects Funds**

December 31, 2002

(with comparative totals for December 31, 2001)

	OPWC	Stormwater	Central Business District	Capital Improvement & Reserve	Total 2002	Total 2001
<b>ASSETS:</b>						
Cash and Cash Equivalents	\$0	\$17,900	\$9,637	\$0	\$27,537	\$428,754
Receivables Net of Allowance for Uncollectible Accounts:						
Intergovernmental Receivable	0	0	0	138,074	138,074	0
<b>TOTAL ASSETS</b>	<b>\$0</b>	<b>\$17,900</b>	<b>\$9,637</b>	<b>\$138,074</b>	<b>\$165,611</b>	<b>\$428,754</b>
<b>LIABILITIES AND FUND BALANCE:</b>						
<b>LIABILITIES:</b>						
Accounts Payable	0	0	288	2,180	2,468	18,076
Interfund Payable	0	0	0	76,296	76,296	0
<b>TOTAL LIABILITIES</b>	<b>0</b>	<b>0</b>	<b>288</b>	<b>78,476</b>	<b>78,764</b>	<b>18,076</b>
<b>FUND BALANCE:</b>						
Unreserved and Undesignated	0	17,900	9,349	59,598	86,847	410,678
<b>TOTAL FUND BALANCE</b>	<b>0</b>	<b>17,900</b>	<b>9,349</b>	<b>59,598</b>	<b>86,847</b>	<b>410,678</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$0</b>	<b>\$17,900</b>	<b>\$9,637</b>	<b>\$138,074</b>	<b>\$165,611</b>	<b>\$428,754</b>

CITY OF MADEIRA, OHIO

Comparative Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Budget and Actual

Capital Projects Funds  
For the Years Ended December 31, 2002 and 2001

	2002 OPWC			2001 OPWC			2002 Stormwater			2001 Stormwater		
	Budget	Actual	Variance Fav/(Unfav)	Budget	Actual	Variance Fav/(Unfav)	Budget	Actual	Variance Fav/(Unfav)	Budget	Actual	Variance Fav/(Unfav)
REVENUES												
Intergovernmental Revenue	\$107,500	\$107,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Investment Earnings	0	0	0	0	0	0	0	0	0	0	0	(1,000)
All Other Revenues	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL REVENUES	107,500	107,500	0	0	0	0	0	0	0	1,000	0	(1,000)
EXPENDITURES												
Current:												
Community Environment	0	0	0	0	0	0	0	0	0	0	0	0
Capital Improvements	107,500	107,500	0	200,000	0	200,000	0	0	0	22,000	5,442	16,558
TOTAL EXPENDITURES	107,500	107,500	0	200,000	0	200,000	0	0	0	22,000	5,442	16,558
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	0	0	0	(200,000)	0	(200,000)	(102,000)	88,811	13,189	(21,000)	(5,442)	15,558
OTHER FINANCING SOURCES/(USES)												
Operating Transfers In	0	0	0	0	0	0	85,000	85,000	0	20,000	20,000	0
Operating Transfers Out	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES	0	0	0	0	0	0	85,000	85,000	0	20,000	20,000	0
Excess/(Deficiency) of Revenues and Financing Sources Over/(Under) Expenditures and Other Uses	0	0	0	(200,000)	0	200,000	(17,000)	(3,811)	13,189	0	14,558	14,558
Fund Balance - Beginning	0	0	0	0	0	0	21,711	21,711	0	7,153	7,153	0
Fund Balance - Ending	\$0	\$0	\$0	(\$200,000)	\$0	\$200,000	\$4,711	\$17,900	\$13,189	\$7,153	\$21,711	\$14,558



**CITY OF MADEIRA, OHIO**

Comparative Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Budget and Actual

**Capital Projects Funds**

For the Years Ended December 31, 2002 and 2001

	2002 Central Business District			2001 Central Business District			2002 Capital Improvement & Reserve			2001 Capital Improvement & Reserve		
	Budget	Actual	Variance Fav/(Unfav)	Budget	Actual	Variance Fav/(Unfav)	Budget	Actual	Variance Fav/(Unfav)	Budget	Actual	Variance Fav/(Unfav)
<b>REVENUES</b>												
Intergovernmental Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$138,074	\$138,074	\$0	\$0	\$0
Investment Earnings	0	0	0	0	0	0	0	0	0	0	0	0
All Other Revenues	21,700	870	(20,830)	1,000	3,930	2,930	0	0	0	0	0	0
<b>TOTAL REVENUES</b>	<b>21,700</b>	<b>870</b>	<b>(20,830)</b>	<b>1,000</b>	<b>3,930</b>	<b>2,930</b>	<b>0</b>	<b>138,074</b>	<b>138,074</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>EXPENDITURES</b>												
Current:												
Community Environment	13,000	15,486	(2,486)	28,000	24,513	3,487	0	0	0	0	0	0
Capital Improvements	0	0	0	0	0	0	555,000	543,478	11,522	500,000	134,998	365,002
<b>TOTAL EXPENDITURES</b>	<b>13,000</b>	<b>15,486</b>	<b>(2,486)</b>	<b>28,000</b>	<b>24,513</b>	<b>3,487</b>	<b>555,000</b>	<b>543,478</b>	<b>11,522</b>	<b>500,000</b>	<b>134,998</b>	<b>365,002</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	8,700	(14,616)	(23,316)	(27,000)	(20,583)	6,417	(555,000)	(405,404)	149,596	(500,000)	(134,998)	365,002
<b>OTHER FINANCING SOURCES/(USES)</b>												
Operating Transfers In	0	0	0	0	0	0	100,000	100,000	0	500,000	500,000	0
Operating Transfers Out	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>100,000</b>	<b>100,000</b>	<b>0</b>	<b>500,000</b>	<b>500,000</b>	<b>0</b>
Excess/(Deficiency) of Revenues and Financing Sources Over/(Under) Expenditures and Other Uses	8,700	(14,616)	(23,316)	(27,000)	(20,583)	6,417	(455,000)	(305,404)	149,596	0	365,002	365,002
Fund Balance - Beginning	23,965	23,965	0	44,548	44,548	0	365,002	365,002	0	0	0	0
Fund Balance - Ending	\$32,665	\$9,349	(\$23,316)	\$17,548	\$23,965	\$6,417	(\$89,998)	\$59,598	\$149,596	\$0	\$365,002	\$365,002

**CITY OF MADEIRA, OHIO**

Comparative Combining Statement of Revenues, Expenditures  
 and Changes in Fund Balances  
 Budget and Actual  
**Capital Projects Funds**  
 For the Years Ended December 31, 2002 and 2001

	2002 Total Capital Projects			2001 Total Capital Projects		
	Budget	Actual	Variance Fav/(Unfav)	Budget	Actual	Variance Fav/(Unfav)
<b>REVENUES</b>						
Intergovernmental Revenue	\$107,500	\$245,574	\$138,074	\$0	\$0	\$0
Investment Earnings	0	0	0	1,000	0	(1,000)
All Other Revenues	21,700	870	(20,830)	1,000	3,930	2,930
<b>TOTAL REVENUES</b>	<b>129,200</b>	<b>246,444</b>	<b>117,244</b>	<b>2,000</b>	<b>3,930</b>	<b>1,930</b>
<b>EXPENDITURES</b>						
Current:						
Community Environment	115,000	104,297	10,703	50,000	29,955	20,045
Capital Improvements	662,500	650,978	11,522	700,000	134,998	565,002
<b>TOTAL EXPENDITURES</b>	<b>777,500</b>	<b>755,275</b>	<b>22,225</b>	<b>750,000</b>	<b>164,953</b>	<b>585,047</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(648,300)	(508,831)	139,469	(748,000)	(161,023)	586,977
<b>OTHER FINANCING SOURCES/(USES)</b>						
Operating Transfers In	185,000	185,000	0	520,000	520,000	0
Operating Transfers Out	0	0	0	0	0	0
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>185,000</b>	<b>185,000</b>	<b>0</b>	<b>520,000</b>	<b>520,000</b>	<b>0</b>
Excess/(Deficiency) of Revenues and Financing Sources Over/(Under) Expenditures and Other Uses	(463,300)	(323,831)	139,469	(228,000)	358,977	586,977
Fund Balance - Beginning	410,678	410,678	0	51,701	51,701	0
Fund Balance - Ending	(\$52,622)	\$86,847	\$139,469	(\$176,299)	\$410,678	\$586,977

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## ENTERPRISE FUND

The Enterprise Fund accounts for the activities of the rental properties owned by Madeira in the central business district. The properties are located at 7701 Railroad Avenue, 7010 Miami Avenue and 7014 Miami Avenue. They are maintained for historical purposes and are rented to businesses.

**CITY OF MADEIRA, OHIO**

Comparative Balance Sheet

**Enterprise Fund**

December 31, 2002

	2002 Rental Property	2001 Rental Property
<b>ASSETS:</b>		
Cash and Cash Equivalents	\$45,920	\$28,630
Receivables Net of Allowance for Uncollectible Accounts:		
Accounts Receivable	0	36
Fixed Assets (Net of Depreciation)	<u>392,582</u>	<u>406,246</u>
<b>TOTAL ASSETS</b>	<u><u>438,502</u></u>	<u><u>434,912</u></u>
 <b>Liabilities and Equity</b>		
Current Liabilities:		
Accounts Payable	2,003	2,003
Deferred Revenue	<u>814</u>	<u>954</u>
<b>Total Current Liabilities</b>	<u>2,817</u>	<u>2,957</u>
 Equity:		
Contributed Capital	467,677	467,677
Retained Earnings - Unreserved	<u>(31,992)</u>	<u>(35,722)</u>
<b>Total Equity</b>	<u>435,685</u>	<u>431,955</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u><u>\$438,502</u></u>	<u><u>\$434,912</u></u>

The Notes to the Financial Statements are an integral part of this statement.

**CITY OF MADEIRA, OHIO**

Comparative Statement of Revenues, Expenses  
and Changes in Accumulated Deficit

**Enterprise Fund**

For the Years Ended December 31, 2002 and 2001

	2002 Rental Property	2001 Rental Property
	<u>                    </u>	<u>                    </u>
OPERATING REVENUES:		
Rental Revenue	\$27,304	\$25,432
Total Operating Revenues	<u>27,304</u>	<u>25,432</u>
OPERATING EXPENSES:		
General Operating Supplies	27	0
Insurance	4,178	3,523
Professional Services	0	10,894
Repairs & Maintenance	1,699	902
Depreciation	13,664	11,749
Property Taxes	4,006	5,934
Total Operating Expenses	<u>23,574</u>	<u>33,002</u>
Operating (Loss)/Income	3,730	(7,570)
NET (LOSS)/INCOME	3,730	(7,570)
Accumulated Deficit, Beginning of Year	<u>(35,722)</u>	<u>(28,152)</u>
Accumulated Deficit, End of Year	<u><u>(\$31,992)</u></u>	<u><u>(\$35,722)</u></u>

The Notes to the Financial Statements are an integral part of this statement.

**CITY OF MADEIRA, OHIO**

Comparative Statement of Cash Flows

**Enterprise Fund**

For the Years Ended December 31, 2002 and 2001

	2002 Rental Property	2001 Rental Property
	<u>          </u>	<u>          </u>
Cash Flows from Operating Activities:		
Cash Received from Renters and Others	\$27,200	\$26,350
Cash Paid to Suppliers	(9,910)	(19,345)
<b>Net cash provided by operating activities</b>	<u>17,290</u>	<u>7,005</u>
Cash Flows from capital and related financing activities:		
Property Improvements	0	(9,575)
<b>Net cash (used) by capital and related financing activities</b>	<u>0</u>	<u>(9,575)</u>
Net (Decrease)/Increase in Cash and Cash Equivalents	17,290	(2,570)
<b>Cash and Cash Equivalents, January 1</b>	<u>28,630</u>	<u>31,200</u>
<b>Cash and Cash Equivalents, December 31</b>	<u><u>\$45,920</u></u>	<u><u>\$28,630</u></u>
<b>Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:</b>		
Operating Income/(Loss)	3,730	(7,570)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by Operating Activities:		
Depreciation	13,664	11,749
Change in Assets and Liabilities:		
Decrease in Receivables	0	(36)
Decrease in Deferred Revenue	(104)	954
Increase in Accounts Payable	0	1,909
Total Adjustments	<u>(104)</u>	<u>2,827</u>
<b>Net Cash Provided by Operating Activities</b>	<u><u>\$17,290</u></u>	<u><u>\$7,006</u></u>

The Notes to the Financial Statements are an integral part of this statement.

## AGENCY FUND

Mayor's Court: To account for funds that flow through the mayor's court office.



**CITY OF MADEIRA, OHIO**

Comparative Balance Sheet  
**Agency Fund**  
December 31, 2002 and 2001

	Mayor's Court	
	<u>2002</u>	<u>2001</u>
<b>ASSETS:</b>		
Cash with Fiscal Agent	<u>\$4,447</u>	<u>\$5,265</u>
<b>TOTAL ASSETS</b>	<u><u>4,447</u></u>	<u><u>5,265</u></u>
<b>LIABILITIES:</b>		
Due to Other Governments	<u>4,447</u>	<u>5,265</u>
<b>TOTAL LIABILITIES</b>	<u><u>\$4,447</u></u>	<u><u>\$5,265</u></u>

**CITY OF MADEIRA, OHIO**

Statement of Changes in Assets and Liabilities  
**Agency Fund**  
For the Year Ended December 31, 2002

<u>Mayor's Court</u>	<u>Balance 12/31/01</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance 12/31/02</u>
ASSETS:				
Cash with Fiscal Agent	<u>\$5,265</u>	<u>\$63,122</u>	<u>(\$63,940)</u>	<u>\$4,447</u>
TOTAL ASSETS	<u>5,265</u>	<u>63,122</u>	<u>(63,940)</u>	<u>4,447</u>
LIABILITIES:				
Due to Other Governments	<u>5,265</u>	<u>63,122</u>	<u>(63,940)</u>	<u>4,447</u>
TOTAL LIABILITIES	<u>\$5,265</u>	<u>\$63,122</u>	<u>(\$63,940)</u>	<u>\$4,447</u>

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## ACCOUNT GROUPS

General Fixed Assets Account Group: The general fixed assets account group accounts for all general fixed assets of the City with a cost or estimated value of \$1,000 or more.

General Long-term Debt Account Group: The General Long-Term Debt Account Group accounts for all long-term bond and note debt which the City has and the value of compensated absences which is estimated to be taken after March 1st.

**CITY OF MADEIRA, OHIO**

Schedule of General Fixed Assets  
by Function and Source  
December 31, 2002

By Function:	Land	Building & Land Improvements	Furniture	Equipment	Software	Vehicles	Total
Security of Persons and Property	\$0	\$0	\$5,418	\$62,001	\$0	\$134,099	\$201,518
Community Environment	0	104,178	0	64,530	0	332,444	501,152
Leisure Time Activity	460,000	718,678	3,565	236,989	0	1,865	1,421,097
General Government	185,000	1,581,787	5,610	56,801	14,885	0	1,844,083
<b>Total General Fixed Assets</b>	<b>\$645,000</b>	<b>\$2,404,643</b>	<b>\$14,593</b>	<b>\$420,321</b>	<b>\$14,885</b>	<b>\$468,408</b>	<b>\$3,967,850</b>
<b>Investments in General Fixed Assets</b>							
By Source:							
General Fund	\$645,000	\$2,404,643	\$14,593	\$420,321	\$14,885	\$468,408	\$3,967,850

**CITY OF MADEIRA, OHIO**

Schedule of Changes of General Fixed Assets  
For the Year Ended December 31, 2002

Function	Assets as of 12/31/01	Additions	Transfers	Deletions	Assets as of 12/31/02
Security of Persons and Property	\$231,183	\$46,597	(\$14,067)	(\$62,195)	\$201,518
Community Environment	474,458	11,448	15,246		501,152
Leisure Time Activity	1,399,533	230,196	(183,632)	(25,000)	1,421,097
General Government	1,655,529	6,101	182,453		1,844,083
<b>Total Governmental Funds</b>	<b>\$3,760,703</b>	<b>\$294,342</b>	<b>\$0</b>	<b>(\$87,195)</b>	<b>\$3,967,850</b>

**CITY OF MADEIRA, OHIO**

Account Groups  
 Comparative Schedule of Asset, Liabilities  
 and Fund Balance  
 December 31, 2002 and 2001

	<u>General Long-Term Obligations</u>		<u>General Fixed Assets</u>	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
<b>ASSETS:</b>				
Fixed Assets, Net of Depreciation	\$0	\$0	\$3,967,850	\$3,760,703
Amount Available in Debt Service	8,032	3,119	0	0
Amount to be Provided for Retirement of General Long-Term Debt	<u>2,352,399</u>	<u>2,517,218</u>	<u>0</u>	<u>0</u>
<b>TOTAL ASSETS</b>	<u><u>\$2,360,431</u></u>	<u><u>\$2,520,337</u></u>	<u><u>\$3,967,850</u></u>	<u><u>\$3,760,703</u></u>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES:</b>				
Compensated Absences Payable	184,694	135,760	0	0
Notes Payable	737	9,577	0	0
Bonds Payable	<u>2,175,000</u>	<u>2,375,000</u>	<u>0</u>	<u>0</u>
<b>TOTAL LIABILITIES</b>	<u><u>2,360,431</u></u>	<u><u>2,520,337</u></u>	<u><u>0</u></u>	<u><u>0</u></u>
<b>EQUITY:</b>				
Investment in Fixed Assets	<u>0</u>	<u>0</u>	<u>3,967,850</u>	<u>3,760,703</u>
<b>TOTAL EQUITY</b>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>3,967,850</u></u>	<u><u>3,760,703</u></u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u><u>\$2,360,431</u></u>	<u><u>\$2,520,337</u></u>	<u><u>\$3,967,850</u></u>	<u><u>\$3,760,703</u></u>

## STATISTICAL SECTION

The following unaudited statistical tables reflect social and economic data, financial trends and fiscal capacity of the City.



Table 1

## CITY OF MADEIRA, OHIO

General Fund Revenues by Source  
(Last Ten Fiscal Years)

Year	Taxes	Licenses and Permits	Inter- governmental Revenues	Charges for Services	Investment Earnings	Fines and Forfeitures	Other Revenues	Total
1993	\$2,336,737	\$92,210	\$137,063	\$2,947	\$23,768	\$33,118	\$69,375	\$2,695,218
1994	3,020,341	71,983	147,060	3,675	29,506	24,590	60,040	3,357,195
1995	2,602,630	58,233	182,523	26,927	51,615	26,796	55,138	3,003,862
1996	2,955,502	46,223	173,317	35,092	66,709	30,401	57,622	3,364,866
1997	3,143,389	63,713	207,681	45,112	30,285	32,245	74,119	3,596,544
1998	3,482,731	96,778	215,890	41,706	38,891	36,255	105,321	4,017,572
1999	3,343,069	91,100	209,628	44,079	92,517	38,921	76,678	3,895,992
2000	2,787,080	42,141	1,591,624	46,395	122,535	56,370	60,065	4,706,210
2001	2,882,095	56,523	950,860	48,571	120,323	57,390	66,647	4,182,409
2002	3,019,423	55,012	892,464	51,095	51,002	47,024	115,192	4,231,212

Restatement of Taxes and Intergovernmental Revenues for 1995 due to changes in reporting requirements by State Auditor.

Source: Treasurer's Office, City of Madeira, Ohio

Table 2

## CITY OF MADEIRA, OHIO

General Fund Expenditures by Function  
(Last Ten Fiscal Years)

Year	Security of Persons and Property	Leisure Time Activity	Community Environment	Transportation	General Government	Debt Retirement	Interest & Fiscal Charges	Total
1993	\$1,263,883	\$70,104	\$2,681	\$522,588	\$517,879	\$0	\$0	\$2,377,135
1994	1,273,527	73,313	8,673	570,544	590,038	8,712	1,591	2,526,398
1995	1,374,660	84,788	8,526	751,187	548,249	26,409	4,395	2,798,214
1996	1,437,220	95,639	19,181	770,620	576,983	55,350	8,751	2,963,744
1997	1,585,175	92,492	17,154	720,105	654,628	58,145	6,502	3,134,201
1998	1,636,990	140,229	19,661	738,078	649,021	52,813	3,464	3,240,256
1999	1,779,869	78,125	9,970	839,699	615,594	37,056	897	3,361,210
2000	1,913,927	98,731	16,806	920,558	680,279	0	0	3,630,301
2001	1,930,067	97,034	19,637	951,894	714,361	0	0	3,712,993
2002	2,145,082	112,969	24,623	886,230	811,542	0	0	3,980,446

Source: Treasurer's Office, City of Madeira, Ohio

**CITY OF MADEIRA, OHIO**

Table 3

Assessed and Estimated Actual Value of Real Property  
(Last Ten Fiscal Years)

Tax Year/ Collection Year	Real Property		Personal Property Assessed Value	Public Utilities Assessed Value	Total Assessed Value
	Assessed Value	Estimated Actual Value (a)			
1992/1993	\$125,810,690	\$359,459,114	\$3,534,040	\$5,445,410	\$134,790,140
1993/1994	147,871,640	422,490,400	3,529,530	5,677,570	157,078,740
1994/1995	148,722,350	424,921,000	3,752,180	5,846,060	158,320,590
1995/1996	150,604,480	430,299,000	4,366,080	5,790,480	160,761,040
1996/1997	170,437,910	486,965,000	4,696,210	5,854,900	180,989,020
1997/1998	170,491,690	487,119,114	4,809,140	5,564,880	180,865,710
1998/1999	171,589,780	490,526,510	5,588,720	5,581,030	182,759,530
1999/2000	203,624,260	581,783,600	6,393,780	5,625,350	215,643,390
2000/2001	207,726,660	593,504,743	6,233,650	5,378,630	219,338,940
2001/2002	212,432,810	606,950,886	6,112,850	4,263,690	222,809,350

(a) Estimated actual value based on assessment level of 35%.

Source: Hamilton County Auditor

**CITY OF MADEIRA, OHIO**

Table 4

**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**  
 (Per \$1,000 of Assessed Valuation)  
 (Last Ten Fiscal Years)

Tax Year/ Collection Year	City of Madeira	Madeira City School District	Hamilton County	Cincinnati City School District	Great Oaks Joint Vocational School District	Indian Hill City School District
1992/1993	7.50	61.28	18.56	49.94	2.70	42.92
1993/1994	7.50	68.97	18.33	48.75	2.70	44.69
1994/1995	7.50	68.97	18.30	48.58	2.70	44.63
1995/1996	7.50	68.97	18.30	53.52	2.70	44.58
1996/1997	7.50	72.13	19.44	53.19	2.70	44.48
1997/1998	7.50	72.13	19.01	53.13	2.70	44.51
1998/1999	7.50	72.13	19.54	53.13	2.70	42.92
1999/2000	7.50	71.71	20.83	51.94	2.70	42.92
2000/2001	7.50	80.22	19.92	56.93	2.70	47.10
2001/2002	7.50	80.04	21.47	57.15	2.70	47.10

Source: Hamilton County Auditor

**CITY OF MADEIRA, OHIO**

Table 5

Property Tax Levies and Collection  
 Real and Public Utility  
 (Last Ten Fiscal Years)

<u>Tax Year/ Collection Year</u>	<u>Current Levy</u>	<u>Collection Including Delinquencies</u>	<u>Total Collections As Percent of Current Year</u>	<u>Accumulated Delinquency</u>
1992/1993	\$983,215	\$985,463	100.23%	13,201
1993/1994	1,150,569	1,152,334	100.15%	11,413
1994/1995	1,157,232	1,160,360	100.27%	34,340
1995/1996	1,173,097	1,169,884	99.73%	39,707
1996/1997	1,318,765	1,318,439	99.98%	37,914
1997/1998	1,324,589	1,316,182	99.37%	48,769
1998/1999	1,327,229	1,330,445	100.24%	50,487
1999/2000	1,562,538	1,557,263	99.66%	64,440
2000/2001	1,595,833	1,597,438	100.10%	44,811
2001/2002	1,624,168	1,625,522	100.08%	46,932

(a) In 1995 the Hamilton County Auditor revised its method of calculating delinquencies.

Source: Hamilton County Auditor  
 Hamilton County is responsible for billing and collecting  
 property taxes under Ohio law.

**CITY OF MADEIRA, OHIO**

Table 6

Computation of Legal Debt Margin  
December 31, 2002

	<u>Debt Outstanding</u>	<u>10.5% of Assessed Valuation</u>	<u>5.5% of Assessed Valuation</u>
Overall Debt Limitations		\$23,394,982	\$12,254,514
Gross Indebtedness	\$2,175,000		
Less: Bond Retirement Fund Balance	<u>(8,032)</u>		
Net Debt Within Limitations		<u>2,166,968</u>	<u>2,166,968</u>
Legal Debt Margin Within Limitations		<u><u>\$21,228,014</u></u>	<u><u>\$10,087,546</u></u>

Source: Treasurer's Office, City of Madeira, Ohio

**CITY OF MADEIRA, OHIO**

Table 7

Computation of Direct and Overlapping Debt  
December 31, 2002

	<u>Debt Outstanding</u>	<u>Percentage Applicable to City of Madeira</u>	<u>Amount Applicable to City of Madeira</u>
<b>Direct Debt</b>			
<b>City of Madeira</b>	\$2,175,000	100.00%	\$2,175,000
<b>Overlapping Debt</b>			
Hamilton County	130,790,000	1.28%	1,674,112
Madeira City School District	5,169,312	97.71%	5,050,935
Cincinnati City School District	260,020,000	0.01%	26,002
Subtotal	<u>395,979,312</u>		<u>6,751,049</u>
<b>TOTAL</b>	<u><u>\$398,154,312</u></u>		<u><u>\$8,926,049</u></u>

Source: Ohio Municipal Advisory Council

**CITY OF MADEIRA, OHIO**

Table 8

Ratio of Annual Debt Service Expenditures for General  
Bonded Debt to Total General Fund Expenditures  
(Last Ten Fiscal Years)

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>General Fund Expenditures</u>	<u>Ratio of Debt Service to General Fund Expenditures</u>
1993	\$135,000	\$164,719	\$299,719	\$2,379,068	0.1260
1994	135,000	155,225	290,225	2,526,398	0.1149
1995	135,000	145,731	280,731	2,798,214	0.1003
1996	140,000	136,238	276,238	2,963,744	0.0932
1997	135,000	126,450	261,450	3,134,201	0.0834
1998	135,000	116,956	251,956	3,240,256	0.0778
1999	10,000	125,407	135,407	3,361,210	0.0403
2000	185,000	108,385	293,385	3,630,301	0.0808
2001	190,000	101,632	291,632	3,712,993	0.0785
2002	200,000	94,368	294,368	3,980,446	0.0736

Source: Treasurer's Office, City of Madeira, Ohio



**CITY OF MADEIRA, OHIO**

Table 9

Ratio of Net General Bonded Debt to Assessed  
Valuation and Net Bonded Debt Per Capita  
(Last Ten Fiscal Years)

Year	Population (a)	Assessed Value (b)	Gross General Bonded Debt (c)	Less Balance		Net General Bonded Debt (c)	Ratio of Net Bonded Debt To Assessed Value	Net Bonded Debt Per Capita
				In General Obligation Bond Retirement Fund (c)(d)	General Bonded Debt (c)			
1993	9,141	\$125,810,690	\$2,190,000	\$162,773	\$2,027,227	0.0161	\$222	
1994	9,141	147,871,640	2,055,000	118,627	1,936,373	0.0131	211.83	
1995	9,141	148,722,350	1,920,000	90,412	1,829,588	0.0123	200.15	
1996	9,141	150,604,480	1,780,000	(3,113)	1,783,113	0.0118	195.07	
1997	9,141	170,437,910	1,645,000	8,829	1,636,171	0.0096	178.99	
1998	9,141	170,491,690	1,510,000	13,282	1,496,718	0.0088	163.74	
1999	9,141	171,589,780	2,750,000	139,900	2,610,100	0.0152	285.54	
2000	8,923	203,624,260	2,565,000	21,063	2,543,937	0.0125	285.10	
2001	8,923	207,726,660	2,375,000	3,119	2,371,881	0.0114	265.82	
2002	8,923	212,432,810	2,175,000	8,032	2,166,968	0.0102	242.85	

(a) Source: Federal Census

(b) Source: Hamilton County Auditor

(c) Source: Treasurer's Office, City of Madeira, Ohio

**CITY OF MADEIRA, OHIO**

Table 10

2000 U.S. Census  
Demographic Statistics

Population (2000)	8,923		
Per Capita Income (1989)	\$18,095		
Median Household Income (1989)	\$41,833		<u>Age Distribution (2000):</u>
Median Family Income (1989)	\$48,614		Under 5 Years 542
Number of Housing Units (2000)	3,484		5 to 14 Years 1,379
Persons Per Household (2000)	3		15 to 19 Years 622
Land Area (1990)	3.4 Sq. Miles		20 to 24 Years 226
Persons Per Square Mile (2000)	2,624		25 to 44 Years 2,230
Family Income Distribution (1990):			45 to 54 Years 1,392
Less than \$50,000	85		55 to 59 Years 431
\$50,000-\$99,999	1,351		60 to 64 Years 372
\$100,000-\$149,999	873		65 to 74 Years 772
\$150,000-\$199,999	290		75 to 84 Years 707
\$200,000-\$299,999	140		85 Years and Over 250
\$300,000 or More	39		Median Age 41.6

Source: U.S. Census of Population and Housing

**CITY OF MADEIRA, OHIO**

Table 11

Construction in Madeira  
(Last Ten Fiscal Years)

Year	Residential Construction		Commercial Construction	
	Number of Permits	Value	Number of Permits	Value
1993	300	\$3,758,847	NA	NA
1994	334	4,000,715	32	\$2,490,019
1995	411	4,546,372	47	1,659,726
1996	272	2,617,317	36	1,442,354
1997	274	3,271,230	38	2,784,255
1998	303	8,696,187	40	5,706,873
1999	271	7,058,757	57	7,636,090
2000	250	3,631,317	47	1,612,650
2001	264	6,511,502	33	1,353,816
2002	293	5,171,657	43	2,989,930

NA: Not available

Source: Treasurer's Office, Madeira, Ohio

**CITY OF MADEIRA, OHIO**

Table 12

Principal Real Estate Taxpayers

Real Estate Taxpayer	Assessed Valuation (a)	% of Total
Kenwood Country Club	\$3,854,930	1.8%
Cinergy	3,125,520	1.5%
Kenwood Galleria Corp.	3,059,950	1.4%
Edgewood Investment	1,394,010	0.7%
Burnett Square	1,204,110	0.6%
Steigler Realty	1,151,260	0.5%
Americana Health Care	1,145,940	0.5%
Cincinnati Bell Telephone	987,700	0.5%
Camargo Manor Realty Co.	850,240	0.4%
Park Place Partnership	743,860	0.4%
Lucero Cortez Properties	562,180	0.3%
Camargo Racquet Club, Inc.	507,710	0.2%
Total	\$18,587,410	8.8%
All Other Assessed Properties	193,845,400	91.2%
Total Assessed Value as of 12/31/02	\$212,432,810	100.0%

(a) Property is assessed 35 percent of estimated actual value.

Source: Hamilton County Auditor  
as of 12/02

**CITY OF MADEIRA, OHIO**

Table 13

2002 Real Estate Tax Valuations by Class

Classification	Land	Improvements	Total	Assessed	Class	% of Total Assessed
Total Agricultural	\$0	\$0	\$0	\$0	100-199	0.00%
Total Industrial	846,914	4,139,629	4,986,543	1,745,290	300-399	0.82%
Total Commercial	29,112,029	48,952,629	78,064,658	27,322,630	400-499	12.86%
Total Residential	131,916,514	391,693,029	523,609,543	183,263,340	500-599	86.25%
Total Public	42,943	247,200	290,143	101,550	600-699	0.05%
* Total Abated for Improvement and Renewal	0	126,600	126,600	44,310	700-799	0.02%
<b>Total All Valued Property</b>	<b>\$161,918,400</b>	<b>\$445,159,087</b>	<b>\$607,077,487</b>	<b>\$212,477,120</b>		<b>100.0%</b>

\* Non-taxpaying property owners

Source: Hamilton County Auditor  
as of 12/02

**CITY OF MADEIRA, OHIO**

Table 14

General Information  
December 31, 2002

Year of Incorporation	1910
Adopted Charter Form of Government	1959
Year Achieved City Status	1960
Form of Government	Council/Manager
Area	3.4 Square Miles
Miles of Streets	47
City Parks	Sellman and McDonald Commons
Residential Property Values	\$54,200 to \$900,000
Percent of Land Zoned for Business	15%
Full-Time Employees	26
Services Provided by Other Organizations/Agencies:	
Fire	Madeira/Indian Hill Joint Fire District
Library	Hamilton County Public Library
Recreational Facilities	Madeira Swim and Tennis Kenwood Hills Swim Club Kenwood Country Club
Sewer	Metropolitan Sewer District
Schools	Madeira Public Schools St. Gertrude Elementary School
Water	Indian Hill Cincinnati

Source: Treasurer's Office, City of Madeira, Ohio



**Auditor of State  
Betty Montgomery**

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800-282-0370

Facsimile 614-466-4490

**CITY OF MADEIRA**

**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  
AUGUST 12, 2003**