

**CITY OF MIAMISBURG, OHIO**

**Audit Reports Required by  
Government Auditing Standards  
Year Ended December 31, 2004**





**Auditor of State  
Betty Montgomery**

Members of City Council  
City of Miamisburg  
10 North First Street  
Miamisburg, Ohio 45342

We have reviewed the *Independent Auditor's Report* of the City of Miamisburg, Montgomery County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2004 to December 31, 2004. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Betty Montgomery".

BETTY MONTGOMERY  
Auditor of State

July 27, 2005

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CITY OF MIAMISBURG, OHIO

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Clark, Schaefer, Hackett & Co.  
CERTIFIED PUBLIC ACCOUNTANTS  
BUSINESS CONSULTANTS

Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*

City Council  
City of Miamisburg, Ohio  
10 N. First Street  
Miamisburg, Ohio 45343

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Miamisburg, Ohio (the City) as of and for the year ended December 31, 2004 and have issued our report thereon dated June 17, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion 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 that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud 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 operations that we consider to be material weaknesses.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted one matter involving compliance that we have reported to management of the City in a separate letter dated June 17, 2005.

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

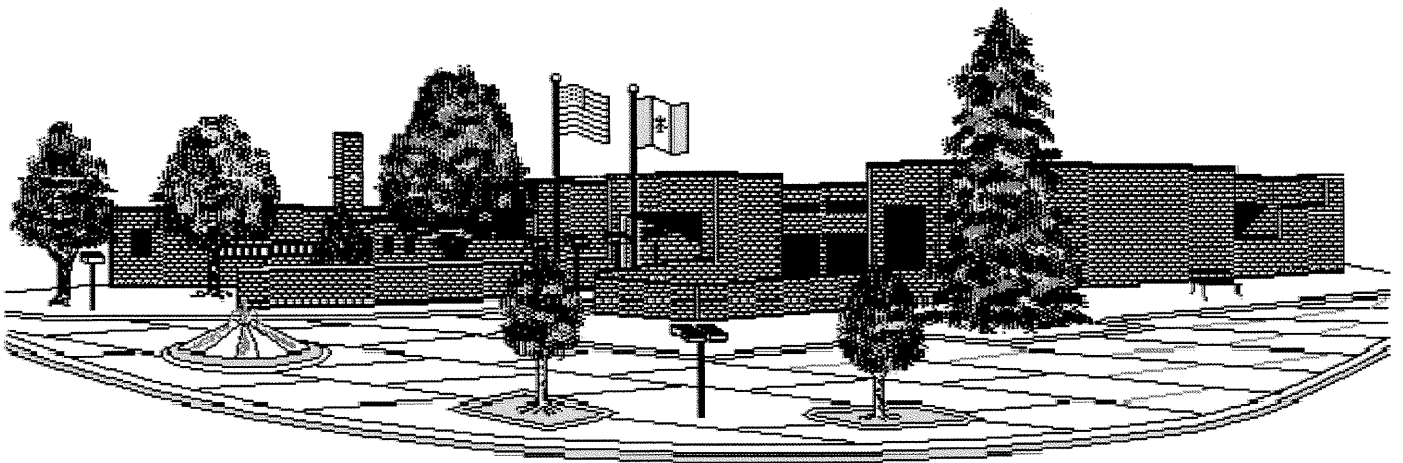
*Clark, Schaefer, Hach & Co*

Middletown, Ohio  
June 17, 2005





# City of Miamisburg, Ohio



Comprehensive Annual Financial Report  
For the year ended December 31, 2004



**INTRODUCTORY  
SECTION**

**CITY OF MIAMISBURG, OHIO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2004**

**Issued by:**  
**Finance Department**

**George S. Perrine**  
**Finance Director**

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CITY OF MIAMISBURG, OHIO  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED DECEMBER 31, 2004

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June 30, 2005

Honorable Mayor, Members of City Council  
and Citizens of Miamisburg, Ohio:

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Miamisburg, for the year ended December 31, 2004. This report contains the financial statements and other financial and statistical data that provide complete and full disclosure of all material financial aspects of the City of Miamisburg ("the City"). The responsibility for the accuracy and completeness of all data presented, and the fairness of the presentation, rests with the City, specifically with the City Finance Director's office.

This CAFR is divided into three sections as follows:

1. The Introductory Section contains the table of contents, letter of transmittal, certificate of achievement, a list of principal officials, and an organizational chart of the City.
2. The Financial Section begins with the Independent Auditors' Report and includes the management's discussion and analysis, the basic financial statements and notes to the basic financial statements that provide an overview of the City's financial position and operating results, the combining statements for nonmajor funds and other schedules that provide detailed information relative to the basic financial statements.
3. The Statistical Section presents social and economic data and financial trend information, and demonstrates the fiscal capacity of the City.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

## **CITY OVERVIEW**

The City of Miamisburg is located in southwestern Ohio in Montgomery County and was first settled in 1797. In 1818, the City was platted and named Miamisburg after the Miami Indians, who originally inhabited the area. In 1966, the citizens of the City adopted a home rule charter and approved a Council/Manager form of government. The legislative powers of the City are vested in a council of seven members, three of whom are elected at-large and four of whom are elected from wards established by the charter. The council members, who serve staggered four-year terms, appoint the City Manager. The Mayor of the City is elected separately to a four-year term. The City Manager appoints all department directors.

**City of Miamisburg  
Finance Department**

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## **CITY ORGANIZATION AND REPORTING ENTITY**

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the City are not misleading.

The primary government consists of all funds and departments which provide a full range of public services, including police protection, fire and emergency medical services (EMS), water supply and treatment, wastewater collection and treatment, refuse collection and disposal, street maintenance and repair, parks and recreation, economic development, planning and zoning, municipal court operations and general administrative services. The operation and control of these activities are provided by the City Council through the budgetary process and by the City Manager through administrative and managerial policies and procedures.

Component units are organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organizations governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations for which the City approves their budget, the issuance of their debt or the levying of their taxes. Currently, the City does not have any component units.

## **ECONOMIC CONDITION AND OUTLOOK**

Located in the southwestern part of the Dayton metropolitan region, Miamisburg has benefited from the general growth and development occurring within the Miami Valley. The City's eastern and southern edges continue to draw and attract both residential and commercial development. Though the region overall has traditionally been reliant upon automobile manufacturing and national defense spending as a base for employment, diversification has given the area economy greater stability.

The City of Miamisburg has experienced significant growth and development over the past two decades. The 2000 U.S. Census report indicated that the City's population increased 9.3% during the 1990s to 19,489. This followed the 1990 Census that reported Miamisburg had the largest percentage increase in population (17%) of any city in Montgomery County during the 1980s. This continuing growth was acknowledged in a joint study by *Ohio Business* magazine and Cleveland State University in December 2002 that ranked Miamisburg as one of 50 "growth cities" in the state. The study used an exclusive formula for measuring economic vibrancy, charting population growth, housing growth, median family income growth and labor force changes over the past decade. Population and land area growth have also occurred due to several annexations, and the current physical size of the City is 11.5 square miles.

The past decade also has proven to be one of transition for the City in its role as host to a U.S. Department of Energy (DOE) facility. Site of the "Mound" plant since the late 1940s, Miamisburg has benefited greatly over the years from federal payrolls. However, when DOE officials announced in 1991 that the Mound facility would be decommissioned after extensive environmental restoration, the City faced economic uncertainty. In the ensuing 13 years, that uncertainty has eased somewhat due to a diversification of the community's employment base and successful preliminary efforts to convert Mound to commercial use.

When the DOE announced it would cease its federal defense operations by the year 2005 at the Mound facility, the site contractor at the time, EG&G Mound Applied Technologies, had over 2,100 employees. At the end of 2004, the employment level totaled approximately 200 employees. In the face of this loss of Mound jobs, the City's economic reliance on the Mound facility has lessened. Total General Fund budget-basis revenues have increased from \$7.8 million in 1991 to \$12.9 million in 2004, an average annual rate of 5.0%. Meanwhile, the percentage of total General Fund revenues represented by the Mound contractor has decreased from 17% in 1991 to 2% in 2004. Growth and development in Miamisburg outside the Mound facility has more than offset the job losses within the facility. New jobs have been created in the City through concentrated efforts to attract light industrial, retail and service sector employers. In December 2002, CH2M Hill was selected to become the lead government contractor at Mound, charged with completing an accelerated cleanup of the site. The project is now scheduled to conclude in 2006.

In 1994, the economic redevelopment and reuse responsibility for Mound was shifted from the City to the Miamisburg Mound Community Improvement Corporation (MMCIC), an economic development organization created by the City under Ohio law. The MMCIC Board of Directors, consisting of seven business, community and City government representatives, renamed the facility the Mound Advanced Technology Center (MATC) to bring together private businesses and the tremendous technological assets residing within the complex. The MMCIC has been granted \$38.8 million in committed funds from the DOE and other federal, state and local agencies for economic development and conversion activity, and the early results have been very positive. Approximately 20 private businesses with over 200 new non-governmental jobs are now located within the MATC. Through these activities, the City is positioning itself to be even more diversified in its employer base and better able to serve the citizens of Miamisburg in any economic climate. An ownership agreement was reached in 1998 whereby parcels of Mound property would be conveyed to the MMCIC as they become available and as environmental restoration occurs. To date, 126 acres of the 306-acre site have been transferred.

Mound has been surpassed as Miamisburg's largest employer. Those honors currently belong to the Kettering Medical Center, which operates Sycamore Hospital in the City, and Paxar Corp., formerly Monarch Marking Systems. The Kettering Medical Center Network employment rose dramatically when it brought over 350 new jobs to Miamisburg in 2002 following construction of a \$6 million administrative support building on its Sycamore campus. Other major employers in the City include Dayco, Dayton/Richmond, Huffy Corp., Miamisburg City School District, O'Neil and Associates, Shore-to-Shore, TNT Logistics, Traders Publishing and United Grinding.

The City ended 2004 with a budget basis General Fund balance of \$3.4 million which is approximately 27 percent of the general fund annual expenditures. This favorable ratio indicates the City could operate for more than three months without receiving any current revenue to fund operations.

## **MAJOR INITIATIVES**

### **For The Year**

The issues and decisions for City of Miamisburg officials were challenging in 2004. The City tackled important matters pertaining to the safety of residents, traditional municipal services, the City's role in energy aggregation and a fragile budget condition, among others. These were issues that had far-reaching effects in the community, or may have directly impacted the day-to-day lives of citizens. City officials tackled these tough issues directly with hard work, research and thoughtful consideration.

The Mayor, City Council and City administration of Miamisburg take a responsible approach to decision-making, balancing current needs with future planning. It is a sound method that ensures the community continues on its path of progress in a fiscally responsible manner. In the area of future planning, significant resources continue to be devoted to the two long-term initiatives identified in the late 1990s by Council as priority community issues: 1) downtown revitalization; and 2) the aforementioned reuse of the federal government's Mound facility. There were several positive developments on both fronts in 2004.

In the downtown district, progress could be seen in efforts to put into place a comprehensive master plan. City officials contend that downtown is not only a cherished piece of Miamisburg's heritage, but also a vital part of its future. The master plan was created to provide a blueprint for revitalization and historic preservation, and an agency called Downtown Miamisburg, Inc. (DMI) is setting the direction for implementing the plan. Among the major achievements downtown in 2004 was the successful acquisition of property between the business district and the nearby Great Miami River. In the master plan, this area is designated for future park space intended to serve as a gathering place that attracts people to the business district. It also provides the added benefit of providing a safeguard for the City's wellfields along the River. To make the acquisition of this property possible, the City utilized funds from two separate CleanOhio grants obtained from the State of Ohio totaling nearly \$700,000. During the year, the City moved through most of Phases I and II to purchase and clear numerous parcels.

Secondly downtown, the City completed a project to enhance two gateways into this area. Federally funded streetscape improvements occurred at two main intersections to provide distinct entrances at Linden and Main, and Central and First. The intent of this project was to help provide more of a distinctive identity to downtown, and this will continue in early 2005 as new and improved signage will be installed there.

The major highlight involving Mound facility reuse involved the first private new construction project on site. With available leasing space at a minimum on site, the MMCIC in 2004 completed construction of a new 24,000-square-foot commercial building near the entrance on Dayton-Cincinnati Pike. This new flexible-use facility attracted a company named RPS Technologies to become its first tenant.

Secondly, the MMCIC also coordinated road improvements on Benner Road near the new building. This was the second phase of improvements on this section of Benner and was made possible by a \$300,000 grant by the federal Economic Development Administration.

Thirdly, MMCIC, City and Mound officials worked with regulators on a plan to connect water and sewer systems at Mound with the surrounding municipal systems. Mound existed for 50 years as a type of self-contained city of its own, which was essential at the time as a top secret defense facility. Now, however, integrating the utilities on this complex with those utilities that serve Miamisburg citizens is an essential piece of the puzzle in the effort to blend Mound back into the community.

To keep up with continuing growth in the community, capital improvement projects are critical. In early 2004, the City completed the few remaining items on a major \$6.5 million project to renovate and expand its Water Reclamation Facility, which was fully operational in the latter part of 2003. Funded by sewer capital improvement funds and debt, this project took over four years to complete. Its purpose was to expand the treatment capacity of the facility, replace outdated equipment, improve the treatment processes and meet increasing EPA requirements.

Completion of this project was followed later in the year by the kick-off to a similar expansion project of the City's Water Treatment Plant, which is scheduled to span 18 months. Together, these two projects represent a total investment of nearly \$10 million in the City's water utility system. Importantly, a regional rate survey conducted annually has indicated for many years that the rates paid by Miamisburg water and sewer users are below average in Southwest Ohio.

A second significant capital project completed in 2004 added a unique, new component to the City's Parks and Recreation offerings. A new BMX Bike Trail in Community Park was dedicated in July at a public ceremony that included a ribbon-cutting ceremony and a demonstration by professional BMX bikers. Community Park, the site of Miamisburg's former public swimming pool, is becoming one of the crown jewels of the City's park system. The new BMX Bike Trail was made possible thanks to generous contributions from the Miamisburg Rotary Club, Huffey Corp., the Miami Conservancy District and a local citizens committee.

The third major capital project completed last year in the City was courtesy of Montgomery County and the State of Ohio. A bridge on North Heincke Road was reconstructed by the County Engineer with funding obtained in the State's Issue 2 program.

Issue 2 and the CleanOhio funds referenced previously are examples of how the City of Miamisburg aggressively pursues grant funding to supplement its budget. These monies greatly enhance the City's ability to initiate capital projects, make major purchases or expand basic services. Other good examples of grant acquisitions in 2004 occurred in the area of public safety.

For the second consecutive year, the Miamisburg Fire Department was awarded a Fire Act grant from the Federal Emergency Management Agency. This award was in the amount of over \$96,000 and required a City match of only \$11,000. One portion of the funding was used to replace building generators at the Miamisburg Civic Center and at Fire Station #54, which serve as the City's two Emergency Operations Centers. Part two of the grant was designated for the replacement of aging rescue tools and accessories. The Fire Act Grant Program was initiated by the President and Congress following the 9-11 terrorist attacks, and Miamisburg has been an eager participant in the application process. In addition, earlier in the year the Fire Department also acquired a \$2,100 grant from the State EMS Board for the purchase of medical equipment and supplies.

On the police side, the successful acquisition of grant funding enabled the Department to sharpen its focus on the important downtown district. A new 2004 program called the Downtown Citizens Police Initiative (DCPI) was made possible by a \$60,000 grant from the Ohio Office of Criminal Justice Services. Combined with a generous donation from a local festival committee, it enabled the City to assign a full-time officer to downtown and fund additional police overtime in this area. Statistics indicate that the DCPI program had positive results in 2004, so City officials were pleased when a second year of state funding was acquired for 2005, when the local matching funds will be donated by a fraternal organization. To further enhance police visibility downtown, a satellite office was established downtown for the DCPI officer. This office space was graciously donated by downtown building owners.

Whether it's Police and Fire or other Departments like Engineering, Public Works or Development, both City Council and staff are keenly focused on providing the finest in municipal services. The City is continually evaluating its operation to ensure that it is meeting the needs of citizens and performing in accordance with the best practices of local government.

Parks and Recreation is a service that the community has taken great pride in for many years. As referenced earlier with the new BMX Bike Trail, the City's facilities and programming have continued to expand and improve. The Parks and Recreation Department in 2004 received affirmation that its services are being provided in a manner consistent with the highest industry standards. Successfully concluding a three-year process of self-evaluation and peer analysis, the Department earned national accreditation from the Commission for Accreditation of Park and Recreation Agencies (CAPRA). With only 54 recreation providers in the nation having earned this distinction, it was a major achievement. Miamisburg met 100 percent of the accreditation standards in 10 different categories, meaning citizens can be assured that the Parks and Recreation services being offered by their local government are high quality and well administered.

Among the other significant developments during the year:

- The City of Miamisburg joined with several other South Dayton suburban communities in declining to offer a joint natural gas program for 2005. These cities had jointly aggregated their households into a large buying pool the previous year in response to Ohio's deregulated energy environment and coordinated a fixed, one-year natural gas service offer to residents from Shell Energy. As that one-year agreement was nearing an end, the cities again conducted a competitive bidding process for natural gas and concluded that there were no tangible benefits available in the marketplace at that time.
- The City completed one annexation during 2004 involving 47 acres on South Union Road that expanded the City's northwest border. This annexation was initiated by owners of the property and was approved by Montgomery County Commissioners.
- The City conducted a six-month process to evaluate the management services being provided at its PipeStone and Mound golf courses. After extensive review, a selection committee recommended that Kemper Sports Management be retained as operator of the courses for at least a three-year period.
- The City's volunteer program, known as MOVE (Miamisburg Offers Volunteer Excellence), continues to be a popular way for citizens to be involved in local government and results in significant cost savings to the City. In 2004, there were 395 volunteers who participated in the program and logged 24,942 hours. Volunteers provide a variety of services including, but not limited to, organizing and staffing senior adult programs, delivering home meals to the elderly, preparing newsletters for mailing, serving as receptionists and office assistants, sorting and delivering mail and serving as auxiliary police officers. These volunteers saved the City over \$208,000 based on part-time, entry-level wages.

#### For The Future

Some of the more common challenges being faced today at various levels of government are budgetary in nature, and the City of Miamisburg is no different. Our local government completed 2003 with an operating deficit of \$983,000. Contributing factors included decreasing interest income, a sluggish national economy, continuing increases in health care expenses, declining revenue from the Mound facility and a freeze in Local Government Funds from the State of Ohio.

With aggressive remedies that addressed both revenues and expenses, City Council adopted a 2004 budget that was expected to balance. However, at mid-2004 the City projected an unprecedented second consecutive year of declining General Fund revenues and a year-end budget deficit of approximately \$500,000. To manage these circumstances, Council used the discretion it possesses under the City charter to redirect one-tenth of 1% of City income tax collections from the Capital Improvement Fund to the General Fund. As a result of this decision and other measures, the projected 2004 deficit was turned into a modest surplus of \$158,000.

Unfortunately, like 74% of Midwest cities (as reported in a National League of Cities' survey), Miamisburg anticipates continued deteriorating fiscal conditions in 2005. In addition to the contributing factors cited above, Ohio cities were faced with the additional possibility of severe cuts or an elimination of the Local Government Funds being strongly considered by State legislators. Thus, with a projected budget deficit again in the \$1 million range, Miamisburg City Council decided to continue directing the discretionary income tax percentage to the General Fund. This alone is expected to reduce that deficit in half for the year. By implementing other budget adjustments, including personnel modifications, the City projects a budget deficit of \$300,000.

Looking ahead, among keys to the future growth in the City's revenue stream will be development of the Alexandersville Road business corridor, the continuing increase in private sector jobs at the Mound facility and a proposed new interchange on Interstate-75 near Miamisburg's southeast boundary. Concerns include the condition of the local economy, the future of the Local Government Funds, the impact of income tax increases in neighboring communities and employment levels at Huff, which has filed for Chapter 11 bankruptcy protection.

In spite of its fiscal challenges, the City recognizes the importance of continuing with capital investments in the community wherever possible. With the aforementioned shifting of a portion of the City's income tax revenues away from the Capital Improvement Fund, the scheduled projects are austere. Priorities are road maintenance programs, essential equipment purchases and local funds needed to match grant-funded projects.

The following information summarizes some of the more significant budget highlights planned for 2005:

Due to the importance of road maintenance, the capital budget does not decrease funding for the City's three road maintenance programs (paving; surface treatment; and sidewalk, curb and gutter). These are budgeted for \$347,500 in 2005. In addition, there is \$125,500 allocated in matching funds for replacement of the bridge on Kercher Street between Tenth and Eleventh streets. State Issue 2 funds in the amount of \$376,500 are making this project possible. Issue 2 has been a great benefit over the years to Miamisburg infrastructure projects, and the City will continue to look to this source for future assistance.

In the Police Department, funds are allocated for the purchase of three cruisers (\$70,000), one detective's vehicle (\$18,000) and cruiser equipment (\$10,000).

The grant-matching funds allocated in the budget are for downtown-related projects. The Business Improvement Program is funded with \$125,000 in Community Development Block Grant funds, with \$25,000 City match in capital funds. This program is an important part of downtown redevelopment efforts and has been successful in the past in spurring significant private investment downtown. Also, \$222,000 is budgeted in the Income Tax Facility Fund as the local match for a CleanOhio grant being sought to fund a third phase of property acquisitions along the riverfront.



Finally, Parks and Recreation capital funding in the amount of \$72,500 is budgeted for creation of a new 10-year master plan for the Department. There also is \$30,000 allocated for the ongoing replacement, upgrade and maintenance for public buildings and grounds.

## **FINANCIAL MANAGEMENT**

The City's records are maintained on a cash basis for all fund types. Prior to the year-end closing, adjusting entries were prepared for the various funds to convert the cash basis records to the modified accrual basis for all governmental fund statements and the accrual basis for the government-wide statements and proprietary fund statements. The modified accrual basis of accounting requires that revenues be recognized when they are both measurable and available. Expenditures, other than interest and principal on long-term debt, are generally recorded when the related fund liability is incurred. The accrual basis of accounting used for the proprietary funds recognizes revenues when earned and expenses when incurred.

This is the second year the City has reported its financial statements in accordance with the reporting model prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments.

### **Internal Control Structure and Budgetary Controls**

Development of the City's accounting system included consideration of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements.

The concept of reasonable assurance states that internal controls should be evaluated to ensure that the expense associated with providing internal controls does not exceed the benefit expected to be derived from their implementation.

This evaluation involves estimates and judgments by the City administration and Finance Department. The administrative and financial management personnel believe that the City's financial controls adequately safeguard existing assets and provide reasonable assurance of the proper recording of financial transactions.

Budgetary control is maintained by the encumbrance of purchase amounts prior to the release of purchase orders to vendors. Purchase orders are not issued when insufficient appropriations preclude the encumbrance of the amount of the purchase.

### **Cash Management**

Cash temporarily idle during the year was invested in various treasury and agency instruments, certificates of deposit and STAR Ohio. Total interest earned during the year ended December 31, 2004, was \$524,361. In November 1999, City Council adopted an investment and deposit policy. The primary objectives of the City's investment policy are to minimize credit and market risks while maintaining a competitive yield on the City's investment portfolio.

The deposits not covered by federal deposit insurance are collateralized with pooled securities held by the pledging financial institution's trust departments or agent but not in the City's name. Note 5 outlines the City's policies and procedures for deposits and investments and categorizes the risk of the investments held at year end.

### Risk Management

The City is exposed to various risks of loss related to torts, thefts of, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. The City has joined the Miami Valley Risk Management Association, Inc. (MVRMA, Inc.) a joint insurance pool. The pool consists of nineteen municipalities who pool risk for property, crime, liability, boiler and machinery and public official liability.

The City pays an annual premium to MVRMA, Inc. for this coverage. The agreement provides that the MVRMA, Inc. will be self-sustaining through member premiums and the purchase of excess and stop-loss insurance. The deductible per occurrence for all types of claims is \$2,500. The self-insured retention is \$1 million for liability (an increase of \$500,000 from the prior year) and \$250,000 for property. Excess insurance coverage will cover additional claims up to the limits listed below:

- |   |  |
|---|--|
| ➤ General Liability (including law enforcement) | \$2 million per occurrence                                       |
| ➤ Automobile Liability                          | \$2 million per occurrence                                       |
| ➤ Public Officials Liability                    | \$2 million excess \$1 million (\$16 million aggregate per city) |
| ➤ Employment Practice Liability                 | \$2 million excess \$1 million SIR                               |
| ➤ Boiler and Machinery                          | \$100 million per occurrence                                     |
| ➤ Property                                      | \$100 million per occurrence                                     |
| ➤ Flood and Earthquake                          | \$25 million annual aggregate                                    |

The City joined a workers' compensation group rating plan, which allows local governments to group the experience of employers for workers' compensation rating purposes. The City pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. The City partially provides medical and life insurance for all full-time employees. Employees are required to share in the costs of their medical plan. Anthem Blue Cross/Blue Shield provides medical insurance and Community National provides life insurance.

### OTHER INFORMATION

#### Independent Audit

A state statute requires an annual audit by the State Auditor's Office or, at the State Auditor's discretion, by an independent certified public accounting firm. The City and the State Auditor's Office selected the firm of Clark, Schaefer, Hackett and Company to perform the 2004 audit of the City. The auditor's unqualified opinion is included in the financial section of the report.

Certificate of Achievement

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2003. To achieve this award, the City published a CAFR which not only satisfied generally accepted accounting principles and applicable legal requirements, but also was efficiently organized and concisely written.

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

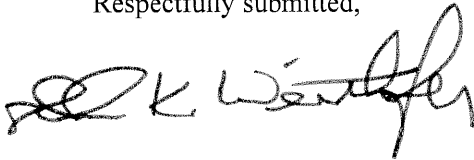
The Certificate is the highest form of recognition in the area of governmental financial reporting and its attainment is a significant accomplishment by a governmental unit.

Acknowledgments

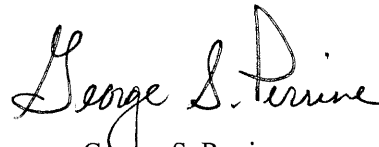
Preparation of the comprehensive annual financial report represents months of effort by many members of staff. The Finance Department staff has worked diligently to gather the data for this report while still attending to the day-to-day responsibilities of the department.

Sincere appreciation is extended to the Mayor and City Council, whose guidance and support represent an invaluable asset in managing the financial affairs and reporting requirements of the City of Miamisburg.

Respectfully submitted,



John K. Weithofer  
City Manager



George S. Perrine  
Finance Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Miamisburg,  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2003

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.



*Nancy L. Zjelka*

President

*Jeffrey R. Emer*

Executive Director

**CITY OF MIAMISBURG, OHIO**  
**LIST OF PRINCIPAL OFFICIALS**

**CITY COUNCIL**

Richard C. Church, Jr., Mayor

Bob Faulkner, Vice-Mayor

Jane Chance

Tom Dearth

Lisa Hughes

Tom Nicholas

Darin Preston

Mady Ransdell

**CITY MANAGER**

John K. Weithofer

**ASSISTANT CITY MANAGER**

Dody Bruck

**DIRECTOR OF LAW**

K. Philip Callahan

**DEPARTMENT DIRECTORS**

Keith Johnson, Economic Development and Planning

Robert Stanley, Engineering

George Perrine, Finance

Robert Bobbitt, Fire

Rebecca Benna, Parks and Recreation

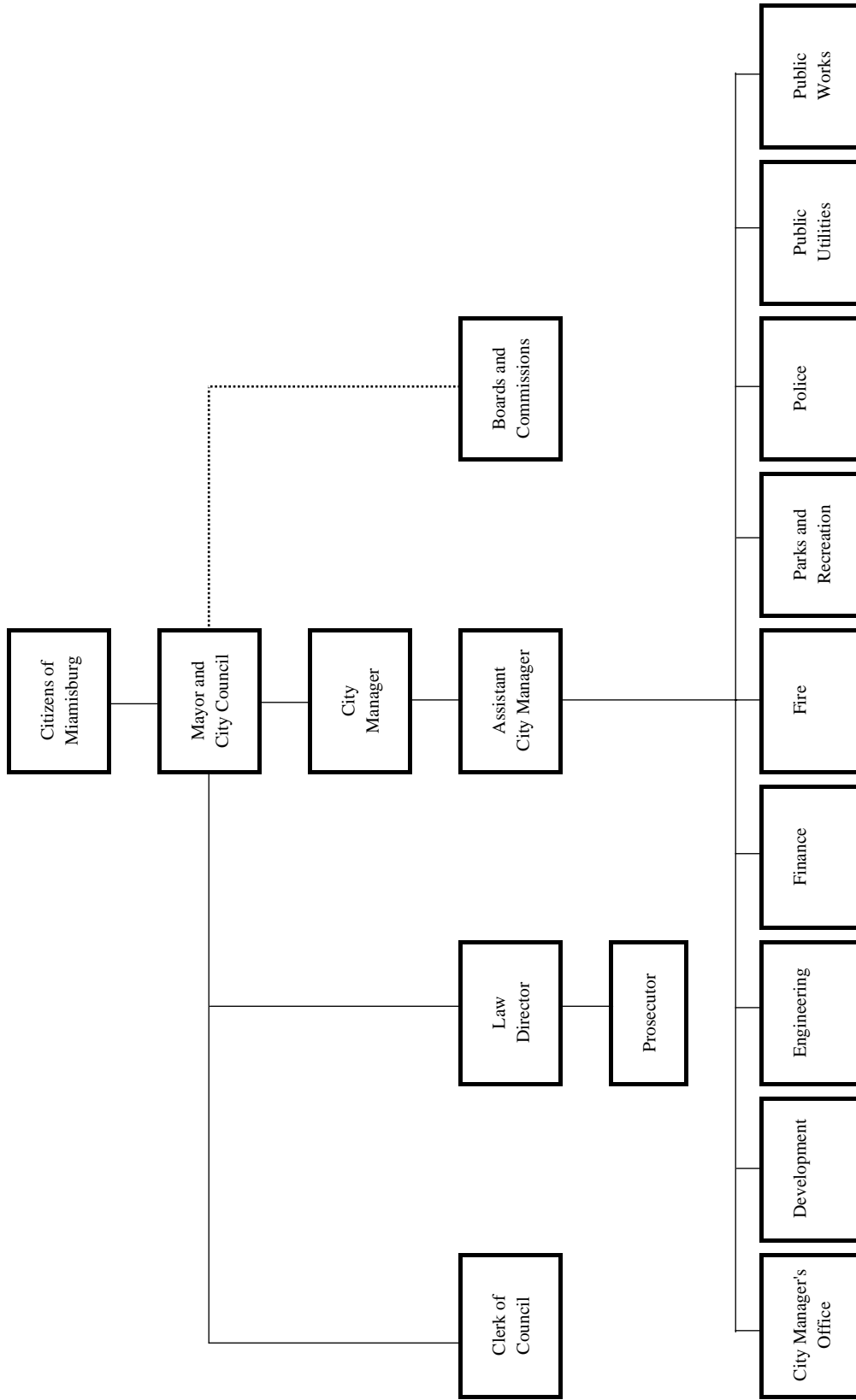
John Sedlak, Police

Larry Retherford, Public Works

Steve Morrison, Public Utilities

# CITY OF MIAMISBURG, OHIO

## ORGANIZATIONAL CHART



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**FINANCIAL**  
**SECTION**



Clark, Schaefer, Hackett & Co.  
CERTIFIED PUBLIC ACCOUNTANTS  
BUSINESS CONSULTANTS

Independent Auditors' Report

City Council  
City of Miamisburg, Ohio  
10 North First Street  
Miamisburg, Ohio 45343

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Miamisburg, Ohio (the City) as of and for the year ended December 31, 2004, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Miamisburg, Ohio as of December 31, 2004, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the General and Municipal Trust funds 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 17, 2005 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 – 11 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Miamisburg, Ohio's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Clark, Schaefer, Hackett PC.*

Middletown, Ohio  
June 17, 2005

**CITY OF MIAMISBURG, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**  
(Unaudited)

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The discussion and analysis of the City of Miamisburg, Ohio's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2004. The intent of this discussion and analysis is to look at the City's financial performance as a whole; Readers should also review the financial statements and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

**Financial Highlights**

Key financial highlights for the year ended December 31, 2004 are as follows:

- Total net assets decreased by \$1.4 million, which represents approximately 2.6 percent of the net assets at the beginning of 2004. While the governmental activities realized a small increase in net assets, less than \$10,000, the business-type activities decreased by nearly \$1.4 million.
- Total assets of governmental activities increased slightly by approximately \$215,000, attributed predominantly to the City's effort to control discretionary spending throughout the year. Overall, the governmental expenses, including net transfers, increased just over three percent from the amounts reported for 2003.
- Overall, the assets of the City's business-type activities decreased by \$127,000 which is almost entirely attributable to costs incurred in facility improvements which are not capitalized, as well as increasing costs of operation. Long-term liabilities increased by nearly \$1.1 million due to the issuance of revenue bonds to finance the waterworks facility improvement project. The ending unrestricted net assets of all business-type activities funds remained a healthy \$6.5 million at December 31, 2004.
- The \$3.7 million unreserved, undesignated ending fund balance reported in the General Fund represents 29 percent of the total expenditures and transfers out reported in the General Fund for 2004. All major governmental funds realized small increases in fund balance for the year, with the exception of municipal trust fund. The decrease in the municipal trust fund was attributed entirely to the decrease in the market value of investments at December 31, 2004 from the value reported in 2003.
- On a budgetary basis, the deficit realized by the general fund (approximately \$62,500) represented a decrease of nearly 1.8 percent of the fund balance at the beginning of the year. Less than expected income tax receipts and receipts from property taxes and charges for services contributed to this slight deficit. Ending budgetary fund balance remained at approximately 26 percent of the general fund's annual expenditures.

**Using this Annual Financial Report**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the City of Miamisburg, Ohio as a financial whole. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole City, presenting both an aggregated view of the City's finances and a longer-term view of those statements. Major fund financial statements provide the next level of detail. For governmental funds, these financial statements tell how services were financed in the short-term as well as the amount of funds available for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column.

**CITY OF MIAMISBURG, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**  
(Unaudited)

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**Reporting the City as a Whole**

*Statement of Net Assets and the Statement of Activities*

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2004?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net assets and changes in those assets. This change informs the reader whether the City's financial position, as a whole, has improved or diminished. In evaluating the overall financial health, the reader of these financial statements should take into account non-financial factors that also impact the City's financial well being. Some of these factors include the City's tax base and the condition of its capital assets. In the Statement of Net Assets and the Statement of Activities, the financial information of the City is divided into two kinds of activities:

- **Governmental Activities** – Most of the City's services are reported here including police and fire protection, parks and recreation, community environment, street repair and maintenance, and general government.
- **Business-Type Activities** – These activities include the golf, sewer, and water operations where the fees charged for these services are based upon the amount of usage and the intent is to recoup operational costs through the user fees.

**Reporting the City's Most Significant Funds**

*Fund Financial Statements*

Fund financial reports provide detailed information about each major fund. The major funds of the City include the General, Municipal Trust, Capital Improvement, Golf, Water and Sewer funds. The City uses many funds to account for a multitude of financial transactions. However, the focus of the fund financial statements is on the City's most significant funds, and therefore only the major funds are presented in separate columns. All other funds are combined into one column for reporting purposes.

Governmental Funds

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

**CITY OF MIAMISBURG, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**  
(Unaudited)

Proprietary Funds

When the City charges citizens for the services it provides, with the intent of recouping operating costs, these services are generally reported in proprietary funds. Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match. Internal service funds are used to report activities that provide services to the City's other funds and departments.

Fiduciary Funds

The financial activity of custodial funds, for which the City acts as the fiscal agent, is reported separately in the Statement of Assets and Liabilities. This financial activity is excluded from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring the assets reported in these funds are used for their intended purposes.

**The City as a Whole**

Recall that the Statement of Net Assets provides the perspective of the City as a whole. In the case of the City of Miamisburg, Ohio, assets exceeded liabilities by a total of \$52.5 million at December 31, 2004.

Table 1 provides a summary of the City's net assets for 2004 compared to 2003:

TABLE 1  
NET ASSETS  
(in 000s)

	Governmental Activities		Business-Type Activities		Total	
	2004	2003	2004	2003	2004	2003
<b>Assets:</b>						
Current and Other Assets	\$ 19,333	\$ 19,162	\$ 9,593	\$ 9,399	\$ 28,926	\$ 28,561
Capital Assets, Net	18,450	18,406	33,803	34,124	52,253	52,530
<b>Total Assets</b>	<b>37,783</b>	<b>37,568</b>	<b>43,396</b>	<b>43,523</b>	<b>81,179</b>	<b>81,091</b>
<b>Liabilities:</b>						
Current and Other Liabilities	3,797	3,587	464	282	4,261	3,869
<b>Long-Term Liabilities:</b>						
Due within One Year	616	547	1,364	1,208	1,980	1,755
Due in more than One Year	5,410	5,482	16,994	16,082	22,404	21,564
<b>Total Liabilities</b>	<b>9,823</b>	<b>9,616</b>	<b>18,822</b>	<b>17,572</b>	<b>28,645</b>	<b>27,188</b>
<b>Net Assets:</b>						
Invested in Capital Assets, Net of Related Debt	14,540	14,171	16,479	16,355	31,019	30,526
<b>Restricted:</b>						
Municipal Trust	5,471	5,569	-	-	5,471	5,569
Debt Service	316	552	1,588	1,491	1,904	2,043
Capital Projects	30	127	-	-	30	127
Other Purposes	994	920	-	-	994	920
Unrestricted	6,609	6,613	6,507	8,105	13,116	14,718
<b>Total Net Assets</b>	<b>\$ 27,960</b>	<b>\$ 27,952</b>	<b>\$ 24,574</b>	<b>\$ 25,951</b>	<b>\$ 52,534</b>	<b>\$ 53,903</b>

**CITY OF MIAMISBURG, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**  
(Unaudited)

As displayed in Table 1, total net assets of the City decreased by approximately \$1.4 million from 2003 to 2004. The decrease was due primarily to the recognition of depreciation expense on the capital assets of the City. In recent years, the City has invested heavily in its capital assets, including a significant renovation and expansion of the wastewater facility. This facility became operational in the latter stages of 2003, therefore 2004 was the first complete year depreciation was charged against the net assets of the business-type activities. Also, street repair and maintenance costs were incurred during 2004, however, these projects did not meet the City's criteria for capitalization and therefore are reported as functional costs in the governmental activities.

Table 2 shows the different accounts which account for the changes in the governmental and business-type net assets for the year ended December 31, 2004 compared with the prior year.

TABLE 2  
CHANGE IN NET ASSETS (in 000s)

	Governmental Activities		Business-Type Activities		Total	
	2004	2003	2004	2003	2004	2003
Revenues:						
Program Revenues:						
Charges for Services	\$ 3,298	\$ 2,440	\$ 4,489	\$ 4,928	\$ 7,787	\$ 7,368
Operating Grants/Contributions	1,600	1,241	-	-	1,600	1,241
Capital Grants/Contributions	297	159	187	-	484	159
General Revenues:						
Municipal Income Taxes	8,470	8,233	1,358	1,354	9,828	9,587
Property and Other Taxes	2,523	2,617	-	-	2,523	2,617
Grants and Entitlements	892	1,542	-	-	892	1,542
Other	836	632	177	267	1,013	899
Total Revenues	17,916	16,864	6,211	6,549	24,127	23,413
Program Expenses:						
Security of Person & Property	8,152	7,876	-	-	8,152	7,876
Public Health Services	10	21	-	-	10	21
Leisure Time Activities	1,723	1,840	-	-	1,723	1,840
Community Environment	812	792	-	-	812	792
Basic Utility Services	855	956	-	-	855	956
Transportation	2,536	1,852	-	-	2,536	1,852
General Government	3,592	3,256	-	-	3,592	3,256
Interest and Fiscal Charges	164	321	-	-	164	321
Golf	-	-	1,747	1,560	1,747	1,560
Water	-	-	2,849	2,336	2,849	2,336
Sewer	-	-	3,056	2,290	3,056	2,290
Total Expenses	17,844	16,914	7,652	6,186	25,496	23,100
Excess(Deficit) before Transfers	72	(50)	(1,441)	363	(1,369)	313
Transfers	(64)	288	64	(288)	-	-
Change in Net Assets	\$ 8	\$ 238	\$ (1,377)	\$ 75	\$ (1,369)	\$ 313

On the revenue side, the increase in charges for services for the governmental activities reported for 2004 is attributed to the City's instituting a refuse collection fee in 2004. The City had never charged for this service previously, however, the cost of collection and disposal of the refuse started to strain the operating budget of the City; therefore, the fee was reluctantly enacted to offset those operating costs. The slight increase in municipal income tax revenue was offset by the small decrease in property and other local taxes. The decrease in property taxes results from the manner in which certain components of personal property taxes are being phased out by the State. The reduction in Grants and entitlements related to State budget limitation passed on to local government as well as a reduction in the amount recorded as a receivable at year end associated with estate taxes.

**CITY OF MIAMISBURG, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**  
(Unaudited)

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In addition to the normal annual increases in expenses (increases in wages, insurance premiums, as well as goods and services procured) the most significant reason for increases in the expenses of both categories is that current year depreciation being charged against those departments and activities exceeded current year capital outlay. As mentioned above, the City's efforts in the recent past to invest in capital assets are now being systematically allocated over the life of those assets through depreciation expense. The depreciation expense is reported as a direct program expense of the function or activity.

*Governmental Activities*

During 2004, total net assets reported in the governmental activities increased by approximately \$8,000. The primary reason for this increase was management's tight control over budget accounts. Despite realizing less than expected revenues for 2004, expenses were contained to counter-balance the revenue side.

Table 3 shows the percentage of total expenses each functional area comprises, the net cost of each functional area and the percentage of each functional area expenses financed with general revenue for the 2004 year.

TABLE 3  
ANALYSIS OF PROGRAM EXPENSES  
GOVERNMENTAL ACTIVITIES

	Percentage of Total Program Expenses	Net Expenses of Function	Percentage of Function Financed with General Revenues
Security of Person & Property	45.68 %	\$ 7,605,037	93.29 %
Public Health	0.06 %	9,589	100.00 %
Leisure Time Activities	9.66 %	1,120,696	65.05 %
Community Environment	4.55 %	212,420	26.17 %
Basic Utility Services	4.79 %	52,071	6.09 %
Transportation	14.21 %	1,604,166	63.25 %
General Government	20.13 %	1,880,120	52.34 %
Interest & Fiscal Charges	0.92 %	164,253	100.00 %
<b>Total</b>	<b>100.00 %</b>	<b>\$ 12,648,352</b>	<b>70.88 %</b>

As indicated by Table 3, the City is spending the majority of its resources (55.3 percent) on security of person and property and leisure time activities. While the operation of the police and fire departments is 46 percent of total program expenses, revenues generated by those two departments covers only 6.7 percent of functional expenses. This means that general revenues collected by the city, principally municipal income taxes and property taxes, must cover the remaining 93.3 percent of those department expenses. Fees generated by the parks and recreation department and senior center help offset the expenses reported for the leisure time activities function.

General government functions, principally legislation, administration and judicial activities, comprise 20.1 percent of the total governmental expenses. Court costs and fees generated by licenses and permits financed approximately 48 percent of the general government functional expenses while the remaining 52 percent comes from general revenue sources. Operating grants received from the State of Ohio provided funding for approximately 36.75 percent of the expenses incurred in the transportation function. The refuse collection fee instituted by the City during 2004, along with storm sewer fees, provides 94 percent of funding for that function. In total, program revenues offset over 29 percent of governmental program expenses while general revenues cover the remaining 71 percent.

**CITY OF MIAMISBURG, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**  
(Unaudited)

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*Business-Type Activities*

The City's business-type activities include golf, sewer and water operations.

Golf – The City operates two municipal golf courses; PipeStone golf course is an eighteen hole championship golf course and Mound golf course is a nine hole course. The activities at each course include operation of the golf course, pro shop, restaurant or snack bar, golf carts and driving range. While the golf fund experienced a decrease in net asset of nearly \$50,000, which includes a transfer-in of \$200,000, the City does not anticipate the financial condition of the Golf Fund to improve dramatically until the debt service for the construction of PipeStone Golf Course is completely paid. However, given the significant recreational value of the golf courses in the City, operating transfers will be provided to meet obligations.

Water – The public utilities department at the City of Miamisburg is responsible for the treatment and delivery of quality water to businesses and citizens within the boundaries of the City. Various functions within the water department include administration, water pumping, water distribution and treatment of water. While the water department realized an operating loss (\$1.1 million) and provided the local match for the Clean Ohio Grant project (\$136,346), the unrestricted net assets at year end totaled approximately \$1.9 million or 75 percent of the operating expenses, less depreciation expense, realized by the department during 2004.

Sewer – The City's public utilities department is responsible for the collection and treatment of wastewater generated throughout the City. Various functions within the sewer department include administration, treatment, and collection of wastewater. The sewer department realized an operating loss of \$1.1 million during 2004 which is a dramatic increase from the loss experienced during 2003. Increased cost of meeting EPA requirements as well as increased depreciation charges realized during the year account for the majority of the increase in expenses. Despite the results of the current year, unrestricted net assets at year-end were \$4.5 million or 234 percent of the operating expenses, less depreciation expense, incurred during the year.

Overall, the City's business-type activities generated \$4.5 million in program revenue during 2004, while program expenses were \$7.7 million. General revenues, primarily income tax revenues, help offset the deficiency in program revenues and provide funding for debt service requirements associated with the enterprise activities. The City Council and management will continue to monitor utility rates and user fees and necessary adjustments will be made to provide any additional financial resources if needed.

**The City's Funds**

Information about the City's major governmental funds begins after the Statement of Activities. These funds are reported using the modified accrual basis of accounting. Governmental funds had total revenues of \$18.3 million, expenditures of \$17.9 million and net transfers out of \$25,866. During 2004, the net change in fund balance of the governmental funds increased by \$325,169 to an ending total fund balance of \$14.1 million at year end. While capital assets are included in the statement of net assets, expenditures are recognized in the fund statements thereby reducing the amount of resources available for future spending. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.



**CITY OF MIAMISBURG, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**  
(Unaudited)

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The City's General Fund realized a \$186,774 increase in fund balance during 2004. The General Fund is the primary fund that finances government services to citizens. A slight increase in reported revenues and management's effort to control non-essential expenditures resulted in the minimal increase in the General Fund's fund balance reported at December 31, 2004. The City continues to maintain a fairly healthy General Fund balance in an attempt to provide stability in years in which revenues can not support spending levels. The primary methods used by management to control costs are postponing capital expenditures and limiting overtime incurred by personnel. At December 31, 2004 the ending unreserved and undesignated fund balance of the general fund was \$3.7 million or nearly 30 percent of the total General Fund expenditures reported for 2004.

The City's other two major funds, the Municipal Trust and the Capital Improvement Funds reported net change in fund balances of (\$97,287) and \$130,649, respectively. The decrease in the Municipal Trust Fund was exclusively due to the decrease in the fair market value to the investments reported at December 31, 2004 versus the value of the investments at December 31, 2003. The increase in net the Capital Improvement Fund balance is associated with the City's decision to limit capital projects to critical projects needed to be completed during the year. Other projects are prioritized and will be funded as future revenue collection permits. Fund balance at December 31, 2004 was \$740,714, of which \$152,023 was encumbered. Transfers from the General Fund and other funds are made when financing for capital improvement are needed. All other governmental fund balances increased by \$105,033 during 2004.

Explanation of the changes in the major enterprise funds of the City follow the same explanations as those provided in the assessment of the business-type activities noted above since enterprise funds are accounted for using full accrual accounting, the same accounting basis used in the City-wide statements.

### **General Fund Budgeting Highlights**

The City's budget is adopted on a fund basis. Before the budget is adopted, Council reviews the detailed budgets of each department within the General Fund and other funds, and then adopts the budget on a fund basis. During 2004, the City amended its original budgetary amounts several times as certain information became known. Within each departmental budget, a department head may make small line item adjustments within their budget, as long as the total operational and maintenance amount does not exceed their budgetary allotment.

Minimal changes were made to the General Fund's budgeted revenues and expenditures during 2004. This was due primarily to minimal changes in funding from the City's major revenue sources and the lack of any significant unanticipated expenditures being required during the year.

Overall, actual revenue receipts were slightly less, approximately \$400,000, than final budgeted revenue amounts to final budgetary numbers. This variance between actual revenue and budget revenue amounts is three percent of the final budgeted revenue amounts.

Due to the City's continuing efforts to control expenditures, actual budgetary expenditures were \$266,798 less than the \$13.3 million budgeted for 2004. Actual budgetary expenditures related to general fund departments increased in 2004 to \$13.0 million from the \$12.3 million incurred in 2003, or a 5.7 increase. Finally, the ending fund balance of the general fund was \$3.4 million at December 31, 2004, which is virtually unchanged from the ending budgetary fund balance reported at December 31, 2003.

**CITY OF MIAMISBURG, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**  
(Unaudited)

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**Capital Assets**

At the end of fiscal year 2004, the City had a total of \$73.5 million invested in capital assets less accumulated depreciation of \$21.2 million resulting in total capital assets, net of accumulated depreciation of \$52.3 million.

During 2004, the City continued its efforts to upgrade its capital assets. The multi-million dollar project to renovate and expand the Waterworks facility was started during the latter part of 2003 and in 2004 with engineering and design work being completed and construction beginning in the last quarter of 2004. The total cost of this project is estimated to be just over than \$2 million and as of December 31, 2004 the City had capitalized nearly \$700,000 as construction in progress associated with this project. The improvement and expansion of the waterworks facility combined with a similar project at the water reclamation facility, finished during 2003, amount to a total investment of nearly \$10.0 million in the City's water and sewer systems and are designed to meet estimated population growth rates for the next twenty years as well as exceeding all environmental regulations.

In addition, the City continued to purchase land associated with the Clean Ohio Grant program, which initially provides green space along the Great Miami River and additional protection to the City's well-fields as called for in the Downtown and Riverfront Master Plan. Total land purchases from the Clean Ohio Grant Fund totaled approximately \$752,000 during 2004.

Table 4 shows 2004 balances compared to those of 2003:

TABLE 4  
CAPITAL ASSETS, NET  
(in 000s)

	Governmental Activities		Business-Type Activities		Total	
	2004	2003	2004	2003	2004	2003
Land	\$ 6,966	\$ 6,214	\$ 2,044	\$ 2,044	\$ 9,010	\$ 8,258
Buildings	2,598	2,694	10,648	10,975	13,246	13,669
Improvements	5,828	5,835	3,296	3,367	9,124	9,202
Equipment	1,401	1,679	1,397	1,557	2,798	3,236
Vehicles	1,657	1,984	337	413	1,994	2,397
Infrastructure	-	-	15,382	15,717	15,382	15,717
Construction in Progress	-	-	699	51	699	51
<b>Total</b>	<b>\$ 18,450</b>	<b>\$ 18,406</b>	<b>\$ 33,803</b>	<b>\$ 34,124</b>	<b>\$ 52,253</b>	<b>\$ 52,530</b>

Accumulated depreciation of \$8.8 million and \$12.4 million is reported in the governmental activities and business-type activities respectively. Additional information on the City's capital assets can be found in Note 8 to the basic financial statements.

**CITY OF MIAMISBURG, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**  
(Unaudited)

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**Debt Administration**

At December 31, 2004, the City had a total of \$23.4 million of short and long-term debt obligations compared with \$22.9 million reported at December 31, 2003. Table 5 shows outstanding debt obligations of the City at December 31, 2004 compared with 2003:

TABLE 5  
OUTSTANDING DEBT OBLIGATIONS AT YEAR END  
(in 000s)

	Governmental Activities		Business-Type Activities		Total	
	2004	2003	2004	2003	2004	2003
General Obligation Bonds	\$ 3,910	\$ 4,235	\$ 6,760	\$ 7,100	\$ 10,670	\$ 11,335
Special Assessment Bonds	275	310	-	-	275	310
Revenue Bonds	-	-	11,730	10,490	11,730	10,490
Police and Fire Pension	259	263	-	-	259	263
Long-Term Notes	-	-	168	187	168	187
Bond Anticipation Notes	350	285	-	-	350	285
<b>Total</b>	<b>\$ 4,794</b>	<b>\$ 5,093</b>	<b>\$ 18,658</b>	<b>\$ 17,777</b>	<b>\$ 23,452</b>	<b>\$ 22,870</b>

During 2004 the City issued a \$2.09 million water revenue bond to replace the bond anticipation note issued during the year to provide financing for the Waterworks Facility improvement project. In addition a \$350,000 bond anticipation note was issued to provide financing for the City's sidewalk curb and gutter program as well as refinancing the note issued in the prior year.

Of the City's general obligation bonds outstanding at December 31, 2004, \$3.9 million are accounted for within the governmental activities and the remaining \$6.8 million are reported in the Golf and Water Funds. The revenue bonds outstanding at year-end are associated with the City's Water and Sewer enterprise funds are guaranteed with the revenue sources of those two funds. The special assessment bonds are being repaid with the revenue collected from the assessments charged to the various properties benefiting from the projects. While these are not direct obligations of the City, the City does remain liable for repayment if collections from the property assessments are not sufficient to meet the required debt service obligations.

At June 30, 2004, the City's overall legal debt margin was \$42.3 million and the unvoted debt margin was \$20.4 million. See Notes 13 and 14 of the notes to the basic financial statements for more detailed information on the debt obligations of the City.

**Contacting the City's Finance Department**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information contact the Finance Department at City of Miamisburg, Ohio, 10 North First Street, Miamisburg, Ohio 45342 or call (937) 866-3303.

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**CITY OF MIAMISBURG, OHIO**  
**STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2004**

	Governmental Activities	Business- Type Activities	Total
<b>Assets:</b>			
Equity in pooled cash and cash equivalents	\$ 7,810,534	\$ 7,083,435	\$ 14,893,969
Investments	5,471,238	-	5,471,238
Cash and cash equivalents in segregated accounts	63,255	-	63,255
<b>Receivables:</b>			
Taxes	3,874,740	223,033	4,097,773
Accounts	-	883,660	883,660
Intergovernmental	742,711	-	742,711
Special assessments	302,794	-	302,794
Accrued interest	23,691	-	23,691
Inventory held for resale	-	11,042	11,042
Inventory of supplies and materials	345,354	138,011	483,365
Unamortized bond issuance cost	-	313,438	313,438
Internal Balances	698,694	(698,694)	-
Restricted cash and cash equivalents with fiscal agent	-	811,469	811,469
Restricted investments with fiscal agent	-	828,479	828,479
Non-depreciable capital assets	6,966,048	2,742,755	9,708,803
Depreciable capital assets, net of accumulated depreciation	<u>11,484,125</u>	<u>31,059,788</u>	<u>42,543,913</u>
Total Assets	<u>37,783,184</u>	<u>43,396,416</u>	<u>81,179,600</u>
<b>Liabilities:</b>			
Accounts payable	176,715	121,034	297,749
Contracts payable	-	141,507	141,507
Accrued salaries payable	401,941	83,264	485,205
Intergovernmental payable	384,196	38,887	423,083
Accrued interest payable	18,821	27,312	46,133
Bond anticipation notes payable	350,000	-	350,000
Deferred revenue	2,465,578	-	2,465,578
Accrued interest payable from restricted assets	-	52,051	52,051
<b>Long Term Liabilities:</b>			
Due within one year	616,560	1,364,354	1,980,914
Due in more than one year	<u>5,409,630</u>	<u>16,993,863</u>	<u>22,403,493</u>
Total Liabilities	<u>9,823,441</u>	<u>18,822,272</u>	<u>28,645,713</u>
<b>Net Assets:</b>			
Invested in capital assets, net of related debt	14,540,173	16,478,496	31,018,669
<b>Restricted for:</b>			
Municipal trust	5,471,238	-	5,471,238
Debt service	315,841	1,587,897	1,903,738
Capital projects	30,023	-	30,023
Other purpose	994,016	-	994,016
Unrestricted	<u>6,608,452</u>	<u>6,507,751</u>	<u>13,116,203</u>
Total Net Assets	<u>\$ 27,959,743</u>	<u>\$ 24,574,144</u>	<u>\$ 52,533,887</u>

See accompanying notes to the basic financial statements.

**CITY OF MIAMISBURG, OHIO**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

	Expenses	Program Revenues		
		Charges for services	Operating grants and contributions	Capital grants and contributions
<b>Governmental Activities:</b>				
Security of Persons and Property	\$ 8,151,633	\$ 374,761	\$ 171,835	\$ -
Public Health Services	9,589	-	-	-
Leisure Time Activities	1,722,930	572,897	29,337	-
Community Environment	811,554	145,744	156,565	296,825
Basic Utility Services	855,388	803,317	-	-
Transportation	2,536,244	-	932,078	-
General Government	3,591,984	1,401,710	310,154	-
Interest and fiscal charges	164,253	-	-	-
<b>Total Governmental Activities</b>	<b>17,843,575</b>	<b>3,298,429</b>	<b>1,599,969</b>	<b>296,825</b>
<b>Business-Type Activities:</b>				
Golf	1,747,294	1,477,373	-	-
Sewer	2,848,419	1,230,320	-	63,670
Water	3,055,816	1,781,171	-	123,300
<b>Total Business-Type Activities</b>	<b>7,651,529</b>	<b>4,488,864</b>	<b>-</b>	<b>186,970</b>
<b>Total</b>	<b>\$ 25,495,104</b>	<b>\$ 7,787,293</b>	<b>\$ 1,599,969</b>	<b>\$ 483,795</b>

**General Revenues:**

Municipal income taxes, levied for:  
    General purposes  
    Capital projects  
    Enterprise debt payments  
Property taxes levied for:  
    General purposes  
    Conservancy operations  
    Fire levy  
    Police & fire pension

Grants and entitlements not restricted to  
    specific programs  
Investment earnings  
Miscellaneous

Transfers

Total General Revenues and Transfers

Changes in net assets

Net assets at beginning of year

Net assets at end of year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue  
and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (7,605,037)	\$ -	\$ (7,605,037)
(9,589)	-	(9,589)
(1,120,696)	-	(1,120,696)
(212,420)	-	(212,420)
(52,071)	-	(52,071)
(1,604,166)	-	(1,604,166)
(1,880,120)	-	(1,880,120)
(164,253)	-	(164,253)
<u>(12,648,352)</u>	<u>-</u>	<u>(12,648,352)</u>
-	(269,921)	(269,921)
-	(1,554,429)	(1,554,429)
<u>-</u>	<u>(1,151,345)</u>	<u>(1,151,345)</u>
-	(2,975,695)	(2,975,695)
<u>(12,648,352)</u>	<u>(2,975,695)</u>	<u>(15,624,047)</u>
6,861,325	-	6,861,325
1,608,613	-	1,608,613
-	1,358,174	1,358,174
-	-	-
1,484,939	-	1,484,939
50,552	-	50,552
753,786	-	753,786
233,324	-	233,324
891,847	-	891,847
383,389	140,972	524,361
452,494	35,589	488,083
(63,654)	63,654	-
<u>12,656,615</u>	<u>1,598,389</u>	<u>14,255,004</u>
8,263	(1,377,306)	(1,369,043)
<u>27,951,480</u>	<u>25,951,450</u>	<u>53,902,930</u>
<u>\$ 27,959,743</u>	<u>\$ 24,574,144</u>	<u>\$ 52,533,887</u>

**CITY OF MIAMISBURG, OHIO**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2004**

	Major Governmental Funds			Other Governmental Funds	Total Governmental Funds
	General	Municipal Trust	Capital Improvements		
<b>Assets:</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 3,830,400	\$ -	\$ 961,540	\$ 2,620,241	\$ 7,412,181
Investments	-	5,471,238	-	-	5,471,238
Cash and Cash Equivalents in Segregated Accounts	52,369	-	-	10,886	63,255
<b>Receivables:</b>					
Taxes	2,501,472	-	269,668	1,103,600	3,874,740
Intergovernmental	266,557	-	-	476,154	742,711
Special Assessments	-	-	-	302,794	302,794
Accrued Interest	23,515	-	-	176	23,691
Supplies Inventory	114,838	-	-	121,058	235,896
Advances to Other Funds	1,040,856	-	-	-	1,040,856
<b>Total Assets</b>	<b>\$ 7,830,007</b>	<b>\$ 5,471,238</b>	<b>\$ 1,231,208</b>	<b>\$ 4,634,909</b>	<b>\$ 19,167,362</b>
<b>Liabilities:</b>					
Accounts Payable	\$ 53,797	\$ -	\$ 10,111	\$ 68,579	\$ 132,487
Accrued Salaries Payable	324,334	-	-	68,758	393,092
Intergovernmental Payable	86,796	-	-	20,495	107,291
Notes Payable	-	-	350,000	-	350,000
Deferred Revenue	2,113,950	-	130,383	1,818,420	4,062,753
<b>Total Liabilities</b>	<b>2,578,877</b>	<b>-</b>	<b>490,494</b>	<b>1,976,252</b>	<b>5,045,623</b>
<b>Fund Balances:</b>					
Reserved for Encumbrances	147,407	-	152,023	89,622	389,052
Reserved for Supplies Inventory	114,838	-	-	121,058	235,896
Reserved for Long-Term Advance	1,040,856	-	-	-	1,040,856
<b>Unreserved:</b>					
Designated for Severance Payments	226,869	-	-	-	226,869
<b>Undesignated, Reported in:</b>					
General Fund	3,721,160	-	-	-	3,721,160
Special Revenue Funds	-	5,471,238	-	1,497,706	6,968,944
Debt Service Funds	-	-	-	315,841	315,841
Capital Project Funds	-	-	588,691	634,430	1,223,121
<b>Total Fund Balance</b>	<b>5,251,130</b>	<b>5,471,238</b>	<b>740,714</b>	<b>2,658,657</b>	<b>14,121,739</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 7,830,007</b>	<b>\$ 5,471,238</b>	<b>\$ 1,231,208</b>	<b>\$ 4,634,909</b>	<b>\$ 19,167,362</b>

See accompanying notes to the basic financial statements.



**CITY OF MIAMISBURG, OHIO**  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO**  
**NET ASSETS OF GOVERNMENTAL ACTIVITIES**  
**DECEMBER 31, 2004**

Total Governmental Fund Balances \$ 14,121,739

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 17,457,290

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:

Municipal income taxes	669,465
Property and other taxes	155,921
Special assessments	302,794
Intergovernmental	468,995

Total 1,597,175

Internal service fund is used by management to charge the costs of providing insurance as well as the central service center to the individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets 1,401,966

The internal balance represents the portion of the internal services funds' assets and liabilities that are allocated to the enterprise funds. (342,162)

Due to other governments includes contractually required pension contributions not expected to be paid with expendable available financial resources and therefore not reported in the funds. (273,409)

Some liabilities, including long-term debt obligations and compensated absences payable, are not due and payable in the current period and therefore are not reported in the funds:

Accrued interest payable	(18,821)
Compensated absences payable	(1,539,688)
Police and fire pension liability	(259,347)
Special assessments bonds payable	(275,000)
General obligations bonds payable	(3,910,000)

Total (6,002,856)

Net Assets of Governmental Activities \$ 27,959,743

See accompanying notes to the basic financial statements.

**CITY OF MIAMISBURG, OHIO**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

	Major Governmental Funds			Other Governmental Funds	Total Governmental Funds
	General	Municipal Trust	Capital Improvement		
<b>Revenues:</b>					
Municipal Income Taxes	\$ 6,641,519	\$ -	\$ 1,575,422	\$ -	\$ 8,216,941
Property and Other Taxes	1,495,144	-	-	1,040,469	2,535,613
Intergovernmental	1,625,252	-	149,587	1,391,396	3,166,235
Special Assessments	-	-	31,291	104,757	136,048
Charges for Services	1,592,459	-	-	304,654	1,897,113
Fines, Licenses and Permits	917,784	-	-	372,235	1,290,019
Interest	467,551	(97,287)	-	13,125	383,389
Donations	24,591	-	-	42,687	67,278
Other	265,067	-	142,135	156,589	563,791
<b>Total Revenues</b>	<b>13,029,367</b>	<b>(97,287)</b>	<b>1,898,435</b>	<b>3,425,912</b>	<b>18,256,427</b>
<b>Expenditures:</b>					
<b>Current:</b>					
Security of Persons and Property	6,271,275	-	-	1,379,771	7,651,046
Public Health Services	9,512	-	-	-	9,512
Leisure Time Activities	1,300,920	-	-	265,646	1,566,566
Community Environment	770,468	-	-	-	770,468
Basic Utility Services	785,056	-	-	-	785,056
Transportation	265,731	-	-	1,069,937	1,335,668
General Government	3,148,825	-	28,551	265,708	3,443,084
Capital Outlay	-	-	1,291,729	522,806	1,814,535
<b>Debt Service:</b>					
Principal Retirement	-	-	-	364,109	364,109
Interest and Fiscal Charges	-	-	4,620	160,728	165,348
<b>Total Expenditures</b>	<b>12,551,787</b>	<b>-</b>	<b>1,324,900</b>	<b>4,028,705</b>	<b>17,905,392</b>
<b>Excess of Revenues Over(Under)</b>					
<b>Expenditures</b>	<b>477,580</b>	<b>(97,287)</b>	<b>573,535</b>	<b>(602,793)</b>	<b>351,035</b>
<b>Other Financing Sources (Uses):</b>					
Transfers-In	-	-	54,620	795,774	850,394
Transfers-Out	(290,806)	-	(497,506)	(87,948)	(876,260)
<b>Total Other Financing Sources (Uses)</b>	<b>(290,806)</b>	<b>-</b>	<b>(442,886)</b>	<b>707,826</b>	<b>(25,866)</b>
<b>Net Change in Fund Balance</b>	<b>186,774</b>	<b>(97,287)</b>	<b>130,649</b>	<b>105,033</b>	<b>325,169</b>
Fund Balance at Beginning of Year	5,084,806	5,568,525	610,065	2,522,761	13,786,157
Increase(Decrease) in Reserve for Inventory	(20,450)	-	-	30,863	10,413
<b>Fund Balance at End of Year</b>	<b>\$ 5,251,130</b>	<b>\$ 5,471,238</b>	<b>\$ 740,714</b>	<b>\$ 2,658,657</b>	<b>\$ 14,121,739</b>

See accompanying notes to the basic financial statements.

**CITY OF MIAMISBURG, OHIO**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO**  
**THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

Net Change in Fund Balance - Total Governmental Funds \$ 325,169

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

Governmental funds report capital outlays as expenditures. However in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital outlay	803,324	
Depreciation	(624,407)	
Total		178,917

Governmental funds report disposals of capital assets only to the extent proceeds are received from a sale. In the statement of activities, a gain or loss is reported for each sale. This amount represents the current year loss on disposal of capital assets which is reported in the functional expenses on the statement of activities. (75,727)

Consumable inventory is reported using the purchase method in the governmental fund statements, but is reported using the consumption method for full accrual. This amount represents the increase in inventory that took place during the year. 10,413

Repayment of long-term obligations is reported as an expenditure in the governmental funds, but the repayment reduces the long-term liabilities in the statement of net assets. In the current year, these amounts consisted of a payment on the police and fire pension obligation. 364,109

The internal service fund used by management to charge the cost of providing insurance and the centralized service center to the individual funds is reported in the statement of activities. (104,611)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, rather these revenues are deferred. (340,935)

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.

These activities consist of:

Decrease in accrued interest payable	1,095	
Increase in compensated absences payable	(326,869)	
Decrease in intergovernmental payable	(23,298)	
Total		(349,072)

Change in Net Assets of Governmental Activities \$ 8,263

**CITY OF MIAMISBURG, OHIO**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Revenues:				
Municipal Income Taxes	\$ 6,946,351	\$ 6,946,351	\$ 6,559,565	\$ (386,786)
Property and Other Taxes	1,645,000	1,645,000	1,496,785	(148,215)
Intergovernmental	1,205,032	1,202,300	1,456,736	254,436
Charges for Services	1,759,000	1,759,000	1,580,102	(178,898)
Fines, Licenses and Permits	961,500	961,500	935,178	(26,322)
Interest	630,500	630,500	603,898	(26,602)
Other	182,000	182,000	289,658	107,658
Total Revenues	<u>13,329,383</u>	<u>13,326,651</u>	<u>12,921,922</u>	<u>(404,729)</u>
Expenditures:				
Current:				
Security of Persons and Property	6,591,435	6,591,435	6,595,058	(3,623)
Public Health Services	7,931	7,931	10,485	(2,554)
Leisure Time Activities	1,386,774	1,386,774	1,335,437	51,337
Community Environment	861,211	861,211	775,735	85,476
Basic Utility Services	821,246	821,246	809,414	11,832
Transportation	275,917	275,917	275,770	147
General Government	3,275,924	3,315,924	3,191,741	124,183
Total Expenditures	<u>13,220,438</u>	<u>13,260,438</u>	<u>12,993,640</u>	<u>266,798</u>
Excess of Revenues Under Disbursements	<u>108,945</u>	<u>66,213</u>	<u>(71,718)</u>	<u>(137,931)</u>
Other Financing Sources (Uses):				
Transfers In	300,000	300,000	300,000	-
Transfers Out	(297,300)	(297,300)	(290,806)	6,494
Total Other Financing Sources (Uses)	<u>2,700</u>	<u>2,700</u>	<u>9,194</u>	<u>6,494</u>
Net Change in Fund Balance	111,645	68,913	(62,524)	(131,437)
Fund Balance at Beginning of Year	3,416,693	3,416,693	3,416,693	-
Prior Year Encumbrances Appropriated	<u>88,084</u>	<u>88,084</u>	<u>88,084</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 3,616,422</u>	<u>\$ 3,573,690</u>	<u>\$ 3,442,253</u>	<u>\$ (131,437)</u>

See accompanying notes to the basic financial statements.

**CITY OF MIAMISBURG, OHIO**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL**  
**MUNICIPAL TRUST FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Total Expenditures	-	-	-	-
Excess of Revenues Over(Under) Expenditures	-	-	-	-
Fund Balance at Beginning of Year	5,252,465	5,252,465	5,252,465	-
Fund Balance at End of Year	<u>\$ 5,252,465</u>	<u>\$ 5,252,465</u>	<u>\$ 5,252,465</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements.

**CITY OF MIAMISBURG, OHIO**  
**STATEMENT OF FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2004**

	Enterprise Funds				Governmental Activities
	Golf	Sewer	Water	Total	Internal Service Funds
<b>Assets:</b>					
<b>Current Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 341,703	\$ 3,863,904	\$ 2,877,828	\$ 7,083,435	\$ 398,353
<b>Receivables:</b>					
Taxes	-	137,642	85,391	223,033	-
Accounts	-	374,898	508,762	883,660	-
Inventory Held for Resale	11,042	-	-	11,042	-
Materials and Supplies Inventory	-	30,863	107,148	138,011	109,458
Unamortized Bond Issue Costs	89,237	198,710	25,491	313,438	-
<b>Restricted Assets:</b>					
Cash and Cash Equivalents with Fiscal Agent	-	642,089	169,380	811,469	-
Investment with Fiscal Agent	-	555,403	273,076	828,479	-
<b>Total Current Assets</b>	<u>441,982</u>	<u>5,803,509</u>	<u>4,047,076</u>	<u>10,292,567</u>	<u>507,811</u>
<b>Non-current Assets</b>					
Capital Assets, Net	<u>5,403,277</u>	<u>15,754,122</u>	<u>12,645,144</u>	<u>33,802,543</u>	<u>992,883</u>
<b>Total Assets</b>	<u>5,845,259</u>	<u>21,557,631</u>	<u>16,692,220</u>	<u>44,095,110</u>	<u>1,500,694</u>
<b>Liabilities:</b>					
<b>Current Liabilities</b>					
Accounts Payable	48,447	49,704	22,883	121,034	44,228
Contracts Payable	-	-	141,507	141,507	-
Accrued Salaries Payable	-	56,026	27,238	83,264	8,849
Intergovernmental Payable	-	17,035	21,852	38,887	3,496
Accrued Interest Payable	23,274	-	4,038	27,312	-
Bonds and Loan Payable - Current Portion	185,000	720,562	415,000	1,320,562	-
<b>Payable from Restricted Assets:</b>					
Accrued Interest Payable	-	33,626	18,425	52,051	-
<b>Total Current Liabilities</b>	<u>256,721</u>	<u>876,953</u>	<u>650,943</u>	<u>1,784,617</u>	<u>56,573</u>
<b>Long-Term Liabilities</b>					
Bonds and Loan Payable - Long-term	4,668,412	7,975,184	4,102,109	16,745,705	-
Interfund Payable	1,040,856	-	-	1,040,856	-
Compensated Absences Payable	-	79,670	212,280	291,950	42,155
<b>Total Long-Term Liabilities</b>	<u>5,709,268</u>	<u>8,054,854</u>	<u>4,314,389</u>	<u>18,078,511</u>	<u>42,155</u>
<b>Total Liabilities</b>	<u>5,965,989</u>	<u>8,931,807</u>	<u>4,965,332</u>	<u>19,863,128</u>	<u>98,728</u>
<b>Net Assets:</b>					
Invested in Capital Assets, Net of Related Debt	73,277	6,963,999	9,441,220	16,478,496	992,883
Restricted for Debt Payments	-	1,163,866	424,031	1,587,897	-
Unrestricted	<u>(194,007)</u>	<u>4,497,959</u>	<u>1,861,637</u>	<u>6,165,589</u>	<u>409,083</u>
<b>Total Net Assets</b>	<u>\$ (120,730)</u>	<u>\$ 12,625,824</u>	<u>\$ 11,726,888</u>	<u>24,231,982</u>	<u>\$ 1,401,966</u>
Adjustment to reflect the consolidation of the internal service funds activity related to enterprise funds.				342,162	
Net assets of business-type activities				<u>\$ 24,574,144</u>	

See accompanying notes to the basic financial statements.

**CITY OF MIAMISBURG, OHIO**  
**STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET ASSETS**  
**ALL PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

	Enterprise Funds				Governmental Activities
	Golf	Sewer	Water	Total	Internal Service Funds
Operating Revenues:					
Charges for Services	\$ 1,477,373	\$ 1,230,320	\$ 1,781,171	\$ 4,488,864	\$ 797,150
Other Operating Revenue	11,711	4,891	18,987	35,589	-
<b>Total Operating Revenue</b>	<b>1,489,084</b>	<b>1,235,211</b>	<b>1,800,158</b>	<b>4,524,453</b>	<b>797,150</b>
Operating Expenses:					
Personal Services	-	679,378	1,135,218	1,814,596	311,815
Contractual Services	945,569	702,273	966,238	2,614,080	344,082
Supplies and Materials	193,732	543,104	391,959	1,128,795	172,699
Cost of Goods Sold	197,925	-	-	197,925	-
Depreciation	115,066	471,446	375,630	962,142	58,530
<b>Total Operating Expenses</b>	<b>1,452,292</b>	<b>2,396,201</b>	<b>2,869,045</b>	<b>6,717,538</b>	<b>887,126</b>
<b>Operating Income (Loss)</b>	<b>36,792</b>	<b>(1,160,990)</b>	<b>(1,068,887)</b>	<b>(2,193,085)</b>	<b>(89,976)</b>
Non-Operating Revenues (Expenses):					
Interest	8,702	73,647	58,623	140,972	-
Interest and Fiscal Charges	(295,002)	(438,974)	(169,104)	(903,080)	-
Municipal Income Taxes	-	529,459	828,715	1,358,174	-
Loss on Disposal of Capital Assets	-	(1,505)	(5,928)	(7,433)	(325)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(286,300)</b>	<b>162,627</b>	<b>712,306</b>	<b>588,633</b>	<b>(325)</b>
<b>Income(Loss) before Contributions and Transfers</b>	<b>(249,508)</b>	<b>(998,363)</b>	<b>(356,581)</b>	<b>(1,604,452)</b>	<b>(90,301)</b>
Capital Contributions	-	63,670	123,300	186,970	-
Transfers In	200,000	-	-	200,000	-
Transfers Out	-	-	(136,346)	(136,346)	(37,788)
<b>Change in Net Assets</b>	<b>(49,508)</b>	<b>(934,693)</b>	<b>(369,627)</b>	<b>(1,353,828)</b>	<b>(128,089)</b>
<b>Net Assets at the Beginning of the Year - Restated</b>	<b>(71,222)</b>	<b>13,560,517</b>	<b>12,096,515</b>		<b>1,530,055</b>
<b>Net Assets at the End of the Year</b>	<b>\$ (120,730)</b>	<b>\$ 12,625,824</b>	<b>\$ 11,726,888</b>		<b>\$ 1,401,966</b>
				(23,478)	
				(1,377,306)	

Adjustment to reflect the consolidation of the internal service funds activity related to enterprise funds.

Change in net assets of business-type activities

**CITY OF MIAMISBURG, OHIO**  
**STATEMENT OF CASH FLOWS**  
**ALL PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

	Enterprise Funds				Internal Service Funds
	Golf	Sewer	Water	Total	
<u>Increase (Decrease) in Cash and Cash Equivalents</u>					
Cash Flows from Operating Activities:					
Cash Received from Customers	\$ 1,477,373	\$ 1,432,473	\$ 1,751,715	\$ 4,661,561	\$ -
Cash Received from Quasi-External Transactions from Other Funds	-	-	-	-	797,150
Cash Received from Other Sources	11,711	4,891	18,987	35,589	-
Cash Payments to Employees for Services and Benefits	-	(656,186)	(1,012,789)	(1,668,975)	(274,410)
Cash Payments to Suppliers for Goods and Services	(1,262,528)	(1,245,441)	(1,235,797)	(3,743,766)	(500,940)
Net Cash Provided (Used) by Operating Activities	<u>226,556</u>	<u>(464,263)</u>	<u>(477,884)</u>	<u>(715,591)</u>	<u>21,800</u>
Cash Flows from Noncapital Financing Activities:					
Municipal Income Taxes	-	502,371	809,771	1,312,142	-
Transfers In	200,000	-	-	200,000	-
Transfers Out	-	-	(136,346)	(136,346)	(37,788)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>200,000</u>	<u>502,371</u>	<u>673,425</u>	<u>1,375,796</u>	<u>(37,788)</u>
Cash Flows from Capital and Related Financing Activities:					
Acquisition of Capital Assets	-	-	(647,759)	(647,759)	-
Tap-in Fees Received	-	63,670	123,300	186,970	-
Proceeds from Sale of Bonds	-	-	2,085,000	2,085,000	-
Proceeds from Sale of Notes	-	-	1,800,000	1,800,000	-
Principal Paid on Bonds	(185,000)	(680,000)	(320,000)	(1,185,000)	-
Principal Paid on Notes	(3,674)	(15,563)	(1,800,000)	(1,819,237)	-
Interest and Fisacl Charges	(262,380)	(401,555)	(153,399)	(817,334)	-
Net Cash Used in Capital and Related Financing Activities	<u>(451,054)</u>	<u>(1,033,448)</u>	<u>1,087,142</u>	<u>(397,360)</u>	<u>-</u>
Cash Flows from Investing Activities:					
Market Gain (Loss) on Investments	(2,885)	(23,160)	(10,372)	(36,417)	-
Interest and Dividends on Investments	11,587	123,484	82,119	217,190	-
Net Cash Provided by Investing Activities	<u>8,702</u>	<u>100,324</u>	<u>71,747</u>	<u>180,773</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(15,796)	(895,016)	1,354,430	443,618	(15,988)
Cash and Cash Equivalents Beginning of Year	<u>357,499</u>	<u>5,401,009</u>	<u>1,692,778</u>	<u>7,451,286</u>	<u>414,341</u>
Cash and Cash Equivalents End of Year	<u>\$ 341,703</u>	<u>\$ 4,505,993</u>	<u>\$ 3,047,208</u>	<u>\$ 7,894,904</u>	<u>\$ 398,353</u>

(Continued)



**CITY OF MIAMISBURG, OHIO**  
**STATEMENT OF CASH FLOWS**  
**ALL PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**  
(Continued)

Reconciliation of Operating Income (Loss) to Net Cash

Provided (Used) by Operating Activities:

Operating Income(Loss)	\$ 36,792	\$ (1,160,990)	\$ (1,068,887)	\$ (2,193,085)	\$ (89,976)
Adjustments to Reconcile Operating Income(Loss) to Net Cash Provided(Used) by Operating Activities:					
Depreciation	115,066	471,446	375,630	962,142	58,530
Changes in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	-	202,153	(29,456)	172,697	-
(Increase) Decrease in Supplies Inventory	39,413	1,122	(6,348)	34,187	(10,101)
Decrease in Due in Inventory Held for Resale	1,828	-	-	1,828	-
Increase in Accounts Payable	33,457	15,374	4,999	53,830	25,942
Increase (Decrease) in Contracts Payable	-	(55,873)	123,749	67,876	-
Increase in Accrued Salaries Payable	-	39,761	4,026	43,787	2,976
Increase (Decrease) in Intergovernmental Payable	-	1,285	3,106	4,391	434
Increase in Compensated Absences Payable	-	21,459	115,297	136,756	33,995
Net Cash Provided(Used) by Operating Activities	<u>\$ 226,556</u>	<u>\$ (464,263)</u>	<u>\$ (477,884)</u>	<u>\$ (715,591)</u>	<u>\$ 21,800</u>

Noncash Capital Financing Activities:

As of December 31, 2004, the water fund had an outstanding liability of \$132,837 for the purchase/construction of capital assets.

Noncash Investing Activities:

During 2004, the fair value of investments increased in the sewer and water fund by \$22,477 and \$10,137, respectively; and decreased in the golf fund by \$190.

**CITY OF MIAMISBURG, OHIO**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**DECEMBER 31, 2004**

	Agency
<b>Assets:</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 410,041
Cash and Cash Equivalents with Fiscal Agent	142,256
<b>Total Assets</b>	<b>\$ 552,297</b>
<b>Liabilities:</b>	
Accounts Payable	\$ 57,492
Due to Other Governments	54,673
Undistributed Monies	440,132
<b>Total Liabilities</b>	<b>\$ 552,297</b>

See accompanying notes to the basic financial statements.

**CITY OF MIAMISBURG, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

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**NOTE 1 – DESCRIPTION OF CITY AND REPORTING ENTITY:**

The City of Miamisburg (the “City”) is a home rule municipal corporation organized under the laws of the State of Ohio, which operates under its own Charter. The current Charter, which provides for a Council/Manager form of government, was adopted in 1966. The seven-member Council is elected to four-year terms. The Council appoints a City Manager who shall be the chief executive, administrator and law enforcement officer of the City. The City Manager appoints all of the department managers.

**Reporting Entity**

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the City are not misleading. The primary government consists of all funds and departments which provide various services including police protection, fire fighting and prevention, emergency medical services, street maintenance and repair, parks and recreation system (including two golf courses and a swimming pool), water distribution, sewer collection system, refuse collection and a staff to provide support to the service providers.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization’s governing body and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization’s resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations for which the City approves the budget, the issuance of debt or the levying of taxes. The City currently has no component units.

The Miamisburg Municipal Court has been included in the City’s financial statements as an agency fund. The clerk of courts is an appointed City Official who has a fiduciary responsibility for the collection and distribution of court fees and fines.

The Miami Valley Risk Management Association, Inc. (MVRMA, Inc.) is a risk sharing insurance pool established for the purpose of enabling the subscribing political subdivisions to obtain liability insurance and providing a formalized, jointly administered self-insurance fund for its members. The members formed a not-for-profit corporation known as MVRMA, Inc. for the purpose of administering the Pool. The subscribing members of the self-insurance pool include the Cities of Beavercreek, Blue Ash, Indian Hill, Kettering, Maderia, Mason, Miamisburg, Montgomery, Piqua, Sidney, Springdale, Tipp City, Troy, Vandalia, West Carrollton, Wilmington and Wyoming. The City has no explicit and measurable equity interest in MVRMA and no ongoing financial responsibility for MVRMA.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The financial statements of the City of Miamisburg have been prepared in conformity with generally accepted accounting principles (GAAP) applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The City has elected not to apply FASB Statements and Interpretations issued after November 30, 1989 to its business-type activities and to its proprietary funds. The most significant of the City’s accounting policies are described below.

**CITY OF MIAMISBURG, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

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Basis of Presentation

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

Government-wide Financial Statements

The Statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service funds is eliminated to avoid doubling up revenues and expenses. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

The statement of net assets presents the financial condition of the governmental and business-type activities of the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business-type activities of the City. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by a recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business-type activity is self-financing or draws from the general revenues of the City.

Fund Financial Statements

During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service funds are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the City's major governmental funds:

**CITY OF MIAMISBURG, OHIO**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004

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General Fund - This fund is the operating fund of the City and is used to account for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio and the charter of the City.

Municipal Trust Fund – This fund was established to account for the financial resources the City received from the sale of the former municipal electric plant. Expenditures from this fund must be approved through a ballot issue approved by voters. Interest earned on this money is allocated to the general fund for general operating purposes.

Capital Improvement Fund – The capital improvement fund is used to account for resources accumulated or transferred from other funds to finance the purchase, construction or maintenance of the City’s capital assets deemed necessary to enhance the operation of the City.

The other governmental funds of the City account for grants and other resources whose use is restricted to a particular purpose.

Proprietary Fund Types

The proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service.

Enterprise Funds – Enterprise funds may be used to account for any activity for which a fess is charged to external users for goods or services. The following are the City’s major enterprise funds:

Golf Fund – The golf fund accounts for the operations of the two city owned golf courses. The Mound Golf course is a 9-hole course while PipeStone Golf Club is a 18-hole championship golf course.

Sewer Fund – The sewer fund accounts for the provision of sanitary sewer service to the residents and commercial users located within the City.

Water Fund – The water fund accounts for the provision of water treatment and distribution to the residential and commercial users located within the City.

Internal Service Funds – An internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City’s internal service funds account for the operations of the city garage, civic center and service center.

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. The City only has agency fiduciary funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

**CITY OF MIAMISBURG, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

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**Measurement Focus**

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operations of the City are included on the statement of net assets. The statement of activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets.

Fund Financial Statements

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

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting; proprietary and fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue and in the presentation of expenses versus expenditures.

Revenues – Exchange and Non-exchange Transaction

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and 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. The available period for the City is thirty-one days after year-end.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income tax, property tax, grants, entitlements and donations. On an accrual basis, revenue from income tax is recognized in the fiscal year in which the tax imposed takes place and revenue from property tax 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

**CITY OF MIAMISBURG, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

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when use is first permitted, matching requirements, in which the City must provide local resources, 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.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: income tax, state-levied locally shared taxes (including local government assistance, gasoline tax and vehicle license tax), fines and forfeitures, and investment earnings.

Deferred Revenue

Deferred revenues arise 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, 2004, but which were levied to finance 2005 operations, have been recorded as deferred revenues. Special assessments not received within the available period and grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Expenses/Expenditures

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

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are recorded when the related fund liability is incurred, if measurable. Allocation of costs, such as depreciation and amortization, are not recognized in governmental funds.

Cash and Cash Equivalents

To improve cash management, cash received by the City is pooled. Money for all funds, including proprietary funds, is maintained in this pool. Individual fund integrity is maintained through the City's records. Each fund's interest in the pooled bank account is presented as "equity in pooled cash and cash equivalents" on the financial statements.

Investments are reported at fair value, which is based on quoted market prices. For investments in open-end mutual funds, fair value is determined by the fund's share price.

During the year, the City's investments included STAROhio and various federal securities. STAROhio is an investment pool managed by the State of Ohio's Treasurer's Office, which allows governments within Ohio to pool their funds for investment purposes. STAROhio is not registered with the Securities and Exchange Commission (SEC) as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2004.

Investments with an original maturity of three months or less at the time of purchase, and investments of the cash management pool are reported as cash equivalents on the financial statements.

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Interest income is distributed to the funds according to charter and statutory requirements. Interest revenue reported in the statement of net activities for 2004 amounted to \$524,361. This amount includes a decrease of \$219,208 in the market value of the City's investments at December 31, 2004 as compared with the market value at December 31, 2003, as required under Governmental Accounting Standards Board (GASB) Statement No. 31 "*Accounting and Financial Reporting for Certain Investments and for External Investment Pools.*"

Supplies Inventory

On the government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On the fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental funds when purchased. Inventories of the proprietary funds are expensed when used.

Inventory consists of expendable supplies held for consumption as well as items held for resale in the golf fund.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

Restricted assets in the enterprise funds represent cash and cash equivalents, as well as investments, set aside in separate depository accounts for the repayment of revenue mortgage debt.

Interfund Receivables and Payables

Receivables and payables resulting from transactions between funds for services provided or goods received are classified on the fund statements as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables/payables". Noncurrent portion of long-term interfund loans receivables are reported as advances and in governmental funds are offset equally by a fund balance reserve account, which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation.

Internal Balances

Internal balance amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are presented as "internal balances". At December 31, 2004 the amounts reported in the internal balances line item is comprised of the allocation of the business-type activities interest in the internal service funds that are included within the governmental activities and the advance made from the general fund to the golf fund in previous years to provide operating funds.



**CITY OF MIAMISBURG, OHIO**  
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Capital Assets

General capital assets are those not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported in the respective fund financial statements with the enterprise funds capital assets being reported in the business-type activities column of the government-wide statement of net assets and the internal service funds being combined with governmental-activities capital assets on the statement of net assets.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of five thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets is also capitalized.

All capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Buildings	20-45 years	20-45 years
Improvements	15-60 years	15-60 years
Equipment	5-30 years	5-30 years
Vehicles	3-10 years	3-10 years
Infrastructure:		
Sewer and Water Lines	N/A	30-65 years
Other	10-65 years	10-65 years

The City has elected to phase-in recording its governmental-activities infrastructure as permitted by GASB and therefore only the additions to infrastructure after January 1, 2003 are recorded in the financial statements.

Compensated Absences

Vacation leave accumulated by employees is accrued as a liability as the benefits are earned when both of these conditions are met:

1. The employees' rights to receive compensation are attributable to services already rendered.
2. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

A liability for sick leave is accrued based on guidelines set forth in GASB Statement No. 16 "Accounting for Compensated Absences". The vesting method was implemented and states that the City will estimate its liability based on sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as specified by the retirement system as well as other employees who are expected to become eligible in the future to receive such payments, determined to be all employees with twenty

**CITY OF MIAMISBURG, OHIO**  
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years of service or more. The amount is based on accumulated sick leave and employees' wage rates at year-end, taking into consideration any limits specified in the City's termination policy.

The entire compensated absence liability is reported on the government-wide financial statements.

On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

#### Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, compensated absences and contractual required pension obligations that will be paid from the governmental are reported as a liability in the fund financial statements only to the extent that they are due for payment from current-available resources. Bonds and long-term loans are recognized as a liability on the fund financial statements when due.

#### Fund Balance Reserves

Reservations of fund balances are established to identify the existence of assets that, because of their non-monetary nature or lack of liquidity, represent financial resources not available for current appropriation or expenditure or the portion of fund balance that is legally segregated for a specific future use. Fund balance has been reserved for encumbrances, supplies inventory and long-term advances.

#### Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted for other purposes include various grant and other special revenue funds. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

#### Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charged for services for golf, sewer, water and the centralized internal service programs. Operating expenses are necessary costs incurred to provide goods or services that are the primary activity of the fund. Revenues and expenses that do not meet these definitions are reported as non-operating.

**CITY OF MIAMISBURG, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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Contribution of Capital

Contribution of capital in proprietary fund financial statements arise from the collection of “tap-in” fees to the extent they exceed the cost of the connection to the system.

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditure/expenses in the purchaser funds. Flows of cash or goods from one fund to another without requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayment from funds responsible for particular expenditures/expenses to funds that initially paid for them are not presented on the financial statements.

Estimates

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

Budgetary Process

All funds, except for agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the certificate of estimated resources and the appropriation ordinance, both of which are prepared on the budgetary basis of accounting. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriation ordinance is Council’s authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by the Council at the fund level for all funds. Appropriations may be allocated within each function, department and object level within each fund. Council must approve any revisions that alter total fund appropriations.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate at the time final appropriations were adopted.

The appropriation ordinance is subject to amendment by Council throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covers the entire year plus amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Council during the year.

**CITY OF MIAMISBURG, OHIO**  
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**NOTE 3 – BUDGETARY REPORTING AND ACCOUNTING:**

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year-end encumbrances are treated as expenditures/expenses (budget basis) rather than as a reservation of fund balance for governmental fund types or note disclosure for proprietary fund types (GAAP basis).
4. Proceeds from and principal payments on short-term note obligations are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund and municipal trust special revenue fund.

Net Change in Fund Balance		
	General Fund	Municipal Trust Fund
GAAP Basis	\$ 186,774	\$ (97,287)
Revenue Accruals	(107,445)	97,287
Expenditure Accruals	(258,388)	-
Encumbrances	(183,465)	-
Transfers	300,000	-
Budgetary Basis	\$ (62,524)	\$ -

**NOTE 4 – COMPLIANCE AND ACCOUNTABILITY:**

The Golf Fund had deficit net assets of \$120,730 at December 31, 2004. The deficit in the golf fund continues to be associated with the annual debt service requirements for the bonds used to finance the construction of the PipeStone Golf Course. The City continues to explore ways to increase revenues and/or decrease costs associated with the operations of the golf course, however, the City will transfer adequate funds to the Golf Fund as needed to continue providing this activity to its citizens.

**CITY OF MIAMISBURG, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**NOTE 5 – DEPOSITS AND INVESTMENTS:**

Monies of substantially all funds of the City are maintained or invested in a common group of bank accounts, STAROhio, and various federal securities. This is done in order to limit the risk associated with the investments while providing for a reasonable market rate of return. Interest income is distributed to the funds according to the charter and statutory requirements.

The provisions of the Charter and Codified Ordinances of the City and the Ohio Revised Code govern the investment and deposit of City monies. In accordance with these provisions, only financial institutions located in Ohio, as well as primary and regional securities dealers are eligible to hold public deposits. The provisions also permit the City to invest its monies in certificates of deposit, savings accounts, money market accounts, the State Treasurer's investment pool (STAROhio), obligations of the United States government or certain agencies thereof, bankers acceptance notes, and commercial paper. The City may also enter into repurchase agreements with any eligible depository for a period not exceeding five years.

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

Deposits

At year-end, the carrying amount of the City's deposits was \$2,784,794 and the bank balance was \$3,014,142. Of the bank balance, \$229,282 was covered by federal deposit insurance and the remaining amounts were uninsured and uncollateralized as defined by GASB Statement No. 3 because the securities held as collateral by the financial institutions or their trust departments or agencies were in the financial institutions' names. As authorized by state statute, the pledging bank has established an investment and securities pool to collateralize all public deposits.

Investments

GASB Statement No. 3 "*Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements*" requires that the City's investments be classified in categories of risk. Category 1 includes investments that are insured or registered or for which the City holds the securities. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty or its trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the City's name.

STAROhio, an investment fund operated by the Ohio State Treasurer is unclassified since they are not evidenced by securities that exist in physical or book entry form.

	Category <u>2</u>	Carrying <u>Value</u>	Fair <u>Value</u>
Government securities	\$ 19,289,077	19,289,077	19,289,077
Unclassifieds:			
STAROhio	<u>0</u>	<u>546,836</u>	<u>546,836</u>
Total	<u>\$ 19,289,077</u>	<u>19,835,913</u>	<u>19,835,913</u>

**CITY OF MIAMISBURG, OHIO**  
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A reconciliation between classifications of cash and investments on the financial statements and the classifications per GASB Statement No. 3 is as follows:

	<u>Cash and Cash</u> <u>Equivalents/Deposits</u>	<u>Investments</u>
GASB Statement 9	\$ 16,320,990	6,299,717
Investments:		
Government securities	(12,989,360)	12,989,360
STAROhio	<u>(546,836)</u>	<u>546,836</u>
 GASB Statement 3	 \$ <u>2,784,794</u>	 <u>19,835,913</u>

**NOTE 6– RECEIVABLES:**

Receivables at December 31, 2004 consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements, shared revenues, special assessments, accrued interest on investments and accounts (billing for utility services and various other charges for services). No allowances for doubtful accounts have been recorded because uncollectible amounts are expected to be insignificant.

Property Taxes

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Property tax revenue received during 2004 for real and public utility property taxes represents collections of the 2003 taxes. Property tax payments received during 2004 for tangible personal property (other than public utility property) is for 2004 taxes.

2004 real property taxes are levied after October 1, 2004, on the assessed value as of January 1, 2004, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2004 real property taxes are collected in and intended to finance 2005.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2004 public utility property taxes became a lien December 31, 2003, are levied after October 1, 2004, and are collected in 2005 with real property taxes. 2004 tangible personal property taxes are levied after October 1, 2003, on the value as of December 31, 2003. Collections are made in 2004. Tangible personal property assessments are 25 percent of true value for capital assets and 24 percent of true value for inventory.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property currently is assessed at 88 percent of its true value; public utility real property is assessed at 35 percent of true value. Public utility property taxes are payable on the same dates as real property taxes described previously.

The full tax rate of for all City operations for the year ended December 31, 2004 was \$7.03 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2004 property tax receipts were based are as follows:

**CITY OF MIAMISBURG, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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Real Property Tax Assessed Valuation	\$ 363,820,000
Public Utility Real Property Tax Assessed Valuation	57,310
Public Utility Tangible Personal Property Assessed Valuation	29,376,340
Tangible Personal Property Assessed Valuation	<u>43,797,033</u>
Total	<u>\$ 439,050,683</u>

Real property taxes are payable annually or semi-annually. If paid annually, the payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Tangible personal property taxes paid by multi-county tax payers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30; with the remainder payable by September 20.

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Miamisburg. The County Auditor periodically remits to the City its portion of the taxes collected. Accrued property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2004, and for which there is an enforceable legal claim. In the general fund, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2004 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On the full accrual basis, collectible delinquent property taxes have been recorded as revenue.

Income Tax

The City levies a municipal income tax of one and three-quarters percent 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 the City; however, the City allows a credit for income taxes paid to another municipality up to 100 percent of the City's current income 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. Corporation and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually.

Income tax proceeds are to be used to pay the cost of administering the tax, general fund operations, maintenance of equipment, new equipment, capital improvements, debt service and other governmental functions when needed, as determined by City Council.

Accounts Receivable

Accounts Receivable at December 31, 2004 consisted of billings for sewer and water services provided prior to December 31 but payment had not yet been received by the City. The City deems approximately two percent of the utilities receivables as uncollectible.

<u>Utility Accounts Receivables</u>	<u>Estimated Uncollectible</u>	<u>Net Account Receivables</u>
\$ 901,693	18,033	883,660

**CITY OF MIAMISBURG, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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Due from Other Governments

A summary of the governmental activities intergovernmental receivables follows:

<u>Governmental Activities:</u>	
Inheritance tax shared tax	\$ 5,520
Homestead/Rollback property relief	123,316
Gasoline Tax	328,194
Local government assistance	149,326
Motor vehicle license fees	74,460
Police grant	40,061
Permissive motor vehicle license tax	<u>21,834</u>
Total	\$ <u>742,711</u>

**NOTE 8 – CAPITAL ASSETS:**

Capital asset activity for the year ended December 31, 2004 was as follows:

	<u>Balance</u> <u>12/31/03</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/04</u>
<u>Governmental Activities</u>				
Non-depreciable capital assets:				
Land	\$ 6,214,177	751,871	-	6,966,048
Depreciable capital assets:				
Buildings	4,913,066	-	-	4,913,066
Improvements	8,456,298	-	-	8,456,298
Equipment	4,435,953	51,453	(688,236)	3,799,170
Vehicles	<u>3,203,902</u>	<u>-</u>	<u>(59,333)</u>	<u>3,144,569</u>
Depreciable capital assets	<u>21,009,219</u>	<u>51,453</u>	<u>(747,569)</u>	<u>20,313,103</u>
Less: accumulated depreciation				
Buildings	(2,219,492)	(95,210)	-	(2,314,702)
Improvements	(2,621,343)	(6,501)	-	(2,627,844)
Equipment	(2,757,135)	(264,411)	623,781	(2,397,765)
Vehicles	<u>(1,219,588)</u>	<u>(316,815)</u>	<u>47,736</u>	<u>(1,488,667)</u>
Accumulated depreciation	<u>(8,817,558)</u>	<u>(682,937)*</u>	<u>671,517</u>	<u>(8,828,978)</u>
Depreciable capital assets, net	<u>12,191,661</u>	<u>(631,484)</u>	<u>(76,052)</u>	<u>11,484,125</u>
Governmental activities capital assets, net	\$ <u>18,405,838</u>	<u>120,387</u>	<u>(76,052)</u>	<u>18,450,173</u>



**CITY OF MIAMISBURG, OHIO**  
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Business-type Activities

Non-depreciable capital assets:

Land	\$ 2,043,934	-	-	2,043,934
Construction in progress	51,062	647,759	-	698,821

Depreciable capital assets:

Buildings	13,935,606	-	-	13,935,606
Improvements	4,153,282	-	-	4,153,282
Equipment	4,202,220	-	(49,392)	4,152,828
Vehicles	600,122	-	-	600,122
Infrastructure	<u>20,606,891</u>	-	-	<u>20,606,891</u>

Depreciable capital assets	<u>43,498,121</u>	<u>-</u>	<u>(49,392)</u>	<u>43,448,729</u>
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Less: accumulated depreciation

Buildings	(2,960,164)	(327,812)	-	(3,287,976)
Improvements	(786,363)	(70,769)	-	(857,132)
Equipment	(2,645,261)	(152,739)	41,959	(2,756,041)
Vehicles	(187,327)	(75,403)	-	(262,730)
Infrastructure	<u>(4,889,643)</u>	<u>(335,419)</u>	<u>-</u>	<u>(5,225,062)</u>

Accumulated Depreciation	<u>(11,468,758)</u>	<u>(962,142)</u>	<u>41,959</u>	<u>(12,388,941)</u>
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Depreciable capital assets, net	<u>32,029,363</u>	<u>(962,142)</u>	<u>(7,433)</u>	<u>31,059,788</u>
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Business-type activities

capital assets, net	\$ <u>34,124,359</u>	<u>(314,383)</u>	<u>(7,433)</u>	<u>33,802,543</u>
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\* - Depreciation expense was charged to governmental functions as follows:

General government	\$ 45,181
Security of person & property	240,363
Public health services	77
Basic utility services	70,280
Community environment	3,425
Transportation	105,374
Leisure time activities	159,707
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>58,530</u>

Total depreciation expense – governmental activities	\$ <u>682,937</u>
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**NOTE 9 – DEFINED BENEFIT PENSION PLANS:**

Both the Ohio Police and Firemen's Disability and Pension Fund and the Ohio Public Employees Retirement System are reported using GASB Statement No. 27 "Accounting for Pensions by State and Local Governmental Employers". Substantially all City employees are covered by one of the two cost-sharing multiple-employer defined benefit pension plans, namely, the Police and Firemen's Disability and Pension Fund or the Public Employees Retirement System of Ohio (OPERS). Both funds provide retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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Public Employees Retirement System

The City of Miamisburg participates in the Public Employees Retirement System of Ohio (PERS), which administers three separate pension plans; the Traditional Pension Plan (TPP), the Member-Directed Plan (MDP) and the Combined Plan (CP). The TPP is a cost sharing, multiple-employer defined benefit pension plan. The MDP is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year), and members accumulate retirement assets equal to the value of member and (vested) employer contribution plus any investment earnings. The CP is a cost sharing, multiple-employer defined benefit plan where employer contributions are invested by PERS to provide a formula retirement benefit similar to the TP benefit, but the member contribution is self-directed by the members and accumulate retirement assets in a manner similar to the MDP.

PERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the TPP and CP Plans. Members of the MDP do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. PERS issues a publicly available stand-alone financial report. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-6705 or 1-800-222-PERS (7377).

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2004, member and contribution rates were consistent across all three plans. The 2004 member contribution rate was 8.5 percent and the City's contribution rate was 13.55 percent of covered payroll. The City's contributions to the plans for the years ending December 31, 2004, 2003, and 2002 were \$793,331, \$797,597, and \$763,295, respectively. Total contributions for 2004 represented 93% of required contributions for the year, with 100% being contributed for 2003 and 2002.

Police and Firemen's Disability and Pension Fund

The City of Miamisburg contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined pension plan. OP&F provides retirement and disability benefits, cost-of-living adjustments, and death benefits to plan member and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial statements and required supplementary information for the plan. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10.0 percent of their annual covered salary, while employers are required to contribute 19.5 and 24.0 percent respectively for police officers and firefighters. The City's contributions to OP&F for the years ending December 31, 2004, 2003 and 2002 were \$991,759, \$929,394 and \$858,738. Total contributions for 2004 represented 76 percent of required contributions for the year, with 100 percent being contributed for 2003 and 2002.

**NOTE 10 – POSTEMPLOYMENT BENEFITS:**

Public Employees Retirement System

In order to qualify for postretirement health care coverage, age and services retirees under the TPP and the CP plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualifying survivor benefit recipients is available. The health care coverage provided by PERS is considered to be an Other Postemployment Benefit (OPEB) as described in GASB Statement 12. A portion of

**CITY OF MIAMISBURG, OHIO**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004

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each employer's contribution to PERS is set aside for the funding of postretirement health care. The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to PERS. For 2004 the portion of the required contribution used to fund health care was 4.0 percent.

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, 2003, include a rate of return on investments of 8.00 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between 0.50 percent and 6.3 percent based on additional annual pay increases. Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from one to six percent for the next eight years. In subsequent years (nine and beyond) health care costs were assumed to increase at four (4) percent.

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

The number of active contributing participants was 369,885. The City's actual contributions for 2004 which were used to fund postemployment benefits were \$234,194. The actual contribution and the actuarially required contribution amounts are the same. PERS's net assets available for payment of benefits at December 31, 2003 (the latest information available) were \$10.5 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$26.9 billion and \$16.4 billion, respectively.

On September 9, 2004 the PERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures PERS health care coverage to improve the financial solvency of the fund in response to skyrocketing health care costs. Under the HCPP, retirees eligible for health care coverage will receive a graded monthly allocation based on their years of service at retirement. The Plan incorporates a cafeteria approach, offering a broad range of health care options that allow benefit recipients to use their monthly allocation to purchase health care coverage customized to meet their individual needs. If the monthly allocation exceeds the cost of the options selected, the excess is deposited into a Retiree Medical Account that can be used to fund future health care expenses.

#### Police and Firemen's Disability and Pension Fund

The Ohio Police and Fire Pension Fund provides postretirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such persons. An eligible dependent child is any child under the age of eighteen whether or not he is attending school or under twenty-two if attending full-time or on a 2/3 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 funds of OP&F 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 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2004. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

**CITY OF MIAMISBURG, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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The City's actual contributions for 2003 that were used to fund postemployment benefits were \$355,378. The OP&F's total health care expense for the year ended December 31, 2003, (the latest information available) was \$150,853,148, which was net of member contributions of \$17,207,506. The number of OP&F participants eligible to receive health care benefits as of December 31, 2002, was 13,662 for police and 10,474 for firefighters.

**NOTE 11 – OTHER EMPLOYEE BENEFITS:**

Deferred Compensation Plans

City employees and elected officials may participate in the International City Managers Association (ICMA) Deferred Compensation Plan or the Ohio Public Employees Deferred Compensation Plan. Both plans were created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plans permit deferral of compensation for income tax purposes until future years. According to the plans, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

Compensated Absences

Accumulated Unpaid Vacation

City employees earn vacation leave at varying rates based upon length of service. Employees are permitted to accumulate twice their yearly vacation accrual. In the case of death or retirement, and employee (or his estate) is paid for his unused vacation leave. Also, any employee that leaves the City after completion of the probationary period is eligible to receive payment for unused vacation leave. The total obligation for vacation leave for the City as a whole amounted to \$703,876 at December 31, 2004.

Accumulated Unpaid Sick Leave

City employees earn sick leave at the rate of four and six tenths hours per eighty hours of service. Sick leave is cumulative without limit. In the case of death, an employee's estate is paid for one-half of the employee's accumulated sick leave. Upon retirement an employee is paid for one-half of his accumulated sick leave within various limits. The total obligations for sick leave accrual for the City as a whole as of December 31, 2004 was \$1,169,977.

**NOTE 12 – RISK MANAGEMENT:**

The City is exposed to various risks of loss related to torts, thefts of, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. The City has joined the Miami Valley Risk Management Association, Inc. (MVRMA, Inc.) a joint insurance pool. The pool consists of nineteen municipalities who pool risk for property, crime, liability, boiler and machinery and public official liability.

The City pays an annual premium to MVRMA, Inc. for this coverage. The agreement provides that the MVRMA, Inc. will be self-sustaining through member premiums and the purchase of excess and stop-loss insurance. The deductible per occurrence for all types of claims is \$2,500. The self-insured retention is \$1 million for liability (an increase of \$500,000 from the prior year) and \$250,000 for property. Excess insurance coverage will cover additional claims up to the limits listed below:

**CITY OF MIAMISBURG, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

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General Liability (including law enforcement)	\$2 million per occurrence
Automobile Liability	\$2 million per occurrence
Public Officials Liability	\$2 million excess \$1 million (\$16 million aggregate per city)
Employment Practice Liability	\$2 million excess \$1 million SIR
Boiler and Machinery	\$100 million per occurrence
Property	\$100 million per occurrence
Flood and Earthquake (Property)	\$25,000,000 annual aggregate

The City joined a workers' compensation group rating plan, which allows local governments to group the experience of employers for workers' compensation rating purposes. The City pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. The City partially provides medical and life insurance for all full-time employees. Employees are required to share in the costs of their medical plan. Anthem Blue Cross/Blue Shield provides medical insurance and Community National provides life insurance. The City's liability for these benefits is limited to making the required premium payments.

There were no significant reductions in insurance coverage during the year in any category of risk. Settled claims have not exceeded insurance coverage in any of the past three years.

**NOTE 13 - LONG-TERM OBLIGATIONS:**

Long-term obligation activity for the year ended December 31, 2004, was as follows.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
<b><u>Governmental Activities:</u></b>					
Bonds Payable:					
General obligation bonds	\$4,235,000	-	325,000	3,910,000	335,000
Special assessment debt with governmental commitment	<u>310,000</u>	<u>-</u>	<u>35,000</u>	<u>275,000</u>	<u>40,000</u>
Total Bonds Payable	4,545,000	-	360,000	4,185,000	375,000
Police and fire pension liability	263,456	-	4,109	259,347	4,284
Compensated absences	<u>1,220,979</u>	<u>1,581,843</u>	<u>1,220,979</u>	<u>1,581,843</u>	<u>237,276</u>
Total Governmental Activities	<u>\$6,029,435</u>	<u>1,581,843</u>	<u>1,585,088</u>	<u>6,026,190</u>	<u>616,560</u>
<b><u>Business-Type Activities:</u></b>					
Bonds Payable:					
General obligation bonds	\$7,100,000	-	340,000	6,760,000	345,000
Revenue bonds	10,490,000	2,085,000	845,000	11,730,000	960,000
Less: Deferred charges	<u>(642,563)</u>	<u>-</u>	<u>(50,922)</u>	<u>(591,638)</u>	<u>-</u>
Total Bonds Payable	16,947,437	2,085,000	1,235,925	17,898,362	1,305,000
Long-term notes	187,142	-	19,237	167,905	15,562
Compensated absences	<u>155,194</u>	<u>291,950</u>	<u>155,194</u>	<u>291,950</u>	<u>43,792</u>
Total Business-Type Activities	<u>\$17,289,773</u>	<u>2,376,950</u>	<u>1,410,356</u>	<u>18,358,217</u>	<u>1,364,354</u>

**CITY OF MIAMISBURG, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

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General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. General obligation bonds have been issued for both governmental and business-type activities.

All of the City's general obligation bonds were issued during prior periods. The original amount of general obligation bonds issued in prior periods was \$12,735,000. No additional general obligations bonds were issued during the year ended December 31, 2004. General obligation bonds currently outstanding are as follows:

Issue Year	Purpose	Interest Rate	Original Issue Amount
<u>Governmental Activities:</u>			
1985	Road Improvements	8.87%	\$300,000
1985	Bridge Replacement	8.87%	\$210,000
1998	Road Improvements	4.00%	\$740,000
2002	Various Purposes	2.25 – 4.15%	\$3,910,000
<u>Business-Type Activities:</u>			
1993	Refunding – Golf Course Construction	2.65 – 5.75%	\$5,890,000
2002	Refunding – Water System Improvements	2.25 – 4.00%	\$1,685,000

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending December 31	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2005	\$ 335,000	\$ 146,174	\$ 345,000	\$ 327,742
2006	310,000	135,361	360,000	315,910
2007	325,000	125,763	390,000	302,403
2008	335,000	115,032	405,000	286,852
2009	340,000	103,341	420,000	270,010
2010-2014	1,580,000	326,561	2,030,000	1,023,964
2015-2019	685,000	42,450	1,915,000	531,675
2020-2021	-	-	895,000	68,595
Total	<u>\$3,910,000</u>	<u>\$ 994,682</u>	<u>\$6,760,000</u>	<u>\$3,127,151</u>

Special Assessment Bonds

In 2000 the City issued \$410,000 of special assessment bonds to finance the City's sidewalks, curbs and gutters program. The bonds have a stated interest rate of 4.75 to 8.00 percent and will be repaid from amounts levied against the property owners benefited by the program. The special assessment bonds are backed by the full faith and credit of the City. In the event that an assessed property owner fails to make payments, the City will be required to pay the related debt. Annual debt service requirements to maturity for special assessment bonds are as follows:

**CITY OF MIAMISBURG, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

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<u>Year Ending December 31</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2005	\$ 40,000	\$ 13,540
2006	40,000	11,620
2007	45,000	9,680
2008	50,000	7,475
2009	45,000	5,000
2010	<u>55,000</u>	<u>2,750</u>
Total	<u>\$ 275,000</u>	<u>\$ 50,065</u>

Revenue Bonds

The City also issues bonds where income generated by the operation benefiting from the bonds pays the annual debt service requirements. Prior to the beginning of 2004, the City had \$14,730,000 of revenue bonds outstanding. During 2004, the City issued \$2,085,000 of revenue bonds to finance the City's Water Treatment Plant facility improvement project. All revenue bonds are for business-type activities and outstanding revenue bonds at December 31, 2004 are as follows:

<u>Issue Year</u>	<u>Purpose</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>
1995	Refunding – Sewer System Improvements	2.85 – 5.65%	\$5,045,000
1995	Refunding – Water System Improvements	2.85 – 5.65%	\$2,220,000
2001	Wastewater Facilities Improvements	3.40 – 5.00%	\$4,500,000
2003	Wastewater Facilities Improvements	2.00 – 4.00%	\$2,970,000
2004	Water Works Facilities Improvements	2.00 – 4.38%	\$2,085,000

Annual debt service requirements to maturity for revenue bonds are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>
2005	\$ 960,000	\$ 500,501
2006	1,005,000	458,286
2007	1,040,000	413,151
2008	1,095,000	365,416
2009	655,000	313,903
2010-2014	2,340,000	1,259,845
2015-2019	2,840,000	760,999
2020-2024	<u>1,795,000</u>	<u>186,020</u>
Total	<u>\$11,730,000</u>	<u>\$4,258,121</u>

**CITY OF MIAMISBURG, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

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Long-Term Notes

In 1995 the City entered into two long-term notes with the Ohio Public Works Commission to finance certain sewer system improvements. The twenty-year notes had a zero percent interest rate. In addition, a \$99,689, 4.15 percent long-term note issued by the City in 1999, for the purchase of golf course equipment, was paid in full during 2004. All long-term notes payable are reported in business-type activities.

Annual debt service requirements to maturity for the Ohio Public Works Commission notes are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>
2005	\$ 15,562	\$ -
2006	15,563	-
2007	15,562	-
2008	15,563	-
2009	15,562	-
2010-2014	77,813	-
2015	<u>12,280</u>	-
Total	<u>\$167,905</u>	<u>\$ -</u>

Police and Fire Pension Liability

The police and fire pension obligation payable was entered into in 1981, with a total principal amount financed of \$303,983. These obligations payable were offered to assist governments throughout the State of Ohio to fund their unfunded pension costs associated with police and fire service. This obligation is being repaid by the police and fire pension fund through the use of local property tax revenues where the proceeds received are to be used to pay this pension obligation.

Annual debt service requirements to maturity for the police and fire pension liability are as follows:

<u>Year Ending December 31</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2005	\$ 4,285	\$ 10,977
2006	4,469	10,793
2007	4,661	10,601
2008	4,862	10,401
2009	5,071	10,192
2010-2014	28,813	47,501
2015-2019	35,555	40,758
2020-2024	43,875	32,438
2025-2029	54,143	22,170
2030-2034	66,814	9,500
2035	<u>6,799</u>	<u>144</u>
Total	<u>\$259,347</u>	<u>\$205,475</u>



**CITY OF MIAMISBURG, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

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Compensated Absences

Compensated absences will be paid from the general fund; the fire levy, municipal court probation, recreation, street maintenance, and state highway special revenue funds; the water and sewer enterprise funds; and the civic center, city garage, and service center internal service funds. Internal service funds predominantly serve the governmental funds. Accordingly, \$42,155 of compensated absences related to the internal service funds are included as part of the compensated absences liability reported for governmental activities.

**NOTE 14 - SHORT-TERM OBLIGATIONS:**

On December 16, 2004 the City issued a bond anticipation note in the amount of \$350,000, with an interest rate of 2.51 percent. The note will mature in one year. The note was issued to provide financing for the City's sidewalk, curb and gutter program. It is anticipated the note will be repaid with a special assessment general obligation bond. With the proceeds of this note, the City redeemed the \$285,000 bond anticipation note issued in 2003 for the sidewalk, curb and gutter special assessment project.

In addition, on June 1, 2004 the City issued \$1.8 million of bond anticipation notes to provide financing for the renovations and expansion of the municipal waterworks facility. These notes carried an interest rate of 2.02 percent and were redeemed prior to the end of the year using the proceeds of the 2004 Waterworks Mortgage Revenue Bonds.

A summary of the short-term note transactions for the year ended December 31, 2004 follows:

<u>Issue</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Governmental Activities</u>				
2003 Sidewalk, Curb and Gutter BAN – 1.63%	\$ 285,000	\$ -	\$ 285,000	\$ -
2004 Sidewalk, Curb and Gutter BAN – 2.51%	-	350,000	-	350,000
<u>Business-type Activities</u>				
2004 Waterworks Improvement BAN – 2.02%	\$ -	\$1,800,000	\$1,800,000	\$ -

**NOTE 15 – INTERFUND BALANCES AND TRANSFERS:**

Interfund transfers for the year ended December 31, 2004, consisted of the following:

<u>Transfer to Fund</u>	<u>Transfer from Fund</u>	<u>Amount</u>
Capital Improvement	Other Governmental	\$ 54,620
Golf Fund	Capital Improvement	200,000
Other Governmental	General	290,806
	Capital Improvement	297,506
	Water	136,346
	Other Governmental	33,328
	Internal Service	37,788
		<u>795,774</u>
Total		<u>\$ 1,050,394</u>

**CITY OF MIAMISBURG, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

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Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed. The \$200,000 transfer from the capital improvement fund to the golf fund was to provide the golf fund with monies to help meet the current year debt service – interest requirement. The \$136,346 transfer from the water fund to the Clean Ohio capital project fund (other governmental) was to provide the local matching portion of a state grant. The remaining transfers were made to the Bond Retirement fund from the bond being used to finance the debt as well as \$197,000 in transfers from the general fund to various street funds to finance road work projects throughout the year.

The \$1,040,856 advance from the general fund to the golf fund was made prior to 2004 and was made to provide operating funds to the golf fund during the start-up phase of the PipeStone Golf Course. The advance is expected to repaid to the general fund, once the golf fund accumulates sufficient financial resources to repay the advance. The advance is not expected to be repaid during 2005, therefore, a reserve for long-term receivables has been established in the general fund in a like amount to represent these funds are not available for appropriation or expenditure. In the government-wide financial statements, the advance is reported as a component of the internal balances line-item.

**NOTE 16 – RELATED ORGANIZATION:**

The Miamisburg Mound Community Improvement Corporation (CIC) was formed in 1994 to promote the industrial, economic, commercial, and civic development of the mound facility. The Board of Trustees for the CIC include seven members, of which four are appointed by the City Council and three are persons holding the position of Mayor, City Manager and Finance Director. Even though the City appoints a voting majority of the Board, it does not promote its will on the Board. The City has no authority to approve or modify any decisions made by the CIC Board regarding its budget, management of day-to-day activities, or hiring and firing of employees. The City receives no financial benefit from or has any financial obligation to the operation of the CIC.

**NOTE 17 – CONTINGENT LIABILITIES:**

Litigation

The City is a defendant in various lawsuits and subject to various claims over which litigation has not yet commenced. Although the outcomes of these matters is not presently determinable, in the opinion of management and the law director, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

Federal and State Grants

For the period January 1, 2004 to December 31, 2004 the City received federal and state grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

**COMBINING FINANCIAL STATEMENTS AND INDIVIDUAL  
FUND SCHEDULES**

## NONMAJOR GOVERNMENTAL FUNDS

### *SPECIAL REVENUE FUNDS*

To account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are legally restricted to expenditure for specific purposes.

#### Conservancy

To account for the proceeds from a property tax levy used to pay the Miami Conservancy District for flood control of the Great Miami River.

#### Court Modernization

To account for court costs collected and used for the computerization of the municipal court.

#### Drug Law Enforcement

To account for fines and costs collected for felonious drug trafficking convictions and sentences. This money may be used in any drug law enforcement activity.

#### Enforcement and Education

To account for fines imposed by the municipal court for the purpose of education the public and enforcing the laws governing the operation of a motor vehicle while under the influence of alcohol.

#### Fire Levy

To account for levy revenues for salaries, fire equipment purchases and various other operational expenditures related to the operations of the fire department.

#### Indigent Driver's Alcohol Treatment

To account for fines imposed by the municipal court for the purpose of paying costs of attendance of indigent OMVI offenders at alcohol and drug addiction treatment programs.

#### Law Enforcement

To account for the fines generated in the prosecution of those in possession of contraband and the proceeds gained from the sale of confiscated contraband. This money may be spent for any law enforcement activity.

#### Motor Vehicle License Tax

To account for \$2.50 of each \$5.00 levied by Montgomery County on each motor vehicle registration in the City. Allowable expenditures include planning, construction, improving, maintaining and repairing roads, bridges and streets.

#### Municipal Court Computer

To account for fines and forfeitures assessed to provide funding for the maintenance of the municipal court computer system.

#### Municipal Court Probation

To account for the court cost collected and used to pay for the cost of probation services.

**NONMAJOR GOVERNMENTAL FUNDS  
(Continued)**

***SPECIAL REVENUE FUNDS (Continued)***

Municipal Court Special Projects

To account for fines and forfeitures assessed and collected to fund various special projects of the municipal court.

Police and Fire Pension

To account for property tax revenue used to pay the City's accrued liability for police and fire pension benefits.

Recreation Program

To account for fees and other charges paid by the participants of recreation programs to cover the cost of the various programs.

Senior Citizens Center Programs

To account for the revenues and expenses associated with the activities programs operated as the Senior Center.

State Highway

To account for the portion of the state gasoline tax and motor vehicle registration fees designated for maintenance of state highways within the City.

Street Maintenance and Repair

To account for the portion of the state gasoline tax and motor vehicle registration fees designated for maintenance and repair of designated streets within the City.

***DEBT SERVICE FUNDS***

To account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

General Obligation Bond Retirement

To account for transfers from other funds for the payment of general obligation bonded debt.

Special Assessment Bond Retirement

To account for special assessments collected for the payment of special assessment bonded debt with governmental commitment.

**NONMAJOR GOVERNMENTAL FUNDS  
(Continued)**

**CAPITAL PROJECT FUNDS**

To account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds.

Clean Ohio Grant

To account for state and local funding to be used to for open space and conservation projects associated with the Great Miami Riverfront Park and Wellhead Enhancement Project.

Issue II Capital Improvements

To account for state money used for capital improvements to the City's infrastructure.

Park Capital Improvement

To account for charges collected from developers on a per bedroom basis for each new house built in the City. The money collected is then used for park capital improvements.

Roadway Improvement

To account for cash deposits from developers in lieu of partial physical improvements to roadways. The City will use the money for designing, planning, engineering and constructing the overall roadway system.

Sidewalks, Curbs and Gutter

To account for monies received from developers for future construction of sidewalks, curbs and gutters.

**CITY OF MIAMISBURG, OHIO**

Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2004

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$ 1,667,478	\$ 316,391	\$ 636,372	\$ 2,620,241
Cash and Cash Equivalents in Segregated Accounts	10,886	-	-	10,886
<u>Receivables:</u>				
Taxes	1,103,600	-	-	1,103,600
Intergovernmental	476,154	-	-	476,154
Special Assessments	-	302,794	-	302,794
Accrued Interest	6	-	170	176
Supplies Inventory	121,058	-	-	121,058
<b>Total Assets and Other Debits</b>	<b>3,379,182</b>	<b>619,185</b>	<b>636,542</b>	<b>4,634,909</b>
<u>Liabilities and Fund Balances:</u>				
<u>Liabilities:</u>				
Accounts Payable	68,029	550	-	68,579
Accrued Salaries Payable	68,758	-	-	68,758
Intergovernmental Payable	20,495	-	-	20,495
Deferred Revenue	1,515,626	302,794	-	1,818,420
<b>Total Liabilities</b>	<b>1,672,908</b>	<b>303,344</b>	<b>-</b>	<b>1,976,252</b>
<u>Fund Balances:</u>				
Reserved for Encumbrances	87,510	-	2,112	89,622
Reserved for Supplies Inventory	121,058	-	-	121,058
<u>Unreserved:</u>				
<u>Undesignated, Reported in:</u>				
Special Revenue Funds	1,497,706	-	-	1,497,706
Debt Service Funds	-	315,841	-	315,841
Capital Project Funds	-	-	634,430	634,430
<b>Total Fund Balances</b>	<b>1,706,274</b>	<b>315,841</b>	<b>636,542</b>	<b>2,658,657</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,379,182</b>	<b>\$ 619,185</b>	<b>\$ 636,542</b>	<b>\$ 4,634,909</b>

**CITY OF MIAMISBURG, OHIO**  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2004

	<u>Conservancy</u>	<u>Court Modernization</u>	<u>Drug Law Enforcement</u>
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 82,225	\$ 233,454	\$ 5,473
Cash and Cash Equivalents in Segregated Accounts	-	8,988	-
Receivables:			
Taxes	54,141	-	-
Intergovernmental	2,829	-	-
Accrued Interest	-	-	-
Supplies Inventory	-	-	-
	<hr/>	<hr/>	<hr/>
Total Assets	<u>139,195</u>	<u>242,442</u>	<u>5,473</u>
Liabilities:			
Accounts Payable	-	-	-
Accrued Salaries Payable	-	-	-
Intergovernmental Payable	-	-	-
Deferred Revenue	56,970	-	-
	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>56,970</u>	<u>-</u>	<u>-</u>
Fund Balances:			
Reserved for Encumbrances	-	24,055	-
Reserved for Supplies Inventory	-	-	-
Unreserved:			
Undesignated	82,225	218,387	5,473
	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>82,225</u>	<u>242,442</u>	<u>5,473</u>
	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balance	<u>\$ 139,195</u>	<u>\$ 242,442</u>	<u>\$ 5,473</u>



Enforcement and Education	Fire Levy	Indigent Drivers' Alcohol Treatment	Law Enforcement	Motor Vehicle License Tax	Municipal Court Computer
\$ 8,110	\$ 189,131	\$ 250,158	\$ 15,334	\$ 19,464	\$ 104,970
-	-	473	-	-	-
-	799,575	-	-	-	-
-	35,752	-	-	21,834	-
-	-	-	-	6	-
-	-	-	-	-	-
<u>8,110</u>	<u>1,024,458</u>	<u>250,631</u>	<u>15,334</u>	<u>41,304</u>	<u>104,970</u>
-	3,970	-	-	-	-
109	29,730	-	-	-	-
26	8,338	-	-	-	-
-	835,327	-	-	18,310	-
<u>135</u>	<u>877,365</u>	<u>-</u>	<u>-</u>	<u>18,310</u>	<u>-</u>
-	9,655	-	2,443	-	11,628
-	-	-	-	-	-
<u>7,975</u>	<u>137,438</u>	<u>250,631</u>	<u>12,891</u>	<u>22,994</u>	<u>93,342</u>
<u>7,975</u>	<u>147,093</u>	<u>250,631</u>	<u>15,334</u>	<u>22,994</u>	<u>104,970</u>
<u>\$ 8,110</u>	<u>\$ 1,024,458</u>	<u>\$ 250,631</u>	<u>\$ 15,334</u>	<u>\$ 41,304</u>	<u>\$ 104,970</u>

(Continued)

**CITY OF MIAMISBURG, OHIO**  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2004  
(Continued)

	Municipal Court Probation	Municipal Court Special Projects	Police and Fire Pension
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 132,811	\$ 157,578	\$ 50,470
Cash and Cash Equivalents in Segregated Accounts	-	1,425	-
Receivables:			
Taxes	-	-	249,884
Intergovernmental	-	-	13,085
Accrued Interest	-	-	-
Supplies Inventory	-	-	-
	<u>132,811</u>	<u>159,003</u>	<u>313,439</u>
<b>Total Assets</b>	<b>132,811</b>	<b>159,003</b>	<b>313,439</b>
Liabilities:			
Accounts Payable	-	6,533	-
Accrued Salaries Payable	2,063	-	-
Intergovernmental Payable	1,009	-	-
Deferred Revenue	-	-	262,969
	<u>3,072</u>	<u>6,533</u>	<u>262,969</u>
<b>Total Liabilities</b>	<b>3,072</b>	<b>6,533</b>	<b>262,969</b>
Fund Balances:			
Reserved for Encumbrances	806	16,433	-
Reserved for Supplies Inventory	-	-	-
Unreserved:			
Undesignated	128,933	136,037	50,470
	<u>129,739</u>	<u>152,470</u>	<u>50,470</u>
<b>Total Fund Balances</b>	<b>129,739</b>	<b>152,470</b>	<b>50,470</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 132,811</b>	<b>\$ 159,003</b>	<b>\$ 313,439</b>

Recreation Programs	Senior Citizen Programs	State Highway	Street Maintenance and Repair	Total
\$ 22,228	\$ 155,600	\$ 48,154	\$ 192,318	\$ 1,667,478
-	-	-	-	10,886
-	-	-	-	1,103,600
-	-	24,618	378,036	476,154
-	-	-	-	6
-	-	-	121,058	121,058
<u>22,228</u>	<u>155,600</u>	<u>72,772</u>	<u>691,412</u>	<u>3,379,182</u>
102	2,319	11,876	43,229	68,029
1,334	689	1,217	33,616	68,758
751	444	592	9,335	20,495
-	-	20,603	321,447	1,515,626
<u>2,187</u>	<u>3,452</u>	<u>34,288</u>	<u>407,627</u>	<u>1,672,908</u>
1,286	2,672	5,214	13,318	87,510
-	-	-	121,058	121,058
<u>18,755</u>	<u>149,476</u>	<u>33,270</u>	<u>149,409</u>	<u>1,497,706</u>
<u>20,041</u>	<u>152,148</u>	<u>38,484</u>	<u>283,785</u>	<u>1,706,274</u>
<u>\$ 22,228</u>	<u>\$ 155,600</u>	<u>\$ 72,772</u>	<u>\$ 691,412</u>	<u>\$ 3,379,182</u>

**CITY OF MIAMISBURG, OHIO**

Combining Balance Sheet  
Nonmajor Debt Service Funds  
December 31, 2004

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 117,693	\$ 198,698	\$ 316,391
Special Assessment Receivable	<u>-</u>	<u>302,794</u>	<u>302,794</u>
Total Assets	<u>117,693</u>	<u>501,492</u>	<u>619,185</u>
Liabilities:			
Accounts Payable	550	-	550
Deferred Revenue	<u>-</u>	<u>302,794</u>	<u>302,794</u>
Total Liabilities	<u>550</u>	<u>302,794</u>	<u>303,344</u>
Fund Balances:			
Unreserved Undesignated	<u>117,143</u>	<u>198,698</u>	<u>315,841</u>
Total Fund Equity	<u>117,143</u>	<u>198,698</u>	<u>315,841</u>
Total Liabilities and Fund Equity	<u>\$ 117,693</u>	<u>\$ 501,492</u>	<u>\$ 619,185</u>

**CITY OF MIAMISBURG, OHIO**  
Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2004

	Clean Ohio Grant	Park Capital Improvement	Roadway Improvement	Sidewalk, Curb and Gutter	Total
Assets:					
Equity in Pooled Cash and and Cash Equivalents	\$ 30,023	\$ 202,278	\$ 373,490	\$ 30,581	\$ 636,372
Accrued Interest Receivable	-	-	157	13	170
Total Assets and Other Debits	<u>30,023</u>	<u>202,278</u>	<u>373,647</u>	<u>30,594</u>	<u>636,542</u>
Liabilities:					
Total Liabilities	-	-	-	-	-
Fund Balances:					
Reserved for Encumbrances	-	2,112	-	-	2,112
Unreserved:					
Undesignated	<u>30,023</u>	<u>200,166</u>	<u>373,647</u>	<u>30,594</u>	<u>634,430</u>
Total Fund Balances	<u>30,023</u>	<u>202,278</u>	<u>373,647</u>	<u>30,594</u>	<u>636,542</u>
Total Liabilities and Fund Balances	<u>\$ 30,023</u>	<u>\$ 202,278</u>	<u>\$ 373,647</u>	<u>\$ 30,594</u>	<u>\$ 636,542</u>

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**CITY OF MIAMISBURG, OHIO**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2004

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Property and Other Taxes	\$ 1,040,469	\$ -	\$ -	\$ 1,040,469
Intergovernmental	1,094,571	-	296,825	1,391,396
Special Assessments	-	104,757	-	104,757
Charges for Services	243,074	-	61,580	304,654
Fines, Licenses and Permits	372,235	-	-	372,235
Interest	4,258	-	8,867	13,125
Donations	42,687	-	-	42,687
Other	129,845	-	26,744	156,589
<b>Total Revenues</b>	<b>2,927,139</b>	<b>104,757</b>	<b>394,016</b>	<b>3,425,912</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Security of Persons and Property	1,379,771	-	-	1,379,771
Leisure Time Activities	265,286	-	360	265,646
Transporation	1,069,937	-	-	1,069,937
General Government	252,073	6,695	6,940	265,708
Capital Outlay	-	-	522,806	522,806
<b>Debt Service:</b>				
Principal Retirement	4,109	360,000	-	364,109
Interest and Fiscal Charges	11,154	149,574	-	160,728
<b>Total Expenditures</b>	<b>2,982,330</b>	<b>516,269</b>	<b>530,106</b>	<b>4,028,705</b>
<b>Excess of Revenues Over(Under)</b>				
Expenditures	(55,191)	(411,512)	(136,090)	(602,793)
<b>Other Financing Sources (Uses):</b>				
Transfers-In	197,000	462,428	136,346	795,774
Transfers-Out	(50,000)	(4,620)	(33,328)	(87,948)
<b>Total Other Financing Sources (Uses)</b>	<b>147,000</b>	<b>457,808</b>	<b>103,018</b>	<b>707,826</b>
<b>Excess of Revenues and Other Financing Sources Over(Under)</b>				
Expenditures and Other Financing Uses	91,809	46,296	(33,072)	105,033
Fund Balance at Beginning of Year	1,583,602	269,545	669,614	2,522,761
Increase (Decrease) in Reserve for Inventory	30,863	-	-	30,863
<b>Fund Balance at End of Year</b>	<b>\$ 1,706,274</b>	<b>\$ 315,841</b>	<b>\$ 636,542</b>	<b>\$ 2,658,657</b>

**CITY OF MIAMISBURG, OHIO**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2004

	<u>Conservancy</u>	<u>Court Modernization</u>	<u>Drug Law Enforcement</u>
Revenues:			
Property and Other Taxes	\$ 50,928	\$ -	\$ -
Intergovernmental	5,792	-	-
Charges for Services	-	-	-
Fines, Licenses and Permits	-	154,579	940
Interest	-	-	-
Donations	-	-	-
Other	-	3,750	-
	<hr/>	<hr/>	<hr/>
Total Revenues	56,720	158,329	940
	<hr/>	<hr/>	<hr/>
Expenditures:			
Current:			
Security of Persons and Property	-	-	3,000
Leisure Time Activities	-	-	-
Transportation	-	-	-
General Government	60,427	113,324	-
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
	<hr/>	<hr/>	<hr/>
Total Expenditures	60,427	113,324	3,000
	<hr/>	<hr/>	<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,707)	45,005	(2,060)
	<hr/>	<hr/>	<hr/>
Other Financing Sources (Uses):			
Transfers-In	-	-	-
Transfers-Out	-	-	-
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	-	-	-
	<hr/>	<hr/>	<hr/>
Net Change in Fund Balance	(3,707)	45,005	(2,060)
	<hr/>	<hr/>	<hr/>
Fund Balance at Beginning of Year	85,932	197,437	7,533
Increase in Reserve for Inventory	-	-	-
	<hr/>	<hr/>	<hr/>
Fund Balance at End of Year	<u>\$ 82,225</u>	<u>\$ 242,442</u>	<u>\$ 5,473</u>



<u>Enforcement and Education</u>	<u>Fire Levy</u>	<u>Indigent Drivers' Alcohol Treatment</u>	<u>Law Enforcement</u>	<u>Motor Vehicle License Tax</u>	<u>Municipal Court Computer</u>
\$ -	\$ 754,487	\$ -	\$ -	\$ -	\$ -
-	146,378	-	-	50,669	-
-	3,482	-	-	-	-
3,002	-	18,850	-	-	39,896
-	-	-	-	388	-
-	12,850	-	-	-	-
-	112,175	-	13,892	-	-
<u>3,002</u>	<u>1,029,372</u>	<u>18,850</u>	<u>13,892</u>	<u>51,057</u>	<u>39,896</u>
693	1,072,541	-	16,208	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1,295
-	-	-	-	-	-
-	-	-	-	-	-
<u>693</u>	<u>1,072,541</u>	<u>-</u>	<u>16,208</u>	<u>-</u>	<u>1,295</u>
<u>2,309</u>	<u>(43,169)</u>	<u>18,850</u>	<u>(2,316)</u>	<u>51,057</u>	<u>38,601</u>
-	-	-	-	-	-
-	-	-	-	(50,000)	-
-	-	-	-	(50,000)	-
2,309	(43,169)	18,850	(2,316)	1,057	38,601
5,666	190,262	231,781	17,650	21,937	66,369
-	-	-	-	-	-
<u>\$ 7,975</u>	<u>\$ 147,093</u>	<u>\$ 250,631</u>	<u>\$ 15,334</u>	<u>\$ 22,994</u>	<u>\$ 104,970</u>

(Continued)

**CITY OF MIAMISBURG, OHIO**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2004

(Continued)

	Municipal Court Probation	Municipal Court Special Projects	Police and Fire Pension
	<u>          </u>	<u>          </u>	<u>          </u>
Revenues:			
Property and Other Taxes	\$ -	\$ -	\$ 235,054
Intergovernmental	-	-	39,658
Charges for Services	-	-	-
Fines, Licenses and Permits	89,251	65,717	-
Interest	-	-	-
Donations	-	-	-
Other	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
Total Revenues	<u>89,251</u>	<u>65,717</u>	<u>274,712</u>
Expenditures:			
Current:			
Security of Persons and Property	-	-	287,329
Leisure Time Activities	-	-	-
Transportation	-	-	-
General Government	69,894	7,133	-
Debt Service:			
Principal Retirement	-	-	4,109
Interest and Fiscal Charges	-	-	11,154
	<u>          </u>	<u>          </u>	<u>          </u>
Total Expenditures	<u>69,894</u>	<u>7,133</u>	<u>302,592</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>19,357</u>	<u>58,584</u>	<u>(27,880)</u>
Other Financing Sources (Uses):			
Transfers-In	-	-	-
Transfers-Out	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	19,357	58,584	(27,880)
Fund Balance at Beginning of Year	110,382	93,886	78,350
Increase in Reserve for Inventory	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
Fund Balance at End of Year	<u>\$ 129,739</u>	<u>\$ 152,470</u>	<u>\$ 50,470</u>

Recreation Programs	Senior Citizen Programs	State Highway	Street Maintenance and Repair	Total
\$ -	\$ -	\$ -	\$ -	\$ 1,040,469
-	-	56,295	795,779	1,094,571
136,997	102,595	-	-	243,074
-	-	-	-	372,235
-	3,870	-	-	4,258
20,234	9,103	-	500	42,687
-	-	-	28	129,845
<u>157,231</u>	<u>115,568</u>	<u>56,295</u>	<u>796,307</u>	<u>2,927,139</u>
-	-	-	-	1,379,771
162,687	102,599	-	-	265,286
-	-	122,472	947,465	1,069,937
-	-	-	-	252,073
-	-	-	-	4,109
-	-	-	-	11,154
<u>162,687</u>	<u>102,599</u>	<u>122,472</u>	<u>947,465</u>	<u>2,982,330</u>
<u>(5,456)</u>	<u>12,969</u>	<u>(66,177)</u>	<u>(151,158)</u>	<u>(55,191)</u>
-	-	57,000	140,000	197,000
-	-	-	-	(50,000)
-	-	57,000	140,000	147,000
(5,456)	12,969	(9,177)	(11,158)	91,809
25,957	139,179	47,661	263,620	1,583,602
(460)	-	-	31,323	30,863
<u>\$ 20,041</u>	<u>\$ 152,148</u>	<u>\$ 38,484</u>	<u>\$ 283,785</u>	<u>\$ 1,706,274</u>

**CITY OF MIAMISBURG, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR DEBT SERVICE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total
Revenues:			
Special Assessments	\$ -	\$ 104,757	\$ 104,757
Total Revenues	<u>-</u>	<u>104,757</u>	<u>104,757</u>
Expenditures:			
Current:			
General Government	1,043	5,652	6,695
Debt Service:			
Principal Retirement	325,000	35,000	360,000
Interest and Fiscal Charges	134,371	15,203	149,574
Total Expenditures	<u>460,414</u>	<u>55,855</u>	<u>516,269</u>
Excess of Revenues Over(Under) Expenditures	<u>(460,414)</u>	<u>48,902</u>	<u>(411,512)</u>
Other Financing Sources (Uses)			
Transfers In	462,428	-	462,428
Transfers Out	-	(4,620)	(4,620)
Total Other Financing Sources (Uses)	<u>462,428</u>	<u>(4,620)</u>	<u>457,808</u>
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	2,014	44,282	46,296
Fund Balance at Beginning of Year	<u>115,129</u>	<u>154,416</u>	<u>269,545</u>
Fund Balance at End of Year	<u>\$ 117,143</u>	<u>\$ 198,698</u>	<u>\$ 315,841</u>

**CITY OF MIAMISBURG, OHIO**  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2004

	Clean Ohio Grant	Park Capital Improvement	Roadway Improvement	Sidewalk, Curb and Gutter	Total
<b>Revenues:</b>					
Intergovernmental	\$ 296,825	\$ -	\$ -	\$ -	\$ 296,825
Special Assessments	-	-	-	-	-
Charges for Services	-	61,580	-	-	61,580
Interest	-	-	8,022	845	8,867
Other	-	-	26,744	-	26,744
<b>Total Revenues</b>	<b>296,825</b>	<b>61,580</b>	<b>34,766</b>	<b>845</b>	<b>394,016</b>
<b>Expenditures:</b>					
<b>Current:</b>					
Leisure Time Activities	-	360	-	-	360
General Government	6,940	-	-	-	6,940
Capital Outlay	522,806	-	-	-	522,806
<b>Total Expenditures</b>	<b>529,746</b>	<b>360</b>	<b>-</b>	<b>-</b>	<b>530,106</b>
<b>Excess of Revenues Over(Under) Expenditures</b>	<b>(232,921)</b>	<b>61,220</b>	<b>34,766</b>	<b>845</b>	<b>(136,090)</b>
<b>Other Financing Sources (Uses):</b>					
Transfers-In	136,346	-	-	-	136,346
Transfers-Out	-	(33,328)	-	-	(33,328)
<b>Total Other Financing Sources (Uses)</b>	<b>136,346</b>	<b>(33,328)</b>	<b>-</b>	<b>-</b>	<b>103,018</b>
<b>Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses</b>	<b>(96,575)</b>	<b>27,892</b>	<b>34,766</b>	<b>845</b>	<b>(33,072)</b>
<b>Fund Balance at Beginning of Year</b>	<b>126,598</b>	<b>174,386</b>	<b>338,881</b>	<b>29,749</b>	<b>669,614</b>
<b>Fund Balance at End of Year</b>	<b>\$ 30,023</b>	<b>\$ 202,278</b>	<b>\$ 373,647</b>	<b>\$ 30,594</b>	<b>\$ 636,542</b>

**CITY OF MIAMISBURG, OHIO**  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget (Non-GAAP Basis) and Actual  
Capital Improvement Fund  
For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive(Negative)
Revenues:				
Municipal Income Taxes				\$ -
Intergovernmental	140,000	140,000	149,587	9,587
Charges for Services	30,000	30,000	31,291	1,291
Other	-	-	142,135	142,135
Total Revenues	<u>170,000</u>	<u>170,000</u>	<u>323,013</u>	<u>153,013</u>
Expenditures:				
Capital Outlay	1,442,029	1,552,249	1,491,136	61,113
Total Expenditures	<u>1,442,029</u>	<u>1,552,249</u>	<u>1,491,136</u>	<u>61,113</u>
Excess of Revenues Under Expenditures	<u>(1,272,029)</u>	<u>(1,382,249)</u>	<u>(1,168,123)</u>	<u>214,126</u>
Other Financing Sources (Uses):				
Proceeds from Sale of Notes	75,000	75,000	65,000	(10,000)
Transfers In	2,038,800	1,978,000	1,636,337	(341,663)
Transfers Out	<u>(520,030)</u>	<u>(520,030)</u>	<u>(497,506)</u>	<u>22,524</u>
Total Other Financing Sources (Uses)	<u>1,593,770</u>	<u>1,532,970</u>	<u>1,203,831</u>	<u>(329,139)</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	321,741	150,721	35,708	(115,013)
Fund Balance at Beginning of Year	558,880	558,880	558,880	-
Prior Year Encumbrances Appropriated	<u>212,529</u>	<u>212,529</u>	<u>212,529</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 1,093,150</u>	<u>\$ 922,130</u>	<u>\$ 807,117</u>	<u>\$ (115,013)</u>

**CITY OF MIAMISBURG, OHIO**  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget (Non-GAAP Basis) and Actual  
Conservancy Fund  
For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Property and Other Taxes	\$ 55,660	\$ 57,000	\$ 50,928	\$ (6,072)
Intergovernmental	2,900	2,900	5,792	2,892
Total Revenues	<u>58,560</u>	<u>59,900</u>	<u>56,720</u>	<u>(3,180)</u>
Expenditures:				
Current:				
General Government	61,000	61,000	60,427	573
Total Expenditures	<u>61,000</u>	<u>61,000</u>	<u>60,427</u>	<u>573</u>
Excess of Revenues Under Expenditures	(2,440)	(1,100)	(3,707)	(2,607)
Fund Balance at Beginning of Year	<u>85,932</u>	<u>85,932</u>	<u>85,932</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 83,492</u>	<u>\$ 84,832</u>	<u>\$ 82,225</u>	<u>\$ (2,607)</u>

**CITY OF MIAMISBURG, OHIO**  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget (Non-GAAP Basis) and Actual  
Court Modernization Fund  
For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Fines, Licenses and Permits	\$ 155,000	\$ 155,000	\$ 157,863	\$ 2,863
Total Revenues	155,000	155,000	157,863	2,863
Expenditures:				
Current:				
General Government	58,037	58,037	55,537	2,500
Capital Outlay	4,656	4,656	7,155	(2,499)
Total Expenditures	62,693	62,693	62,692	1
Excess of Revenues Over Expenditures	92,307	92,307	95,171	2,864
Other Financing Uses:				
Transfers Out	(75,000)	(75,000)	(75,000)	-
Excess of Revenues Over Expenditures and Other Financing Uses	17,307	17,307	20,171	2,864
Fund Balance at Beginning of Year	184,636	184,636	184,636	-
Prior Year Encumbrances Appropriated	4,592	4,592	4,592	-
Fund Balance at End of Year	206,535	206,535	209,399	2,864



**CITY OF MIAMISBURG, OHIO**  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget (Non-GAAP Basis) and Actual  
Drug Law Enforcement Fund  
For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Fines, Licenses and Permits	\$ 3,000	\$ 3,000	\$ 940	\$ (2,060)
Total Revenues	3,000	3,000	940	(2,060)
Expenditures:				
Capital Outlay	7,000	7,000	3,000	4,000
Total Expenditures	7,000	7,000	3,000	4,000
Excess of Revenues Under Expenditures	(4,000)	(4,000)	(2,060)	1,940
Fund Balance at Beginning of Year	7,533	7,533	7,533	-
Fund Balance at End of Year	<u>\$ 3,533</u>	<u>\$ 3,533</u>	<u>\$ 5,473</u>	<u>\$ 1,940</u>

**CITY OF MIAMISBURG, OHIO**  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget (Non-GAAP Basis) and Actual  
Enforcement and Education Fund  
For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Fines, Licenses and Permits	\$ 2,000	\$ 2,000	\$ 3,002	\$ 1,002
Total Revenues	2,000	2,000	3,002	1,002
Expenditures:				
Current:				
Security of Persons and Property	7,600	7,600	558	7,042
Total Expenditures	7,600	7,600	558	7,042
Excess of Revenues Over(Under) Expenditures	(5,600)	(5,600)	2,444	8,044
Fund Balance at Beginning of Year	5,667	5,667	5,667	-
Fund Balance at End of Year	\$ 67	\$ 67	\$ 8,111	\$ 8,044

**CITY OF MIAMISBURG, OHIO**  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget (Non-GAAP Basis) and Actual  
Fire Levy Fund  
For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
<b>Revenues:</b>				
Property and Other Taxes	\$ 809,529	\$ 840,000	\$ 754,487	\$ (85,513)
Intergovernmental	159,723	159,723	108,113	(51,610)
Charges for Services	130,000	130,000	111,297	(18,703)
Donations	4,000	4,000	12,850	8,850
Other	-	-	878	878
<b>Total Revenues</b>	<b>1,103,252</b>	<b>1,133,723</b>	<b>987,625</b>	<b>(146,098)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Security of Persons and Property	1,049,296	1,049,296	1,042,335	6,961
Capital Outlay	31,115	31,115	33,607	(2,492)
<b>Total Expenditures</b>	<b>1,080,411</b>	<b>1,080,411</b>	<b>1,075,942</b>	<b>4,469</b>
<b>Excess of Revenues Over(Under)</b>				
Expenditures	22,841	53,312	(88,317)	(141,629)
<b>Fund Balance at Beginning of Year</b>	<b>211,904</b>	<b>211,904</b>	<b>211,904</b>	<b>-</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>10,946</b>	<b>10,946</b>	<b>10,946</b>	<b>-</b>
<b>Fund Balance at End of Year</b>	<b>\$ 245,691</b>	<b>\$ 276,162</b>	<b>\$ 134,533</b>	<b>\$ (141,629)</b>

**CITY OF MIAMISBURG, OHIO**  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget (Non-GAAP Basis) and Actual  
Indigent Drivers' Alcohol Treatment Fund  
For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Fines, Licenses and Permits	\$ 23,000	\$ 23,000	\$ 18,821	\$ (4,179)
Total Revenues	23,000	23,000	18,821	(4,179)
Expenditures:				
Current:				
Security of Persons and Property	10,000	10,000	-	10,000
Total Expenditures	10,000	10,000	-	10,000
Excess of Revenues Over Expenditures	13,000	13,000	18,821	5,821
Fund Balance at Beginning of Year	231,337	231,337	231,337	-
Fund Balance at End of Year	<u>\$ 244,337</u>	<u>\$ 244,337</u>	<u>\$ 250,158</u>	<u>\$ 5,821</u>

**CITY OF MIAMISBURG, OHIO**  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget (Non-GAAP Basis) and Actual  
Law Enforcement Fund  
For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Other	5,000	\$ 5,000	\$ 13,892	\$ 8,892
Total Revenues	5,000	5,000	13,892	8,892
Expenditures:				
Current:				
Security of Persons and Property	-	8,671	18,601	(9,930)
Capital Outlay	10,850	10,850	50	10,800
Total Expenditures	10,850	19,521	18,651	870
Excess of Revenues Under Expenditures	(5,850)	(14,521)	(4,759)	9,762
Fund Balance at Beginning of Year	17,651	17,651	17,651	-
Fund Balance at End of Year	\$ 11,801	\$ 3,130	\$ 12,892	\$ 9,762

**CITY OF MIAMISBURG, OHIO**  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget (Non-GAAP Basis) and Actual  
Motor Vehicle License Tax Fund  
For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 53,000	\$ 53,000	\$ 50,805	\$ (2,195)
Interest	450	450	568	118
Total Revenues	<u>53,450</u>	<u>53,450</u>	<u>51,373</u>	<u>(2,077)</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	<u>53,450</u>	<u>53,450</u>	<u>51,373</u>	<u>(2,077)</u>
Other Financing Uses:				
Transfers Out	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Total Other Financing Uses	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Excess of Revenues Over Expenditures and Other Financing Uses	3,450	3,450	1,373	(2,077)
Fund Balance at Beginning of Year	<u>18,101</u>	<u>18,101</u>	<u>18,101</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 21,551</u>	<u>\$ 21,551</u>	<u>\$ 19,474</u>	<u>\$ (2,077)</u>

**CITY OF MIAMISBURG, OHIO**  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget (Non-GAAP Basis) and Actual  
Municipal Court Computer Fund  
For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Fines, Licenses and Permits	\$ 40,000	\$ 40,000	\$ 39,896	\$ (104)
Total Revenues	40,000	40,000	39,896	(104)
Expenditures:				
Current:				
General Government	13,000	13,000	12,923	77
Total Expenditures	13,000	13,000	12,923	77
Excess of Revenues Over Expenditures	27,000	27,000	26,973	(27)
Fund Balance at Beginning of Year	66,369	66,369	66,369	-
Fund Balance at End of Year	\$ 93,369	\$ 93,369	\$ 93,342	\$ (27)

**CITY OF MIAMISBURG, OHIO**  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget (Non-GAAP Basis) and Actual  
Municipal Probation Services Fund  
For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Fines, Licenses and Permits	\$ 120,000	\$ 120,000	\$ 89,251	\$ (30,749)
Total Revenues	120,000	120,000	89,251	(30,749)
Expenditures:				
Current:				
General Government:	99,492	99,492	69,035	30,457
Total Expenditures	99,492	99,492	69,035	30,457
Excess of Revenues Over Expenditures	20,508	20,508	20,216	(292)
Fund Balance at Beginning of Year	111,790	111,790	111,790	-
Fund Balance at End of Year	\$ 132,298	\$ 132,298	\$ 132,006	\$ (292)



**CITY OF MIAMISBURG, OHIO**  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget (Non-GAAP Basis) and Actual  
Municipal Court Special Projects Fund  
For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Fines, Licenses and Permits	\$ 65,000	\$ 65,000	\$ 66,342	\$ 1,342
Total Revenues	65,000	65,000	66,342	1,342
Expenditures:				
Current:				
General Government	21,500	21,500	20,224	1,276
Total Expenditures	21,500	21,500	20,224	1,276
Excess of Revenues Over Expenditures	43,500	43,500	46,118	2,618
Fund Balance at Beginning of Year	95,027	95,027	95,027	-
Fund Balance at End of Year	\$ 138,527	\$ 138,527	\$ 141,145	\$ 2,618

**CITY OF MIAMISBURG, OHIO**  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget (Non-GAAP Basis) and Actual  
Police and Fire Pension Fund  
For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Property and Other Taxes	\$ 256,891	\$ 271,000	\$ 235,054	\$ (35,946)
Intergovernmental	13,500	13,500	26,731	13,231
Total Revenues	<u>270,391</u>	<u>284,500</u>	<u>261,785</u>	<u>(22,715)</u>
Expenditures:				
Current:				
Security of Persons and Property	<u>305,000</u>	<u>305,000</u>	<u>302,592</u>	<u>2,408</u>
Total Expenditures	<u>305,000</u>	<u>305,000</u>	<u>302,592</u>	<u>2,408</u>
Excess of Revenues Under Expenditures	(34,609)	(20,500)	(40,807)	(20,307)
Fund Balance at Beginning of Year	<u>78,350</u>	<u>78,350</u>	<u>78,350</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 43,741</u>	<u>\$ 57,850</u>	<u>\$ 37,543</u>	<u>\$ (20,307)</u>

**CITY OF MIAMISBURG, OHIO**  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget (Non-GAAP Basis) and Actual  
Recreation Programs Fund  
For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 139,500	\$ 139,500	\$ 136,997	\$ (2,503)
Donations	35,000	35,000	20,234	(14,766)
Total Revenues	<u>174,500</u>	<u>174,500</u>	<u>157,231</u>	<u>(17,269)</u>
Expenditures:				
Current:				
Leisure Time Activities	<u>172,726</u>	<u>172,726</u>	<u>164,057</u>	<u>8,669</u>
Total Expenditures	<u>172,726</u>	<u>172,726</u>	<u>164,057</u>	<u>8,669</u>
Excess of Revenues Over(Under) Expenditures	1,774	1,774	(6,826)	(8,600)
Fund Balance at Beginning of Year	27,754	27,754	27,754	-
Prior Years Encumbrances Appropriated	<u>13</u>	<u>13</u>	<u>13</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 29,541</u>	<u>\$ 29,541</u>	<u>\$ 20,941</u>	<u>\$ (8,600)</u>

**CITY OF MIAMISBURG, OHIO**  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget (Non-GAAP Basis) and Actual  
Senior Citizens Programs Fund  
For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for Services	\$ 113,559	\$ 113,559	\$ 102,595	\$ (10,964)
Interest	5,500	5,500	5,029	(471)
Donations	15,000	15,000	9,103	(5,897)
<b>Total Revenues</b>	<u>134,059</u>	<u>134,059</u>	<u>116,727</u>	<u>(17,332)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Leisure Time Activities	138,987	138,987	102,998	35,989
Capital Outlay	1,747	1,747	1,881	(134)
<b>Total Expenditures</b>	<u>140,734</u>	<u>140,734</u>	<u>104,879</u>	<u>35,855</u>
<b>Excess of Revenues Over (Under)</b>				
Expenditures	(6,675)	(6,675)	11,848	18,523
<b>Fund Balance at Beginning of Year</b>	138,372	138,372	138,372	-
<b>Prior Years Encumbrances Appropriated</b>	2,807	2,807	2,807	-
<b>Fund Balance at End of Year</b>	<u>\$ 134,504</u>	<u>\$ 134,504</u>	<u>\$ 153,027</u>	<u>\$ 18,523</u>

**CITY OF MIAMISBURG, OHIO**  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget (Non-GAAP Basis) and Actual  
State Highway Fund  
For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 55,000	\$ 55,000	\$ 57,329	\$ 2,329
Total Revenues	55,000	55,000	57,329	2,329
Expenditures:				
Current:				
Transportation	130,226	145,226	142,065	3,161
Total Expenditures	130,226	145,226	142,065	3,161
Excess of Revenues Under Expenditures	(75,226)	(90,226)	(84,736)	5,490
Other Financing Sources:				
Transfers In	57,000	57,000	57,000	-
Total Other Financing Sources	57,000	57,000	57,000	-
Excess of Revenues and Other Financing Sources Under Expenditures	(18,226)	(33,226)	(27,736)	5,490
Fund Balance at Beginning of Year	52,212	52,212	52,212	-
Prior Years Encumbrances Appropriated	19,356	19,356	19,356	-
Fund Balance at End of Year	<u>\$ 53,342</u>	<u>\$ 38,342</u>	<u>\$ 43,832</u>	<u>\$ 5,490</u>

**CITY OF MIAMISBURG, OHIO**  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget (Non-GAAP Basis) and Actual  
Street Maintenance and Repair Fund  
For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 760,000	\$ 760,000	\$ 808,793	\$ 48,793
Donations	-	-	500	500
Other	-	-	30	30
Total Revenues	<u>760,000</u>	<u>760,000</u>	<u>809,323</u>	<u>49,323</u>
Expenditures:				
Current:				
Transportation	<u>912,895</u>	<u>937,896</u>	<u>937,559</u>	<u>337</u>
Total Expenditures	<u>912,895</u>	<u>937,896</u>	<u>937,559</u>	<u>337</u>
Excess of Revenues Under Expenditures	<u>(152,895)</u>	<u>(177,896)</u>	<u>(128,236)</u>	<u>49,660</u>
Other Financing Sources:				
Transfers In	<u>140,000</u>	<u>140,000</u>	<u>140,000</u>	<u>-</u>
Total Other Financing Sources	<u>140,000</u>	<u>140,000</u>	<u>140,000</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over(Under) Expenditures	(12,895)	(37,896)	11,764	49,660
Fund Balance at Beginning of Year	161,047	161,047	161,047	-
Prior Year Encumbrances Appropriated	<u>16,750</u>	<u>16,750</u>	<u>16,750</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 164,902</u>	<u>\$ 139,901</u>	<u>\$ 189,561</u>	<u>\$ 49,660</u>

**CITY OF MIAMISBURG, OHIO**  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget (Non-GAAP Basis) and Actual  
General Obligation Bond Retirement Fund  
For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
General Government	7,500	7,500	4,658	2,842
Debt Service:				
Principal Retirement	490,563	490,563	495,563	(5,000)
Interest and Fiscal Charges	416,759	416,759	408,702	8,057
Total Expenditures	914,822	914,822	908,923	5,899
Excess of Revenues Under Expenditures	(914,822)	(914,822)	(908,923)	5,899
Other Financing Sources:				
Transfers In	907,322	907,322	907,322	-
Total Other Financing Sources	907,322	907,322	907,322	-
Excess of Revenues and Other Financing Sources Under Expenditures	(7,500)	(7,500)	(1,601)	5,899
Fund Balance at Beginning of Year	119,293	119,293	119,293	-
Fund Balance at End of Year	\$ 111,793	\$ 111,793	\$ 117,692	\$ 5,899

**CITY OF MIAMISBURG, OHIO**  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget (Non-GAAP Basis) and Actual  
Special Assessment Bond Retirement Fund  
For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Special Assessments	\$ 117,000	\$ 117,000	\$ 104,757	\$ (12,243)
Total Revenues	117,000	117,000	104,757	(12,243)
Expenditures:				
Current:				
General Government	8,000	8,000	5,656	2,344
Debt Service:				
Principal Retirement	320,000	320,000	320,000	-
Interest and Fiscal Charges	22,203	22,203	19,823	2,380
Total Expenditures	350,203	350,203	345,479	4,724
Excess of Revenues Under Expenditures	(233,203)	(233,203)	(240,722)	(7,519)
Other Financing Sources:				
Proceeds from the Sale of Notes	285,000	285,000	285,000	-
Total Other Financing Sources	285,000	285,000	285,000	-
Excess of Revenues and Other Financing Sources Over Expenditures	51,797	51,797	44,278	(7,519)
Fund Balance at Beginning of Year	154,420	154,420	154,420	-
Fund Balance at End of Year	<u>\$ 206,217</u>	<u>\$ 206,217</u>	<u>\$ 198,698</u>	<u>\$ (7,519)</u>



**CITY OF MIAMISBURG, OHIO**  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget (Non-GAAP Basis) and Actual  
Clean Ohio Grant Fund  
For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 912,822	\$ 912,822	\$ 296,825	\$ (615,997)
Total Revenues	912,822	912,822	296,825	(615,997)
Expenditures:				
Capital Outlay	1,270,912	1,270,912	529,746	741,166
Total Expenditures	1,270,912	1,270,912	529,746	741,166
Excess of Revenues Under Expenditures	(358,090)	(358,090)	(232,921)	125,169
Other Financing Sources:				
Transfers In	254,567	254,567	136,346	(118,221)
Total Other Financing Sources	254,567	254,567	136,346	(118,221)
Excess of Revenues and Other Financing Sources Under Expenditures	(103,523)	(103,523)	(96,575)	6,948
Fund Balance at Beginning of Year	126,598	126,598	126,598	-
Fund Balance at End of Year	\$ 23,075	\$ 23,075	\$ 30,023	\$ 6,948

**CITY OF MIAMISBURG, OHIO**  
 Schedule of Revenues, Expenditures and Changes in  
 Fund Balance - Budget (Non-GAAP Basis) and Actual  
 Issue II Capital Improvements Fund  
 For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 376,500	\$ 376,500	\$ -	\$ (376,500)
Total Revenues	376,500	376,500	-	(376,500)
Expenditures:				
Capital Outlay	376,500	376,500	-	376,500
Total General Government	376,500	376,500	-	376,500
Total Expenditures	376,500	376,500	-	376,500
Excess of Revenues Over Expenditures	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF MIAMISBURG, OHIO**  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget (Non-GAAP Basis) and Actual  
Park Capital Improvement Fund  
For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 70,000	\$ 70,000	\$ 61,580	\$ (8,420)
Total Revenues	<u>70,000</u>	<u>70,000</u>	<u>61,580</u>	<u>(8,420)</u>
Expenditures:				
Current:				
Leisure Time Activities	61,507	61,507	1,507	60,000
Capital Outlay	<u>965</u>	<u>965</u>	<u>965</u>	<u>-</u>
Total Expenditures	<u>62,472</u>	<u>62,472</u>	<u>2,472</u>	<u>60,000</u>
Excess of Revenues Over Expenditures	7,528	7,528	59,108	51,580
Other Financing Uses:				
Transfers Out	<u>(33,328)</u>	<u>(33,328)</u>	<u>(33,328)</u>	<u>-</u>
Total Other Financing Uses	<u>(33,328)</u>	<u>(33,328)</u>	<u>(33,328)</u>	<u>-</u>
Excess of Revenues Over(Under) Expenditures and Other Financing Uses	(25,800)	(25,800)	25,780	51,580
Fund Balance at Beginning of Year	171,914	171,914	171,914	-
Prior Year Encumbrances Appropriated	<u>2,473</u>	<u>2,473</u>	<u>2,473</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 148,587</u>	<u>\$ 148,587</u>	<u>\$ 200,167</u>	<u>\$ 51,580</u>

**CITY OF MIAMISBURG, OHIO**  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget (Non-GAAP Basis) and Actual  
Roadway Improvement Fund  
For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Interest	\$ 11,000	\$ 11,000	\$ 11,733	\$ 733
Other	-	-	26,744	26,744
Total Revenues	11,000	11,000	38,477	27,477
Expenditures:				
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	11,000	11,000	38,477	27,477
Fund Balance at Beginning of Year	335,248	335,248	335,248	-
Fund Balance at End of Year	\$ 346,248	\$ 346,248	\$ 373,725	\$ 27,477

**CITY OF MIAMISBURG, OHIO**  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget (Non-GAAP Basis) and Actual  
Sidewalk, Curb and Gutter Fund  
For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Special Assessments	\$ 3,000	\$ 3,000		\$ (3,000)
Interest	900	900	1,174	274
Total Revenues	<u>3,900</u>	<u>3,900</u>	<u>1,174</u>	<u>(2,726)</u>
Expenditures:				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	3,900	3,900	1,174	(2,726)
Fund Balance at Beginning of Year	<u>29,427</u>	<u>29,427</u>	<u>29,427</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 33,327</u>	<u>\$ 33,327</u>	<u>\$ 30,601</u>	<u>\$ (2,726)</u>

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## **NONMAJOR PROPRIETARY FUNDS**

### ***INTERNAL SERVICE FUNDS***

To account for the financing of goods and services provided by one department to other departments within the City.

#### City Garage

To account for the operation of the City garage in which all City vehicles are repaired and maintained.

#### Civic Center Building and Land

To account for the rent paid by all departments housed in the Civic Center which is then used to operate and maintain the Civic Center.

#### Service Center Building and Land

To account for the rent paid by all departments housed in the Service Center which is then used to operate and maintain the Service Center.

**CITY OF MIAMISBURG, OHIO**  
**COMBINING STATEMENT OF FUND NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**DECEMBER 31, 2004**

	City Garage	Civic Center Building and Land	Service Center Building and Land	Total
<u>Assets:</u>				
Current Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 163,121	\$ 54,754	\$ 180,478	\$ 398,353
Supplies Inventory	100,064	3,418	5,976	109,458
Total Current Assets	<u>263,185</u>	<u>58,172</u>	<u>186,454</u>	<u>507,811</u>
Non-current Assets				
Capital Assets:				
Land	-	90,700	88,000	178,700
Buildings	8,211	1,328,911	516,794	1,853,916
Equipment	63,073	145,173	137,539	345,785
Less: Accumulated Depreciation	(50,200)	(938,855)	(396,463)	(1,385,518)
Total Capital Assets	<u>21,084</u>	<u>625,929</u>	<u>345,870</u>	<u>992,883</u>
Total Assets	<u>284,269</u>	<u>684,101</u>	<u>532,324</u>	<u>1,500,694</u>
<u>Liabilities:</u>				
Current Liabilities:				
Accounts Payable	26,589	9,633	8,006	44,228
Accrued Salaries Payable	7,405	1,198	246	8,849
Intergovernmental Payable	2,761	620	115	3,496
Total Current Liabilities	<u>36,755</u>	<u>11,451</u>	<u>8,367</u>	<u>56,573</u>
Long Term Liabilities				
Compensated Absences Payable	39,767	2,388	-	42,155
Total Long Term Liabilities	<u>39,767</u>	<u>2,388</u>	<u>-</u>	<u>42,155</u>
Total Liabilities	<u>76,522</u>	<u>13,839</u>	<u>8,367</u>	<u>98,728</u>
<u>Net Assets:</u>				
Invested in Capital Assets	21,084	625,929	345,870	992,883
Unrestricted	186,663	44,333	178,087	409,083
Total Net Assets	<u>\$ 207,747</u>	<u>\$ 670,262</u>	<u>\$ 523,957</u>	<u>\$ 1,401,966</u>



**CITY OF MIAMISBURG, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

	City Garage	Civic Center Building and Land	Service Center Building and Land	Total
Operating Revenues:				
Charges for Services	\$ 412,730	\$ 256,795	\$ 127,625	\$ 797,150
<b>Total Operating Revenue</b>	<b>412,730</b>	<b>256,795</b>	<b>127,625</b>	<b>797,150</b>
Operating Expenses:				
Personal Services	253,790	48,757	9,268	311,815
Contractual Services	72,829	214,449	56,804	344,082
Supplies and Materials	136,005	15,312	21,382	172,699
Depreciation	2,822	34,441	21,267	58,530
<b>Total Operating Expenses</b>	<b>465,446</b>	<b>312,959</b>	<b>108,721</b>	<b>887,126</b>
Operating Income (Loss)	(52,716)	(56,164)	18,904	(89,976)
Nonoperating Expenses:				
Loss on Disposal of Capital Assets	(325)	-	-	(325)
Income (Loss) before Transfers	(53,041)	(56,164)	18,904	(90,301)
Transfers Out	-	-	(37,788)	(37,788)
Change in Net Assets	(53,041)	(56,164)	(18,884)	(128,089)
Net Assets at Beginning of Year	260,788	726,426	542,841	1,530,055
Net Assets at End of Year	\$ 207,747	\$ 670,262	\$ 523,957	\$ 1,401,966

**CITY OF MIAMISBURG, OHIO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**ALL INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>City Garage</u>	<u>Civic Center Building and Land</u>	<u>Service Center Building and Land</u>	<u>Total</u>
<u>Increase (Decrease) in Cash and Cash Equivalents</u>				
Cash Flows from Operating Activities:				
Cash Received from Quasi-External Transactions from Other Funds	\$ 412,730	\$ 256,795	\$ 127,625	\$ 797,150
Cash Payments to Employees for Services and Benefits	(217,297)	(47,953)	(9,160)	(274,410)
Cash Payments to Suppliers for Goods and Services	<u>(198,077)</u>	<u>(222,356)</u>	<u>(80,507)</u>	<u>(500,940)</u>
Net Cash Provided (Used) by Operating Activities	<u>(2,644)</u>	<u>(13,514)</u>	<u>37,958</u>	<u>21,800</u>
Cash Flows from Noncapital Financing Activities:				
Transfers Out	<u>-</u>	<u>-</u>	<u>(37,788)</u>	<u>(37,788)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(2,644)	(13,514)	170	(15,988)
Cash and Cash Equivalents Beginning of Year	<u>165,765</u>	<u>68,268</u>	<u>180,308</u>	<u>414,341</u>
Cash and Cash Equivalents End of Year	<u><u>\$ 163,121</u></u>	<u><u>\$ 54,754</u></u>	<u><u>\$ 180,478</u></u>	<u><u>\$ 398,353</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ (52,716)	\$ (56,164)	\$ 18,904	\$ (89,976)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation	2,822	34,441	21,267	58,530
Changes in Assets and Liabilities				
(Increase) Decrease in Supplies Inventory	(8,434)	1,033	(2,700)	(10,101)
Increase in Accounts Payable	19,191	6,372	379	25,942
Increase in Accrued Salaries Payable	2,795	83	98	2,976
Increase in Intergovernmental Payable	396	28	10	434
Increase in Compensated Absences Payable	<u>33,302</u>	<u>693</u>	<u>-</u>	<u>33,995</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (2,644)</u></u>	<u><u>\$ (13,514)</u></u>	<u><u>\$ 37,958</u></u>	<u><u>\$ 21,800</u></u>

## **FIDUCIARY FUNDS**

### ***AGENCY FUNDS***

To account for assets held by the City as an agent for individuals, private organizations, other governmental units.

#### Board of Building Standard Assessment

To account for a State assessed fee collected for the acceptance and approval of plans and specifications and for making inspections. The monies are distributed to the State monthly.

#### Downtown Development

To account for grants and donations received to support the Downtown Development group who is responsible for planning downtown development and attracting new businesses to the City's downtown area.

#### Municipal Court

To account for the collection and distribution of court fines and forfeitures.

#### Satellite Juvenile Court

To account for the collection of court fines and forfeitures associated with the satellite juvenile court established within the City.

**CITY OF MIAMISBURG, OHIO**  
Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Year Ended December 31, 2004

	Balance 1/1/2004	Additions	Reductions	Balance 12/31/2004
<u>Board of Building Standards:</u>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 126	\$ 1,852	\$ 1,610	\$ 368
Total Assets	<u>\$ 126</u>	<u>\$ 1,852</u>	<u>\$ 1,610</u>	<u>\$ 368</u>
Liabilities:				
Undistributed Monies	\$ 126	\$ 1,852	\$ 1,610	\$ 368
Total Liabilities	<u>\$ 126</u>	<u>\$ 1,852</u>	<u>\$ 1,610</u>	<u>\$ 368</u>
<u>Downtown Development:</u>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 421,782	\$ 429,231	\$ 464,225	\$ 386,788
Total Assets	<u>\$ 421,782</u>	<u>\$ 429,231</u>	<u>\$ 464,225</u>	<u>\$ 386,788</u>
Liabilities:				
Accounts Payable	\$ 18,474	\$ 56,692	\$ 18,474	\$ 56,692
Undistributed Monies	403,308	372,539	445,751	330,096
Total Liabilities	<u>\$ 421,782</u>	<u>\$ 429,231</u>	<u>\$ 464,225</u>	<u>\$ 386,788</u>
<u>Municipal Court:</u>				
Assets:				
Cash and Cash Equivalents with Fiscal Agents	\$ 115,375	\$ 2,253,518	\$ 2,226,637	\$ 142,256
Total Assets	<u>\$ 115,375</u>	<u>\$ 2,253,518</u>	<u>\$ 2,226,637</u>	<u>\$ 142,256</u>
Liabilities:				
Due to Other Governments	\$ 61,690	\$ 54,673	\$ 61,690	\$ 54,673
Undistributed Monies	53,685	2,198,845	2,164,947	87,583
Total Liabilities	<u>\$ 115,375</u>	<u>\$ 2,253,518</u>	<u>\$ 2,226,637</u>	<u>\$ 142,256</u>
<u>Satellite Juvenile Court:</u>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 10,032	\$ 41,580	\$ 28,727	\$ 22,885
Total Assets	<u>\$ 10,032</u>	<u>\$ 41,580</u>	<u>\$ 28,727</u>	<u>\$ 22,885</u>
Liabilities:				
Accounts Payable	\$ -	\$ 800	\$ -	\$ 800
Undistributed Monies	10,032	40,780	28,727	22,085
Total Liabilities	<u>\$ 10,032</u>	<u>\$ 41,580</u>	<u>\$ 28,727</u>	<u>\$ 22,885</u>
<u>Total - All Agency Funds</u>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 431,940	\$ 472,663	\$ 494,562	\$ 410,041
Cash and Cash Equivalents with Fiscal Agents	115,375	2,253,518	2,226,637	142,256
Total Assets	<u>\$ 547,315</u>	<u>\$ 2,726,181</u>	<u>\$ 2,721,199</u>	<u>\$ 552,297</u>
Liabilities				
Accounts Payable	\$ 18,474	\$ 57,492	\$ 18,474	\$ 57,492
Due to Other Governments	61,690	54,673	61,690	54,673
Undistributed Monies	467,151	2,614,016	2,641,035	440,132
Total Liabilities	<u>\$ 547,315</u>	<u>\$ 2,726,181</u>	<u>\$ 2,721,199</u>	<u>\$ 552,297</u>

**STATISTICAL  
SECTION**

## **STATISTICAL SECTION**

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

**CITY OF MIAMISBURG, OHIO**  
**GENERAL FUND EXPENDITURES BY FUNCTION**  
**LAST TEN YEARS**

YEAR	SECURITY OF PERSON AND PROPERTY	PUBLIC HEALTH SERVICES	LEISURE TIME ACTIVITIES	COMMUNITY ENVIRONMENT	BASIC UTILITY SERVICES	TRANS-PORTATION	GENERAL GOVERNMENT	TOTAL
1995	\$ 4,210,573	\$ 6,768	\$ 1,183,762	\$ 542,848	\$ 599,363	\$ 143,114	\$ 2,271,051	\$ 8,957,479
1996	4,277,276	2,720	966,212	538,672	683,810	138,514	2,392,764	8,999,968
1997	4,628,712	11,816	1,104,910	599,279	720,494	126,374	2,598,082	9,789,667
1998	4,676,464	26,218	1,277,859	660,781	715,999	140,567	2,571,314	10,069,202
1999	4,905,636	23,204	1,219,197	676,585	623,456	147,925	2,591,935	10,187,938
2000	5,264,451	25,124	1,079,645	673,566	713,346	214,965	2,743,022	10,714,119
2001	5,445,790	22,292	1,286,786	730,960	748,114	246,465	3,677,338	12,157,745
2002	5,628,019	18,721	1,348,663	749,570	785,388	249,786	4,646,817	13,426,964
2003	5,943,256	19,858	1,407,293	779,392	784,303	270,323	2,790,779	11,995,204
2004	6,271,275	9,512	1,300,920	770,468	785,056	265,731	3,148,825	12,551,787

Source: City Financial Records

**CITY OF MIAMISBURG, OHIO**  
**GENERAL FUND REVENUES BY SOURCE**  
**LAST TEN YEARS**

YEAR	MUNICIPAL INCOME TAXES	PROPERTY AND OTHER TAXES	INTER- GOVERNMENTAL	CHARGES FOR SERVICES	FINES, LICENSES AND PERMITS	INTEREST	OTHER	TOTAL
1995	\$ 5,142,459	\$ 1,154,003	\$ 1,090,380	\$ 611,720	\$ 712,606	\$ 902,135	\$ 41,189	\$ 9,654,492
1996	4,992,937	1,171,472	1,126,176	262,123	777,192	1,157,637	123,112	9,610,649
1997	5,126,981	1,250,034	1,174,302	472,321	798,617	996,178	197,887	10,016,320
1998	5,510,996	1,284,753	1,212,156	557,310	804,194	981,645	281,193	10,632,247
1999	5,788,811	1,312,266	1,184,860	606,152	807,564	511,865	298,104	10,509,622
2000	6,139,155	1,448,210	1,336,886	504,710	985,293	837,273	191,804	11,443,331
2001	6,346,594	1,451,860	1,681,577	506,814	1,025,985	1,088,598	188,568	12,289,996
2002	6,595,861	1,374,388	1,298,989	543,602	983,047	709,188	358,832	11,863,907
2003	6,354,295	1,490,196	1,263,531	511,105	945,143	551,467	150,060	11,265,797
2004	6,641,519	1,495,144	1,625,252	1,592,459	917,784	467,551	289,658	13,029,367

Source: City Financial Records



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

<u>COLLECTION YEAR</u>	<u>TOTAL TAX LEVY</u>	<u>CURRENT TAX COLLECTIONS</u>	<u>DELINQUENT TAX COLLECTIONS</u>	<u>TOTAL TAX COLLECTIONS</u>	<u>PERCENT OF TOTAL TAX COLLECTIONS TO TAX LEVY</u>	<u>ACCUMULATED OUTSTANDING DELINQUENT TAXES</u>	<u>PERCENTAGE OF ACCUMULATED DELINQUENT TAXES TO TOTAL TAX LEVY</u>
1995	\$ 1,634,067	\$ 1,632,507	\$ 36,636	\$ 1,669,143	102.15%	\$ 65,154	3.99%
1996	1,684,655	1,541,933	29,974	1,571,907	93.31%	64,716	3.84%
1997	1,805,635	1,648,321	41,654	1,689,975	93.59%	85,987	4.76%
1998	1,846,183	1,682,705	52,267	1,734,972	93.98%	95,185	5.16%
1999	1,943,297	1,737,273	58,121	1,795,394	92.39%	96,346	4.96%
2000	2,040,699	1,995,969	49,543	2,045,512	100.24%	104,377	5.11%
2001	2,457,546	2,394,550	70,730	2,465,280	100.31%	96,691	3.93%
2002	2,373,983	2,288,975	58,277	2,347,252	98.87%	85,227	3.59%
2003	2,997,335	2,633,004	74,478	2,707,482	90.33%	158,854	5.30%
2004	2,573,905	2,498,471	70,981	2,569,452	99.83%	146,526	5.69%

Source: Montgomery County Auditor

**CITY OF MIAMISBURG, OHIO**  
**ASSESSED VALUES AND ESTIMATED**  
**TRUE VALUES OF TAXABLE PROPERTY**  
**LAST TEN YEARS**

COLLECTION YEAR	ASSESSED PUBLIC UTILITY		ASSESSED PUBLIC UTILITY TANGIBLE		ASSESSED TANGIBLE PERSONAL		TOTAL ASSESSED VALUE	ESTIMATED TRUE VALUE (1)	PERCENTAGE OF ASSESSED VALUE TO ESTIMATED TRUE VALUE
	REAL	REAL	TANGIBLE	TANGIBLE	PERSONAL	PERSONAL			
1995	\$ 210,509,670	\$ 75,780	\$ 49,979,780	\$ 44,302,986	\$ 304,868,216	\$ 835,679,863	36.48%		
1996	223,983,280	77,440	49,473,350	47,838,990	321,373,060	887,749,162	36.20%		
1997	252,804,950	82,960	49,742,440	44,307,558	346,937,908	956,292,618	36.28%		
1998	258,255,680	87,940	49,866,530	42,828,738	351,038,888	966,106,092	36.34%		
1999	262,998,880	91,010	51,647,310	42,828,738	357,565,938	981,690,477	36.42%		
2000	287,257,410	93,850	49,115,780	40,438,443	376,905,483	1,038,570,758	36.29%		
2001	297,955,850	87,900	50,072,020	49,992,696	398,108,466	1,108,424,378	35.92%		
2002	311,303,780	83,440	27,966,680	51,339,673	390,693,573	1,166,859,982	33.48%		
2003	357,029,050	54,420	30,849,610	40,567,400	428,500,480	1,099,465,886	38.97%		
2004	363,820,000	57,310	29,376,340	43,797,033	437,050,683	1,290,281,371	33.87%		

Source: Montgomery County Auditor

Ohio Department of Taxation

(1) Estimated true value for real property is calculated by dividing the assessed value by the assessment percentage (35 percent). The State of Ohio has enacted legislation which reduces the assessment percentage associated with public utility tangible and tangible personal property over the next several years. The estimated true value for these categories were provided by the County Auditor's Office.

**CITY OF MIAMISBURG, OHIO**  
**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**  
 (PER \$1,000 OF ASSESSED VALUE)  
 LAST TEN YEARS

YEAR	GENERAL FUND	FIRE LEVY FUND	CONSERVANCY FUND	POLICE AND FIRE PENSION FUND	TOTAL CITY	MIAMISBURG CITY SCHOOL DISTRICT	MONTGOMERY COUNTY	MONTGOMERY COUNTY JVS	MIAMI TOWNSHIP	LIBRARY
1995	3.30%	3.00%	0.13%	0.60%	7.03%	38.95%	16.14%	2.58%	0.18%	0.72%
1996	3.30%	3.00%	0.13%	0.60%	7.03%	44.70%	16.64%	2.58%	0.18%	0.72%
1997	3.30%	3.00%	0.13%	0.60%	7.03%	43.95%	16.64%	2.58%	0.18%	0.72%
1998	3.30%	3.00%	0.13%	0.60%	7.03%	44.63%	16.64%	2.58%	0.18%	0.00%
1999	3.30%	3.00%	0.13%	0.60%	7.03%	46.88%	16.64%	2.58%	0.18%	0.26%
2000	3.30%	3.00%	0.13%	0.60%	7.03%	46.88%	16.64%	2.58%	0.18%	0.00%
2001	3.30%	3.00%	0.13%	0.60%	7.03%	46.52%	17.24%	2.58%	0.18%	0.26%
2002	3.30%	3.00%	0.13%	0.60%	7.03%	47.70%	17.24%	2.58%	0.18%	0.26%
2003	3.30%	3.00%	0.13%	0.60%	7.03%	47.02%	17.24%	2.58%	0.18%	0.26%
2004	3.30%	3.00%	0.13%	0.60%	7.03%	46.92%	18.24%	2.58%	0.18%	0.26%

Source: Montgomery County Auditor

**CITY OF MIAMISBURG, OHIO**  
**SPECIAL ASSESSMENT BILLED AND COLLECTED**  
**LAST TEN YEARS**

<u>COLLECTION YEAR</u>	<u>AMOUNT BILLED (1)</u>	<u>AMOUNT COLLECTED (2)</u>	<u>PERCENTAGE COLLECTED</u>
1995	\$ 69,534	\$ 76,744	110.37%
1996	68,464	76,482	111.71%
1997	65,084	63,829	98.07%
1998	72,721	76,440	105.11%
1999	73,191	78,001	106.57%
2000	87,476	94,838	108.42%
2001	90,088	93,802	104.12%
2002	102,686	106,505	103.72%
2003	99,001	116,628	117.80%
2004	109,258	110,927	101.53%

Source: (1) Montgomery County Auditor

(2) City's Tax Settlement Sheets

Collections include lump-sum payments for which there are no comparable billed amounts.

RATIO OF NET GENERAL BONDED DEBT  
TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA (1)  
LAST TEN YEARS

YEAR	POPULATION (2)	ASSESSED VALUE (3) (IN THOUSANDS)	GROSS BONDED DEBT (4)	DEBT SERVICE MONIES AVAILABLE	DEBT PAYABLE FROM PROPRIETARY REVENUES	DEBT PAYABLE FROM INCOME TAX REVENUE	NET BONDED DEBT (1)	RATIO OF NET BONDED DEBT TO ASSESSED VALUATION	NET BONDED DEBT PER CAPITA
1995	18,900	\$ 304,868	\$ 16,215,000	\$ 1,616	\$ 15,950,000	\$ 260,000	\$ 3,384	0.001%	\$ 0.17
1996	19,480	321,373	15,590,000	-	15,355,000	235,000	-	0.000%	-
1997	19,480	346,938	14,975,000	-	14,765,000	210,000	-	0.000%	-
1998	19,860	351,039	15,080,000	-	14,155,000	925,000	-	0.000%	-
1999	18,640	357,565	14,375,000	-	13,525,000	850,000	-	0.000%	-
2000	19,489	376,905	13,640,000	-	12,865,000	775,000	-	0.000%	-
2001	19,489	398,108	17,215,000	-	16,515,000	700,000	-	0.000%	-
2002	19,489	390,694	21,820,000	94,781	15,605,000	620,000	5,500,219	1.408%	282.22
2003	19,789	428,500	21,825,000	115,129	16,005,000	540,000	5,164,871	1.205%	261.00
2004	20,000	437,051	22,400,000	117,143	17,060,000	450,000	4,772,857	1.092%	238.64

(1) Includes only general obligation bonded debt payable from property taxes

(2) City of Miamisburg Development and Planning Department; U.S. Census

(3) Montgomery County Auditor

(4) Excludes special assessment bonded debt

**CITY OF MIAMISBURG, OHIO**  
**COMPUTATION OF OVERALL LEGAL DEBT MARGIN**  
**DECEMBER 31, 2004**

Assessed Value		\$ 439,050,683
Overall Debt Limitation (10 1/2% of assessed valuation)		\$ 46,100,322
Total Debt Outstanding at December 31, 2004	\$	23,192,905
Less: Exempt Debt		
General Obligation Bonds Issued in Anticipation of the Collection of Special Assessments	275,000	
General Obligation Bonds Issued in Anticipation of the Collection of Lawfully available Municipal Income Tax to be Applied to Debt Service	1,430,000	
General Obligation Bonds to be Paid from Proprietary Funds Revenue	8,865,000	
Mortgage Revenue Refunding Bonds to be Paid from Enterprise Fund Revenues	8,195,000	
Notes Issued in Anticipation of the Collection of Lawfully available Municipal Income Tax to be Applied to Debt Service	350,000	
Notes to be Paid from Enterprise Fund Revenue	<u>167,905</u>	
Total Debt Subject to Limitation	3,910,000	
Less: G.O. Debt Retirement Fund Balance	<u>117,143</u>	
Net Subject to 10 1/2% Limitation		<u>3,792,857</u>
Legal Debt Margin within 10 1/2% Limitation		<u>\$ 42,307,465</u>

Source : Montgomery County Auditor and City Financial Records

**CITY OF MIAMISBURG, OHIO**  
**COMPUTATION OF UNVOTED LEGAL DEBT MARGIN**  
**DECEMBER 31, 2004**

Assessed Value		\$ 439,050,683
Overall Debt Limitation (5 1/2% of assessed valuation)		\$ 24,147,788
Total Debt Outstanding at December 31, 2004	\$	23,192,905
Less: Exempt Debt		
General Obligation Bonds Issued in Anticipation of the Collection of Special Assessments	275,000	
General Obligation Bonds Issued in Anticipation of the Collection of Lawfully available Municipal Income Tax to be Applied to Debt Service	1,430,000	
General Obligation Bonds to be Paid from Proprietary Funds Revenue	8,865,000	
Mortgage Revenue Refunding Bonds to be Paid from Enterprise Fund Revenues	8,195,000	
Notes Issued in Anticipation of the Collection of Lawfully available Municipal Income Tax to be Applied to Debt Service	350,000	
Notes to be Paid from Enterprise Fund Revenue	<u>167,905</u>	
Total Debt Subject to Limitation	3,910,000	
Less: G.O. Debt Retirement Fund Balance	<u>117,143</u>	
Net Subject to 5 1/2% Limitation		<u>3,792,857</u>
Legal Debt Margin within 5 1/2% Limitation		<u>\$ 20,354,931</u>

Source : Montgomery County Auditor and City Financial Records

**CITY OF MIAMISBURG, OHIO**  
**COMPUTATION OF DIRECT AND OVERLAPPING GENERAL BONDED DEBT**  
**DECEMBER 31, 2004**

JURISDICTION	NET DEBT (1) OUTSTANDING	PERCENTAGE APPLICABLE TO CITY OF MIAMISBURG	AMOUNT APPLICABLE TO CITY OF MIAMISBURG
City of Miamisburg	\$ 3,792,857	100.00%	\$ 3,792,857.00
Miamisburg City School District	8,735,000	48.69%	4,253,072
Montgomery County	32,892,640	4.40%	1,447,276
Total			<u>\$ 9,493,205</u>

(1) Includes only general obligation bonded debt payable from property taxes.

Note: The percentage of net indebtedness of the City's overlapping political subdivisions was determined by dividing each overlapping subdivision's assessed value within the City by the subdivision's total assessed value.



**CITY OF MIAMISBURG, OHIO**  
**RATIO OF ANNUAL DEBT PRINCIPAL AND INTEREST EXPENDITURES**  
**FOR GENERAL OBLIGATION BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES**  
**LAST TEN YEARS**

YEAR	DEBT SERVICE REQUIREMENTS (1)			GENERAL FUND EXPENDITURES	RATIO OF DEBT PRINCIPAL AND INTEREST TO GENERAL FUND EXPENDITURES
	PRINCIPAL	INTEREST	TOTAL		
1995	\$ 5,000	\$ 525	\$ 5,525	\$ 8,957,489	0.06%
1996	-	-	-	8,999,968	0.00%
1997	-	-	-	9,789,668	0.00%
1998	-	-	-	10,069,202	0.00%
1999	-	-	-	10,187,938	0.00%
2000	-	-	-	10,714,119	0.00%
2001	-	-	-	12,157,745	0.00%
2002	-	-	-	13,426,964	0.00%
2003	315,000	189,420	504,420	11,995,204	4.21%
2004	390,000	182,332	572,332	12,551,787	4.56%

(1) Includes only General Obligation Bonded Debt Payable from Property Taxes.

**CITY OF MIAMISBURG, OHIO**  
**DEMOGRAPHIC STATISTICS**  
**LAST TEN YEARS**

<u>YEAR</u>	<u>POPULATION (1)</u>	<u>SCHOOL ENROLLMENT (2)</u>	<u>UNEMPLOYMENT RATE MONGOMERY COUNTY (3)</u>
1995	18,900	4,552	3.8%
1996	19,480	4,619	3.4%
1997	19,480	4,605	3.7%
1998	19,860	4,651	3.3%
1999	18,640	4,702	3.8%
2000	19,489	4,715	3.7%
2001	19,489	4,832	5.8%
2002	19,489	4,923	6.1%
2003	19,789	5,021	5.6%
2004	20,000	5,110	5.8%

Sources: (1) City of Miamisburg Development and Planning Department

(2) Miamisburg City School District/Ohio Department of Education

(3) Ohio Bureau of Employment Services, Division of Labor Market Information

**CITY OF MIAMISBURG, OHIO**  
**PROPERTY VALUES, CONSTRUCTION AND BANK DEPOSITS**  
**LAST TEN YEARS**

YEAR	PROPERTY VALUES (1)	RESIDENTIAL CONSTRUCTION (2)		COMMERCIAL CONSTRUCTION (2)		CITY BANK (3) DEPOSITS (4)	COUNTY BANK (3) DEPOSITS (4)
		NUMBER OF PERMITS	VALUE (3)	NUMBER OF PERMITS	VALUE (3)		
1995	\$ 601,456,200	232	\$ 12,031	105	\$ 7,412	\$ 56,279	\$ 3,995,114
1996	639,952,229	221	14,570	100	12,121	55,664	3,899,145
1997	722,299,857	248	13,384	123	10,441	58,447	3,530,314
1998	737,873,371	274	16,887	93	2,654	64,186	3,264,705
1999	751,685,400	377	23,585	105	9,319	57,758	2,994,378
2000	821,003,600	332	20,300	88	19,352	62,779	191,473
2001	851,302,429	280	16,365	101	21,499	65,253	224,099
2002	889,439,371	254	13,425	98	5,375	66,496	239,117
2003	1,020,083,000	246	12,846	103	14,023	68,710	249,614
2004	1,039,485,714	227	12,259	95	3,413	68,493	252,759

Sources: (1) Estimated true values for real property

(2) City of Miamisburg Building Inspection Office

(3) Amounts are in thousands

(4) Federal Reserve Bank of Cleveland

**CITY OF MIAMISBURG, OHIO**  
**PRINCIPAL TAXPAYERS**  
**DECEMBER 31, 2004**

TAXPAYER	ASSESSED VALUATION	PERCENTAGE OF TOTAL ASSESSED VALUATION
1. Dayton Power and Light	\$ 27,578,550	6.31%
2. Paxar Americas, Inc.	6,828,870	1.56%
3. Interstate Ford	3,887,770	0.89%
4. Kettering Medical Center	3,812,030	0.87%
5. Ohio Bell	3,624,370	0.83%
6. Hieronymus Management	2,966,470	0.68%
7. One Prestige Place Office	2,906,250	0.66%
8. Pitney Bowes	2,702,220	0.62%
9. Matt Castrucci, Inc.	2,680,770	0.61%
10. Dayton Theater, LLC.	<u>2,562,910</u>	<u>0.59%</u>
TOTAL	<u>\$ 59,550,210</u>	<u>13.63%</u>

Source: Montgomery County Auditor's Office

**CITY OF MIAMISBURG, OHIO**  
**MORTGAGE REVENUE REFUNDING BOND COVERAGE**  
**LAST TEN YEARS**

YEAR	NET REVENUE AVAILABLE FOR DEBT SERVICE		DEBT SERVICE REQUIREMENTS			COVERAGE (3)	
	REVENUES (1)	EXPENSES (2)	DEBT SERVICE	PRINCIPAL	INTEREST		TOTAL
<b>SEWER</b>							
1995	\$ 1,862,361	\$ 1,024,984	\$ 837,377	\$ 325,000	\$ 211,132	\$ 536,132	1.6
1996	2,040,043	1,008,497	1,031,546	310,000	208,765	518,765	2.0
1997	1,982,816	962,191	1,020,625	325,000	196,985	521,985	2.0
1998	1,994,815	1,113,706	881,109	335,000	184,147	519,147	1.7
1999	2,197,854	1,417,256	780,598	350,000	171,398	521,398	1.5
2000	2,500,112	1,484,514	1,015,598	350,000	170,748	520,748	2.0
2001	2,853,643	1,896,797	956,846	365,000	156,398	521,398	1.8
2002	2,494,575	1,370,019	1,124,556	380,000	141,068	521,068	2.2
2003	2,661,579	1,483,991	1,177,588	395,000	124,538	519,538	2.3
2004	1,764,670	1,924,755	(160,085)	680,000	383,555	1,063,555	-0.2
<b>WATER</b>							
1995	\$ 2,085,874	\$ 1,149,551	\$ 936,323	\$ 110,000	\$ 134,889	\$ 244,889	3.8
1996	1,822,765	1,282,294	540,471	110,000	135,003	245,003	2.2
1997	1,843,263	1,259,338	583,925	120,000	128,678	248,678	2.3
1998	2,277,414	1,414,132	863,282	125,000	121,717	246,717	3.5
1999	2,548,485	1,576,730	971,755	130,000	114,343	244,343	4.0
2000	2,187,248	1,495,019	692,229	130,000	114,342	244,342	2.8
2001	2,264,636	1,455,062	809,574	140,000	106,608	246,608	3.3
2002	2,344,156	1,779,158	564,998	150,000	98,138	248,138	2.3
2003	2,235,810	1,641,637	594,173	155,000	88,838	243,838	2.4
2004	2,628,873	2,493,415	135,458	165,000	79,073	244,073	0.6

(1) Revenues are equal to operating revenues and income tax revenues used to pay mortgage revenue debt.

(2) Expenses are equal to operating expenses less depreciation.

(3) Cash reserves accumulated over the years are used for debt payments in years current year revenues are not sufficient to meet requirements until rates can be reviewed.

**CITY OF MIAMISBURG, OHIO**  
**WATER AND SEWER DEBT SERVICE COVERAGE PER BOND INDENTURE**  
**LAST FIVE YEARS**

YEAR	INCOME TAX		TOTAL	EXPENSES (3)		NET REVENUE AVAILABLE FOR REVENUE BOND DEBT SERVICE		REVENUE BOND AND OTHER DEBT SERVICE		ALL BOND COVERAGE (4)
	REVENUES (1)	RECEIPTS (2)				REVENUE BOND DEBT SERVICE	REVENUE BOND AND OTHER DEBT SERVICE	REVENUE BOND DEBT SERVICE	REVENUE BOND AND OTHER DEBT SERVICE	
<b>SEWER</b>										
2000	\$ 1,903,444	\$ 963,783	\$ 2,867,227	\$ 1,484,514	\$ 1,382,713	\$ 520,748	2.66	\$ 778,161	1.78	
2001	2,526,134	1,154,851	3,680,985	1,896,797	1,784,188	521,398	3.42	881,717	2.02	
2002	1,942,929	944,765	2,887,694	1,370,019	1,517,675	521,068	2.91	886,165	1.71	
2003	1,831,970	920,265	2,752,235	1,483,991	1,268,244	911,503	1.39	1,094,971	1.16	
2004	1,308,858	529,459	1,838,317	1,924,755	(86,438)	1,063,555	-0.08	1,079,118	-0.08	
<b>WATER</b>										
2000	\$ 1,929,845	\$ 350,732	\$ 2,280,577	\$ 1,495,019	\$ 785,558	\$ 242,342	3.24	\$ 492,857	1.59	
2001	1,975,216	366,666	2,341,882	1,455,062	886,820	246,608	3.60	482,308	1.84	
2002	2,053,419	411,867	2,465,286	1,779,158	686,128	248,138	2.77	481,533	1.42	
2003	1,801,779	434,326	2,236,105	1,641,637	594,468	243,838	2.44	398,026	1.49	
2004	1,858,781	828,715	2,687,496	2,493,415	194,081	244,073	0.80	451,010	0.43	

(1) Revenues are equal to operating revenues and nonoperating revenue excluding income tax receipts.

(2) Income tax receipts allocated per the various water and sewer bond indentures.

(3) Expenses are equal to operating expenses less depreciation.

(4) Cash reserves accumulated over the years are used for debt payments in years current year revenues are not sufficient to meet requirements until rates can be reviewed.

**CITY OF MIAMISBURG, OHIO**  
**MISCELLANEOUS STATISTICS**  
**DECEMBER 31, 2004**

Year of Incorporation	1832
Form of Government	Charter - Council/Manager
Area	11.5 Square Miles
Miles of Streets	126
Number of Street Lights	1,545
Number of Traffic Lights	28
Police Protection:	
Number of Stations	1
Number of Policemen and Officers	41
Education (K-12) (public only)	
Attendance Centers	13
Number of Classrooms	282
Number of Teachers	365
Number of Students	5,110
Municipal Water Department	
Miles of Water Mains	84
Sewers:	
Miles of Sanitary Sewers	73
Miles of Storm Sewers	44
Building Permits Issued	
Residential	227
Commerical	95
Recreation and Culture:	
Number of Parks	20
Number of Golf Courses	2
Number of Libraries	1
Number of Employees	
Full-Time	190
Part-Time	26

Source: City of Miamisburg







**Auditor of State  
Betty Montgomery**

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Facsimile 614-466-4490

**CITY OF MIAMISBURG  
MONTGOMERY 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 9, 2005**