



**Auditor of State  
Betty Montgomery**



**CITY OF SHARONVILLE  
HAMILTON COUNTY**

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**CITY OF SHARONVILLE  
HAMILTON COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2003**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<b><u>U.S. DEPARTMENT OF HOMELAND SECURITY</u></b>			
Assistance to Fire Fighters Grant	EMW-2003-FG-01284	97.044	\$168,313
<i>Passed Through Ohio Department of Public Safety</i> Public Assistance Grant	FEMA-DR-1390-OH	97.036	<u>50,380</u>
Total U.S. Department of Homeland Security			218,693
<b><u>U.S. DEPARTMENT OF JUSTICE</u></b>			
COMMUNITY ORIENTED POLICING SERVICES (COPS)			
Universal Hiring Program Grant	2001UMWX0216	16.710	71,650
COPS in School Grant	2000SHWX0594		<u>41,145</u>
Total U.S. Department of Justice			112,795
<b><u>U.S. DEPARTMENT OF TRANSPORTATION</u></b>			
Highway Safety Cluster:			
State & Community Highway Safety	4028.0	20.600	5,461
Alcohol Traffic Safety and Drunk Driving Prevention Grant	4028.0	20.601	<u>5,461</u>
Total Highway Safety Cluster			10,922
Highway Planning and Construction	4018.0	20.205	<u>1,367</u>
Total U.S Department of Transportation			<u>12,289</u>
<b>Totals</b>			<b><u><u>\$343,777</u></u></b>

*The accompanying notes to this schedule are an integral part of this schedule.*

**CITY OF SHARONVILLE  
HAMILTON COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FISCAL YEAR ENDED DECEMBER 31, 2003**

**NOTE A -- SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the City's federal award programs. The schedule has been prepared on the cash basis of accounting.

**NOTE B -- MATCHING REQUIREMENTS**

Certain Federal programs require that the City contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.



**Auditor of State  
Betty Montgomery**

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

City of Sharonville  
Hamilton County  
10900 Reading Road  
Sharonville, Ohio 45241

To the City Council:

We have audited the financial statements of the governmental activities, the business-type activities, the discreetly presented component unit, each major fund and the aggregate remaining fund information of the City of Sharonville, Hamilton County, Ohio (the City), as of and for the fiscal year ended December 31, 2003, which collectively comprise the City's basic financial statements and have issued our report thereon dated August 30, 2004, in which we noted the District adopted Governmental Accounting Standards Board Statements No. 34. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could directly and materially affect 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 instances of noncompliance that we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2003-002 and 2003-003. We noted certain immaterial instances of noncompliance that we have reported to the City's management in a separate letter dated August 30, 2004.

**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 opinions on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City's ability to record, process, summarize and report financial data consistent with management's assertions in the financial statements. Reportable conditions are described in the accompanying schedule of findings as items 2003-001 through 2003-003.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. We consider items 2003-001 and 2003-002 listed above to be material weaknesses.

This report is intended for the information and use of the audit committee, management, the City Council, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



**Betty Montgomery**  
Auditor of State

August 30, 2004



## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH CIRCULAR A-133

City of Sharonville  
Hamilton County  
10900 Reading Road  
Sharonville, Ohio 45241

To the City Council:

#### Compliance

We have audited the compliance of the City of Sharonville, Hamilton County, Ohio (the City), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the fiscal year ended December 31, 2003. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the fiscal year ended December 31, 2003.

#### Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program 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 compliance and its operation that we consider to be material weaknesses.

#### **Schedule of Federal Awards Expenditures**

We have audited the basic financial statements of the City as of and for the fiscal year ended December 31, 2003, and have issued our report thereon dated August 30, 2004, in which we noted the City adopted Governmental Accounting Standards Board Statements No. 34. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information and use of the audit committee, management, the City Council, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than the specified parties.



**Betty Montgomery**  
Auditor of State

August 30, 2004

**CITY OF SHARONVILLE  
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
DECEMBER 31, 2003**

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unqualified
<b>(d)(1)(ii)</b>	<b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(ii)</b>	<b>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(iii)</b>	<b>Was there any reported material non-compliance at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weakness conditions reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any other reportable internal control weakness conditions reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under § .510?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Disaster Assistance-Federal Emergency Management Agency, CFDA: 97.036  Community Oriented Policing Services (COPS), CFDA: 16.710  State and Community Highway Safety, CFDA: 20.600  Alcohol Traffic Safety and Drunk Driving Prevention, CFDA: 20.601
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A - \$300,000 Type B- all other programs
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	No

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

**FINDING NUMBER 2003-001**

**Reportable Condition/Material Weakness**

The City is not accurately reconciling its cash. This process is composed of taking the total of all bank and investment balances from which outstanding checks are subtracted, other adjustments considered (unrecorded interest income and deposits in transit are examples) and the resulting amount should agree with the City's book/fund balances. This is to be done at the end of each month.

The following discrepancies were discovered in the Auditor of State's review of the December 31, 2003 reconciliation.

- On December 3, 2003 a bank erroneously deducted \$410,058 for a Convention Center Bond payment that the City had refinanced on January 15, 2003. In March 2004, the City's Budget Director notified the auditors of a discrepancy in the reconciliation when he presented the City records for audit. At that time the Budget Director indicated that the problem might be related to a debt payment. The auditors reviewed the documentation presented by the Budget Director and determined that the bank had deducted \$410,058 from the City's account in error. The bank reimbursed the City on April 23, 2004.
- On December 1, 2003 the same bank deducted \$1,768,161 from the City's account to service the aforementioned refinanced debt. The amortization table provided by the debt underwriter shows the amount should be \$1,757,886 for a difference of \$10,275. This was not detected by the City. On August 17, 2004 the bank reimbursed the City.
- The City received \$148,414 in grant money via Electronic Fund Transfers (EFT) based on grant funding/reimbursement requests made by City Officials throughout the year. None of this was recorded on the City's ledgers. It was subsequently recorded on February 2nd and April 1st of 2004.
- In 2003 the City failed to record \$95,323 in interest revenue. It was subsequently recorded on the City's ledgers on April 1, 2004.
- The City recorded \$5,626 of Community Oriented Policing Services (COPS) grant money on December 12, 2003 based on grant reimbursement requests. The U.S. Department of Justice did not wire transfer this money to the City until February 2, 2004.

Accurate reconciling is the most basic and important internal control. This allows City management and council to make sound financial decisions. It also reduces the probability of City money being misappropriated.

We recommend that accurate reconciliations be done monthly. Any differences must be investigated and resolved immediately. A member of the City's management or council independent of the reconciliation process should then review the reconciliation. This review should be documented by the reviewer signing and dating the reconciliation. A similar recommendation was included in the Management Letter in the prior audit.

**FINDING NUMBER 2003-002**

**Material Noncompliance/Material Weakness**

Ohio Rev. Code, Section 5705.39, states the total appropriation from each fund shall not exceed the total estimated revenue. No appropriation measure is to become effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate. Total appropriations exceeded total estimated resources in the following instances:

<u>Fund</u>	<u>Total Certified Resources</u>	<u>Total Appropriations</u>	<u>Variance</u>
General Fund	\$15,152,497	\$22,608,080	(\$7,455,583)
Risk Insurance Fund	11,444	17,000	(5,556)
FEMA Fund	54,923	129,580	(74,657)
Law Enforcement Block Grant	13,988	15,000	(1,012)
Confinement Reimbursement Fund	398	1,500	(1,102)
COPS Grant Fund	108,574	172,000	(63,426)
Debt (Note) Retirement Fund	700,832	5,000,000	(4,299,168)
Senior Citizen's Housing Fund	246,570	261,370	(14,800)
Tax Rebate Fund	199,785	200,000	(215)
Unclaimed Monies Fund	1,271	2,000	(729)
Medical Reimbursement Fund	12,281	20,000	(7,719)
Board Building Standards Fund	\$3,374	\$4,000	(\$626)

Appropriations exceeding estimated resources could result in negative fund balances as appropriations set the amounts the City can spend. The City should monitor the yearly budget measures at the legal level of control so that appropriations are equal to or less than estimated revenues when adopted and throughout the year.

**FINDING NUMBER 2003-003**

**Noncompliance**

Ohio Rev. Code, Section 5705.09(F) requires the City to establish a special fund for each class of revenues derived from a source other than general property tax, which the law requires to be used for a particular purpose. Upon establishing a fund, estimated receipts should be certified to the County Auditor as available for expenditure, and anticipated revenues should be included in the City appropriations.

The Ohio Public Works Commission made payments on behalf of the City of \$943,444 to Sunesis Construction Company in 2003. The City failed to include these transactions on its financial statements. The accompanying financial statements have been adjusted to reflect the receipt and disbursement of this money.

We recommend the City establish a fund and budget monies spent on behalf of the City. Guidance on the accounting treatment for these types of transactions is set forth in Auditor of State Bulletins 2000-008 and 2002-004.

<b>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</b>
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None

**CITY OF SHARONVILLE  
HAMILTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2003**

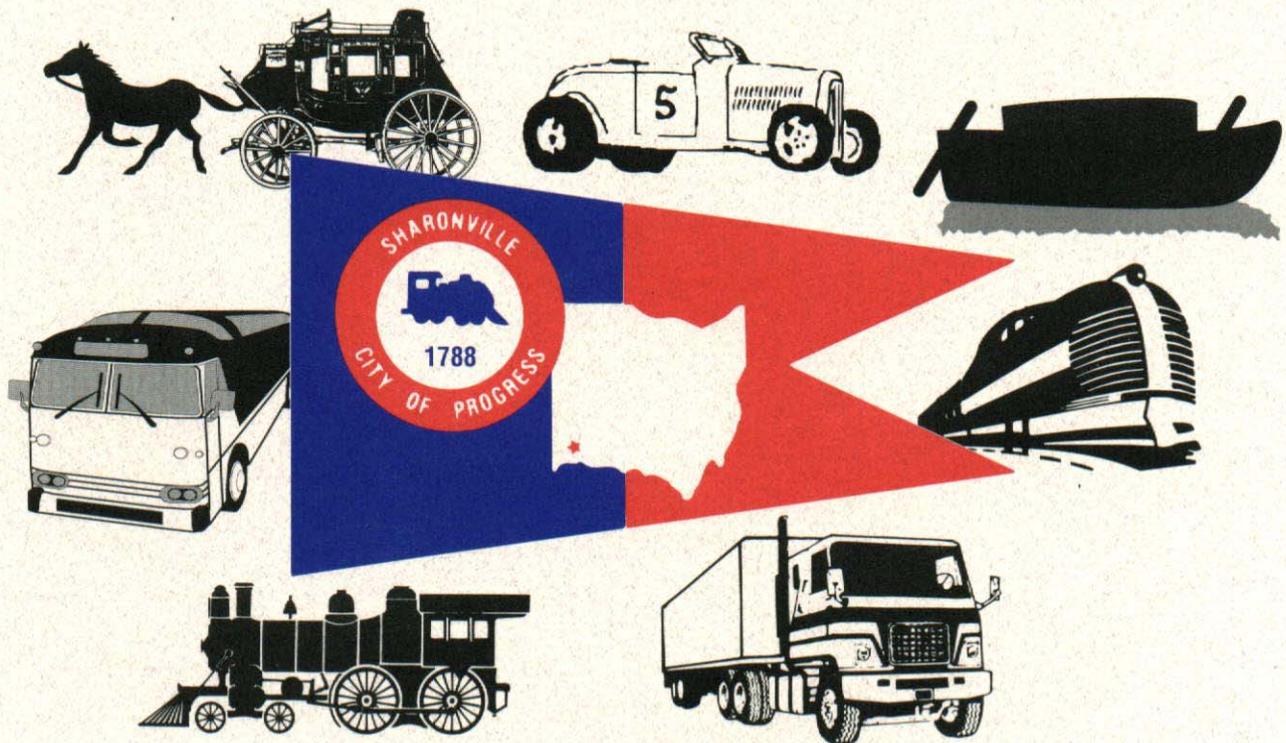
<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected ?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain:</i></b>
2002-001	Non-compliance for appropriations exceeding estimated resources contrary to Ohio Revised Code 5705.39.	No	Reissued as finding 2003-002.
2002-002	Non-compliance for expenditures exceeding appropriations contrary of Ohio Revised Code 5705.41(B).	Partially Corrected	Included in the management letter.



# CITY OF SHARONVILLE, OHIO

December 31, 2003  
COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

*City of Progress*



*City On The Move*



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2003

*Prepared by the Auditor's Office*

Janet North  
City Auditor



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LUCAS COUNTY, OHIO**

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## *INTRODUCTORY SECTION*

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# CITY OF SHARONVILLE

10900 Reading Road • Sharonville, Ohio 45241

phone (513) 563-1144

fax (513)-563-0617

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August 31, 2004

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

We are pleased to submit the third Comprehensive Annual Financial Report for the City of Sharonville for the fiscal year ended December 31, 2003. This report has been prepared in conformity with generally accepted accounting principles (GAAP) and guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

## **Introduction**

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

## **The Report**

This Comprehensive Annual Financial Report (CAFR) is designed to assist and guide the reader in understanding its contents. The report is comprised of the following three major sections:

1. *The Introductory Section* includes this letter of transmittal which presents the City's organization, operational structure and accomplishments; an organizational chart; a list of principal elected officials; and a list of principal administrative personnel.
2. *The Financial Section* contains the Independent Accountants' Report, Management's Discussion and Analysis, Basic Financial Statements, which include explanatory notes and provide an overview of the City's financial position and operating results, and the Combining Financial Statements of the individual funds that provide detailed information to the Basic Financial Statements;
3. *The Statistical Section* presents social, economic and historical data in a multi-year format which can be used to identify financial trends and data relative to the fiscal capacity of the City.

***Letter of Transmittal  
For the Year Ended December 31, 2003***

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**The Reporting Entity**

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (the "GASB") Statement No. 14, "The Financial Reporting Entity," in that the financial statements include all organizations, activities, functions and component units for which the City (the reporting entity) is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board and either (1) the City's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide financial benefit to or impose a financial burden on the City.

The City provides the following services to its residents and businesses: police and fire protection, emergency medical response, parks and recreational activities, planning, zoning, street maintenance, solid waste collection, income tax collection and other governmental services. In addition, the City owns and operates a convention center and an apartment complex, which are reported as enterprise funds.

The Community Improvement Corporation of Sharonville is reported as a discretely presented component unit in a separate column in the combined financial statements.

**The City of Sharonville**

The City of Sharonville is located in Hamilton County in southwestern Ohio. The City is situated east of Interstate 75 and south of Interstate 275, approximately 15 miles north of downtown Cincinnati. Sharonville was originally settled in 1788 and was incorporated as a City in 1961. It is a Statutory City with a Mayor-Council form of government.

The legislative body of Sharonville consists of a seven-member Council whose members are elected to serve two-year terms. The chief executive and administrative officer of the City is the Mayor who is elected to a four-year term. The Law Director is elected to a four-year term and heads the Department of Law. The City Auditor, who is elected to a four-year term, supervises the Department of Finance and performs the powers, duties and functions of the fiscal officer of the City pursuant to the general laws of Ohio. In addition, the City Auditor is responsible for the administration, control, funding and payment of the City's debt. As the City's chief fiscal officer, the City Auditor maintains the City's accounting records. The City Treasurer is responsible for receiving and investing all funds of the City and is elected to a four-year term.

The Police Department consists of 49 full-time officers and non-sworn administrative personnel. It responds to approximately 1,100 service calls per month. It is committed to offering the best in crime prevention while providing a community orientation program for all area businesses and residents. Other programs of the Department include D.A.R.E., Anti-Drug Prevention, Neighborhood Watch, Crime Prevention, Bicycle Patrol and Operation Identification. The Department also teaches safety programs in the City's schools.

## ***CITY OF SHARONVILLE, OHIO***

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### ***Letter of Transmittal For the Year Ended December 31, 2003***

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The Fire Department is staffed 24 hours a day by 44 full-time and 30 part-time fire personnel and officers. Services offered by the Department include fire suppression, paramedic level emergency medical services, fire prevention and public education for children in kindergarten through eighth grade. The Department operates from three stations, which are located in the City.

The Health Department provides environmental health and public nursing services to the community. The environmental division performs food service and vending location licensing inspections, manufactured home park licensing, retail food establishment inspections, household sewage system monitoring and community education services. In addition, the division issues swimming pool and retail food establishment permits. The nursing division provides continuity of care following hospital discharge, teaches home caregivers, educates the community on immunizations and communicable diseases, conducts health screenings, offers dietary counseling and provides school health services. Annually, the nursing division gives approximately 900 flu shots.

The Parks and Recreation Department offers a variety of facilities and a broad range of activities for all groups. The main community center is a 51,000 square foot facility that houses a fitness center, indoor running/walking track, a double gymnasium, a single gymnasium/multipurpose rental facility, locker rooms, pre-school nursery, aerobics and dance room, craft room, lounge and game area, and a family game area. Additionally, the Crescentville Recreation Center is a satellite center that provides quality programs, as well as leadership and community service opportunities for pre-teens and teens. The Parks Division maintains three active parks and one undeveloped park, which the City plans to develop as a green belt. These parks contain 35 acres of green space and provide facilities for hiking, biking and picnicking as well as athletic facilities for baseball, football, soccer, tennis, basketball, horseshoes and volleyball. The City also maintains two public swimming pools.

Some of the street services provided by the Public Works Department include brush pick-up, landscaping, parking lot maintenance, pot hole repair, roadside and facility mowing, snow removal, street name and directional signage, street painting, street sweeping and tree trimming. The Department also oversees the operation of Golden View Acres, a City-owned and operated 52-unit apartment complex for senior citizens.

The Sharonville Convention Center is a 28,000 square foot multi-level facility. The meeting room level has an 8,245 square foot ballroom that can accommodate groups of up to 1,000 people for meetings or 550 people for banquets. There are three additional meeting rooms that give this level a combined 10,729 square feet of meeting space. The exhibition hall level has 16,554 square feet of column free space. This room can accommodate over 100 exhibit booths, 2,000 people for meetings or 1,100 people for banquets. The exhibition hall is equipped with electrical power, compressed air, water, drainage and 100 telephone lines.

### **Economic Conditions and Outlook**

The City has a significant number of motel rooms and reflective of the tourism and convention center drop off, the City's revenues have declined. On the positive side, the Northern Cincinnati Convention and Visitor's Bureau located an office in Sharonville during 2003. The Bureau will continue to promote tourism in the City of Sharonville as well as the other Northern Cincinnati suburbs. Additionally, the City's earnings tax revenues continue to grow.

***Letter of Transmittal  
For the Year Ended December 31, 2003***

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**Major Initiatives**

In past years, the rate of return on City investments exceeded the interest rates that the City paid for borrowing funds. Although cash was available to finance construction projects, the City often issued notes at the lower interest rates while keeping City funds invested. When a note matured, the City would pay the interest charge and a portion of the principal or the entire principal amount. Given the current low levels of return on investments, the City may now elect to make required debt payments from existing funds instead of borrowing money through the issuance of debt.

The City has begun construction on a new fire house and a municipal swimming pool at the Sharonville Recreation Center. In addition, street and drainage improvement projects are underway in the City.

**Financial Information**

**Basis of Accounting**

The accounting system of the City of Sharonville is organized on a "fund basis." Each fund is a distinct, self-balancing accounting entity. For financial reporting purposes, the City uses the modified accrual basis of accounting for the Governmental and Agency Funds and the accrual basis of accounting for the Proprietary Funds in accordance with generally accepted accounting principles (GAAP).

The modified accrual basis of accounting recognizes revenue when measurable and available and expenditures when the related fund liability is incurred, except for interest on long-term debt which is recorded when due. The accrual basis of accounting recognizes revenue when earned and expenses when incurred. The basis of accounting for the various funds is fully described in Note 1 of the Basic Financial Statements.

The City's basis of accounting for budgetary purposes differs from generally accepted accounting principles (GAAP) in that revenues are recognized when received rather than when susceptible to accrual, and encumbrances are recorded as expenditures rather than as reservations of fund balances. A reconciliation of the results of these two methods appears in Note 1 of the Basic Financial Statements.

**Internal Control, Budgetary Control and the Accounting System**

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within this framework. It is the belief of the City's administrative and financial management that the City's financial controls adequately safeguard existing assets and provide reasonable assurance of the proper recording of financial transactions.

## CITY OF SHARONVILLE, OHIO

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### Letter of Transmittal For the Year Ended December 31, 2003

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The City utilizes a fully-automated accounting system as well as automated systems of control for fixed assets and payroll. These systems, coupled with the manual auditing of each voucher prior to payment by the Auditor's Office, ensure that the financial information generated is both accurate and reliable.

In addition, the City maintains extensive budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by City Council.

All funds other than agency funds are included in the annual appropriated budget. The level of budgetary control (*i.e.*, the level at which expenditures can not legally exceed the appropriated amount) is at the fund level except for the General Fund, Street Construction, Maintenance, and Repair Fund, State Highway Fund, Federal Emergency Management Agency Fund, Community Oriented Policing Services (COPS) Grant Fund, Fire Department Fund, Senior Citizen Housing Fund and the Convention Center Fund, which are budgeted at the fund, department and object level. Budgetary control is maintained by encumbering the estimated purchase amounts prior to the release of purchase orders to vendors. Purchase orders that result in overruns of budgeted balances are not released until additional appropriations are made available. Unencumbered amounts lapse at year end; however, encumbrances are generally reappropriated as part of the following year's budget. Appropriations, initial and supplemental, must be authorized by City Council.

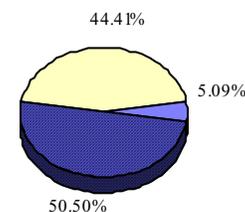
As demonstrated by the statements and schedules included in the financial section of this Comprehensive Annual Financial Report, the City continues to meet its responsibility for sound fiscal management.

### Cash Management

Cash that was temporarily idle during the year was invested in interest-bearing demand deposit accounts or in the State Treasurer's investment pool, STAR Ohio. The City's investment policy is to minimize credit and market risks, while obtaining the highest yield possible on its investments. Accordingly, the City purchases investments only through member banks of the Federal Reserve System or broker-dealers registered with the Securities and Exchange Commission. Investments are diversified to avoid incurring unreasonable risks relating to a specific type of security or to a particular individual financial institution. Portfolio investments remain sufficiently liquid to ensure that all operating requirements are satisfied in a timely manner. All investments meet the State of Ohio's requirements on allowable investments and the City's official investment policy. The City earned \$220,211 of investment income during 2003. As of December 31, 2003, the City's cash resources were divided between cash and investments as follows:

Cash Resources	2003	%
Cash	\$1,057,290	5.09
Federal Government Securities	10,486,016	50.50
STAR Ohio	9,219,576	44.41
Total Resources	<u>\$20,762,882</u>	<u>100.00</u>

2003



## ***CITY OF SHARONVILLE, OHIO***

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### ***Letter of Transmittal For the Year Ended December 31, 2003***

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At December 31, 2003, the City had deposits of \$9,219,576 collateralized by pooled collateral. The Ohio Revised Code provides for the establishment of collateral pools by local financial institutions designed to safeguard public deposits. The face value of the pooled collateral must equal at least 105 percent of the public funds on deposit. Since the collateral is held as a pool in the financial institution's name, deposits protected by the pool are classified as uninsured and uncollateralized. (See Note 4 of the Basic Financial Statements.)

### **Risk Management**

The City is a member of the Ohio Government Risk Management Plan (OGRMP), a public entity risk plan that operates as a common risk management and insurance program. The types of insurance carried by the City include General Liability, Public Officials Liability, Law Enforcement Liability, Governmental Medical Liability, Employee Benefits Liability, Fleet Liability, Property, Earthquake, Flood, Electronic Data Processing, Crime Coverage, Equipment Breakdown Coverage and State of Ohio Workers Compensation.

### **Other Information**

#### **Independent Audit**

State statutes require an annual audit by independent certified public accountants. The basic financial statements of the City of Sharonville were audited by the Auditor of the State of Ohio. Generally accepted auditing standards and the standards set forth in the General Accounting Office's *Government Auditing Standards* were used by the auditors in conducting the audit. The independent accountants' unqualified opinion has been included in the financial section of this report.

#### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Sharonville for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2002. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards in state and local government financial reporting. To be awarded a Certificate of Achievement, a governmental unit must prepare an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. The report must satisfy both generally accepted accounting principles and applicable legal requirements respective to the reporting entity.

A Certificate of Achievement is valid for a period of one year only. We believe this current report continues to conform to the high standards set by the GFOA for a Certificate of Achievement for Excellence in Financial Reporting and we are submitting it to GFOA.

***Letter of Transmittal  
For the Year Ended December 31, 2003***

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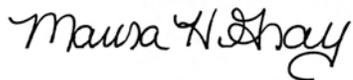
**Acknowledgments**

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the finance and administration department. Sincere appreciation is extended to all members of the department who assisted and contributed to the preparation of this report.

Special acknowledgment is extended to the staff of Donald J. Schonhardt and Associates, Inc. for their guidance in the preparation of this report.

Finally, a special thanks to the Mayor and City Council for their interest and support in planning and conducting the government in a responsible and progressive manner.

Respectfully submitted,



Maura Hoffman Gray  
Deputy Auditor and Finance Director



Janet North  
City Auditor

**CITY OF SHARONVILLE, OHIO**

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***Elected Officials  
For the Year Ended December 31, 2003***

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**ELECTED OFFICIALS AS OF DECEMBER 31, 2003**

<b><u>ELECTED OFFICIAL</u></b>	<b><u>TITLE</u></b>	<b><u>SALARY</u></b>	<b><u>TERM OF OFFICE</u></b>	<b><u>SURETY</u></b>
Virgil Lovitt II	Mayor	\$31,648	01/01/00 - 12/31/03	(A)
Kevin Hardman	President of Council	12,351	01/01/02 - 12/31/03	(A)
William Breyer	Council Member	10,035	01/01/02 - 12/31/03	(A)
Jim Dygert	Council Member	10,035	01/01/02 - 12/31/03	(A)
Janey Kattelman	Council Member	10,035	01/01/02 - 12/31/03	(A)
Bill Lewis	Council Member	10,035	01/01/02 - 12/31/03	(A)
Kerry Rabe	Council Member	10,035	01/01/02 - 12/31/03	(A)
Robert Taylor	Council Member	10,035	01/01/02 - 12/31/03	(A)
Steven Tolbert	Council Member	10,035	01/01/02 - 12/31/03	(A)
Mark Piepmeier	Treasurer	10,035	01/01/00 - 12/31/03	(A)
Janet L. North	Auditor	17,754	01/01/00 - 12/31/03	(A)
Thomas Keating	Law Director	48,630	01/01/00 - 12/31/03	(A)

City Address:

Sharonville City Hall  
10900 Reading Road  
Sharonville, Ohio 45241

(A) Covered under Ohio Government Risk Management Plan in the amount of \$100,000 from 04/26/03 to 04/26/04.

***Elected Officials  
For the Year Ended December 31, 2003***

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***ELECTED OFFICIALS AS OF DECEMBER 31, 2003***



Virgil Lovitt II  
Mayor



Kevin Hardman  
President of Council



William Breyer  
Council Member



Jim Dygert  
Council Member



Janey Kattleman  
Council Member



Bill Lewis  
Council Member



Kerry Rabe  
Council Member



Robert Taylor  
Council Member



Steven Tolbert  
Council Member



Mark Piepmeier  
Treasurer



Janet L. North  
Auditor



Thomas Keating  
Law Director

***CITY OF SHARONVILLE, OHIO***

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***Administrative Personnel  
For the Year Ended December 31, 2003***

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***ADMINISTRATIVE PERSONNEL AS OF DECEMBER 31, 2003***

<b><i>ADMINISTRATIVE PERSONNEL</i></b>	<b><i>TITLE</i></b>	<b><i>SALARY</i></b>	<b><i>TERM OF OFFICE OR CONTRACT</i></b>	<b><i>SURETY</i></b>
Al Ledbetter	Safety/Service Director	\$81,078 – 124,571	Indefinite	(A)
Maura Hoffman Gray	Deputy Auditor/ Finance Director	40,121 – 72,800	Indefinite	(A)
Dan Burke	Budget Director	50,814 – 72,800	Indefinite	(A)
Martha Cross Funk	Tax Commissioner	50,814 – 72,800	Indefinite	(A)

(A) Covered under Ohio Government Risk Management Plan in the amount of \$100,000 from 04/26/03 to 04/26/04.

***Administrative Personnel  
For the Year Ended December 31, 2003***

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**ADMINISTRATIVE PERSONNEL AS OF DECEMBER 31, 2003**



Al Ledbetter  
Safety/Service Director



Dan Burke  
Budget Director



Martha Cross Funk  
Tax Commissioner



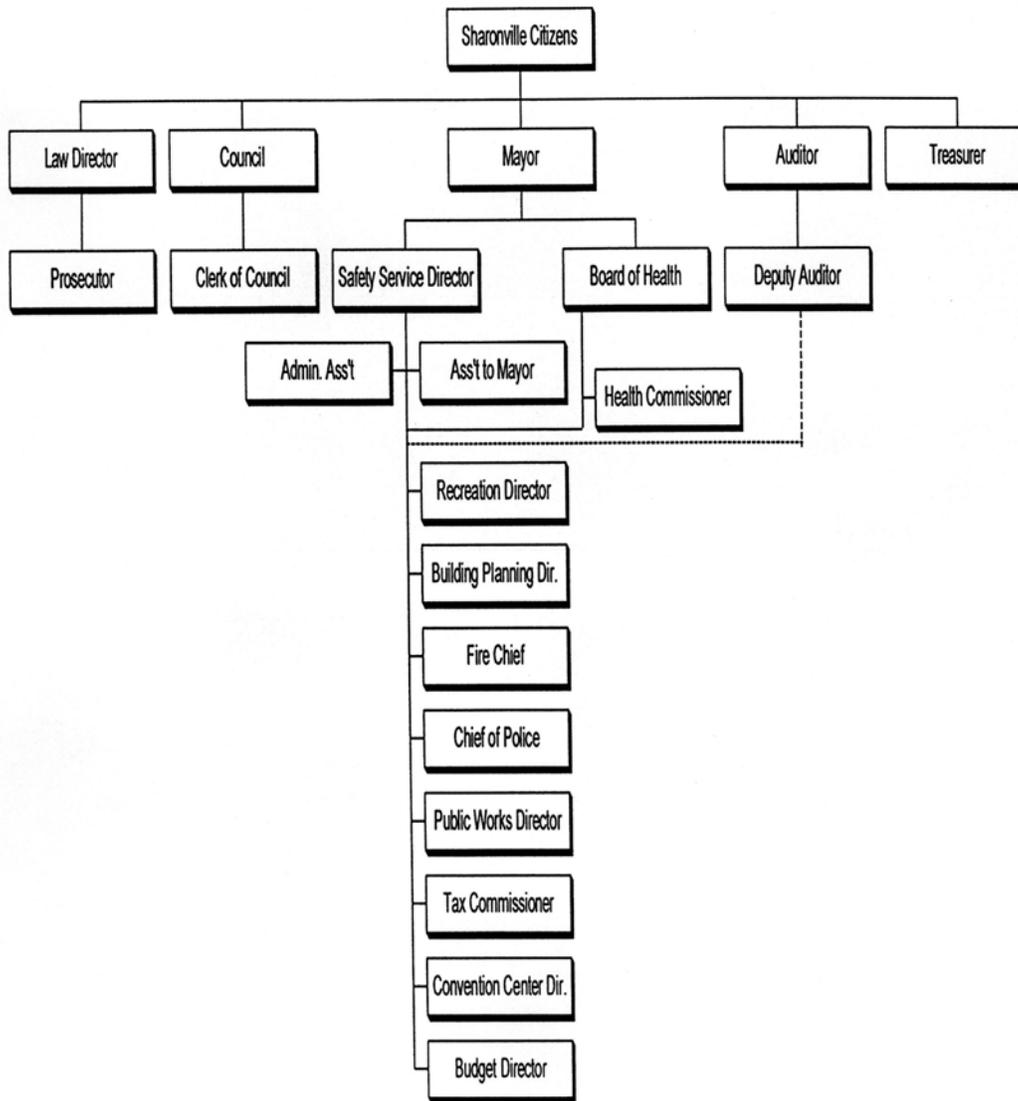
Maura Gray  
Deputy Auditor

**CITY OF SHARONVILLE, OHIO**

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**City Organizational Chart  
For the Year Ended December 31, 2003**

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Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

City of Sharonville,  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2002

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



President

Executive Director



## *FINANCIAL SECTION*

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

City of Sharonville  
Hamilton County  
10900 Reading Road  
Sharonville, Ohio 45241

To the City Council:

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 Sharonville, Hamilton County, Ohio (the City), and its discretely presented component unit as of and for the year ended December 31, 2003, 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, business type activities, each major fund, the aggregate remaining fund information, and the discretely presented component unit of the City of Sharonville, Hamilton County, Ohio, as of December 31, 2003 and, the respective changes in financial position and cash flow, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 2, during the year ended December 31, 2003, the City implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments*.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 27, 2004 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis and Budgetary Comparison for the General Fund are not a required part of the basic financial statements, but are supplementary information the Governmental Accounting Standards Board requires. We applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to form opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund statements and schedules and statistical tables are presented for additional analysis and are not a required part of the basic financial statements. We subjected the combining and individual nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects, in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

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

**Betty Montgomery**  
Auditor of State

August 30, 2004

The discussion and analysis of the City of Sharonville's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2003. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

## **FINANCIAL HIGHLIGHTS**

### **Key financial highlights for 2003 are as follows:**

- ❑ In total, net assets decreased by \$2,358,523. Net assets of governmental activities decreased by \$2,000,396, which represents an 8.9% decrease from 2002. Net assets of business-type activities decreased by \$358,127, or 11.8% from 2002.
- ❑ General revenues accounted for \$21,142,514 in revenue, or 84.1% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$4,011,767, or 15.9% of total revenues of \$25,154,281.
- ❑ The City had \$25,473,338 in expenses related to governmental activities; only \$2,565,428 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$21,142,514 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$14,874,801 in revenues and \$11,763,844 in expenditures. The general fund's fund balance increased \$1,066,057. This increase in fund balance resulted from the large decline in transfers out to other funds. Fund balances increased in both the Fire Department Fund and the Capital Improvement Fund as a result of bond issuances during 2003.
- ❑ Net assets for enterprise funds decreased \$358,127 from 2002 to 2003. The decrease in net assets was due to the increase in interest and fiscal charges, which resulted from the issuance of one general obligation bond and the refunding of another general obligation bond.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of four parts – *management's discussion and analysis*, the *basic financial statements*, *required supplementary information*, and an optional section that presents *combining statements* for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the City:

These statements are as follows:

1. *The Government-Wide Financial Statements* – These statements provide both long-term and short-term information about the City's overall financial status.
2. *The Fund Financial Statements* – These statements focus on individual parts of the City, reporting the City's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

### **Government-Wide Financial Statements**

The government-wide statements report information about the City as a whole using accepting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net assets and how they have changed. Net-assets (the difference between the City's assets and liabilities) is one way to measure the City's financial health or position.

- Over time, increases or decreases in the City's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City you need to consider additional nonfinancial factors such as the City's tax base and the condition of the City's capital assets

The government-wide financial statements of the City are divided into two categories:

- Governmental Activities – Most of the City's programs and services are reported here including security of persons and property, public health and welfare services, leisure time activities, community environment, transportation and general government.
- Business-Type Activities – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The City's convention center and senior citizen housing complex are reported as business activities.

### **Fund Financial Statements**

The fund financial statements provide more detailed information about the City's most significant funds, not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular 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 accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. 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.

**Proprietary Funds** – Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

**Fiduciary Funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. All of the City's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets.

**FINANCIAL ANALYSIS OF THE CITY AS A WHOLE**

This is the first year for government-wide financial statements using the full accrual basis of accounting, therefore a comparison with prior year's information is not available. A comparative analysis will be provided in future years when prior year's information is available.

	Governmental Activities	Business-type Activities	Total
	2003	2003	2003
Current and other assets	\$23,768,945	\$1,534,155	\$25,303,100
Capital assets, Net	20,762,444	9,241,440	30,003,884
Total assets	44,531,389	10,775,595	55,306,984
Long-term debt outstanding	21,292,995	7,879,271	29,172,266
Other liabilities	2,883,114	225,138	3,108,252
Total liabilities	24,176,109	8,104,409	32,280,518
Net assets			
Invested in capital assets, net of related debt	7,579,874	1,890,127	9,470,001
Restricted	9,810,613	0	9,810,613
Unrestricted	2,964,793	781,059	3,745,852
Total net assets	<u>\$20,355,280</u>	<u>\$2,671,186</u>	<u>\$23,026,466</u>

**CITY OF SHARONVILLE, OHIO****Management's Discussion and Analysis  
For the Year Ended December 31, 2003****Unaudited**

**Changes in Net Assets** – The following table shows the changes in net assets for the fiscal year 2003:

	Governmental Activities	Business-type Activities	Total
	2003	2003	2003
Revenues			
Program revenues:			
Charges for Services and Sales	\$1,330,485	\$1,055,955	\$2,386,440
Operating Grants and Contributions	176,551	390,384	566,935
Capital Grants and Contributions	1,058,392	0	1,058,392
General revenues:			
Taxes	18,573,923	0	18,573,923
Grants and Entitlements not Restricted to Specific Programs	1,954,517	0	1,954,517
Investment Earnings	220,211	0	220,211
Miscellaneous	393,863	0	393,863
Total revenues	<u>23,707,942</u>	<u>1,446,339</u>	<u>25,154,281</u>
Program Expenses			
Security of Persons and Property	10,269,289	0	10,269,289
Public Health and Welfare Services	382,116	0	382,116
Leisure Time Activities	2,807,430	0	2,807,430
Community Environment	533,193	0	533,193
Basic Utility Services	468,046	0	468,046
Transportation	2,871,053	0	2,871,053
General Government	7,395,342	0	7,395,342
Debt Service:			
Interest and Fiscal Charges	746,869	0	746,869
Convention Center	0	1,846,690	1,846,690
Senior Citizen Housing	0	167,776	167,776
Total expenses	<u>25,473,338</u>	<u>2,014,466</u>	<u>27,487,804</u>
Change in Net Assets before Transfers	(1,765,396)	(568,127)	(2,333,523)
Transfers	(235,000)	210,000	(25,000)
Total Change in Net Assets	(2,000,396)	(358,127)	(2,358,523)
Beginning Net Assets	<u>22,355,676</u>	<u>3,029,313</u>	<u>25,384,989</u>
Ending Net Assets	<u>\$20,355,280</u>	<u>\$2,671,186</u>	<u>\$23,026,466</u>

**Governmental Activities**

Net assets of the City's governmental activities decreased by \$2,000,396. This was due to a combination of factors including a decrease in both capital project grant revenues and investment earnings, as well as an increase in personnel costs.

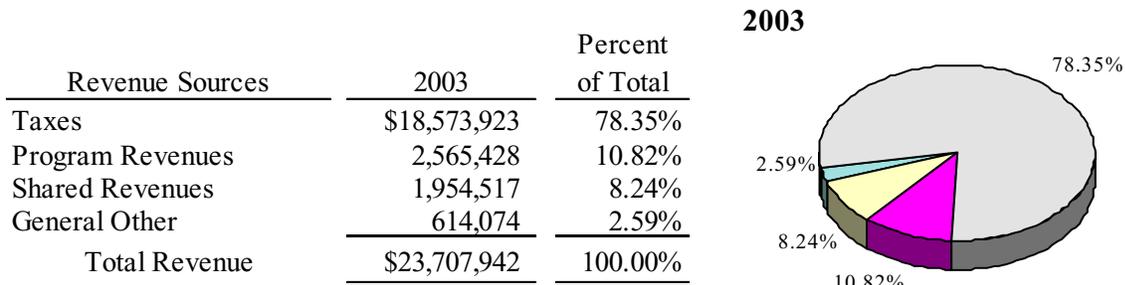
**CITY OF SHARONVILLE, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2003**

**Unaudited**

The City receives an income tax based on 1.5% of all salaries, wages, commissions and other compensation and on net profits earned within the City as well as on income of residents earned outside the City.

Taxes made up 78.35% of revenues for governmental activities for the City in fiscal year 2003. The City's reliance upon tax revenues is demonstrated by the following graph:



**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

The City's governmental funds reported a combined fund balance of \$18,369,143, which is an increase from last year's balance of \$11,321,690. The schedule below indicates the fund balance and the total change in fund balance by fund type as of December 31, 2003 and 2002:

	Fund Balance December 31, 2003	Fund Balance December 31, 2002	Increase (Decrease)
General	\$3,484,589	\$2,418,532	\$1,066,057
Fire Department	7,342,989	1,057,694	6,285,295
Capital Improvement	4,200,703	3,168,155	1,032,548
Other Governmental	3,340,862	4,677,309	(1,336,447)
<b>Total</b>	<b>\$18,369,143</b>	<b>\$11,321,690</b>	<b>\$7,047,453</b>

**CITY OF SHARONVILLE, OHIO**

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**Management's Discussion and Analysis  
For the Year Ended December 31, 2003**

**Unaudited**

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General Fund – The City's General Fund balance increase is due to many factors. The main factor is revenues exceed expenditures by \$3.1 million and the City transferred only \$2 million of the excess to other funds. The tables that follow assist in illustrating the financial activities and balance of the General Fund:

	2003	2002	Increase
	<u>Revenues</u>	<u>Revenues</u>	<u>(Decrease)</u>
Taxes	\$13,060,714	\$12,824,226	\$236,488
Intergovernmental Revenues	582,442	595,295	(12,853)
Charges for Services	369,679	394,155	(24,476)
Licenses and Permits	301,042	332,817	(31,775)
Investment Earnings	141,401	201,682	(60,281)
Fines and Forfeitures	306,357	309,571	(3,214)
All Other Revenue	<u>113,166</u>	<u>248,066</u>	<u>(134,900)</u>
Total	<u>\$14,874,801</u>	<u>\$14,905,812</u>	<u>(\$31,011)</u>

General Fund revenues in 2003 decreased less than 1.00% compared to revenues in fiscal year 2002. The most significant factor contributing to this decrease was the decline in investment earnings from 2002 to 2003 due to the low interest rates being earned by the City's cash and investment accounts.

	2003	2002	Increase
	<u>Expenditures</u>	<u>Expenditures</u>	<u>(Decrease)</u>
Security of Persons and Property	\$4,932,547	\$4,256,532	\$676,015
Public Health and Welfare Services	319,203	299,722	19,481
Leisure Time Activities	2,566,192	2,403,827	162,365
Community Environment	477,303	451,860	25,443
Basic Utility Services	468,046	440,747	27,299
General Government	<u>3,000,553</u>	<u>2,617,905</u>	<u>382,648</u>
Total	<u>\$11,763,844</u>	<u>\$10,470,593</u>	<u>\$1,293,251</u>

**CITY OF SHARONVILLE, OHIO**

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***Management's Discussion and Analysis  
For the Year Ended December 31, 2003***

***Unaudited***

General Fund expenditures increased by \$1,293,251, or 12.35% over the prior year due to increases in salaries, pension plan payments and workers' compensation premiums.

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

During the course of fiscal year 2003 the City amended its General Fund budget several times, none significant.

For the General Fund, final budget basis revenue of \$14.5 million did not significantly change over the original budget estimates of \$14.5 million. The General Fund had an adequate fund balance to cover expenditures.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

***Capital Assets***

At the end of fiscal 2003 the City had \$30,003,884 net of accumulated depreciation invested in land, land improvements, buildings, machinery and equipment and vehicles. Of this total, \$20,762,444 was related to governmental activities and \$9,241,440 to the business-type activities. The following table shows fiscal year 2003 and 2002 balances:

	Governmental Activities		Increase (Decrease)
	2003	2002	
Land	\$4,060,211	\$2,060,211	\$2,000,000
Construction in Progress	797,017	0	797,017
Land Improvements	3,370,973	3,030,848	340,125
Buildings and Improvements	11,384,534	11,299,938	84,596
Infrastructure	13,158,593	12,238,978	919,615
Machinery and Equipment	1,330,643	1,278,230	52,413
Vehicles	3,157,599	3,247,975	(90,376)
Less: Accumulated Depreciation	(16,497,126)	(15,862,831)	(634,295)
Totals	<u>\$20,762,444</u>	<u>\$17,293,349</u>	<u>\$3,469,095</u>

**CITY OF SHARONVILLE, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2003**

**Unaudited**

	Business-Type Activities		Increase (Decrease)
	2003	2002	
Land	\$3,350,000	\$3,350,000	\$0
Land Improvements	125,892	125,892	0
Buildings and Improvements	7,919,793	7,919,793	0
Infrastructure	41,680	41,680	0
Machinery and Equipment	266,870	245,664	21,206
Vehicles	25,000	63,135	(38,135)
Less: Accumulated Depreciation	<u>(2,487,795)</u>	<u>(2,324,934)</u>	<u>(162,861)</u>
Totals	<u>\$9,241,440</u>	<u>\$9,421,230</u>	<u>(\$179,790)</u>

The primary increases in governmental activities' capital assets occurred in land and infrastructure. During 2003, the City acquired land on which a firehouse will be constructed. Sidewalk repairs, drainage improvements, and street maintenance led to the increase in infrastructure. The acquisition of a copier and a salt spreader led to the increase in machinery and equipment in the business-type activities' capital assets. Additional information on the City's capital assets can be found in Note 8.

As of December 31, 2003, the City had contractual commitments of \$3,474,235 related to street repairs, drainage improvements and the construction of a municipal swimming pool. Additional information on the City's contractual commitments can be found in Note 19.

**Debt**

At December 31, 2003, the City had \$26,342,907 in bonds outstanding, \$1,592,064 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2003 and 2002:

	2003	2002
Governmental Activities:		
General Obligation Bonds	\$18,602,570	\$4,950,000
General Obligation Notes	0	2,000,000
Special Assessment Bonds	425,000	495,000
Compensated Absences	2,111,822	1,128,601
Capital Leases	120,730	176,730
Police and Firemen's Accrued Pension	32,873	33,364
Total Governmental Activities	<u>21,292,995</u>	<u>8,783,695</u>
Business-Type Activities:		
General Obligation Bonds	7,740,337	5,015,000
Compensated Absences	138,934	69,956
Total Business-Type Activities	<u>7,879,271</u>	<u>5,084,956</u>
Totals	<u>\$29,172,266</u>	<u>\$13,868,651</u>

Under current state statutes, the City's general obligation bonded debt issues are subject to a legal limitation based on 10.50% of the total assessed value of real and personal property. At December 31, 2003, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 13.

### **ECONOMIC FACTORS**

The City's financial position will be significantly affected by the redevelopment of businesses throughout the City during 2004 and 2005. A new hotel along with two national restaurants will be constructed and then opened at the corner of Sharon Road and Crowne Point Drive on the site of a former Holiday Inn. Also being opened are a new clothing store, a new business class hotel and a new restaurant. Additionally, the City is constructing a new fire house and a municipal swimming pool.

### **REQUESTS FOR INFORMATION**

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 Maura Hoffman Gray, Deputy Auditor and Finance Director of the City of Sharonville.



**CITY OF SHARONVILLE, OHIO**

**Statement of Net Assets  
December 31, 2003**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Community Improvement Corporation of Sharonville
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 8,607,325	\$ 51,688	\$ 8,659,013	\$ 46,582
Investments	9,564,763	921,253	10,486,016	0
Receivables:				
Taxes	3,402,226	0	3,402,226	0
Accounts	294,642	37,905	332,547	0
Intergovernmental	1,014,807	0	1,014,807	0
Interest	54,971	0	54,971	0
Special Assessments	421,167	0	421,167	0
Inventory of Supplies at Cost	83,948	0	83,948	0
Prepaid Items	67,484	10,296	77,780	0
Unamortized Bond Issuance Costs	257,612	112,933	370,545	0
Deferred Loss on Early Retirement of Debt	0	389,024	389,024	0
Restricted Assets:				
Cash and Cash Equivalents	0	11,056	11,056	0
Capital Assets:				
Capital Assets Not Being Depreciated	4,857,228	3,350,000	8,207,228	260,919
Capital Assets Being Depreciated, Net	15,905,216	5,891,440	21,796,656	65,776
<b>Total Assets</b>	<b>44,531,389</b>	<b>10,775,595</b>	<b>55,306,984</b>	<b>373,277</b>
<b>Liabilities:</b>				
Accounts Payable	2,007,217	34,241	2,041,458	0
Accrued Wages and Benefits	167,133	9,014	176,147	0
Intergovernmental Payable	666,588	20,180	686,768	0
Customer Deposits	0	11,056	11,056	500
Deferred Revenue	0	141,241	141,241	0
Accrued Interest Payable	42,176	9,406	51,582	0
Noncurrent liabilities:				
Due within one year	1,245,125	527,779	1,716,437	0
Due in more than one year	20,047,870	7,351,492	27,455,829	0
<b>Total Liabilities</b>	<b>24,176,109</b>	<b>8,104,409</b>	<b>32,280,518</b>	<b>500</b>
<b>Net Assets:</b>				
Invested in Capital Assets, Net of Related Debt	7,579,874	1,890,127	9,470,001	0
Restricted For:				
Debt Service	891,950	0	891,950	0
Other Purposes	8,918,663	0	8,918,663	0
Unrestricted	2,964,793	781,059	3,745,852	372,777
<b>Total Net Assets</b>	<b>\$ 20,355,280</b>	<b>\$ 2,671,186</b>	<b>\$ 23,026,466</b>	<b>\$ 372,777</b>

See accompanying notes to the basic financial statements

**CITY OF SHARONVILLE, OHIO**

**Statement of Activities  
For the Year Ended December 31, 2003**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
Security of Persons and Property	\$ 10,269,289	\$ 778,637	\$ 176,551	\$ 0
Public Health and Welfare Services	382,116	71,112	0	0
Leisure Time Activities	2,807,430	313,240	0	0
Community Environment	533,193	139,055	0	0
Basic Utility Services	468,046	0	0	0
Transportation	2,871,053	17,935	0	1,058,392
General Government	7,395,342	10,506	0	0
Interest and Fiscal Charges	746,869	0	0	0
<b>Total Governmental Activities</b>	<b>25,473,338</b>	<b>1,330,485</b>	<b>176,551</b>	<b>1,058,392</b>
<b>Business-Type Activities:</b>				
Convention Center	1,846,690	859,776	390,384	0
Senior Citizen Housing	167,776	196,179	0	0
<b>Total Business-Type Activities</b>	<b>2,014,466</b>	<b>1,055,955</b>	<b>390,384</b>	<b>0</b>
<b>Total Primary Government</b>	<b>\$ 27,487,804</b>	<b>\$ 2,386,440</b>	<b>\$ 566,935</b>	<b>\$ 1,058,392</b>
<b>Component Unit:</b>				
Community Improvement Corporation of Sharonville	\$ 47,054	\$ 19,056	\$ 0	\$ 0

**General Revenues**

Taxes
Grants and Entitlements not Restricted to Specific Programs
Investment Earnings
Miscellaneous
Transfers
<b>Total General Revenues and Transfers</b>
Change in Net Assets
Net Assets Beginning of Year
Net Assets End of Year

See accompanying notes to the basic financial statements

**CITY OF SHARONVILLE, OHIO**

Net (Expense) Revenue and Changes in Net Assets			Component Unit
Governmental Activities	Business-Type Activities	Total	Community Improvement Corporation of Sharonville
\$ (9,314,101)	\$ 0	\$ (9,314,101)	
(311,004)	0	(311,004)	
(2,494,190)	0	(2,494,190)	
(394,138)	0	(394,138)	
(468,046)	0	(468,046)	
(1,794,726)	0	(1,794,726)	
(7,384,836)	0	(7,384,836)	
(746,869)	0	(746,869)	
<u>(22,907,910)</u>	<u>0</u>	<u>(22,907,910)</u>	
0	(596,530)	(596,530)	
0	28,403	28,403	
<u>0</u>	<u>(568,127)</u>	<u>(568,127)</u>	
<u>(22,907,910)</u>	<u>(568,127)</u>	<u>(23,476,037)</u>	
			\$ (27,998)
18,573,923	0	18,573,923	0
1,954,517	0	1,954,517	0
220,211	0	220,211	0
393,863	0	393,863	0
<u>(235,000)</u>	<u>210,000</u>	<u>(25,000)</u>	<u>25,000</u>
<u>20,907,514</u>	<u>210,000</u>	<u>21,117,514</u>	<u>25,000</u>
(2,000,396)	(358,127)	(2,358,523)	(2,998)
<u>22,355,676</u>	<u>3,029,313</u>	<u>25,384,989</u>	<u>375,775</u>
<u>\$ 20,355,280</u>	<u>\$ 2,671,186</u>	<u>\$ 23,026,466</u>	<u>\$ 372,777</u>

**CITY OF SHARONVILLE, OHIO**

**Balance Sheet  
Governmental Funds  
December 31, 2003**

	General	Fire Department	Capital Improvement	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>					
Cash and Cash Equivalents	\$ 66,042	\$ 488,690	\$ 5,774,173	\$ 2,278,420	\$ 8,607,325
Investments	1,314,099	7,183,415	0	1,067,249	9,564,763
Receivables:					
Taxes	3,402,226	0	0	0	3,402,226
Accounts	263,551	29,724	0	1,367	294,642
Intergovernmental	410,302	0	0	604,505	1,014,807
Interest	54,971	0	0	0	54,971
Special Assessments	0	0	0	421,167	421,167
Interfund Loans Receivables	176,022	0	0	0	176,022
Inventory of Supplies, at Cost	0	0	0	83,948	83,948
Prepaid Items	44,201	18,422	0	4,861	67,484
<b>Total Assets</b>	<b>\$ 5,731,414</b>	<b>\$ 7,720,251</b>	<b>\$ 5,774,173</b>	<b>\$ 4,461,517</b>	<b>\$ 23,687,355</b>
<b>Liabilities:</b>					
Accounts Payable	\$ 233,448	\$ 132,959	\$ 1,573,470	\$ 67,340	\$ 2,007,217
Accrued Wages and Benefits Payable	99,284	56,625	0	11,224	167,133
Intergovernmental Payable	453,675	187,678	0	25,235	666,588
Interfund Loans Payable	0	0	0	176,022	176,022
Deferred Revenue	1,460,418	0	0	840,834	2,301,252
<b>Total Liabilities</b>	<b>2,246,825</b>	<b>377,262</b>	<b>1,573,470</b>	<b>1,120,655</b>	<b>5,318,212</b>
<b>Fund Balances:</b>					
Reserved for Encumbrances	88,758	109,777	3,101,763	330,710	3,631,008
Reserved for Prepaid Items	44,201	18,422	0	4,861	67,484
Reserved for Supplies Inventory	0	0	0	83,948	83,948
Reserved for Debt Service	0	0	0	265,968	265,968
Undesignated/Unreserved	3,351,630	7,214,790	1,098,940	2,655,375	14,320,735
<b>Total Fund Balances</b>	<b>3,484,589</b>	<b>7,342,989</b>	<b>4,200,703</b>	<b>3,340,862</b>	<b>18,369,143</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 5,731,414</b>	<b>\$ 7,720,251</b>	<b>\$ 5,774,173</b>	<b>\$ 4,461,517</b>	<b>\$ 23,687,355</b>

See accompanying notes to the basic financial statements

**CITY OF SHARONVILLE, OHIO**

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***Reconciliation Of Total Governmental Fund Balances  
To Net Assets Of Governmental Activities  
December 31, 2003***

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**Total Governmental Fund Balances** \$ 18,369,143

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

Capital Assets used in governmental activities are not  
resources and therefore are not reported in the funds. 20,762,444

Other long-term assets are not available to pay for current-  
period expenditures and therefore are deferred in the funds. 2,558,864

Long-term liabilities, including bonds payable, are not due  
and payable in the current period and therefore are not  
reported in the funds.

General Obligation Bonds Payable	(18,602,570)	
Special Assessment Bonds Payable	(425,000)	
Police/Fire Accrued Pension Liability	(32,873)	
Compensated Absences Payable	(2,111,822)	
Accrued Interest Payable	(42,176)	
Capital Leases Payable	(120,730)	
		<u>(21,335,171)</u>

***Net Assets of Governmental Activities*** \$ 20,355,280

See accompanying notes to the basic financial statements

**CITY OF SHARONVILLE, OHIO**

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2003**

	General	Fire Department	Capital Improvement	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 13,060,714	\$ 5,645,893	\$ 0	\$ 0	\$ 18,706,607
Intergovernmental Revenues	582,442	0	0	2,683,267	3,265,709
Charges for Services	369,679	315,529	0	3,050	688,258
Licenses and Permits	301,042	0	0	59,858	360,900
Investment Earnings	141,401	27,904	3,413	20,656	193,374
Special Assessments	0	0	0	120,187	120,187
Fines and Forfeitures	306,357	2,576	0	78,553	387,486
All Other Revenue	113,166	48,433	3,752	39,077	204,428
<b>Total Revenue</b>	<b>14,874,801</b>	<b>6,040,335</b>	<b>7,165</b>	<b>3,004,648</b>	<b>23,926,949</b>
<b>Expenditures:</b>					
Current:					
Security of Persons and Property	4,932,547	4,219,496	0	148,633	9,300,676
Public Health and Welfare Services	319,203	0	0	6,713	325,916
Leisure Time Activities	2,566,192	0	0	0	2,566,192
Community Environment	477,303	0	0	0	477,303
Basic Utility Services	468,046	0	0	0	468,046
Transportation	0	0	0	1,283,222	1,283,222
General Government	3,000,553	0	0	3,722	3,004,275
Capital Outlay	0	2,688,653	4,790,492	2,224,111	9,703,256
Debt Service:					
Principal Retirement	0	526,000	0	2,680,000	3,206,000
Interest and Fiscal Charges	0	400,621	85,590	553,040	1,039,251
<b>Total Expenditures</b>	<b>11,763,844</b>	<b>7,834,770</b>	<b>4,876,082</b>	<b>6,899,441</b>	<b>31,374,137</b>
Excess (Deficiency) of Revenues Over Expenditures	3,110,957	(1,794,435)	(4,868,917)	(3,894,793)	(7,447,188)
<b>Other Financing Sources (Uses):</b>					
General Obligation Bonds Issued	0	8,136,230	4,576,465	2,034,044	14,746,739
Transfers In	0	0	1,350,000	541,400	1,891,400
Transfers Out	(2,044,900)	(56,500)	0	0	(2,101,400)
Transfers Out - Component Unit	0	0	(25,000)	0	(25,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(2,044,900)</b>	<b>8,079,730</b>	<b>5,901,465</b>	<b>2,575,444</b>	<b>14,511,739</b>
Net Change in Fund Balances	1,066,057	6,285,295	1,032,548	(1,319,349)	7,064,551
<b>Fund Balances at Beginning of Year</b>	<b>2,418,532</b>	<b>1,057,694</b>	<b>3,168,155</b>	<b>4,677,309</b>	<b>11,321,690</b>
Decrease in Inventory Reserve	0	0	0	(17,098)	(17,098)
<b>Fund Balances End of Year</b>	<b>\$ 3,484,589</b>	<b>\$ 7,342,989</b>	<b>\$ 4,200,703</b>	<b>\$ 3,340,862</b>	<b>\$ 18,369,143</b>

See accompanying notes to the basic financial statements

**CITY OF SHARONVILLE, OHIO**

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**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, 2003**

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<b>Net Change in Fund Balances - Total Governmental Funds</b>		\$ 7,064,551
<i>Amounts reported for governmental activities in the statement of activities are different because</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.		
Capital Outlay	4,751,166	
Depreciation Expense	<u>(1,244,241)</u>	3,506,925
The net effect of various miscellaneous transactions involving capital assets (i.e. disposals and donations) is to increase net assets.		
The statement of activities reports losses arising from the disposal of capital assets. Conversely, the governmental funds do not report any loss on the disposal of capital assets.	<u>(37,830)</u>	(37,830)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
		(285,857)
The issuance of long-term debt provides current financial resources to governmental funds, but has no effect on net assets.		
General Obligation Bonds Issued	(14,350,000)	
Premium on General Obligation Bonds Issued	(396,739)	
Bond Issuance Cost from General Obligation Bonds Issued	<u>267,153</u>	(14,479,586)
Repayment of bond and loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
Long-Term General Obligation Note Principal Payment	2,000,000	
General Obligation Bond Principal Payment	1,080,000	
Amortization of General Obligation Bond Premium	14,169	
Special Assessment Bond Principal Payment	70,000	
Police/Fire Accrued Pension Payment	491	
Capital Leases Principal Payment	<u>56,000</u>	3,220,660
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		
		20,601
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Compensated Absences	(983,221)	
Change in Inventory	(17,098)	
Amortization of Bond Issuance Costs	<u>(9,541)</u>	(1,009,860)
<b>Change in Net Assets of Governmental Activities</b>		<u><u>\$ (2,000,396)</u></u>

See accompanying notes to the basic financial statements

**CITY OF SHARONVILLE, OHIO**

**Statement of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
General Fund  
For the Year Ended December 31, 2003**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 12,592,598	\$ 12,611,902	\$ 12,765,550	\$ 153,648
Intergovernmental Revenue	568,194	569,065	575,998	6,933
Charges for Services	358,852	359,402	363,781	4,379
Licenses and Permits	294,445	294,896	298,489	3,593
Investment Earnings	183,545	183,826	186,066	2,240
Fines and Forfeitures	302,195	302,658	306,345	3,687
All Other Revenues	140,171	140,387	113,166	(27,221)
Total Revenues	<u>14,440,000</u>	<u>14,462,136</u>	<u>14,609,395</u>	<u>147,259</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	4,932,100	5,029,207	4,883,690	145,517
Public Health and Welfare Services	349,990	356,300	321,150	35,150
Leisure Time Activities	2,786,840	2,818,315	2,615,576	202,739
Community Environment	541,990	600,443	541,427	59,016
Basic Utility Services	485,000	506,199	505,992	207
General Government	3,562,160	3,548,834	3,147,597	401,237
Total Expenditures	<u>12,658,080</u>	<u>12,859,298</u>	<u>12,015,432</u>	<u>843,866</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,781,920	1,602,838	2,593,963	991,125
<b>Other Financing Sources (Uses):</b>				
Transfers In	60,000	0	0	0
Transfers Out	(10,000,000)	(10,239,900)	(2,044,900)	8,195,000
Total Other Financing Sources (Uses):	<u>(9,940,000)</u>	<u>(10,239,900)</u>	<u>(2,044,900)</u>	<u>8,195,000</u>
Net Change in Fund Balance	(8,158,080)	(8,637,062)	549,063	9,186,125
Fund Balance at Beginning of Year	228,165	228,165	228,165	0
Prior Year Encumbrances	491,119	491,119	491,119	0
Fund Balance at End of Year	<u>\$ (7,438,796)</u>	<u>\$ (7,917,778)</u>	<u>\$ 1,268,347</u>	<u>\$ 9,186,125</u>

See accompanying notes to the basic financial statements

**CITY OF SHARONVILLE, OHIO**

**Statement of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Special Revenue Fund – Fire Department Fund  
For the Year Ended December 31, 2003**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 12,849,279	\$ 5,616,538	\$ 5,645,893	\$ 29,355
Charges for Services	650,453	284,319	285,805	1,486
Investment Earnings	102,574	44,836	45,070	234
Fines and Forfeitures	5,864	2,563	2,576	13
All Other Revenues	127,831	55,876	56,168	292
Total Revenues	13,736,000	6,004,132	6,035,512	31,380
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	5,117,360	5,184,390	4,296,191	888,199
Capital Outlay	9,015,200	8,415,956	2,823,675	5,592,281
Debt Service:				
Principal Retirement	434,816	926,000	926,000	0
Interest and Fiscal Charges	286,684	610,531	410,367	200,164
Total Expenditures	14,854,060	15,136,877	8,456,233	6,680,644
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,118,060)	(9,132,745)	(2,420,721)	6,712,024
<b>Other Financing Sources (Uses):</b>				
General Obligation Bonds Issued	0	8,093,926	8,136,230	42,304
Transfers Out	0	(42,698)	(56,500)	(13,802)
Total Other Financing Sources (Uses):	0	8,051,228	8,079,730	28,502
Net Changes in Fund Balance	(1,118,060)	(1,081,517)	5,659,009	6,740,526
Fund Balance at Beginning of Year	1,492,655	1,492,655	1,492,655	0
Prior Year Encumbrances	287,866	287,866	287,866	0
Fund Balance at End of Year	\$ 662,461	\$ 699,004	\$ 7,439,530	\$ 6,740,526

See accompanying notes to the basic financial statements

**CITY OF SHARONVILLE, OHIO**

**Statement of Net Assets  
Proprietary Fund  
December 31, 2003**

	Business-Type Activities Enterprise Funds		
	Convention Center	Other Enterprise Fund	Total
<b>ASSETS:</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 50,268	\$ 1,420	\$ 51,688
Investments	817,271	103,982	921,253
Receivables:			
Accounts	37,905	0	37,905
Prepaid Items	8,560	1,736	10,296
Total Current Assets	914,004	107,138	1,021,142
Noncurrent Assets:			
Restricted Assets:			
Cash and Cash Equivalents	0	11,056	11,056
Total Restricted Assets	0	11,056	11,056
Unamortized Bond Issuance Cost	112,933	0	112,933
Deferred Loss on Early Retirement of Debt	389,024	0	389,024
Capital Assets:			
Property, Plant and Equipment	10,343,549	1,385,686	11,729,235
Less: Accumulated Depreciation	(1,819,059)	(668,736)	(2,487,795)
Net Capital Assets	8,524,490	716,950	9,241,440
Total Noncurrent Assets	9,026,447	728,006	9,754,453
Total Assets	9,940,451	835,144	10,775,595
<b>LIABILITIES:</b>			
Current Liabilities:			
Accounts Payable	20,896	13,345	34,241
Accrued Wages and Benefits	8,213	801	9,014
Intergovernmental Payable	18,250	1,930	20,180
Customer Deposits	0	11,056	11,056
Deferred Revenue	141,241	0	141,241
Accrued Interest Payable	9,406	0	9,406
General Obligation Bonds Payable - Current	523,725	0	523,725
Compensated Absences Payable - Current	3,655	399	4,054
Total Current Liabilities	725,386	27,531	752,917
Noncurrent Liabilities:			
General Obligation Bonds Payable	7,216,612	0	7,216,612
Compensated Absences Payable	102,999	31,881	134,880
Total Noncurrent Liabilities	7,319,611	31,881	7,351,492
<b>Total Liabilities</b>	<b>8,044,997</b>	<b>59,412</b>	<b>8,104,409</b>
<b>NET ASSETS:</b>			
Invested in Capital Assets, Net of Related Debt	1,173,177	716,950	1,890,127
Unrestricted	722,277	58,782	781,059
Total Net Assets	\$ 1,895,454	\$ 775,732	\$ 2,671,186

See accompanying notes to the basic financial statements

**CITY OF SHARONVILLE, OHIO**

**Statement of Revenues, Expenses and Changes in Fund Net Assets  
Proprietary Fund  
For the Year Ended December 31, 2003**

	Business-Type Activities		
	Enterprise Funds		
	Convention Center	Other Enterprise Fund	Total
<b>Operating Revenues:</b>			
Charges for Services	\$ 739,506	\$ 193,971	\$ 933,477
Other Operating Revenues	116,185	1,977	118,162
<b>Total Operating Revenues</b>	<b>855,691</b>	<b>195,948</b>	<b>1,051,639</b>
<b>Operating Expenses:</b>			
Personal Services	836,099	69,055	905,154
Materials and Supplies	59,655	33,132	92,787
Contractual Services	379,632	21,312	400,944
Utilities	152,173	16,386	168,559
Depreciation	161,874	27,891	189,765
<b>Total Operating Expenses</b>	<b>1,589,433</b>	<b>167,776</b>	<b>1,757,209</b>
<b>Operating Income (Loss)</b>	<b>(733,742)</b>	<b>28,172</b>	<b>(705,570)</b>
<b>Non-Operating Revenue (Expenses):</b>			
Interest Income	4,085	231	4,316
Interest and Fiscal Charges	(257,257)	0	(257,257)
Intergovernmental Revenues	390,384	0	390,384
<b>Total Non-Operating Revenues (Expenses)</b>	<b>137,212</b>	<b>231</b>	<b>137,443</b>
<b>Income (Loss) Before Operating Transfers</b>	<b>(596,530)</b>	<b>28,403</b>	<b>(568,127)</b>
<b>Transfers:</b>			
Transfers-In	210,000	0	210,000
<b>Total Transfers</b>	<b>210,000</b>	<b>0</b>	<b>210,000</b>
<b>Change in Net Assets</b>	<b>(386,530)</b>	<b>28,403</b>	<b>(358,127)</b>
Net Assets Beginning of Year	2,281,984	747,329	3,029,313
<b>Net Assets End of Year</b>	<b>\$ 1,895,454</b>	<b>\$ 775,732</b>	<b>\$ 2,671,186</b>

See accompanying notes to the basic financial statements

**CITY OF SHARONVILLE, OHIO**

**Statement of Cash Flows  
Proprietary Fund  
For the Year Ended December 31, 2003**

	Business-Type Activities		
	Enterprise Funds		
	Convention Center	Other Enterprise Fund	Total
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$820,806	\$194,921	\$1,015,727
Cash Payments for Goods and Services	(711,015)	(75,106)	(786,121)
Cash Payments to Employees	(768,926)	(68,330)	(837,256)
Other Operating Revenues	104,954	1,977	106,931
Customer Deposits Received	950	0	950
Customer Deposits Returned	(2,370)	0	(2,370)
Net Cash Provided (Used) by Operating Activities	(555,601)	53,462	(502,139)
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers In from Other Funds	210,000	0	210,000
Net Cash Provided by Noncapital Financing Activities	210,000	0	210,000
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and Construction of Assets	(21,206)	0	(21,206)
Proceeds from the Sale of Capital Assets	11,231	0	11,231
Intergovernmental Revenue Received	390,384	0	390,384
Proceeds from General Obligation Bonds	8,274,700	0	8,274,700
Payment on General Obligation Notes	(2,700,000)	0	(2,700,000)
Payment on General Obligation Bonds	(5,540,000)	0	(5,540,000)
Interest Paid on All Debt	(839,707)	0	(839,707)
Net Cash Used for Capital and Related Financing Activities	(424,598)	0	(424,598)
<u>Cash Flows from Investing Activities:</u>			
Purchase of Investments	(508,621)	(94,540)	(603,161)
Receipts of Interest	8,207	415	8,622
Net Cash Used for Investing Activities	(500,414)	(94,125)	(594,539)
Net Decrease in Cash and Cash Equivalents	(1,270,613)	(40,663)	(1,311,276)
Cash and Cash Equivalents at Beginning of Year	1,320,881	53,139	1,374,020
Cash and Cash Equivalents at End of Year	\$50,268	\$12,476	\$62,744
<u>Reconciliation of Cash and</u>			
<u>Cash Equivalents per the Balance Sheet:</u>			
Cash and Cash Equivalents	\$50,268	\$1,420	\$51,688
Restricted Cash and Cash Equivalents	0	11,056	11,056
Cash and Cash Equivalents at End of Year	\$50,268	\$12,476	\$62,744

(Continued)

**CITY OF SHARONVILLE, OHIO**

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	Business-Type Activities		
	Enterprise Funds		
	Convention Center	Other Enterprise Fund	Total
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>			
<u>Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	(\$733,742)	\$28,172	(\$705,570)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	161,874	27,891	189,765
Changes in Assets and Liabilities:			
Decrease in Accounts Receivable	9,291	0	9,291
Increase in Prepaid Items	(7,966)	(1,736)	(9,702)
Decrease in Accounts Payable	(34,173)	(148)	(34,321)
Increase in Accrued Wages and Benefits	3,572	48	3,620
Decrease in Intergovernmental Payable	(95,386)	(353)	(95,739)
Decrease in Customer Deposits Payable	0	(1,420)	(1,420)
Increase in Deferred Revenue	72,959	0	72,959
Increase in Compensated Absences	67,970	1,008	68,978
Total Adjustments	178,141	25,290	203,431
Net Cash Provided (Used) by Operating Activities	(\$555,601)	\$53,462	(\$502,139)

**CITY OF SHARONVILLE, OHIO**

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**Statement of Net Assets  
Fiduciary Funds  
December 31, 2003**

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	Private Purpose Trust		
	Unclaimed Monies Fund	Agency Funds	Total
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 8,192	\$ 0	\$ 8,192
Restricted Assets:			
Cash and Cash Equivalents	<u>0</u>	<u>1,598,605</u>	<u>1,598,605</u>
<b>Total Assets</b>	<u>8,192</u>	<u>1,598,605</u>	<u>1,606,797</u>
<b>Liabilities:</b>			
Intergovernmental Payable	0	190	190
Due to Others	<u>0</u>	<u>1,598,415</u>	<u>1,598,415</u>
<b>Total Liabilities</b>	<u>0</u>	<u>1,598,605</u>	<u>1,598,605</u>
Unrestricted	<u>8,192</u>	<u>0</u>	<u>8,192</u>
<b>Total Net Assets</b>	<u>\$ 8,192</u>	<u>\$ 0</u>	<u>\$ 8,192</u>

See accompanying notes to the basic financial statements

**CITY OF SHARONVILLE, OHIO**

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**Statement of Changes in Net Assets  
Fiduciary Funds  
December 31, 2003**

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	<u>Private Purpose Trust</u>
	<u>Unclaimed Monies Fund</u>
<b>Additions:</b>	
Contributions:	
Miscellaneous	\$ 6,921
Total Additions	<u>6,921</u>
<b>Deductions:</b>	
Total Deductions	<u>0</u>
Change in Net Assets	6,921
Net Assets at Beginning of Year	<u>1,271</u>
Net Assets End of Year	<u><u>\$ 8,192</u></u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The City of Sharonville, Ohio (the "City") was incorporated in 1961 under the laws of the State of Ohio and operates under a Mayor-Council form of government.

The accompanying basic financial statements comply with the provisions of the Governmental Accounting Standards Board (the "GASB") Statement No. 14, *"The Financial Reporting Entity,"* in that the financial statements include all organizations, activities, functions and component units for which the City (the primary government) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the City's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the City.

Based on the foregoing, the City's financial reporting entity includes all funds, agencies, boards and commissions that are part of the primary government, which include the following services: public safety (police and fire), highways and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning and general administrative services. The City also owns and operates senior citizen housing and a convention center which are reported as enterprise funds. In addition, the City has included the Community Improvement Corporation of Sharonville (CIC) as a discretely presented component unit.

***Discretely Presented Component Unit*** – The component unit column in the combined financial statements includes the financial data of the City's component unit. It is reported in a separate column to emphasize that it is legally separate from the City. The component unit is being presented as a part of the City's reporting entity because the City appoints the voting majority of the component unit's board and the City can impose its' will on the component unit.

***Community Improvement Corporation of Sharonville*** – The Community Improvement Corporation of Sharonville (CIC), a non-profit organization, is a six member board comprised of four City officials and two council members. The primary purpose of the CIC is the planning of the industrial, commercial, distribution and research development of the City, including the assurance that mortgage payments will be made to foster such development, the acquisition, construction, equipment and improvement of buildings, structures and other properties, the acquisition of sites for such development, the lease, sale and subdivision of such sites and incurring of debt in order to carry out such development, and to make loans to any individual or business entity in order to carry out such development purpose for the City. The City provides all subsidies to the CIC to finance its operations and activities. Financial statements related to the CIC can be obtained from the City Auditor.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation - Fund Accounting**

The City uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain City functions or activities.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The following fund types are used by the City:

***Governmental Funds*** - are those funds through which most governmental functions of the City are financed. The acquisition, use and balances of the City's expendable financial resources and the related liabilities (except those accounted for in the proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of "financial flow" (sources, uses and balances of financial resources). The following are the City's major governmental funds:

**General Fund** - This fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. Principal sources of revenue are municipal income taxes and shared tax revenues. Primary expenditures are for police protection, community environment and general government.

**Fire Department Fund** - This fund is used to account for income tax revenues collected to fund Fire Department operations.

**Capital Improvement Fund** - This fund is used to account for the accumulation of funds for the acquisition of capital assets and/or the construction of major capital facilities.

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

***Proprietary Funds*** - The proprietary funds are accounted for on an "economic resource" measurement focus. This measurement focus provides that all assets and liabilities associated with the operation of the proprietary funds are included on the balance sheet. The proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation - Fund Accounting** (Continued)

Enterprise Funds - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, in which the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The following is the City's major enterprise fund:

Convention Center Fund - This fund is used to account for revenues and expenses associated with the operation of the city-owned convention center.

The other enterprise fund of the City, the Senior Citizen Housing Fund, is used to account for revenues and expenses associated with the operation of the city-owned Senior Housing Apartment Complex, as well as revenues from lease deposits and waiting list deposits.

***Fiduciary Funds***

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Fiduciary funds are used to account for assets the City holds in a trustee capacity or as an agent for individuals, private organizations, other governments, and other funds. The City's fiduciary funds are a private-purpose trust fund and agency funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

**C. Basis of Presentation – Financial Statements**

**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 statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund 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.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation – Financial Statements (Continued)**

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function or program of the City's governmental activities. 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 the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are 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 business segment or governmental function is self-financing or draws from the general revenues of the City.

**Fund Financial Statements** – Fund financial statements report detailed information about the City. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

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

**D. Basis of Accounting**

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses reported in the financial statements. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Basis of Accounting** (Continued)

The modified accrual basis of accounting is followed by the governmental funds, the expendable trust fund, and the agency funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. The term "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the City is 60 days after year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt which is recognized when due.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, grants, entitlements and donations. Revenue from income taxes is recognized in the period in which the income is earned and is available. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the revenue is available. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis.

Revenue considered susceptible to accrual at year end includes income taxes withheld by employers, interest on investments, and state levied locally shared taxes (including motor vehicle license fees, gasoline tax, and local government assistance). Other revenue, including licenses, permits, certain charges for services, income taxes other than those withheld by employers and miscellaneous revenues are recorded as revenue when received in cash because generally these revenues are not measurable until received.

Special assessments receivable, which are measurable, but not available at December 31, are recorded as deferred revenue.

Pursuant to GASB Statement No. 20, *"Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting,"* the City follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements.

The accrual basis of accounting is utilized for reporting purposes by the proprietary funds. Revenues are recognized when they are earned and expenses recognized when incurred.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation ordinance are subject to amendment throughout the year.

All funds other than agency funds are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. The primary level of budgetary control is at the fund level except for the General Fund, Street Construction, Maintenance, and Repair Fund, State Highway Fund, Federal Emergency Management Agency Fund, Community Oriented Policing Services (COPS) Grant Fund, Fire Department Fund, Senior Citizen Housing Fund, and Convention Center Fund, which are budgeted at the fund, department and object level. Administrative control is maintained through the establishment of more detailed line-item budgets. Budgetary modifications may only be made by ordinance of the City Council.

**1. Tax Budget**

By July 15, the Mayor submits an annual tax budget for the following fiscal year to City Council for consideration and passage. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year for the period January 1 to December 31 of the following year.

**2. Estimated Resources**

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2003.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process (Continued)**

3. Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 through March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 through December 31.

The appropriation ordinance establishes spending controls at the fund, department and object level for the General Fund, Street Construction, Maintenance, and Repair Fund, State Highway Fund, Federal Emergency Management Agency Fund, Community Oriented Policing Services (COPS) Grant Fund, Fire Department Fund, Senior Citizen Housing Fund, and the Convention Center Fund, with all other funds appropriated at the fund level. The appropriation ordinance may be amended during the year as additional information becomes available, provided that total fund appropriations do not exceed the current estimated resources as certified. The allocation of appropriations among departments and objects within a fund may be modified during the year by an ordinance of City Council. During 2003, no supplemental appropriations were needed. The budgetary figures, which appear on the budgetary statements, are provided on the budgetary basis to provide a comparison of actual results with the final budget, including all amendments and modifications.

4. Encumbrances

As part of formal budgetary control, purchase orders, contracts and other commitments for expenditures are encumbered and recorded as the equivalent of expenditures in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. Encumbrances outstanding at year end, however, are reported as reservations of fund balances for subsequent year expenditures in the accompanying basic purpose financial statements.

5. Lapsing of Appropriations

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process (Continued)**

**6. Budgetary Basis of Accounting**

The City's budgetary process accounts for certain transactions on a basis other than generally accepted accounting principles (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on a cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the "Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual" for the General Fund and Fire Department Fund:

	Net Change in Fund Balance	
	General Fund	Fire Department Fund
GAAP Basis (as reported)	\$1,066,057	\$6,285,295
Increase (Decrease):		
Accrued Revenues at December 31, 2003 received during 2004	(2,605,138)	(13,266)
Accrued Revenues at December 31, 2002 received during 2003	2,340,103	8,443
Accrued Expenditures at December 31, 2003 paid during 2004	786,407	377,262
Accrued Expenditures at December 31, 2002 paid during 2003	(645,106)	(731,785)
2003 Prepays for 2004	(44,201)	(18,422)
2002 Prepays for 2003	2,926	515
General Obligation Note:		
Issuance	0	400,000
Retirements	0	(400,000)
Outstanding Encumbrances	(351,985)	(249,033)
Budget Basis	<u>\$549,063</u>	<u>\$5,659,009</u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Cash and Cash Equivalents**

Cash and cash equivalents include amounts in demand deposits and the State Treasurer's Asset Reserve (STAR Ohio). STAR Ohio is considered a cash equivalent because it is a highly liquid investment with an original maturity date of three months or less.

The City pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintains its own cash and investment account. For purposes of the statement of cash flows, the proprietary funds' share of equity in pooled deposits and investments are considered to be cash equivalents. See Note 4 "Cash, Cash Equivalents and Investments."

**G. Investments**

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. The City allocates interest among certain funds based upon the fund's cash balance at the date of investment. In accordance with GASB Statement No. 31, "*Accounting and Financial Reporting for Certain Investments and for External Investment Pools*", the City reports its investments at fair value, except for nonparticipating investment contracts which are reported at cost, which approximates fair value. Fair value is determined by quoted market prices. See Note 4, "Cash, Cash Equivalents and Investments."

The City has invested funds in STAR Ohio during 2003. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2003.

**H. Inventory**

Inventory is stated at cost (first-in, first-out) in the governmental funds and at the lower of cost or market in the proprietary funds. The costs of inventory items are recorded as expenditures in the governmental funds when purchased and as expenses in the proprietary funds when used.

**I. Capital Assets and Depreciation**

Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life threshold of three or more years.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**I. Capital Assets and Depreciation** (Continued)

**1. Property, Plant and Equipment - Governmental Activities**

Governmental activities capital assets are those not directly related to the business type funds. These generally are acquired or constructed for governmental activities and are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years). These assets are reported in the Governmental Activities column of the Government-wide Statement of Net Assets, but they are not reported in the Fund Financial Statements.

Contributed capital assets are recorded at fair market value at the date received. Capital assets include land, improvements to land, buildings, building improvements, machinery, equipment and infrastructure. Infrastructure is defined as long-lived capital assets that normally are stationary in nature and normally can be preserved for a significant number of years. Examples of infrastructure include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems. Estimated historical costs for governmental activities capital asset values were initially determined at December 31, 1987 by identifying historical costs when such information was available. In cases where information supporting original cost was not obtainable, estimated historical costs were developed. For certain capital assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition.

**2. Property, Plant and Equipment – Business Type Activities**

Property, plant and equipment acquired by the proprietary funds are stated at cost (or estimated historical cost), including interest capitalized during construction and architectural and engineering fees where applicable. Contributed capital assets are recorded at fair market value at the date received. These assets are reported in both the Business-Type Activities column of the Government-wide Statement of Net Assets and in the respective funds.

**3. Depreciation**

All capital assets are depreciated, excluding land. Depreciation has been provided using the straight-line method over the following estimated useful lives:

Description	Governmental and Business-Type Activities Estimated Lives (Years)
Land Improvements	20
Buildings	25 – 50
Building Improvements	20 – 30
Infrastructure	10 – 20
Machinery, Equipment, Furniture, Fixtures and Vehicles	3 – 30

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J. Long-Term Obligations**

Long-term liabilities are being repaid from the following funds:

<u>Obligation</u>	<u>Fund</u>
Notes Payable	Note Debt Retirement Fund
Special Assessment Bonds	Special Assessment Retirement Fund Crystalview Widening Fund Zind Lane Sewer Fund Crowne Point Drive Fund
General Obligation Bonds	Convention Center Fund Note Debt Retirement Fund
Capital Leases	Capital Improvement Fund
Police/Fire Pension Accrued Liability	General Fund
Compensated Absences	General Fund Street Construction, Maintenance and Repair Fund Senior Citizen Housing Fund Convention Center Fund

**K. Compensated Absences**

In accordance with GASB Statement No. 16, "Accounting for Compensated Absences," vacation and compensatory time are accrued as liabilities when an employee's right to receive compensation is attributable to services already rendered and it is probable that the employee will be compensated through paid time off or some other means, such as cash payments at termination or retirement. Leave time that has been earned but is unavailable for use as paid time off or as some other form of compensation because an employee has not met the minimum service time requirement, is accrued to the extent that it is considered to be probable that the conditions for compensation will be met in the future.

Sick leave is accrued using the vesting method, whereby the liability is recorded on the basis of leave accumulated by employees who are eligible to receive termination payments as of the balance sheet date, and on leave balances accumulated by other employees who are expected to become eligible in the future to receive such payments.

For governmental funds, that portion of unpaid compensated absences that is due and payable is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account "Compensated Absences Payable." In the government wide statement of net assets, "Compensated Absences Payable" is recorded within the "Due within one year" account and the long-term portion of the liability is recorded within the "Due in more than one year" account.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**K. Compensated Absences** (Continued)

Compensated absences are expensed in the Senior Citizens Housing and Convention Center enterprise funds when earned. The related liability is reported within the fund.

**L. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2003, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

**M. Restricted Assets**

Certain cash and cash equivalents are classified as restricted on the balance sheet because these funds are being held by a trustee, an agent or by the City for specified purposes.

**N. Intergovernmental Revenues**

In governmental funds, grants awarded on a non-reimbursement basis, entitlements and shared revenues are recorded as intergovernmental receivables and revenues when measurable and available. Reimbursable grants are recorded as intergovernmental receivables and revenues when the related expenditures are made.

Grants received for proprietary fund operations are recognized as revenues when measurable and earned. Such resources restricted for the construction of capital assets are recorded as contributed capital.

**O. Pensions**

The provision for pension costs is recorded when the related payroll is accrued and the obligation is incurred.

**P. Interfund Activity**

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Q. Reservations of Fund Balance**

Reserves indicate that a portion of fund balance is not available for expenditure or is legally segregated for a specific future use. Fund balances are reserved for supplies inventory, prepaid items, debt service and encumbered amounts that are not accrued at year end.

**R. 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 borrowings used for the acquisition, construction of improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net Assets restricted for Other Purposes include programs for street and highway improvements, federal grants for security of persons and property and mandatory fines for various court programs.

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**S. 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.

**T. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City and that are either unusual in nature or infrequent in occurrence. The City had no special items to report during fiscal year 2003.

**NOTE 2 - CHANGES IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF FUND BALANCE/RETAINED EARNINGS**

**A. Changes in Accounting Principles**

For fiscal year 2003, the City has implemented GASB Statement No. 34, "*Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*"; GASB Statement No. 37, "*Basic Financial Statements for State and Local Governments: Omnibus*"; GASB Statement No. 38, "*Certain Financial Statement Note Disclosures*"; and GASB Interpretation No. 6, "*Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statement.*" At December 31, 2002, there was no effect on fund balance as a result of implementing GASB Statements 36, 37 and 38, or Interpretation No. 6.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003**

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**NOTE 2 - CHANGES IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF FUND BALANCE/RETAINED EARNINGS (Continued)**

**A. Changes in Accounting Principles (Continued)**

GASB 34 creates new basic financial statements for reporting on the City's financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column.

The government-wide financial statements split the City's programs between business-type and governmental activities. Certain funds have been reclassified as a result of implementing GASB 34. Except for the restatement explained below, the beginning net asset amount for the business-type activities equals fund equity of the enterprise funds from last year. The beginning net asset amount for governmental programs reflects the change in fund balance for governmental funds at December 31, 2002, caused by the conversion to the accrual basis of accounting.

**B. Prior Period Adjustments**

The fund balance/retained earnings of the governmental activities and enterprise funds at December 31, 2002 were restated to correct an error in the accounting for capital assets.

**C. Restatement of Fund Balance/Retained Earnings**

The changes to the beginning fund balance/retained earnings, as well as the transition from fund balance/retained earnings to net assets of the governmental activities and the business-type activities are as follows:

	<u>Governmental Activities</u>	<u>Business Type Activities</u>
Fund Balance/Retained Earnings at December 31, 2002	\$11,321,690	\$3,028,252
Prior Period Adjustments:		
Restate Capital Assets	0	(77,960)
Total Prior Period Adjustments	<u>0</u>	<u>(77,960)</u>
GASB 34 Adjustments:		
Capital Assets	17,293,349	0
Contributed Capital	0	79,021
Long-Term Liabilities	(8,846,472)	0
Long-Term (Deferred) Assets	2,587,109	0
Total GASB 34 Adjustments	<u>11,033,986</u>	<u>79,021</u>
Net Assets at December 31, 2002	<u>\$22,355,676</u>	<u>\$3,029,313</u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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**NOTE 3 - COMPLIANCE AND ACCOUNTABILITY**

**A. Estimated Resources Exceeded by Appropriations**

For the year ended December 31, 2003, the City Council adopted appropriations that exceeded estimated resources as certified by the Hamilton County Budget Commission.

**B. Excess of Expenditures Over Appropriations**

For the year ended December 31, 2003, expenditures exceeded appropriations at the object level (i.e. legal level of budgetary control). The excess expenditures were funded from available fund balance.

**C. Separate Fund for Issue II Monies paid to the City**

The City did not establish a separate fund to account for payments made by the State to vendors on the City's behalf.

**D. Fund Deficits**

The fund deficits at December 31, 2003 of \$169,296 in the Note Debt Retirement Fund and \$6,726 in the Capital Improvement Issue II-B Fund (nonmajor governmental funds) were a result of cash deficits in those funds. The cash deficits were eliminated on a GAAP basis through interfund loans receivable/payable.

**NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS**

Cash resources of a majority of individual funds are combined to form a pool of cash and investments. Each fund type's portion of this pool is displayed on the combined balance sheet as "Cash and Cash Equivalents." Ohio law requires the classification of funds held by the City into three categories:

Category 1 consists of "active" funds - those funds required to be kept in a "cash" or "cash equivalent" status for immediate use by the City. Such funds must be maintained either as cash in the City treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of "inactive" funds - those funds not required for use within the current five year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing not later than the end of the current period of designation of depositories.

Category 3 consists of "interim" funds - those funds which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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**NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state or any instrumentality of such county, municipal corporation or other authority. Based upon criteria described in GASB Statement No. 3 *"Deposits With Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements,"* collateral held in single financial collateral pools with securities being held by the pledging financial institutions' agent in the pool's name are classified as Category 3.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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**NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

The Governmental Accounting Standards Board has established risk categories for deposits and investments as follows:

*Deposits:*

- Category 1 Insured or collateralized with securities held by the City or by its agent in the City's name.
- Category 2 Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.
- Category 3 Uncollateralized or collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name.

*Investments:*

- Category 1 Insured or registered, or securities held by the City or its agent in the City's name.
- Category 2 Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name.
- Category 3 Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the City's name.

**A. Deposits**

At year end the carrying amount of the City's deposits was \$1,057,290 and the bank balance was \$1,053,708. Federal depository insurance covered \$100,000 of the bank balance. All remaining deposits were classified as Category 3.

At year end the carrying amount of the Community Improvement Corporation of Sharonville's (component unit) deposits was \$46,582 and the bank balance was \$45,731. Federal depository insurance covered all of the bank balance.

**CITY OF SHARONVILLE, OHIO**

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003**

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**NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

**B. Investments**

The City's investments at December 31, 2003 are:

<u>Categorized Investments</u>	<u>Category 2</u>	<u>Fair Value</u>
Federal Home Loan Mortgage Notes	\$3,343,806	\$3,343,806
Federal Home Loan Bank Notes	2,037,435	2,037,435
Federal National Mortgage Association Notes	5,104,775	5,104,775
Total Categorized Investments	<u>10,486,016</u>	<u>10,486,016</u>
 <u>Noncategorized Investments</u>		
STAR Ohio	N/A	9,219,576
Total Investments	<u>\$10,486,016</u>	<u>\$19,705,592</u>

The City's investment in STAR Ohio is not categorized because it is not evidenced by securities that exist in physical or in book entry form.

**C. Reconciliation of Cash, Cash Equivalents and Investments**

A reconciliation between classifications of cash and investments on the combined financial statements and the classifications per GASB Statement No. 3 is as follows:

	<u>Cash and Cash Equivalents *</u>	<u>Investments</u>
Per Combined Balance Sheet	\$10,276,866	\$10,486,016
Investments:		
STAR Ohio	(9,219,576)	9,219,576
Per GASB Statement No. 3	<u>\$1,057,290</u>	<u>\$19,705,592</u>

\* Includes Restricted Cash and Cash Equivalents.

**NOTE 5 - INCOME TAXES**

The City levies a tax of 1.5% on all salaries, wages, commissions and other compensation and on net profits earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of 100% of the tax paid to another municipality to a maximum of the total amount assessed.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly, as required. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually.

**CITY OF SHARONVILLE, OHIO**

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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**NOTE 6 - RECEIVABLES**

Receivables at December 31, 2003 consisted of income taxes, accounts receivable, interest, special assessments, and intergovernmental receivables arising from shared revenues.

**NOTE 7 - TRANSFERS**

Following is a summary of transfers in and out for all funds for 2003

Fund	Transfers In	Transfers Out
General Fund	\$0	\$2,044,900
Fire Department Fund	0	56,500
Capital Improvement Fund	1,350,000	25,000
Convention Center Fund	210,000	0
Nonmajor Governmental Funds:		
COPS Grant Fund	7,000	0
Termination Benefits Fund	86,400	0
Note Debt Retirement Fund	410,000	0
Capital Improvement Issue II-B Fund	38,000	0
Total Nonmajor Governmental Funds	541,400	0
Component Unit:		
Community Improvement Corporation of Sharonville	25,000	0
Totals	\$2,126,400	\$2,126,400

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**CITY OF SHARONVILLE, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003**

**NOTE 8 - CAPITAL ASSETS**

**A. Governmental Activities Capital Assets**

Summary by category of changes in governmental activities capital assets at December 31, 2003:

<i>Historical Cost:</i>	Restated December 31, 2002	Additions	Deletions	December 31, 2003
Class				
<i>Capital assets not being depreciated:</i>				
Land	\$2,060,211	\$2,000,000	\$0	\$4,060,211
Construction in Progress	0	797,017	0	797,017
<i>Capital assets being depreciated:</i>				
Land Improvements	3,030,848	340,125	0	3,370,973
Buildings and Improvements	11,299,938	84,596	0	11,384,534
Infrastructure	12,238,978	945,504	(25,889)	13,158,593
Machinery and Equipment	1,278,230	153,729	(101,316)	1,330,643
Vehicles	3,247,975	430,195	(520,571)	3,157,599
Total Cost	<u>\$33,156,180</u>	<u>\$4,751,166</u>	<u>(\$647,776)</u>	<u>\$37,259,570</u>
<i>Accumulated Depreciation:</i>				
Class	Restated December 31, 2002	Additions	Deletions	December 31, 2003
Land Improvements	(\$1,096,927)	(\$139,262)	\$0	(\$1,236,189)
Buildings and Improvements	(2,819,153)	(228,401)	0	(3,047,554)
Infrastructure	(8,993,415)	(424,653)	25,889	(9,392,179)
Machinery and Equipment	(567,700)	(144,144)	77,179	(634,665)
Vehicles	(2,385,636)	(307,781)	506,878	(2,186,539)
Total Depreciation	<u>(\$15,862,831)</u>	<u>(\$1,244,241) *</u>	<u>\$609,946</u>	<u>(\$16,497,126)</u>
<i>Net Value:</i>	<u>\$17,293,349</u>			<u>\$20,762,444</u>

\* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	\$343,088
Public Health and Welfare Services	2,581
Leisure Time Activities	115,166
Community Environment	14,466
Transportation	498,522
General Government	270,418
Total Depreciation Expense	<u>\$1,244,241</u>

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003**

**NOTE 8 - CAPITAL ASSETS (Continued)**

**B. Business-Type Activities Capital Assets**

Summary by category of changes in business-type activities capital assets at December 31, 2003:

<i>Historical Cost:</i>	Restated December 31, 2002	Additions	Deletions	December 31, 2003
Class				
<i>Capital assets not being depreciated:</i>				
Land	\$3,350,000	\$0	\$0	\$3,350,000
<i>Capital assets being depreciated:</i>				
Land Improvements	125,892	0	0	125,892
Buildings and Improvements	7,919,793	0	0	7,919,793
Infrastructure	41,680	0	0	41,680
Machinery and Equipment	245,664	21,206	0	266,870
Vehicles	63,135	0	(38,135)	25,000
Total Cost	<u>\$11,746,164</u>	<u>\$21,206</u>	<u>(\$38,135)</u>	<u>\$11,729,235</u>
<i>Accumulated Depreciation:</i>	Restated December 31, 2002	Additions	Deletions	December 31, 2003
Class				
Land Improvements	(\$58,976)	(\$6,295)	\$0	(\$65,271)
Buildings and Improvements	(2,034,743)	(158,396)	0	(2,193,139)
Infrastructure	(41,680)	0	0	(41,680)
Machinery and Equipment	(142,398)	(20,307)	0	(162,705)
Vehicles	(47,137)	(4,767)	26,904	(25,000)
Total Depreciation	<u>(\$2,324,934)</u>	<u>(\$189,765)</u>	<u>\$26,904</u>	<u>(\$2,487,795)</u>
<i>Net Value:</i>	<u>\$9,421,230</u>			<u>\$9,241,440</u>

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003**

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**NOTE 8 - CAPITAL ASSETS (Continued)**

**C. Component Unit Capital Assets**

Summary by category of changes in component unit capital assets at December 31, 2003:

**Historical Cost:**

Class	December 31, 2002	Additions	Deletions	December 31, 2003
<b>Capital assets not being depreciated:</b>				
Land	\$260,919	\$0	\$0	\$260,919
<b>Capital assets being depreciated:</b>				
Buildings and Improvements	66,260	0	0	66,260
Machinery and Equipment	9,654	0	0	9,654
Total Cost	\$336,833	\$0	\$0	\$336,833

**Accumulated Depreciation:**

Class	December 31, 2002	Additions	Deletions	December 31, 2003
Buildings and Improvements	(\$3,206)	(\$565)	\$0	(\$3,771)
Machinery and Equipment	(5,234)	(1,133)	0	(6,367)
Total Depreciation	(\$8,440)	(\$1,698)	\$0	(\$10,138)
<b>Net Value:</b>	\$328,393			\$326,695

**NOTE 9 - DEFINED BENEFIT PENSION PLANS**

All of the City's full-time employees participate in one of two separate retirement systems which are cost-sharing multiple employer defined benefit pension plans.

**A. Ohio Public Employees Retirement System (the "Ohio PERS")**

The following information was provided by the Ohio PERS to assist the City in complying with GASB Statement No. 27, "Accounting for Pensions by State and Local Government Employers."

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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**NOTE 9 - DEFINED BENEFIT PENSION PLANS (Continued)**

**A. Ohio Public Employees Retirement System (the "Ohio PERS") (Continued)**

All employees of the City, except full-time uniformed police officers and full-time firefighters, participate in one of the three pension plans administered by the Ohio PERS: the Traditional Pension Plan (TP), the Member-Directed Plan (MD), and the Combined Plan (CO). The TP Plan is a cost-sharing multiple employer defined benefit pension plan. The MD Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the MD Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon. The CO Plan is a cost-sharing multiple-employer defined benefit pension plan. Under the CO Plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the TP Plan. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the MD Plan.

The Ohio PERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the TP Plan and CO Plan. Members of the MD Plan do not qualify for ancillary benefits. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Ohio Public Employees Retirement System issues a stand-alone financial report that includes financial statements and required supplementary information for the Ohio PERS. 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 1-800-222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2003, employee and employer contribution rates were consistent across all three plans (TP, MD and CO). The employee contribution rate is 8.5%. The 2003 employer contribution rate for local government employer units was 13.55%, of covered payroll, 8.55% to fund the pension and 5.0% to fund health care. The contribution requirements of plan members and the City are established and may be amended by the Public Employees Retirement Board. The City's contributions to the Ohio PERS for the years ending December 31, 2003, 2002 and 2001 were \$689,193, \$651,012 and \$612,063, respectively, which were equal to the required contributions for each year.

The Ohio PERS provides postemployment health care benefits to age and service retirees with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirees. Health care coverage for disability recipients is also available. The health care coverage provided by the Ohio PERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to the Ohio PERS is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority requiring public employers to fund postemployment health care through their contributions to the Ohio PERS. The portion of the 2003 employer contribution rate (identified above) that was used to fund health care for the year 2003 was 5.0% of covered payroll which amounted to \$254,315.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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**NOTE 9 - DEFINED BENEFIT PENSION PLANS (Continued)**

**A. Ohio Public Employees Retirement System (the "Ohio PERS") (Continued)**

The significant actuarial assumptions and calculations relating to postemployment health care benefits were based on the Ohio Public Employees Retirement System's latest actuarial review performed as of December 31, 2002. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets. The investment assumption rate for 2002 was 8.0%. An annual increase of 4.0% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.0% base increase, were assumed to range from 0.5% to 6.3%. Health care costs were assumed to increase 4.0% annually.

Benefits are advanced-funded on an actuarially determined basis. The number of active contributing participants was 364,881. The actuarial value of the Ohio PERS net assets available for OPEB at December 31, 2002 is \$10.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$18.7 billion and \$8.7 billion, respectively.

**B. Ohio Police and Fire Pension Fund (the "OP&F Fund")**

All City full-time police officers and full-time firefighters participate in the OP&F Fund, a cost-sharing multiple-employer defined benefit pension plan. The OP&F Fund provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Contribution requirements and benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. The Ohio Police and Fire Pension Fund issues a stand-alone financial report that includes financial statements and required supplementary information for the OP&F Fund. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164 or by calling (614) 228-2975.

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. The City's contributions to the OP&F Fund for the years ending December 31, 2003, 2002 and 2001 were \$537,649, \$488,486 and \$449,733 for police and \$562,340, \$344,255 and \$185,183 for firefighters, respectively, which were equal to the required contributions for each year.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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**NOTE 9 - DEFINED BENEFIT PENSION PLANS (Continued)**

**B. Ohio Police and Fire Pension Fund (the "OP&F Fund") (Continued)**

The OP&F Fund provides postemployment health care coverage to any person who received or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school on a full-time or two-thirds basis. The health care coverage provided by the OP&F Fund is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides that health care costs paid from the funds of the OP&F Fund shall be included in the employer's contribution rate. The Ohio Revised Code also provides statutory authority allowing the Fund's Board of Trustees to provide postemployment health care coverage to all eligible individuals from the employer's contributions to the OP&F Fund.

The portion of the 2003 covered payroll that was used to fund postemployment health care benefits was \$213,681 representing 7.75% of covered payroll for police and \$181,589 representing 7.75% of covered payroll for fire. Health care funding and accounting was on a pay-as-you-go basis. 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. As of December 31, 2002, the date of the last actuarial evaluation available, the number of participants eligible to receive health care benefits was 13,527 for police and 10,396 for firefighters. The OP&F Fund does not provide separate data on the funded status and funding progress of postemployment health care benefits. The Fund's total health care expenses for the year ended December 31, 2002 were \$141,028,006, which was net of member contributions of \$12,623,875.

**NOTE 10 - OTHER EMPLOYEE BENEFITS**

**A. Dental Optical Plan**

The City sponsors a Dental/Optical Plan for full-time employees of the City. Amounts not paid as dental or optical claims are remitted to employees upon termination or retirement. At December 31, 2003 the City had \$233,666 payable to employees for the Dental/Optical Plan.

**B. Compensated Absences**

At December 31, 2003, the City's accumulated, unpaid compensated absences amounted to \$2,250,756. Of this amount, \$2,111,822 is recorded as Governmental Activities on the Entity Wide Statement of Net Assets (\$52,413 is reported as due within one year), \$138,934 is recorded as Business-type activities (\$4,054 is reported as due within one year).

**CITY OF SHARONVILLE, OHIO**

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003**

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**NOTE 11 - INTERFUND ASSETS AND LIABILITIES**

Individual fund interfund receivable and payable balances at December 31, 2003, were as follows:

	Interfund Loans Receivables	Interfund Loans Payables
General Fund	\$176,022	\$0
Nonmajor Governmental Funds:		
Note Debt Retirement Fund	0	169,296
Capital Improvement Issue II-B Fund	0	6,726
Total Nonmajor Governmental Funds	0	176,022
Total All Funds	<u>\$176,022</u>	<u>\$176,022</u>

**NOTE 12 - NOTES PAYABLE**

The Ohio Revised Code provides that notes including renewal notes issued in anticipation of the issuance of general obligation bonds may be issued and outstanding from time to time up to a maximum period of 20 years from the date of issuance of the original notes. The maximum maturity for notes anticipating general obligation bonds payable from special assessments is five years. Any period in excess of five years must be deducted from the permitted maximum maturity of the bonds anticipated, and portions of the principal amount of notes outstanding for more than five years must be retired in amounts at least equal to, and payable no later than, those principal maturities that would have been required if the bonds had been issued at the expiration of the initial five year period.

Notes payable at December 31, 2003 were as follows:

	Balance December 31, 2002	Issued	(Retired)	Balance December 31, 2003
Special Revenue Fund:				
Fire Department Fund:				
2.45% Fire Equipment Acquisition	\$400,000	\$0	(\$400,000)	\$0
Capital Projects Fund:				
Capital Improvement Issue II-B Fund:				
2.70% Crescentville Road	460,000	0	(460,000)	0
Enterprise Fund:				
Convention Center Fund:				
2.45% Real Estate Acquisition	2,700,000	0	(2,700,000)	0
Total Notes Payable	<u>\$3,560,000</u>	<u>\$0</u>	<u>(\$3,560,000)</u>	<u>\$0</u>

**CITY OF SHARONVILLE, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003**

**NOTE 13 - LONG-TERM OBLIGATIONS**

Long-term obligations of the City at December 31, 2003 were as follows:

	Balance December 31, 2002	Issued	(Retired)	Balance December 31, 2003	Amount Due Within One Year
<b>Business-Type Activities:</b>					
General Obligation Bonds:					
4.70% - 5.30% Convention Center	\$5,015,000	\$0	(\$5,015,000)	\$0	\$0
1.50% - 5.25% Convention Center - Issue I	0	5,355,000	(370,000)		
Unamortized Premium		224,700	(9,363)	5,200,337	373,725
1.50% - 5.25% Convention Center - Issue II	0	2,695,000	(155,000)	2,540,000	150,000
Total General Obligation Bonds	5,015,000	8,274,700	(5,549,363)	7,740,337	523,725
Other Long-Term Obligations:					
Compensated Absences	69,956	138,934	(69,956)	138,934	4,054
Total Business-Type Activities	\$5,084,956	\$8,413,634	(\$5,619,319)	\$7,879,271	\$527,779
<b>Governmental Activities:</b>					
General Obligation Notes:					
2.70% Kemper Road	\$1,500,000	\$0	(\$1,500,000)	\$0	\$0
2.70% Crescentville Road	500,000	0	(500,000)	0	0
Total General Obligation Notes	2,000,000	0	(2,000,000)	0	0
General Obligation Bonds:					
4.60% - 4.80% Recreation Center	4,950,000	0	(235,000)	4,715,000	245,000
1.50% - 5.25% Fire House Construction	0	7,845,000	(470,000)	7,375,000	435,000
1.50% - 5.25% Pool Construction	0	4,440,000	(260,000)	4,180,000	245,000
1.50% - 5.25% Kemper Road Improvement	0	1,545,000	(90,000)	1,455,000	85,000
1.50% - 5.25% Crescentville Road	0	520,000	(25,000)	495,000	30,000
Unamortized Premium	0	396,739	(14,169)	382,570	28,339
Total General Obligation Bonds	4,950,000	14,746,739	(1,094,169)	18,602,570	1,068,339
Special Assessment Bonds:					
9.75% Crystalview Widening	10,000	0	(10,000)	0	0
8.00% Zind Lane Sewer	20,000	0	(5,000)	15,000	5,000
7.00% Crowne Point Drive/ Miller Valentine Phase I	360,000	0	(45,000)	315,000	45,000
7.10% Crowne Point Drive/ Miller Valentine Phase II	105,000	0	(10,000)	95,000	15,000
Total Special Assessment Bonds (with Government Commitment)	495,000	0	(70,000)	425,000	65,000
Other Long-Term Obligations:					
Compensated Absences	1,128,601	1,024,969	(41,748)	2,111,822	52,413
Capital Leases	176,730	0	(56,000)	120,730	58,861
Police and Firemen's Pension Accrued Liability	33,364	0	(491)	32,873	512
Total Other Long-Term Obligations	1,338,695	1,024,969	(98,239)	2,265,425	111,786
Total Governmental Activities	\$8,783,695	\$15,771,708	(\$3,262,408)	\$21,292,995	\$1,245,125

The principal amount of the City's special assessment debt outstanding at December 31, 2003, \$425,000, is general obligation debt (backed by the full faith and credit of the City) that is being retired with the proceeds from special assessments levied against benefited property owners. The City is obligated to repay the debt irrespective of the amount of special assessments collected from property owners. The fund balance of \$265,968 in the debt service funds at December 31, 2003 is reserved for the retirement of outstanding special assessment bonds. Delinquent special assessments at year end were \$0.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003**

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**NOTE 13 - LONG-TERM OBLIGATIONS (Continued)**

**A. Defeasance of General Obligation Debt**

In January of 2003, the City defeased \$5,015,000 of General Obligation Bonds dated January 1, 1996 (the "Convention Center" bonds) through the issuance of \$5,355,000 of General Obligation Bonds (the "Convention Center – Issue I" bonds). The net proceeds of the 2003 General Obligation Bonds have been invested in obligations guaranteed as to both principal and interest by the United States and placed in irrevocable escrow accounts, which including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded General Obligation Bonds, which have an outstanding balance of \$4,730,000 at December 31, 2003 are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding. The City reduced its aggregate debt service payments over the life of the refunded General Obligation Bonds by \$223,290 and obtained an economic gain of \$113,102.

**B. Police and Firemen's Pension Fund**

The City's liability for past service costs related to the Police and Firemen's Pension Fund at December 31, 2003 is \$32,873 in principal payments through the year 2035. Only the principal amount is included in the government wide statement of net assets.

**C. Principal and Interest Requirements**

A summary of the City's future long-term debt funding requirements, including principal and interest payments as of December 31, 2003 follows:

Years	Business-Type Activities General Obligation Bonds		Governmental Activities General Obligation Bonds	
	Principal	Interest	Principal	Interest
2004	\$523,725	\$255,438	\$1,068,339	\$715,530
2005	533,725	246,500	1,088,338	689,880
2006	543,725	236,100	1,123,339	661,468
2007	558,725	224,775	1,148,338	630,943
2008	568,725	211,138	1,178,339	596,368
2009-2013	3,123,625	770,806	6,586,692	2,311,005
2014-2018	1,888,087	142,719	6,409,185	701,654
Totals	<u>\$7,740,337</u>	<u>\$2,087,476</u>	<u>\$18,602,570</u>	<u>\$6,306,848</u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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**NOTE 13 - LONG-TERM OBLIGATIONS (Continued)**

**C. Principal and Interest Requirements (Continued)**

Years	Special Assessment Bonds		Police/Fire Pension Accrued Liability	
	Principal	Interest	Principal	Interest
2004	\$65,000	\$29,995	\$513	\$1,391
2005	60,000	25,380	535	1,369
2006	65,000	21,120	558	1,346
2007	55,000	16,505	582	1,322
2008	60,000	12,645	607	1,298
2009-2013	120,000	12,645	3,447	6,075
2014-2018	0	0	4,254	5,268
2019-2035	0	0	22,377	8,956
Totals	<u>\$425,000</u>	<u>\$118,290</u>	<u>\$32,873</u>	<u>\$27,025</u>

**NOTE 14 - CONDUIT DEBT OBLIGATIONS**

From 1977 through 1995, the City issued \$65,295,000 in Industrial Revenue Bonds and Economic Development Revenue Bonds to provide financial assistance to private and public sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private or public sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2003, the outstanding principal amount payable on the Industrial Revenue Bonds was \$4,690,000. In addition, the outstanding principal amount payable on the Economic Development Revenue Bonds was \$1,215,000 at December 31, 2003.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003**

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**NOTE 15 - CAPITAL LEASE COMMITMENTS**

Under a capital lease the City leases a ladder truck for the fire department. The cost of the leased asset and the related liability is accounted for in the government wide statement of net assets. The original cost of the asset under capital lease was \$525,000.

The following is a schedule of the future minimum lease payments under the capital lease together with the present value of the net minimum lease payments as of December 31, 2003:

<u>Year Ending December 31,</u>	<u>Capital Leases</u>
2004	\$65,030
2005	<u>65,032</u>
Minimum Lease Payments	130,062
Less: Amount representing interest at the City's incremental borrowing rate of interest	<u>(9,332)</u>
Present value of minimum lease payments	<u><u>\$120,730</u></u>

**NOTE 16 - RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In 1990, the City joined the Ohio Government Risk Management Plan (OGRMP), a public entity risk plan formed under Section 2744.081 of the Ohio Revised Code that operates as a common risk management and insurance program for 585 member political subdivisions. The City pays an annual premium to OGRMP for its general insurance coverage. The agreement for formation of OGRMP provides that the organization will be self-sustaining through member premiums and will reinsure through commercial insurance and reinsurance companies.

Workers' Compensation claims are covered through the City's participation in the State of Ohio's program. The City pays the State Workers' Compensation System a premium based upon a rate per \$100 of payroll. The rate is determined based on accident history and administrative costs.

The City also pays unemployment claims to the State of Ohio as incurred.

The City continues to carry commercial insurance for other risks of loss, including employee health and life insurance. There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverages in any of the past three fiscal years.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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**NOTE 17 - RELATED PARTY TRANSACTIONS**

The Community Improvement Corporation of Sharonville (CIC), a discretely presented component unit of the City, received transfers from the City for operations. In 2003, these transfers totaled \$25,000. Property located in the City and owned by the City at 11083 Reading Road and 3327 Creek Road is being managed by the CIC. In exchange for its services, the CIC has been assigned any rent to be earned from tenant use of the property. The City is paying maintenance, insurance and taxes on the property. The tenant at 11083 Reading Road is paying \$500 per month through September 30, 2004, while the tenant at 3327 Creek Road is paying \$500 per month through August 31, 2004.

**NOTE 18 - CONTINGENCIES**

The City is a party to various legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects. The City's management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

**NOTE 19 – CONSTRUCTION COMMITMENTS**

As of December 31, 2003, the City had the following commitments with respect to capital projects:

<u>Project</u>	<u>Remaining Construction Commitment</u>	<u>Expected Date of Completion</u>
Street Repairs and Improvements	\$432,802	September-04
Drainage Improvements	124,305	September-04
Swimming Pool Construction	2,917,128	September-04
Total	<u>\$3,474,235</u>	

*COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES*

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*THE FOLLOWING COMBINING STATEMENTS AND SCHEDULES INCLUDE  
THE MAJOR AND NONMAJOR GOVERNMENTAL FUNDS, AND  
FIDUCIARY FUNDS.*

***Nonmajor Governmental Funds***

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***Special Revenue Funds***

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Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than amounts relating to expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

**Street Construction, Maintenance and Repair Fund**

To account for state-levied and controlled gasoline tax and motor vehicle registration fees designated for street maintenance and repair.

**State Highway Fund**

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

**Federal Emergency Management Agency (FEMA) Fund**

To account for grant monies received from the Federal Emergency Management Agency for assistance with public or individual restoration of disaster-damaged projects.

**State Health Licenses Fund**

To account for the revenues and expenditures of the State-mandated Health Licensing programs such as Food Service, Temporary Food Service, Swimming Pools and Mobile Home Parks.

**Law Enforcement Trust Fund**

To account for revenues received from local law enforcement grants from the US Department of Justice for Law Enforcement. Expenditures are restricted to law enforcement including restricted personnel costs and equipment as defined in the grants.

**Drug Law Enforcement Fund**

To account for mandatory fines collected for drug offenses.

**DUI Education and Enforcement Fund**

To account for financial resources used to educate and treat persons with alcohol related problems and to enhance law enforcement activities as a deterrent to the operation of motor vehicles while under the influence of alcohol.

**Mayor's Court Computer Fund**

To account for revenues from fines to be used for computers and updating Mayor's Court computer functions.

**Clerk of Courts Computer Fund**

To account for revenues from fines to be used for computers and updating Clerk of Courts computer functions.

**Law Enforcement Block Grant Fund**

To account for grant monies for special overtime for the Police Department.

(Continued)

***Special Revenue Funds***

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**Confinement Reimbursement Fund**

To account for revenues from fines imposed on individuals who are incarcerated in the Hamilton County Jail.

**Community Oriented Policing Services (COPS) Grant Fund**

To account for proceeds from federal and state grant monies. The grant funds must be used toward the salary and benefits of police officers.

**Termination Benefits Fund**

To account for the large sum payout of retirees for sick, vacation and compensatory time accrued through their employment with the City.

***Debt Service Fund***

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Debt Service Funds are used to account for retirement of the City's general obligation and special assessment bonds.

**Note Debt Retirement Fund**

To account for the accumulation of resources for the payments of general obligation debt of the City including self-supporting obligations not otherwise paid from proprietary funds.

**Special Assessment Retirement Fund**

To accumulate special assessment revenues collected by the County Treasurer and remitted to the City by the County Auditor for payment of special assessment bonds.

**Crystalview Widening Fund**

To account for payments of principal and interest on the City's Crystalview Widening special assessment bond. Revenues for this purpose include special assessment collections.

**Zind Lane Sewer Fund**

To account for payments of principal and interest on the City's Zind Lane Sewer special assessment bond. Revenues for this purpose include special assessment collections.

**Crowne Point Drive Fund**

To account for payments of principal and interest on the City's Miller Valentine special assessment bonds. Revenues for this purpose include special assessment collections and investment income.

***Capital Projects Funds***

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The Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

**Capital Improvement Issue II Fund**

To account for government and local portions of Issue II funds that will be expended as they are approved

**Capital Improvement Issue II-B Fund**

To account for government and local portions of Issue II-B funds that will be expended as they are approved.

**CITY OF SHARONVILLE, OHIO**

**Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2003**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 695,992	\$ 92,298	\$ 1,490,130	\$ 2,278,420
Investments	724,283	342,966	0	1,067,249
Receivables:				
Accounts	1,367	0	0	1,367
Intergovernmental	604,505	0	0	604,505
Special Assessments	0	421,167	0	421,167
Inventory of Supplies, at Cost	83,948	0	0	83,948
Prepaid Items	4,861	0	0	4,861
<b>Total Assets</b>	<b>\$ 2,114,956</b>	<b>\$ 856,431</b>	<b>\$ 1,490,130</b>	<b>\$ 4,461,517</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 57,964	\$ 0	\$ 9,376	\$ 67,340
Accrued Wages and Benefits Payable	11,224	0	0	11,224
Intergovernmental Payable	25,235	0	0	25,235
Interfund Loans Payable	0	169,296	6,726	176,022
Deferred Revenue	419,667	421,167	0	840,834
<b>Total Liabilities</b>	<b>514,090</b>	<b>590,463</b>	<b>16,102</b>	<b>1,120,655</b>
<b>Fund Balances:</b>				
Reserved for Encumbrances	98,754	0	232,250	331,004
Reserved for Prepaid Items	4,861	0	0	4,861
Reserved for Supplies Inventory	83,948	0	0	83,948
Reserved for Debt Service	0	265,968	0	265,968
Undesignated/Unreserved	1,413,303	0	1,241,778	2,655,081
<b>Total Fund Balances</b>	<b>1,600,866</b>	<b>265,968</b>	<b>1,474,028</b>	<b>3,340,862</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,114,956</b>	<b>\$ 856,431</b>	<b>\$ 1,490,130</b>	<b>\$ 4,461,517</b>

**CITY OF SHARONVILLE, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2003**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 1,454,285	\$ 183,545	\$ 1,045,437	\$ 2,683,267
Charges for Services	3,050	0	0	3,050
Licenses and Permits	59,858	0	0	59,858
Investment Earnings	2,125	18,531	0	20,656
Special Assessments	0	120,187	0	120,187
Fines and Forfeitures	78,553	0	0	78,553
All Other Revenue	39,077	0	0	39,077
<b>Total Revenue</b>	<b>1,636,948</b>	<b>322,263</b>	<b>1,045,437</b>	<b>3,004,648</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	148,633	0	0	148,633
Public Health and Welfare Services	6,713	0	0	6,713
Transportation	1,283,222	0	0	1,283,222
General Government	0	3,722	0	3,722
Capital Outlay	50,380	0	2,173,731	2,224,111
Debt Service:				
Principal Retirement	0	565,000	2,115,000	2,680,000
Interest & Fiscal Charges	0	410,358	142,682	553,040
<b>Total Expenditures</b>	<b>1,488,948</b>	<b>979,080</b>	<b>4,431,413</b>	<b>6,899,441</b>
Excess (Deficiency) of Revenues Over Expenditures	148,000	(656,817)	(3,385,976)	(3,894,793)
<b>Other Financing Sources (Uses):</b>				
General Obligations Bonds Issued	0	0	2,034,044	2,034,044
Transfers In	93,400	410,000	38,000	541,400
<b>Total Other Financing Sources (Uses)</b>	<b>93,400</b>	<b>410,000</b>	<b>2,072,044</b>	<b>2,575,444</b>
Net Change in Fund Balances	241,400	(246,817)	(1,313,932)	(1,319,349)
<b>Fund Balances at Beginning of Year</b>	<b>1,376,564</b>	<b>512,785</b>	<b>2,787,960</b>	<b>4,677,309</b>
Decrease in Inventory Reserve	(17,098)	0	0	(17,098)
<b>Fund Balances End of Year</b>	<b>\$ 1,600,866</b>	<b>\$ 265,968</b>	<b>\$ 1,474,028</b>	<b>\$ 3,340,862</b>

**CITY OF SHARONVILLE, OHIO**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2003**

	Street Construction, Maintenance and Repair Fund	State Highway Fund	FEMA Fund	State Health Licenses Fund	Law Enforcement Trust Fund	Drug Law Enforcement Fund
<b>Assets:</b>						
Cash and Cash Equivalents	\$ 28,720	\$ 22,480	\$ 4,542	\$ 121,551	\$ 12,033	\$ 43,229
Investments	393,753	330,530	0	0	0	0
Receivables:						
Accounts	0	0	0	0	0	0
Intergovernmental	476,454	38,631	0	0	0	0
Inventory of Supplies, at Cost	56,245	27,703	0	0	0	0
Prepaid Items	4,861	0	0	0	0	0
<b>Total Assets</b>	<b>\$ 960,033</b>	<b>\$ 419,344</b>	<b>\$ 4,542</b>	<b>\$ 121,551</b>	<b>\$ 12,033</b>	<b>\$ 43,229</b>
<b>Liabilities:</b>						
Accounts Payable	\$ 43,352	\$ 14,612	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	11,224	0	0	0	0	0
Intergovernmental Payable	25,235	0	0	0	0	0
Deferred Revenue	317,636	25,754	0	0	0	0
<b>Total Liabilities</b>	<b>397,447</b>	<b>40,366</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balances:</b>						
Reserved for Encumbrances	73,909	24,493	0	0	155	50
Reserved for Prepaid Items	4,861	0	0	0	0	0
Reserved for Supplies Inventory	56,245	27,703	0	0	0	0
Undesignated/Unreserved	427,571	326,782	4,542	121,551	11,878	43,179
<b>Total Fund Balances</b>	<b>562,586</b>	<b>378,978</b>	<b>4,542</b>	<b>121,551</b>	<b>12,033</b>	<b>43,229</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 960,033</b>	<b>\$ 419,344</b>	<b>\$ 4,542</b>	<b>\$ 121,551</b>	<b>\$ 12,033</b>	<b>\$ 43,229</b>

**CITY OF SHARONVILLE, OHIO**

DUI Education and Enforcement Fund	Mayor's Court Computer Fund	Clerk of Courts Computer Fund	Law Enforcement Block Grant Fund	Confinement Reimbursement Fund	COPS Grant Fund	Termination Benefits Fund	Total Nonmajor Special Revenue Funds
\$ 15,496	\$ 15,357	\$ 38,049	\$ 1,013	\$ 398	\$ 5,881	\$ 387,243	\$ 695,992
0	0	0	0	0	0	0	724,283
1,367	0	0	0	0	0	0	1,367
0	0	0	0	0	89,420	0	604,505
0	0	0	0	0	0	0	83,948
0	0	0	0	0	0	0	4,861
<u>\$ 16,863</u>	<u>\$ 15,357</u>	<u>\$ 38,049</u>	<u>\$ 1,013</u>	<u>\$ 398</u>	<u>\$ 95,301</u>	<u>\$ 387,243</u>	<u>\$ 2,114,956</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 57,964
0	0	0	0	0	0	0	11,224
0	0	0	0	0	0	0	25,235
0	0	0	0	0	76,277	0	419,667
0	0	0	0	0	76,277	0	514,090
0	0	147	0	0	0	0	98,754
0	0	0	0	0	0	0	4,861
0	0	0	0	0	0	0	83,948
16,863	15,357	37,902	1,013	398	19,024	387,243	1,413,303
<u>16,863</u>	<u>15,357</u>	<u>38,049</u>	<u>1,013</u>	<u>398</u>	<u>19,024</u>	<u>387,243</u>	<u>1,600,866</u>
<u>\$ 16,863</u>	<u>\$ 15,357</u>	<u>\$ 38,049</u>	<u>\$ 1,013</u>	<u>\$ 398</u>	<u>\$ 95,301</u>	<u>\$ 387,243</u>	<u>\$ 2,114,956</u>

**CITY OF SHARONVILLE, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2003**

	Street Construction, Maintenance and Repair Fund	State Highway Fund	FEMA Fund	State Health Licenses Fund	Law Enforcement Trust Fund	Drug Law Enforcement Fund
<b>Revenues:</b>						
Intergovernmental Revenues	\$ 1,252,458	\$ 101,553	\$ 0	\$ 0	\$ 0	\$ 0
Charges for Services	3,050	0	0	0	0	0
Licenses and Permits	0	0	0	59,858	0	0
Investment Earnings	1,125	989	0	0	0	0
Fines and Forfeitures	0	0	0	0	0	36,253
All Other Revenue	6,839	8,001	7,847	0	0	1,720
<b>Total Revenue</b>	<b>1,263,472</b>	<b>110,543</b>	<b>7,847</b>	<b>59,858</b>	<b>0</b>	<b>37,973</b>
<b>Expenditures:</b>						
Current:						
Security of Persons and Property	0	0	0	0	7,504	9,988
Public Health and Welfare Services	0	0	0	6,713	0	0
Transportation	1,216,421	66,801	0	0	0	0
Capital Outlay	0	0	50,380	0	0	0
<b>Total Expenditures</b>	<b>1,216,421</b>	<b>66,801</b>	<b>50,380</b>	<b>6,713</b>	<b>7,504</b>	<b>9,988</b>
Excess (Deficiency) of Revenues Over Expenditures	47,051	43,742	(42,533)	53,145	(7,504)	27,985
<b>Other Financing Sources (Uses):</b>						
Transfers In	0	0	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net Change in Fund Balances	47,051	43,742	(42,533)	53,145	(7,504)	27,985
<b>Fund Balances at Beginning of Year</b>	<b>526,991</b>	<b>340,878</b>	<b>47,075</b>	<b>68,406</b>	<b>19,537</b>	<b>15,244</b>
Decrease in Inventory Reserve	(11,456)	(5,642)	0	0	0	0
<b>Fund Balances End of Year</b>	<b>\$ 562,586</b>	<b>\$ 378,978</b>	<b>\$ 4,542</b>	<b>\$ 121,551</b>	<b>\$ 12,033</b>	<b>\$ 43,229</b>

**CITY OF SHARONVILLE, OHIO**

DUI Education and Enforcement Fund	Mayor's Court Computer Fund	Clerk of Courts Computer Fund	Law Enforcement Block Grant Fund	Confinement Reimbursement Fund	COPS Grant Fund	Termination Benefits Fund	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 100,274	\$ 0	\$ 1,454,285
0	0	0	0	0	0	0	3,050
0	0	0	0	0	0	0	59,858
0	0	0	11	0	0	0	2,125
791	12,347	28,812	0	350	0	0	78,553
14,670	0	0	0	0	0	0	39,077
<u>15,461</u>	<u>12,347</u>	<u>28,812</u>	<u>11</u>	<u>350</u>	<u>100,274</u>	<u>0</u>	<u>1,636,948</u>
3,395	4,862	12,213	2,353	0	108,318	0	148,633
0	0	0	0	0	0	0	6,713
0	0	0	0	0	0	0	1,283,222
0	0	0	0	0	0	0	50,380
<u>3,395</u>	<u>4,862</u>	<u>12,213</u>	<u>2,353</u>	<u>0</u>	<u>108,318</u>	<u>0</u>	<u>1,488,948</u>
12,066	7,485	16,599	(2,342)	350	(8,044)	0	148,000
0	0	0	0	0	7,000	86,400	93,400
0	0	0	0	0	7,000	86,400	93,400
12,066	7,485	16,599	(2,342)	350	(1,044)	86,400	241,400
4,797	7,872	21,450	3,355	48	20,068	300,843	1,376,564
0	0	0	0	0	0	0	(17,098)
<u>\$ 16,863</u>	<u>\$ 15,357</u>	<u>\$ 38,049</u>	<u>\$ 1,013</u>	<u>\$ 398</u>	<u>\$ 19,024</u>	<u>\$ 387,243</u>	<u>\$ 1,600,866</u>

**CITY OF SHARONVILLE, OHIO**

**Combining Balance Sheet  
Nonmajor Debt Service Funds  
December 31, 2003**

	Note Debt Retirement Fund	Special Assessment Retirement Fund	Crystalview Widening Fund	Zind Lane Sewer Fund	Crowne Point Drive Fund	Total Nonmajor Debt Service Funds
<b>Assets:</b>						
Cash and Cash Equivalents	\$ 0	\$ 31,706	\$ 31,612	\$ 5,642	\$ 23,338	\$ 92,298
Investments	0	0	0	0	342,966	342,966
Receivables:						
Special Assessments	0	8,189	0	19,397	393,581	421,167
<b>Total Assets</b>	<u>\$ 0</u>	<u>\$ 39,895</u>	<u>\$ 31,612</u>	<u>\$ 25,039</u>	<u>\$ 759,885</u>	<u>\$ 856,431</u>
<b>Liabilities:</b>						
Interfund Loans Payable	\$ 169,296	\$ 0	\$ 0	\$ 0	\$ 0	\$ 169,296
Deferred Revenue	0	8,189	0	19,397	393,581	421,167
<b>Total Liabilities</b>	<u>169,296</u>	<u>8,189</u>	<u>0</u>	<u>19,397</u>	<u>393,581</u>	<u>590,463</u>
<b>Fund Balances:</b>						
Reserved for Debt Service	(169,296)	31,706	31,612	5,642	366,304	265,968
<b>Total Fund Balances</b>	<u>(169,296)</u>	<u>31,706</u>	<u>31,612</u>	<u>5,642</u>	<u>366,304</u>	<u>265,968</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 0</u>	<u>\$ 39,895</u>	<u>\$ 31,612</u>	<u>\$ 25,039</u>	<u>\$ 759,885</u>	<u>\$ 856,431</u>

**CITY OF SHARONVILLE, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Debt Service Funds  
For the Year Ended December 31, 2003**

	Note Debt Retirement Fund	Special Assessment Retirement Fund	Crystalview Widening Fund	Zind Lane Sewer Fund	Crowne Point Drive Fund	Total Nonmajor Debt Service Funds
<b>Revenues:</b>						
Intergovernmental Revenues	\$ 183,545	\$ 0	\$ 0	\$ 0	\$ 0	\$ 183,545
Investment Earnings	17,239	0	0	0	1,292	18,531
Special Assessments	0	0	21,087	8,815	90,285	120,187
<b>Total Revenue</b>	<b>200,784</b>	<b>0</b>	<b>21,087</b>	<b>8,815</b>	<b>91,577</b>	<b>322,263</b>
<b>Expenditures:</b>						
General Government	0	0	834	258	2,630	3,722
Debt Service:						
Principal Retirement	495,000	0	10,000	5,000	55,000	565,000
Interest and Fiscal Charges	375,128	0	975	1,600	32,655	410,358
<b>Total Expenditures</b>	<b>870,128</b>	<b>0</b>	<b>11,809</b>	<b>6,858</b>	<b>90,285</b>	<b>979,080</b>
Excess (Deficiency) of Revenues Over Expenditures	(669,344)	0	9,278	1,957	1,292	(656,817)
<b>Other Financing Sources (Uses):</b>						
Transfers In	410,000	0	0	0	0	410,000
<b>Total Other Financing Sources (Uses)</b>	<b>410,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>410,000</b>
Net Change in Fund Balance	(259,344)	0	9,278	1,957	1,292	(246,817)
<b>Fund Balances at Beginning of Year</b>	<b>90,048</b>	<b>31,706</b>	<b>22,334</b>	<b>3,685</b>	<b>365,012</b>	<b>512,785</b>
<b>Fund Balances End of Year</b>	<b>\$ (169,296)</b>	<b>\$ 31,706</b>	<b>\$ 31,612</b>	<b>\$ 5,642</b>	<b>\$ 366,304</b>	<b>\$ 265,968</b>

**CITY OF SHARONVILLE, OHIO**

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**Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2003**

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	Capital Improvement Issue II Fund	Capital Improvement Issue II-B Fund	Total Nonmajor Capital Projects Funds
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 1,490,130	\$ 0	\$ 1,490,130
<b>Total Assets</b>	<u>\$ 1,490,130</u>	<u>\$ 0</u>	<u>\$ 1,490,130</u>
<b>Liabilities:</b>			
Accounts Payable	\$ 9,376	\$ 0	\$ 9,376
Interfund Loans Payable	0	6,726	6,726
<b>Total Liabilities</b>	<u>9,376</u>	<u>6,726</u>	<u>16,102</u>
<b>Fund Balances:</b>			
Reserved for Encumbrances	232,250	0	232,250
Undesignated/Unreserved	1,248,504	(6,726)	1,241,778
<b>Total Fund Balances</b>	<u>1,480,754</u>	<u>(6,726)</u>	<u>1,474,028</u>
<b>Total Liabilities and Funds Balances</b>	<u>\$ 1,490,130</u>	<u>\$ 0</u>	<u>\$ 1,490,130</u>

**CITY OF SHARONVILLE, OHIO**

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**Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2003**

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	Capital Improvement Issue II Fund	Capital Improvement Issue II-B Fund	Total Nonmajor Capital Project Funds
<b>Revenues:</b>			
Intergovernmental Revenues	\$ 1,045,437	\$ 0	\$ 1,045,437
<b>Total Revenue</b>	<u>1,045,437</u>	<u>0</u>	<u>1,045,437</u>
<b>Expenditures:</b>			
Current:			
Capital Outlay	2,173,731	0	2,173,731
Debt Service:			
Principal Retirement	1,590,000	525,000	2,115,000
Interest and Fiscal Charges	105,855	36,827	142,682
<b>Total Expenditures</b>	<u>3,869,586</u>	<u>561,827</u>	<u>4,431,413</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,824,149)	(561,827)	(3,385,976)
<b>Other Financing Sources (Uses):</b>			
General Obligation Bonds Issued	1,525,547	508,497	2,034,044
Transfers In	0	38,000	38,000
<b>Total Other Financing Sources (Uses)</b>	<u>1,525,547</u>	<u>546,497</u>	<u>2,072,044</u>
Net Change in Fund Balances	(1,298,602)	(15,330)	(1,313,932)
<b>Fund Balances at Beginning of Year</b>	<u>2,779,356</u>	<u>8,604</u>	<u>2,787,960</u>
<b>Fund Balances End of Year</b>	<u>\$ 1,480,754</u>	<u>\$ (6,726)</u>	<u>\$ 1,474,028</u>

**CITY OF SHARONVILLE, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2003**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 12,592,598	\$ 12,611,902	\$ 12,765,550	\$ 153,648
Intergovernmental Revenues	568,194	569,065	575,998	6,933
Charges for Services	358,852	359,402	363,781	4,379
Licenses and Permits	294,445	294,896	298,489	3,593
Investment Earnings	183,545	183,826	186,066	2,240
Fines and Forfeitures	302,195	302,658	306,345	3,687
All Other Revenues	140,171	140,387	113,166	(27,221)
Total Revenues	14,440,000	14,462,136	14,609,395	147,259
<b>Expenditures:</b>				
Security of Persons and Property:				
Police Department:				
Personal Services	4,340,820	4,246,828	4,149,690	97,138
Materials and Supplies	206,247	273,869	261,557	12,312
Contractual Services	385,033	508,510	472,443	36,067
Total Police Department	4,932,100	5,029,207	4,883,690	145,517
Total Security of Persons and Property	4,932,100	5,029,207	4,883,690	145,517
Public Health and Welfare Services:				
Health Department:				
Personal Services	303,940	303,940	287,313	16,627
Materials and Supplies	13,000	16,872	10,991	5,881
Contractual Services	33,050	35,488	22,846	12,642
Total Health Department	349,990	356,300	321,150	35,150
Total Public Health and Welfare Services	349,990	356,300	321,150	35,150
Leisure Time Activities:				
Recreation Centers:				
Personal Services	658,060	628,360	591,577	36,783
Materials and Supplies	57,900	84,551	76,476	8,075
Contractual Services	55,400	68,822	49,682	19,140
Total Recreation Centers	771,360	781,733	717,735	63,998
Recreation Parks and Programs:				
Personal Services	1,247,490	1,251,490	1,188,463	63,027
Materials and Supplies	60,930	91,881	71,530	20,351
Contractual Services	490,950	534,454	485,473	48,981
Total Recreation Parks and Programs	1,799,370	1,877,825	1,745,466	132,359

(Continued)

**CITY OF SHARONVILLE, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2003***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Recreation Pools:</b>				
Personal Services	167,520	123,520	122,505	1,015
Materials and Supplies	25,090	17,834	15,879	1,955
Contractual Services	23,500	17,403	13,991	3,412
Total Recreation Pools	216,110	158,757	152,375	6,382
Total Leisure Time Activities	2,786,840	2,818,315	2,615,576	202,739
<b>Community Environment:</b>				
<b>Building and Planning:</b>				
Personal Services	415,040	416,525	413,952	2,573
Materials and Supplies	14,600	17,542	5,907	11,635
Contractual Services	112,350	166,376	121,568	44,808
Total Building and Planning	541,990	600,443	541,427	59,016
Total Community Environment	541,990	600,443	541,427	59,016
<b>Basic Utility Services:</b>				
<b>Waste Collection:</b>				
Contractual Services	485,000	506,199	505,992	207
Total Waste Collection	485,000	506,199	505,992	207
Total Basic Utility Services	485,000	506,199	505,992	207
<b>General Government:</b>				
<b>Mayor:</b>				
Personal Services	36,650	37,350	36,780	570
Materials and Supplies	3,130	1,230	220	1,010
Contractual Services	19,320	26,435	18,050	8,385
Total Mayor	59,100	65,015	55,050	9,965
<b>Council:</b>				
Personal Services	105,770	107,580	106,077	1,503
Materials and Supplies	6,100	5,450	5,358	92
Contractual Services	16,320	15,788	4,131	11,657
Total Council	128,190	128,818	115,566	13,252
<b>Auditor and Treasurer:</b>				
Personal Services	114,050	90,050	81,501	8,549
Materials and Supplies	6,300	7,276	6,869	407
Contractual Services	53,400	79,071	57,044	22,027
Total Auditor and Treasurer	173,750	176,397	145,414	30,983

(Continued)

**CITY OF SHARONVILLE, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2003***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Law Director:				
Personal Services	75,030	75,380	75,275	105
Materials and Supplies	675	325	316	9
Contractual Services	75,325	139,503	101,454	38,049
Total Law Director	151,030	215,208	177,045	38,163
Civil Service:				
Personal Services	15,050	15,050	5,897	9,153
Materials and Supplies	3,000	3,000	383	2,617
Contractual Services	27,500	31,272	24,769	6,503
Total Civil Service	45,550	49,322	31,049	18,273
Safety/Service Director:				
Personal Services	660,270	660,270	653,686	6,584
Materials and Supplies	5,850	10,678	7,319	3,359
Contractual Services	287,200	359,365	243,641	115,724
Total Safety/Service Director	953,320	1,030,313	904,646	125,667
Tax Department:				
Personal Services	291,410	291,410	286,903	4,507
Materials and Supplies	24,550	16,105	14,868	1,237
Contractual Services	35,700	46,977	35,088	11,889
Total Tax Department	351,660	354,492	336,859	17,633
Building and Lands:				
Personal Services	293,380	293,480	271,591	21,889
Materials and Supplies	53,050	58,806	51,506	7,300
Contractual Services	259,910	281,326	232,708	48,618
Total Buildings and Lands	606,340	633,612	555,805	77,807
Miscellaneous Government:				
Materials and Supplies	119,300	20,643	18,947	1,696
Contractual Services	923,920	825,014	807,216	17,798
Total Miscellaneous Government	1,043,220	845,657	826,163	19,494
Maintenance:				
Contractual Services	50,000	50,000	0	50,000
Total Maintenance	50,000	50,000	0	50,000
Total General Government	3,562,160	3,548,834	3,147,597	401,237
Total Expenditures	12,658,080	12,859,298	12,015,432	843,866

(Continued)

**CITY OF SHARONVILLE, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2003**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,781,920	1,602,838	2,593,963	991,125
<b>Other Financing Sources (Uses):</b>				
Transfers In	60,000	0	0	0
Transfers Out	<u>(10,000,000)</u>	<u>(10,239,900)</u>	<u>(2,044,900)</u>	<u>8,195,000</u>
Total Other Financing Sources (Uses)	<u>(9,940,000)</u>	<u>(10,239,900)</u>	<u>(2,044,900)</u>	<u>8,195,000</u>
Net Change in Fund Balance	(8,158,080)	(8,637,062)	549,063	9,186,125
Fund Balance at Beginning of Year	228,165	228,165	228,165	0
Prior Year Encumbrances	<u>491,119</u>	<u>491,119</u>	<u>491,119</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (7,438,796)</u>	<u>\$ (7,917,778)</u>	<u>\$ 1,268,347</u>	<u>\$ 9,186,125</u>

**CITY OF SHARONVILLE, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Special Revenue Fund – Fire Department Fund  
For the Year Ended December 31, 2003***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive Negative
<b>Revenues:</b>				
Taxes	\$ 12,849,279	\$ 5,616,538	\$ 5,645,893	\$ 29,355
Charges for Services	650,453	284,319	285,805	1,486
Investment Earnings	102,574	44,836	45,070	234
Fines and Forfeitures	5,864	2,563	2,576	13
All Other Revenues	127,831	55,876	56,168	292
Total Revenues	13,736,000	6,004,132	6,035,512	31,380
<b>Expenditures:</b>				
Security of Persons and Property:				
Fire Department:				
Personal Services	4,691,960	4,508,962	3,681,507	827,455
Materials and Supplies	425,400	235,191	201,604	33,587
Contractual Services	0	440,237	413,080	27,157
Total Security of Persons and Property	5,117,360	5,184,390	4,296,191	888,199
Capital Outlay	9,015,200	8,415,956	2,823,675	5,592,281
Debt Service:				
Principal Retirement	434,816	926,000	926,000	0
Interest Charges	286,684	610,531	410,367	200,164
Total Debt Service	721,500	1,536,531	1,336,367	200,164
Total Expenditures	14,854,060	15,136,877	8,456,233	6,680,644
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,118,060)	(9,132,745)	(2,420,721)	6,712,024
<b>Other Financing Sources (Uses):</b>				
General Obligation Bonds Issued	0	8,093,926	8,136,230	42,304
Transfers Out	0	(42,698)	(56,500)	(13,802)
Total Other Financing Sources (Uses)	0	8,051,228	8,079,730	28,502
Net Change in Fund Balance	(1,118,060)	(1,081,517)	5,659,009	6,740,526
Fund Balance at Beginning of Year	1,492,655	1,492,655	1,492,655	0
Prior Year Encumbrances	287,866	287,866	287,866	0
Fund Balance at End of Year	\$ 662,461	\$ 699,004	\$ 7,439,530	\$ 6,740,526

**CITY OF SHARONVILLE, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Capital Project Fund – Capital Improvement Fund  
For the Year Ended December 31, 2003**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Investment Earnings	\$ 3,413	\$ 3,413	\$ 3,413	\$ 0
Special Assessments	3,000,000	0	0	0
Fines and Forfeitures	86,587	0	0	0
All Other Revenues	10,000	3,750	3,752	2
Total Revenues	<u>3,100,000</u>	<u>7,163</u>	<u>7,165</u>	<u>2</u>
<b>Expenditures:</b>				
Capital Outlay	<u>8,361,000</u>	<u>11,126,163</u>	<u>8,338,784</u>	<u>2,787,379</u>
Debt Service:				
Interest Charges	<u>0</u>	<u>86,000</u>	<u>85,590</u>	<u>410</u>
Total Debt Service	<u>0</u>	<u>86,000</u>	<u>85,590</u>	<u>410</u>
Total Expenditures	<u>8,361,000</u>	<u>11,212,163</u>	<u>8,424,374</u>	<u>2,787,789</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,261,000)	(11,205,000)	(8,417,209)	2,787,791
<b>Other Financing Sources (Uses):</b>				
General Obligation Bonds Issued	0	4,576,465	4,576,465	0
Transfers In	3,500,000	1,350,000	1,350,000	0
Transfers Out - Component Unit	<u>(25,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>3,475,000</u>	<u>5,901,465</u>	<u>5,901,465</u>	<u>0</u>
Net Change in Fund Balance	(1,786,000)	(5,303,535)	(2,515,744)	2,787,791
Fund Balance at Beginning of Year	1,481,091	1,481,091	1,481,091	0
Prior Year Encumbrances	<u>2,133,594</u>	<u>2,133,594</u>	<u>2,133,594</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,828,685</u>	<u>\$ (1,688,850)</u>	<u>\$ 1,098,941</u>	<u>\$ 2,787,791</u>

**CITY OF SHARONVILLE, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2003***

<b>STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND</b>				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 1,053,419	\$ 1,167,021	\$ 1,234,550	\$ 67,529
Charges for Services	2,602	2,883	3,050	167
Investment Earnings	1,799	1,993	2,108	115
All Other Revenues	4,179	4,630	6,839	2,209
Total Revenues	<u>1,062,000</u>	<u>1,176,527</u>	<u>1,246,547</u>	<u>70,020</u>
<b>Expenditures:</b>				
Transportation:				
Street Maintenance and Repair Department:				
Personal Services	948,590	949,133	912,282	36,851
Materials and Supplies	125,000	155,430	107,083	48,347
Contractual Services	74,310	89,263	50,742	38,521
Snow and Ice Removal Department:				
Personal Services	60,000	60,000	50,891	9,109
Materials and Supplies	110,300	182,938	165,311	17,627
Contractual Services	5,000	5,860	4,113	1,747
Traffic Signs and Signals Department:				
Materials and Supplies	1,500	1,500	1,406	94
Contractual Services	35,000	36,884	32,992	3,892
Total Transportation	<u>1,359,700</u>	<u>1,481,008</u>	<u>1,324,820</u>	<u>156,188</u>
Total Expenditures	<u>1,359,700</u>	<u>1,481,008</u>	<u>1,324,820</u>	<u>156,188</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(297,700)	(304,481)	(78,273)	226,208
Fund Balance at Beginning of Year	262,945	262,945	262,945	0
Prior Year Encumbrances	121,308	121,308	121,308	0
Fund Balance at End of Year	<u>\$ 86,553</u>	<u>\$ 79,772</u>	<u>\$ 305,980</u>	<u>\$ 226,208</u>

**CITY OF SHARONVILLE, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2003***

<b>STATE HIGHWAY FUND</b>				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 80,588	\$ 94,948	\$ 100,101	\$ 5,153
Investment Earnings	1,472	1,734	1,828	94
All Other Revenues	6,440	7,588	8,001	413
Total Revenues	<u>88,500</u>	<u>104,270</u>	<u>109,930</u>	<u>5,660</u>
<b>Expenditures:</b>				
Transportation:				
Street Maintenance and Repair Department:				
Materials and Supplies	16,000	16,000	406	15,594
Contractual Services	59,500	79,981	39,108	40,873
Snow and Ice Removal Department:				
Materials and Supplies	25,000	47,702	47,702	0
Traffic Signs and Signals Department:				
Materials and Supplies	0	1,100	1,094	6
Contractual Services	27,150	28,027	23,206	4,821
Total Expenditures	<u>127,650</u>	<u>172,810</u>	<u>111,516</u>	<u>61,294</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(39,150)	(68,540)	(1,586)	66,954
Fund Balance at Beginning of Year	270,999	270,999	270,999	0
Prior Year Encumbrances	45,160	45,160	45,160	0
Fund Balance at End of Year	<u>\$ 277,009</u>	<u>\$ 247,619</u>	<u>\$ 314,573</u>	<u>\$ 66,954</u>

**CITY OF SHARONVILLE, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2003***

**FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA) FUND**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
All Other Revenues	\$ 0	\$ 7,847	\$ 7,847	\$ 0
Total Revenues	<u>0</u>	<u>7,847</u>	<u>7,847</u>	<u>0</u>
<b>Expenditures:</b>				
General Government:				
Miscellaneous Government Department:				
Personal Services	19,250	19,250	0	19,250
Materials and Supplies	<u>110,330</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total General Government	<u>129,580</u>	<u>19,250</u>	<u>0</u>	<u>19,250</u>
Capital Outlay	<u>0</u>	<u>136,330</u>	<u>50,380</u>	<u>85,950</u>
Total Expenditures	<u>129,580</u>	<u>155,580</u>	<u>50,380</u>	<u>105,200</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(129,580)	(147,733)	(42,533)	105,200
Fund Balance at Beginning of Year	21,075	21,075	21,075	0
Prior Year Encumbrances	<u>26,000</u>	<u>26,000</u>	<u>26,000</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (82,505)</u>	<u>\$ (100,658)</u>	<u>\$ 4,542</u>	<u>\$ 105,200</u>

**CITY OF SHARONVILLE, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2003**

**STATE HEALTH LICENSES FUND**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Licenses and Permits	\$ 55,000	\$ 59,853	\$ 59,858	\$ 5
Total Revenues	<u>55,000</u>	<u>59,853</u>	<u>59,858</u>	<u>5</u>
<b>Expenditures:</b>				
Public Health and Welfare Services:				
Health Department:				
Contractual Services	8,000	8,000	6,713	1,287
Total Expenditures	<u>8,000</u>	<u>8,000</u>	<u>6,713</u>	<u>1,287</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	47,000	51,853	53,145	1,292
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(47,000)	(47,000)	0	47,000
Total Other Financing Sources (Uses)	<u>(47,000)</u>	<u>(47,000)</u>	<u>0</u>	<u>47,000</u>
Net Change in Fund Balance	0	4,853	53,145	48,292
Fund Balance at Beginning of Year	68,406	68,406	68,406	0
Fund Balance at End of Year	<u>\$ 68,406</u>	<u>\$ 73,259</u>	<u>\$ 121,551</u>	<u>\$ 48,292</u>

**CITY OF SHARONVILLE, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2003***

<b>LAW ENFORCEMENT TRUST FUND</b>				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Fines and Forfeitures	\$ 10,000	\$ 443	\$ 443	\$ 0
Total Revenues	<u>10,000</u>	<u>443</u>	<u>443</u>	<u>0</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Police Department:				
Materials and Supplies	7,883	7,883	6,859	1,024
Contractual Services	<u>2,000</u>	<u>2,200</u>	<u>800</u>	<u>1,400</u>
Total Security of Persons and Property	<u>9,883</u>	<u>10,083</u>	<u>7,659</u>	<u>2,424</u>
Total Expenditures	<u>9,883</u>	<u>10,083</u>	<u>7,659</u>	<u>2,424</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	117	(9,640)	(7,216)	2,424
Fund Balance at Beginning of Year	18,894	18,894	18,894	0
Prior Year Encumbrances	200	200	200	0
Fund Balance at End of Year	<u>\$ 19,211</u>	<u>\$ 9,454</u>	<u>\$ 11,878</u>	<u>\$ 2,424</u>

**CITY OF SHARONVILLE, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2003***

**DRUG LAW ENFORCEMENT FUND**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	\$ 30,000	\$ 35,803	\$ 36,333	\$ 530
All Other Revenues	0	1,695	1,720	25
Total Revenues	<u>30,000</u>	<u>37,498</u>	<u>38,053</u>	<u>555</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Police Department:				
Materials and Supplies	10,000	11,117	10,004	1,113
Contractual Services	0	190	190	0
Total Expenditures	<u>10,000</u>	<u>11,307</u>	<u>10,194</u>	<u>1,113</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	20,000	26,191	27,859	1,668
Fund Balance at Beginning of Year	14,113	14,113	14,113	0
Prior Year Encumbrances	<u>1,207</u>	<u>1,207</u>	<u>1,207</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 35,320</u>	<u>\$ 41,511</u>	<u>\$ 43,179</u>	<u>\$ 1,668</u>

**CITY OF SHARONVILLE, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2003**

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**DUI EDUCATION AND ENFORCEMENT FUND**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Fines and Forfeitures	\$ 0	\$ 778	\$ 791	\$ 13
All Other Revenues	<u>2,500</u>	<u>13,076</u>	<u>13,303</u>	<u>227</u>
Total Revenues	<u>2,500</u>	<u>13,854</u>	<u>14,094</u>	<u>240</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Police Department:				
Materials and Supplies	<u>3,400</u>	<u>3,400</u>	<u>3,395</u>	<u>5</u>
Total Expenditures	<u>3,400</u>	<u>3,400</u>	<u>3,395</u>	<u>5</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(900)	10,454	10,699	245
Fund Balance at Beginning of Year	<u>4,797</u>	<u>4,797</u>	<u>4,797</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 3,897</u>	<u>\$ 15,251</u>	<u>\$ 15,496</u>	<u>\$ 245</u>

**CITY OF SHARONVILLE, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2003**

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**MAYOR'S COURT COMPUTER FUND**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Fines and Forfeitures	<u>\$ 11,500</u>	<u>\$ 11,214</u>	<u>\$ 12,347</u>	<u>\$ 1,133</u>
Total Revenues	<u>11,500</u>	<u>11,214</u>	<u>12,347</u>	<u>1,133</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Police Department:				
Materials and Supplies	10,000	12,000	1,862	10,138
Contractual Services	<u>5,000</u>	<u>3,000</u>	<u>3,000</u>	<u>0</u>
Total Expenditures	<u>15,000</u>	<u>15,000</u>	<u>4,862</u>	<u>10,138</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,500)	(3,786)	7,485	11,271
Fund Balance at Beginning of Year	<u>7,872</u>	<u>7,872</u>	<u>7,872</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 4,372</u>	<u>\$ 4,086</u>	<u>\$ 15,357</u>	<u>\$ 11,271</u>

**CITY OF SHARONVILLE, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2003**

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**CLERK OF COURTS COMPUTER FUND**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Fines and Forfeitures	<u>\$ 26,000</u>	<u>\$ 26,165</u>	<u>\$ 28,812</u>	<u>\$ 2,647</u>
Total Revenues	<u>26,000</u>	<u>26,165</u>	<u>28,812</u>	<u>2,647</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Police Department:				
Materials and Supplies	35,000	38,000	10,860	27,140
Contractual Services	<u>6,000</u>	<u>3,000</u>	<u>1,500</u>	<u>1,500</u>
Total Expenditures	<u>41,000</u>	<u>41,000</u>	<u>12,360</u>	<u>28,640</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,000)	(14,835)	16,452	31,287
Fund Balance at Beginning of Year	<u>21,450</u>	<u>21,450</u>	<u>21,450</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 6,450</u>	<u>\$ 6,615</u>	<u>\$ 37,902</u>	<u>\$ 31,287</u>

**CITY OF SHARONVILLE, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2003***

**LAW ENFORCEMENT BLOCK GRANT FUND**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 12,000	\$ 0	\$ 0	\$ 0
Investment Earnings	0	5	11	6
Total Revenues	<u>12,000</u>	<u>5</u>	<u>11</u>	<u>6</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Police Department:				
Materials and Supplies	15,000	27,942	12,981	14,961
Total Expenditures	<u>15,000</u>	<u>27,942</u>	<u>12,981</u>	<u>14,961</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,000)	(27,937)	(12,970)	14,967
Fund Balance at Beginning of Year	1,041	1,041	1,041	0
Prior Year Encumbrances	<u>12,942</u>	<u>12,942</u>	<u>12,942</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 10,983</u>	<u>\$ (13,954)</u>	<u>\$ 1,013</u>	<u>\$ 14,967</u>

**CITY OF SHARONVILLE, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2003***

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**CONFINEMENT REIMBURSEMENT FUND**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	\$ 1,000	\$ 350	\$ 350	\$ 0
Total Revenues	<u>1,000</u>	<u>350</u>	<u>350</u>	<u>0</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Police Department:				
Contractual Services	<u>1,500</u>	<u>1,500</u>	<u>0</u>	<u>1,500</u>
Total Expenditures	<u>1,500</u>	<u>1,500</u>	<u>0</u>	<u>1,500</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(500)	(1,150)	350	1,500
Fund Balance at Beginning of Year	<u>48</u>	<u>48</u>	<u>48</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (452)</u>	<u>\$ (1,102)</u>	<u>\$ 398</u>	<u>\$ 1,500</u>

**CITY OF SHARONVILLE, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2003***

**COPS GRANT FUND**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 93,000	\$ 97,884	\$ 103,152	\$ 5,268
Total Revenues	<u>93,000</u>	<u>97,884</u>	<u>103,152</u>	<u>5,268</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Police Department:				
Personal Services	172,000	172,000	108,318	63,682
Total Expenditures	<u>172,000</u>	<u>172,000</u>	<u>108,318</u>	<u>63,682</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(79,000)	(74,116)	(5,166)	68,950
<b>Other Financing Sources (Uses):</b>				
Transfers In	7,000	6,643	7,000	357
Total Other Financing Sources (Uses)	<u>7,000</u>	<u>6,643</u>	<u>7,000</u>	<u>357</u>
Net Changes in Fund Balance	(72,000)	(67,473)	1,834	69,307
Fund Balance at Beginning of Year	4,047	4,047	4,047	0
Fund Balance at End of Year	<u>\$ (67,953)</u>	<u>\$ (63,426)</u>	<u>\$ 5,881</u>	<u>\$ 69,307</u>

**CITY OF SHARONVILLE, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2003***

**TERMINATION BENEFITS FUND**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>				
General Government:				
Miscellaneous Financing Department:				
Personal Services	380,000	380,000	0	380,000
Total Expenditures	380,000	380,000	0	380,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(380,000)	(380,000)	0	380,000
<b>Other Financing Sources (Uses):</b>				
Transfers In	87,500	86,400	86,400	0
Total Other Financing Sources (Uses)	87,500	86,400	86,400	0
Net Changes in Fund Balance	(292,500)	(293,600)	86,400	380,000
Fund Balance at Beginning of Year	300,843	300,843	300,843	0
Fund Balance at End of Year	\$ 8,343	\$ 7,243	\$ 387,243	\$ 380,000

**CITY OF SHARONVILLE, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Debt Service Funds  
For the Year Ended December 31, 2003**

**NOTE DEBT RETIREMENT FUND**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 3,422,760	\$ 183,545	\$ 183,545	\$ 0
Investment Earnings	17,240	17,240	17,239	(1)
Total Revenues	<u>3,440,000</u>	<u>200,785</u>	<u>200,784</u>	<u>(1)</u>
<b>Expenditures:</b>				
General Government:				
Miscellaneous Financing Department:				
Contractual Services	5,000	5,000	0	5,000
Total General Government	<u>5,000</u>	<u>5,000</u>	<u>0</u>	<u>5,000</u>
Debt Service:				
Principal Retirement	4,000,000	4,000,000	495,000	3,505,000
Interest Charges	995,000	995,000	375,128	619,872
Total Debt Service	<u>4,995,000</u>	<u>4,995,000</u>	<u>870,128</u>	<u>4,124,872</u>
Total Expenditures	<u>5,000,000</u>	<u>5,000,000</u>	<u>870,128</u>	<u>4,129,872</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,560,000)	(4,799,215)	(669,344)	4,129,871
<b>Other Financing Sources (Uses):</b>				
Transfers In	3,800,000	410,000	410,000	0
Total Other Financing Sources (Uses)	<u>3,800,000</u>	<u>410,000</u>	<u>410,000</u>	<u>0</u>
Net Change in Fund Balance	2,240,000	(4,389,215)	(259,344)	4,129,871
Fund Balance at Beginning of Year	90,048	90,048	90,048	0
Fund Balance at End of Year	<u>\$ 2,330,048</u>	<u>\$ (4,299,167)</u>	<u>\$ (169,296)</u>	<u>\$ 4,129,871</u>

**CITY OF SHARONVILLE, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Debt Service Funds  
For the Year Ended December 31, 2003**

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**SPECIAL ASSESSMENT RETIREMENT FUND**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Special Assessments	<u>\$ 1,200</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Revenues	<u>1,200</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Expenditures:</b>				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,200	0	0	0
Fund Balance at Beginning of Year	<u>31,706</u>	<u>31,706</u>	<u>31,706</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 32,906</u></u>	<u><u>\$ 31,706</u></u>	<u><u>\$ 31,706</u></u>	<u><u>\$ 0</u></u>

**CITY OF SHARONVILLE, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Debt Service Funds  
For the Year Ended December 31, 2003***

**CRYSTALVIEW WIDENING FUND**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Special Assessments	\$ 14,000	\$ 21,087	\$ 21,087	\$ 0
Total Revenues	<u>14,000</u>	<u>21,087</u>	<u>21,087</u>	<u>0</u>
<b>Expenditures:</b>				
General Government:				
Miscellaneous Financing Department:				
Contractual Services	0	834	834	0
Total General Government	<u>0</u>	<u>834</u>	<u>834</u>	<u>0</u>
Debt Service:				
Principal Retirement	17,500	17,500	10,000	7,500
Interest Charges	2,500	2,000	975	1,025
Total Debt Service	<u>20,000</u>	<u>19,500</u>	<u>10,975</u>	<u>8,525</u>
Total Expenditures	<u>20,000</u>	<u>20,334</u>	<u>11,809</u>	<u>8,525</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,000)	753	9,278	8,525
Fund Balance at Beginning of Year	<u>22,334</u>	<u>22,334</u>	<u>22,334</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 16,334</u>	<u>\$ 23,087</u>	<u>\$ 31,612</u>	<u>\$ 8,525</u>

**CITY OF SHARONVILLE, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Debt Service Funds  
For the Year Ended December 31, 2003**

**ZIND LANE SEWER FUND**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Special Assessments	\$ 9,000	\$ 8,815	\$ 8,815	\$ 0
Total Revenues	<u>9,000</u>	<u>8,815</u>	<u>8,815</u>	<u>0</u>
<b>Expenditures:</b>				
General Government:				
Miscellaneous Financing Department:				
Contractual Services	300	300	258	42
Total General Government	<u>300</u>	<u>300</u>	<u>258</u>	<u>42</u>
Debt Service:				
Principal Retirement	6,900	6,900	5,000	1,900
Interest Charges	2,000	2,000	1,600	400
Total Debt Service	<u>8,900</u>	<u>8,900</u>	<u>6,600</u>	<u>2,300</u>
Total Expenditures	<u>9,200</u>	<u>9,200</u>	<u>6,858</u>	<u>2,342</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(200)	(385)	1,957	2,342
Fund Balance at Beginning of Year	3,685	3,685	3,685	0
Fund Balance at End of Year	<u>\$ 3,485</u>	<u>\$ 3,300</u>	<u>\$ 5,642</u>	<u>\$ 2,342</u>

**CITY OF SHARONVILLE, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Debt Service Funds  
For the Year Ended December 31, 2003***

**CROWNE POINT DRIVE FUND**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Investment Earnings	\$ 2,000	\$ 2,393	\$ 2,397	\$ 4
Special Assessments	103,000	90,119	90,285	166
Total Revenues	<u>105,000</u>	<u>92,512</u>	<u>92,682</u>	<u>170</u>
<b>Expenditures:</b>				
General Government:				
Miscellaneous Financing Department:				
Contractual Services	2,900	2,900	2,630	270
Total General Government	<u>2,900</u>	<u>2,900</u>	<u>2,630</u>	<u>270</u>
Debt Service:				
Principal Retirement	160,100	160,100	55,000	105,100
Interest Charges	37,000	37,000	32,655	4,345
Total Debt Service	<u>197,100</u>	<u>197,100</u>	<u>87,655</u>	<u>109,445</u>
Total Expenditures	<u>200,000</u>	<u>200,000</u>	<u>90,285</u>	<u>109,715</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(95,000)	(107,488)	2,397	109,885
Fund Balance at Beginning of Year	<u>364,781</u>	<u>364,781</u>	<u>364,781</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 269,781</u>	<u>\$ 257,293</u>	<u>\$ 367,178</u>	<u>\$ 109,885</u>

**CITY OF SHARONVILLE, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2003**

<b>CAPITAL IMPROVEMENT ISSUE II FUND</b>				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 2,400,000	\$ 1,045,437	\$ 1,045,437	\$ 0
Total Revenues	<u>2,400,000</u>	<u>1,045,437</u>	<u>1,045,437</u>	<u>0</u>
<b>Expenditures:</b>				
Capital Outlay	<u>273,000</u>	<u>4,081,527</u>	<u>2,537,968</u>	<u>1,543,559</u>
Debt Service:				
Principal Retirement	0	1,590,000	1,590,000	0
Interest Charges	<u>0</u>	<u>87,722</u>	<u>105,855</u>	<u>(18,133)</u>
Total Debt Service	<u>0</u>	<u>1,677,722</u>	<u>1,695,855</u>	<u>(18,133)</u>
Total Expenditures	<u>273,000</u>	<u>5,759,249</u>	<u>4,233,823</u>	<u>1,525,426</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,127,000	(4,713,812)	(3,188,386)	1,525,426
<b>Other Financing Sources (Uses):</b>				
General Obligation Bonds Issued	<u>0</u>	<u>1,525,547</u>	<u>1,525,547</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>1,525,547</u>	<u>1,525,547</u>	<u>0</u>
Net Change in Fund Balance	2,127,000	(3,188,265)	(1,662,839)	1,525,426
Fund Balance at Beginning of Year	273,459	273,459	273,459	0
Prior Year Encumbrances	<u>2,637,883</u>	<u>2,637,883</u>	<u>2,637,883</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 5,038,342</u>	<u>\$ (276,923)</u>	<u>\$ 1,248,503</u>	<u>\$ 1,525,426</u>

**CITY OF SHARONVILLE, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2003**

<b>CAPITAL IMPROVEMENT ISSUE II-B FUND</b>				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>				
Capital Outlay	0	37,727	0	37,727
Debt Service:				
Principal Retirement	0	985,250	985,000	250
Interest Charges	0	36,683	43,667	(6,984)
Total Debt Service	0	1,021,933	1,028,667	(6,734)
Total Expenditures	0	1,059,660	1,028,667	30,993
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(1,059,660)	(1,028,667)	30,993
<b>Other Financing Sources (Uses):</b>				
General Obligation Bonds Issued	0	508,497	508,497	0
Transfers In	35,500	38,000	38,000	0
Total Other Financing Sources (Uses)	35,500	546,497	546,497	0
Net Change in Fund Balance	35,500	(513,163)	(482,170)	30,993
Fund Balance at Beginning of Year	437,717	437,717	437,717	0
Prior Year Encumbrances	37,727	37,727	37,727	0
Fund Balance at End of Year	\$ 510,944	\$ (37,719)	\$ (6,726)	\$ 30,993



***Fiduciary Funds***

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Fiduciary fund types are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

***Agency Funds***

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**Mayor's Court Fund**

To account for funds that flow through the Mayor's Court.

**Employee Benefits Fund**

To account for funds related to the IRS 125 Employee Benefits Plan.

**Tax Rebate Fund**

To account for funds being claimed by taxpayers for over-payment of taxes.

**Ohio Board of Building Standards Fund**

To account for funds from the three percent (3%) fees as required by Ohio Revised Code.

**Tax Rebate 1.5% Fund**

To account for funds being claimed by taxpayers for over-payment of taxes at the 1.5% tax rate.

**Warranty Bond Fund**

To account for funds used to finance urgent repairs to shopping center development.

**CITY OF SHARONVILLE, OHIO**

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**Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Year Ended December 31, 2003**

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	Balance December 31, 2002	Additions	Deductions	Balance December 31, 2003
<u>Mayor's Court Fund</u>				
Assets:				
Cash and Cash Equivalents	\$12,092	\$466,314	(\$433,402)	\$45,004
Total Assets	<u>\$12,092</u>	<u>\$466,314</u>	<u>(\$433,402)</u>	<u>\$45,004</u>
Liabilities:				
Due to Others	\$12,092	\$466,314	(\$433,402)	\$45,004
Total Liabilities	<u>\$12,092</u>	<u>\$466,314</u>	<u>(\$433,402)</u>	<u>\$45,004</u>
<u>Employee Benefits Fund</u>				
Assets:				
Cash and Cash Equivalents	\$214,062	\$147,775	(\$128,171)	\$233,666
Total Assets	<u>\$214,062</u>	<u>\$147,775</u>	<u>(\$128,171)</u>	<u>\$233,666</u>
Liabilities:				
Due to Others	\$214,062	\$147,775	(\$128,171)	\$233,666
Total Liabilities	<u>\$214,062</u>	<u>\$147,775</u>	<u>(\$128,171)</u>	<u>\$233,666</u>
<u>Tax Rebate Fund</u>				
Assets:				
Cash and Cash Equivalents	\$199,785	\$0	(\$97,804)	\$101,981
Total Assets	<u>\$199,785</u>	<u>\$0</u>	<u>(\$97,804)</u>	<u>\$101,981</u>
Liabilities:				
Due to Others	\$199,785	\$0	(\$97,804)	\$101,981
Total Liabilities	<u>\$199,785</u>	<u>\$0</u>	<u>(\$97,804)</u>	<u>\$101,981</u>
<u>Ohio Board of Building Standards Fund</u>				
Assets:				
Cash and Cash Equivalents	\$360	\$3,027	(\$3,197)	\$190
Total Assets	<u>\$360</u>	<u>\$3,027</u>	<u>(\$3,197)</u>	<u>\$190</u>
Liabilities:				
Intergovernmental Payables	\$360	\$3,027	(\$3,197)	\$190
Total Liabilities	<u>\$360</u>	<u>\$3,027</u>	<u>(\$3,197)</u>	<u>\$190</u>

**CITY OF SHARONVILLE, OHIO**

	Balance December 31, 2002	Additions	Deductions	Balance December 31, 2003
<u>Tax Rebate 1.5% Fund</u>				
Assets:				
Cash and Cash Equivalents	\$723,717	\$985,166	(\$498,877)	\$1,210,006
Total Assets	<u>\$723,717</u>	<u>\$985,166</u>	<u>(\$498,877)</u>	<u>\$1,210,006</u>
Liabilities:				
Due to Others	\$723,717	\$985,166	(\$498,877)	\$1,210,006
Total Liabilities	<u>\$723,717</u>	<u>\$985,166</u>	<u>(\$498,877)</u>	<u>\$1,210,006</u>
<u>Warranty Bond Fund</u>				
Assets:				
Cash and Cash Equivalents	\$7,758	\$0	\$0	\$7,758
Total Assets	<u>\$7,758</u>	<u>\$0</u>	<u>\$0</u>	<u>\$7,758</u>
Liabilities:				
Due to Others	\$7,758	\$0	\$0	\$7,758
Total Liabilities	<u>\$7,758</u>	<u>\$0</u>	<u>\$0</u>	<u>\$7,758</u>
<u>Totals - All Agency Funds</u>				
Assets:				
Cash and Cash Equivalents	\$1,157,774	\$1,602,282	(\$1,161,451)	\$1,598,605
Total Assets	<u>\$1,157,774</u>	<u>\$1,602,282</u>	<u>(\$1,161,451)</u>	<u>\$1,598,605</u>
Liabilities:				
Intergovernmental Payables	\$360	\$3,027	(\$3,197)	\$190
Due to Others	1,157,414	1,599,255	(1,158,254)	1,598,415
Total Liabilities	<u>\$1,157,774</u>	<u>\$1,602,282</u>	<u>(\$1,161,451)</u>	<u>\$1,598,605</u>

*CAPITAL ASSETS USED IN THE  
OPERATION OF GOVERNMENTAL FUNDS*

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***CITY OF SHARONVILLE, OHIO***

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***Capital Assets Used in the Operation of Governmental Funds  
Schedule by Source  
December 31, 2003***

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Capital Assets:

Land	\$4,060,211
Construction in Progress	797,017
Land Improvements	3,370,973
Buildings and Improvements	11,384,534
Infrastructure	13,158,593
Machinery and Equipment	1,330,643
Vehicles	3,157,599
Total Capital Assets	<u>\$37,259,570</u>

Investment in Capital Assets:

Special Revenue Funds	18,167,584
Capital Project Funds	19,091,986
Total Investment in Capital Assets	<u>\$37,259,570</u>

**CITY OF SHARONVILLE, OHIO**

**Capital Assets Used in the Operation of Governmental Funds  
Schedule by Function and Activity  
December 31, 2003**

<u>Function and Activity</u>	<u>Land</u>	<u>Construction in Progress</u>	<u>Land Improvements</u>	<u>Buildings and Improvements</u>
<u>Security of Persons and Property:</u>				
Police Department	\$0	\$0	\$0	\$0
Fire Department	2,000,000	0	18,068	0
Total	2,000,000	0	18,068	0
<u>Public Health and Welfare Services:</u>				
Health Department	0	0	0	0
<u>Leisure Time Activities:</u>				
Recreation Centers	0	0	162,328	70,096
Recreation Parks and Programs	0	0	1,830,531	0
Recreation Pools	0	797,017	256,598	0
Total	0	797,017	2,249,457	70,096
<u>Community Environment:</u>				
Building and Planning	0	0	0	0
<u>Transportation:</u>				
Street Construction and Reconstruction	0	0	385,018	87,275
Street Maintenance and Repairs	0	0	57,390	0
Traffic Signs and Signals	0	0	0	0
Total	0	0	442,408	87,275
<u>General Government:</u>				
Council	0	0	63,231	0
Auditor and Treasurer	0	0	0	0
Safety/Service Director	0	0	0	0
Tax Department	707,840	0	492,160	14,500
Buildings and Lands	1,352,371	0	105,649	11,212,663
Miscellaneous Government	0	0	0	0
Total	2,060,211	0	661,040	11,227,163
Total Capital Assets	\$4,060,211	\$797,017	\$3,370,973	\$11,384,534

**CITY OF SHARONVILLE, OHIO**

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<u>Infrastructure</u>	<u>Machinery and Equipment</u>	<u>Vehicles</u>	<u>Total</u>
\$0	\$337,009	\$456,977	\$793,986
139,525	356,059	1,965,498	4,479,150
<u>139,525</u>	<u>693,068</u>	<u>2,422,475</u>	<u>5,273,136</u>
0	0	41,461	41,461
0	150,219	17,392	400,035
0	176,382	14,844	2,021,757
0	0	0	1,053,615
<u>0</u>	<u>326,601</u>	<u>32,236</u>	<u>3,475,407</u>
0	25,479	59,630	85,109
10,533,778	14,999	0	11,021,070
446,549	182,950	601,797	1,288,686
1,378,678	0	0	1,378,678
<u>12,359,005</u>	<u>197,949</u>	<u>601,797</u>	<u>13,688,434</u>
0	0	0	63,231
0	7,290	0	7,290
0	31,794	0	31,794
0	35,043	0	1,249,543
660,063	7,312	0	13,338,058
0	6,107	0	6,107
<u>660,063</u>	<u>87,546</u>	<u>0</u>	<u>14,696,023</u>
<u>\$13,158,593</u>	<u>\$1,330,643</u>	<u>\$3,157,599</u>	<u>\$37,259,570</u>

**CITY OF SHARONVILLE, OHIO**

***Capital Assets Used in the Operation of Governmental Funds  
Schedule Changes by Function and Activity  
For Year Ended December 31, 2003***

Function and Activity	Restated December 31, 2002	Additions	Deletions	December 31, 2003
<u>Security of Persons and Property:</u>				
Police Department	\$851,485	\$102,781	(\$160,280)	\$793,986
Fire Department	2,536,561	2,293,244	(350,655)	4,479,150
Total	3,388,046	2,396,025	(510,935)	5,273,136
<u>Public Health and Welfare Services:</u>				
Health Department	41,461	0	0	41,461
<u>Leisure Time Activities:</u>				
Recreation Centers	312,547	87,488	0	400,035
Recreation Parks and Programs	2,010,362	11,395	0	2,021,757
Recreation Pools	256,598	797,017	0	1,053,615
Total	2,579,507	895,900	0	3,475,407
<u>Community Environment:</u>				
Building and Planning	59,630	25,479	0	85,109
<u>Transportation:</u>				
Street Construction and Reconstruction	9,854,725	1,166,345	0	11,021,070
Street Maintenance and Repairs	1,196,086	203,552	(110,952)	1,288,686
Traffic Signs and Signals	1,404,567	0	(25,889)	1,378,678
Total	12,455,378	1,369,897	(136,841)	13,688,434
<u>General Government:</u>				
Council	63,231	0	0	63,231
Auditor and Treasurer	7,290	0	0	7,290
Safety/Service Director	31,794	0	0	31,794
Tax Department	1,235,043	14,500	0	1,249,543
Buildings and Lands	13,294,800	43,258	0	13,338,058
Miscellaneous Government	0	6,107	0	6,107
Total	14,632,158	63,865	0	14,696,023
Total Capital Assets	\$33,156,180	\$4,751,166	(\$647,776)	\$37,259,570

*STATISTICAL SECTION*

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*STATISTICAL TABLES*

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*THE FOLLOWING UNAUDITED STATISTICAL TABLES REFLECT SOCIAL AND ECONOMIC DATA, FINANCIAL TRENDS AND FISCAL CAPACITY OF THE CITY.*

**CITY OF SHARONVILLE, OHIO**

**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)  
LAST TEN YEARS**

Year	Security of Persons and Property	Public Health and Welfare Services	Leisure Time Activities	Community Environment	Basic Utility Services	Trans- portation	General Government	Capital Outlay	Debt Service	Total
1994	\$3,860,264	\$223,625	\$897,642	\$227,115	\$371,122	\$819,031	\$1,477,424	\$0	\$34,539	\$7,910,762
1995	4,051,415	231,742	952,818	234,773	373,779	853,366	1,579,531	0	154,538	8,431,962
1996	4,417,217	229,020	1,014,932	257,879	388,789	943,395	1,573,877	1,317	150,061	8,976,487
1997	4,474,983	275,781	1,202,054	264,100	450,404	853,156	1,653,086	0	142,032	9,315,596
1998	5,093,379	262,059	1,674,967	300,773	480,728	843,890	1,761,829	0	141,231	10,558,856
1999	5,559,558	301,332	1,877,362	363,099	440,941	948,442	1,988,902	0	131,725	11,611,361
2000	6,270,707	267,266	2,059,204	369,457	377,154	1,043,682	2,273,330	0	125,325	12,786,125
2001	6,470,013	285,270	2,249,929	498,626	452,286	1,049,109	2,370,029	359,338	603,832	14,338,432
2002	7,695,278	306,549	2,403,827	451,860	440,747	1,143,510	2,811,164	225,086	613,923	16,091,944
2003	9,300,676	325,916	2,566,192	477,303	468,046	1,283,222	3,004,275	9,703,256	4,245,251	31,374,137

(1) Includes General Fund, Special Revenue Funds and Debt Service Funds.  
Beginning in 2003, includes all Governmental Funds.

**CITY OF SHARONVILLE, OHIO**

**GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)  
LAST TEN YEARS**

<b>Year</b>	<b>Taxes</b>	<b>Inter-Governmental Revenues</b>	<b>Charges for Services</b>	<b>Licenses and Permits</b>	<b>Investment Earnings</b>	<b>Fines and Forfeitures</b>	<b>All Other (2)</b>	<b>Total</b>
1994	\$8,926,632	\$979,772	\$265,297	\$268,654	\$155,435	\$332,063	\$99,026	\$11,026,879
1995	9,277,226	1,072,444	222,616	312,967	217,164	312,735	208,387	11,623,539
1996	9,840,779	1,290,898	263,544	312,974	433,439	244,414	230,419	12,616,467
1997	10,898,331	1,455,331	467,074	462,675	331,454	282,467	244,400	14,141,732
1998	11,835,106	1,606,545	520,103	416,184	371,316	323,564	387,812	15,460,630
1999	12,536,287	1,589,480	611,785	460,931	306,889	337,461	452,284	16,295,117
2000	12,425,983	1,647,913	572,830	388,794	602,311	304,409	547,732	16,489,972
2001	12,472,396	2,039,196	637,937	403,317	438,603	285,793	495,090	16,772,332
2002	17,366,445	2,172,722	643,529	389,235	237,410	371,820	444,031	21,625,192
2003	18,706,607	3,265,709	688,258	360,900	193,374	387,486	324,615	23,926,949

(1) Includes General Fund, Special Revenue Funds and Debt Service Funds Beginning in 2003, includes all Governmental Funds.

(2) Special Assessments are included in All Other.

**CITY OF SHARONVILLE, OHIO**

**ASSESSED VALUATIONS AND ESTIMATED TRUE VALUES  
OF TAXABLE PROPERTY  
LAST TEN YEARS**

Tax Year	Real Property		Public Utility Personal		Tangible Personal Property		Total		Assessed Value as a Percent of Actual Value
	Assessed	Actual	Assessed	Actual	Assessed	Actual	Assessed	Actual	
1994	\$297,383,590	\$849,667,400	\$28,189,980	\$28,189,980	\$116,433,860	\$465,735,440	\$442,007,430	\$1,343,592,820	32.90%
1995	296,001,440	845,718,400	21,671,870	21,671,870	123,215,600	492,862,400	440,888,910	1,360,252,670	32.41%
1996	302,546,200	864,417,714	20,973,910	20,973,910	123,215,600	492,862,400	446,735,710	1,378,254,024	32.41%
1997	308,283,160	880,809,029	21,363,860	21,363,860	150,362,620	601,450,480	480,009,640	1,503,623,369	31.92%
1998	314,394,230	898,269,229	21,560,980	21,560,980	150,362,620	601,450,480	486,317,830	1,521,280,689	31.97%
1999	357,587,450	1,021,678,429	20,527,420	20,527,420	164,804,000	659,216,000	542,918,870	1,701,421,849	31.91%
2000	362,810,770	1,036,602,200	19,325,480	19,325,480	173,640,490	694,561,960	555,776,740	1,750,489,640	31.75%
2001	363,664,250	1,039,040,714	15,281,190	15,281,190	172,458,180	689,832,720	551,403,620	1,744,154,624	31.61%
2002	394,152,060	1,126,148,743	19,470,040	19,470,040	167,088,600	668,354,400	580,710,700	1,813,973,183	32.01%
2003	391,176,340	1,117,646,686	20,261,600	20,261,600	151,780,620	607,122,480	563,218,560	1,745,030,766	32.28%

Source: Hamilton County, Ohio: County Auditor

# CITY OF SHARONVILLE, OHIO

## PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS (PER \$1,000 OF ASSESSED VALUATIONS) LAST TEN YEARS

Collection Year	City of Sharonville			Princeton * Sycamore ** School District	Hamilton County	Special Taxing Districts	Total
	General Fund	Debt Service Fund	Total				
1994	0.00	0.00	0	42.24 *	18.30	2.70	63.24 *
1995	0.00	0.00	0	54.14 **	18.30	2.70	75.14 **
1996	0.00	0.00	0	42.24 *	19.44	2.70	63.24 *
1997	0.00	0.00	0	54.14 **	19.44	2.70	75.14 **
1998	0.00	0.00	0	42.24 *	19.01	2.70	64.38 *
1999	0.00	0.00	0	54.14 **	19.54	2.70	76.28 **
2000	0.00	0.00	0	42.24 *	20.83	2.70	63.95 *
2001	0.00	0.00	0	61.53 **	19.92	2.70	75.85 **
2002	0.00	0.00	0	46.19 *	21.47	2.70	64.48 *
2003	0.00	0.00	0	60.84 **	21.87	2.70	83.77 **
				46.19 *			69.72 *
				60.84 **			84.37 **
				46.19 *			68.81 *
				60.84 **			83.46 **
				46.19 *			70.36 *
				60.84 **			85.01 **
				45.79 *			70.36 *
				60.49 **			85.06 **

Source: Hamilton County, Ohio: County Auditor

**CITY OF SHARONVILLE, OHIO**

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**SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS  
LAST TEN YEARS**

<b>Collection Year</b>	<b>Amount Billed</b>	<b>Amount Collected</b>	<b>Percent Collected</b>
1994	\$158,344	\$157,652	99.56%
1995	154,424	155,200	100.50%
1996	151,935	150,725	99.20%
1997	148,227	146,601	98.90%
1998	145,227	128,314	88.35%
1999	173,986	143,607	82.54%
2000	163,165	162,027	99.30%
2001	127,193	125,560	98.72%
2002	127,800	123,924	96.97%
2003	108,950	108,950	100.00%

These figures represent amounts certified to and collected by the Hamilton County Auditor.

Source: Hamilton County, Ohio: County Auditor

**CITY OF SHARONVILLE, OHIO**

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**COMPUTATION OF 5-1/2 % LEGAL DEBT MARGIN  
DECEMBER 31, 2003**

Assessed Value		<u>\$563,218,560</u>
Unvoted Debt Limit 5-1/2% Assessed Value		\$30,977,021
Total Unvoted Debt Outstanding at December 31, 2003	18,645,000	
Less: Exempt Debt Special Assessment Bonds Issued in Anticipation of the Collection of Special Assessments	<u>(425,000)</u>	
	18,220,000	
		<u>169,296</u>
Less: Note Debt Retirement Fund Balance		
Net Subject to 5-1/2% Limitation		<u>18,389,296</u>
Legal Debt Margin within 5-1/2% Limitation		<u>\$49,366,317</u>

**CITY OF SHARONVILLE, OHIO**

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**COMPUTATION OF 10-1/2 % LEGAL DEBT MARGIN  
DECEMBER 31, 2003**

Assessed Value		<u>\$563,218,560</u>
Voted and Unvoted Debt Limit 10-1/2% Assessed Value		\$59,137,949
Total Voted and Unvoted Debt Outstanding at December 31, 2003	18,645,000	
Less: Exempt Debt Special Assessment Bonds Issued in Anticipation of the Collection of Special Assessments	<u>(425,000)</u>	
	Subtotal	<u>18,220,000</u>
Less: Bond Retirement Fund Balance	<u>169,296</u>	
Net Subject to 10-1/2% Limitation		<u>18,389,296</u>
Legal Debt Margin within 10-1/2% Limitation		<u>\$77,527,245</u>

**CITY OF SHARONVILLE, OHIO**

**RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED  
VALUE AND GENERAL OBLIGATION BONDED DEBT PER CAPITA  
LAST TEN YEARS**

<u>Year</u>	<u>Population (1)</u>	<u>Assessed Value (2)</u>	<u>Gross Bonded Debt (3)</u>	<u>Debt Service Funds Available</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Valuation</u>	<u>Net Bonded Debt Per Capita</u>
1994	11,312 (a)	\$442,007,430	\$0	\$240,664	\$0	0.00%	\$0.00
1995	11,312 (a)	440,888,910	0	266,754	0	0.00%	0.00
1996	11,312 (a)	446,735,710	0	290,098	0	0.00%	0.00
1997	11,312 (a)	480,009,640	6,000,000	320,153	5,679,847	1.18%	502.11
1998	11,312 (a)	486,317,830	5,805,000	335,242	5,469,758	1.12%	483.54
1999	11,312 (a)	542,918,870	5,605,000	381,677	5,223,323	0.96%	461.75
2000	13,926 (b)	555,776,740	5,395,000	412,882	4,982,118	0.90%	357.76
2001	13,926 (b)	551,403,620	5,175,000	342,838	4,832,162	0.88%	346.99
2002	13,926 (b)	580,710,700	4,950,000	90,048	4,859,952	0.84%	348.98
2003	13,926 (b)	563,218,560	18,220,000	0	18,220,000	3.23%	1,308.34

(1) Source: U.S. Bureau of Census of Population - (a) U.S. Bureau of Census Revision, March 18, 1992  
(b) U.S. Bureau of Census - Federal 2000 Census

(2) Source: Hamilton County, Ohio: County Auditor

(3) Annual debt charges are covenanted to be appropriated annually from lawfully available municipal income taxes.

**CITY OF SHARONVILLE, OHIO**

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES  
FOR GENERAL BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES  
LAST TEN YEARS**

<u>Year</u>	<u>Debt Principal</u>	<u>Interest and Fiscal Charges</u>	<u>Total Bonded Debt Service (1)</u>	<u>General Governmental (2) Expenditures (3)</u>	<u>Debt Service to General Governmental Expenditures</u>
1994	\$0	\$0	\$0	\$7,910,762	0.00%
1995	0	0	0	8,431,962	0.00%
1996	0	0	0	8,976,487	0.00%
1997	0	0	0	9,315,596	0.00%
1998	195,000	214,526	409,526	10,558,856	3.88%
1999	200,000	277,065	477,065	11,611,361	4.11%
2000	210,000	266,764	476,764	12,786,125	3.73%
2001	220,000	257,794	477,794	14,338,432	3.33%
2002	225,000	247,345	472,345	16,091,944	2.94%
2003	1,080,000	683,160	1,763,160	31,374,137	5.62%

- (1) Includes Debt Principal, Interest and Fiscal Charges.
- (2) Includes General Fund, Special Revenue Funds and Debt Service Funds.  
Beginning in 2003, includes all Governmental Funds.
- (3) Excludes Transfers-Out.

**CITY OF SHARONVILLE, OHIO**

**COMPUTATION OF ALL DIRECT AND OVERLAPPING  
GENERAL OBLIGATION DEBT  
DECEMBER 31, 2003**

<b>Jurisdiction</b>	<b>Net Debt Outstanding</b>	<b>Percentage Applicable to City of Sharonville (2)</b>	<b>Amount Applicable to City of Sharonville</b>
<b>Direct</b>			
City of Sharonville (1)	\$18,645,000	100.00%	\$18,645,000
<b>Overlapping Subdivisions</b>			
Princeton City School District	85,000,000	32.39%	27,531,500
Sycamore City School District	40,903,599	0.01%	4,090
Great Oaks Joint Vocational School District	6,240,000	3.68%	229,632
Hamilton County	124,900,000	3.07%	3,834,430
Butler County	85,848,000	0.60%	515,088
		Subtotal	32,114,740
		Total	\$50,759,740

The percentage of gross indebtedness of the city's overlapping political subdivisions was determined by dividing each overlapping subdivision's assessed value within the City by its total assessed value.

- (1) Annual debt charges are covenanted to be appropriated annually from lawfully available municipal income taxes.
- (2) Decimal places have been rounded to the nearest hundredth for presentation.

Source: Ohio Municipal Advisory Council.

**CITY OF SHARONVILLE, OHIO**

**DEMOGRAPHIC STATISTICS  
LAST TEN YEARS**

<u>Year</u>	<u>Population (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate Cincinnati Metropolitan Area (3)</u>
1994	11,312 (a)	6,821	4.4%
1995	11,312 (a)	6,903	4.2%
1996	11,312 (a)	6,734	4.5%
1997	11,312 (a)	6,718	3.6%
1998	11,312 (a)	6,717	3.4%
1999	11,312 (a)	6,577	3.4%
2000	13,926 (b)	6,406	3.8%
2001	13,926 (b)	6,139	3.9%
2002	13,926 (b)	6,318	4.7%
2003	13,926 (b)	6,319	5.1%

(1) Source: U.S. Bureau of Census of Population - (a) U.S. Bureau of Census Revision, March 18, 1992  
(b) U.S. Bureau of Census - Federal 2000 Census

(2) Source: Princeton City School District, Board of Education

(3) Source: Greater Cincinnati Chamber of Commerce.

**CITY OF SHARONVILLE, OHIO**

**PROPERTY VALUE AND CONSTRUCTION PERMITS  
LAST TEN YEARS**

Year	Residential (1)		Commercial (1)	
	Number of Permits	Property Value	Number of Permits	Property Value
1994	274	\$2,859,008	265	\$14,146,585
1995	336	4,327,256	212	12,892,717
1996	276	2,047,341	294	26,477,846
1997	283	1,528,169	293	33,629,716
1998	248	1,501,566	284	34,766,818
1999	243	1,208,481	293	31,823,962
2000	218	2,703,125	264	28,808,876
2001	235	4,391,484	252	18,447,490
2002	263	6,508,442	225	21,463,564
2003	233	3,356,257	171	14,832,836

(1) Source: City of Sharonville Building and Planning Department.

**CITY OF SHARONVILLE, OHIO**

**PRINCIPAL TAXPAYERS (INCOME TAX)  
DECEMBER 31, 2003**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Amount of Tax Paid in 2003</u>
1. Ford Motor Company	Auto Parts Manufacturing	\$3,134,500
2. United States Postal Service	Bulk Mail Processing	741,250
3. Princeton City School District	Public Education	432,250
4. United Parcel Service	Bulk Package Processing	343,500
5. Arinso International/Johnson Diversey	Health and Beauty Products	282,000
6. X-TEK Incorporated	Steel Fabrication	237,000
7. General Mills	Cereal Manufacturing	206,500
8. Great Oaks Joint Vocational School	Public Education	178,500
9. Champion Companies	Manufacturing	171,750
10. City of Sharonville	Municipal Government	158,500
	Total	<u>\$5,885,750</u>

Source: City of Sharonville Auditor and Treasurer Department.

**CITY OF SHARONVILLE, OHIO**

**PRINCIPAL EMPLOYERS  
DECEMBER 31, 2003**

<b>Employer</b>	<b>Type of Business</b>	<b>Number of Employees *</b>
1. Ford Motor Company	Auto Parts Manufacturing	2,885
2. United States Postal Service	Bulk Mail Processing	1,535
3. United Parcel Service	Bulk Package Processing	1,108
4. Princeton City School District	Public Education	849
5. Champion Companies	Manufacturing	538
6. Arinso International/Johnson Diversey	Health and Beauty Products	411
7. City of Sharonville	Municipal Government	411
8. X-TEK Incorporated	Steel Fabrication	269
9. General Mills	Cereal Manufacturing	264
10. Great Oaks Joint Vocational School	Public Education	232

\* Number of employees within 2003

Source: City of Sharonville Building and Planning Department.

**MISCELLANEOUS STATISTICS  
DECEMBER 31, 2003**

Year of Incorporation	1962		
Form of Government	Mayor-Council		
Recreation and Culture:		Area - square miles	10
Number of Parks	5	Miles of Streets	134
Park Acreage	35	Number of Street Lights	935
Number of Ball Fields	17		
Number of Tennis Courts	5	Fire Protection:	
		Number of Stations	3
Cemeteries:		Number of Full-time Fire Personnel and Officers	44
Number of Cemeteries	3	Number of Part-time Fire Personnel and Officers	30
Cemetery Acreage	2	Number of Calls Answered	2,658
		Number of Inspections Conducted	1,342
Building Permits Issued in 2003	404		
Number of Libraries	1	Police Protection:	
		Number of Stations	4
		Number of Police Personnel and Officers	49
Education:		Number of Patrol Units	12
Number of Elementary Schools	3	Number of Law Violations:	
Number of Elementary School Students	1,248	Criminal/Juvenile Citations and Charges	1,182
Number of Secondary Schools	2	Traffic Citations Issued	4,591
Number of Secondary School Students	2,929		

SOURCE: Finance Office, City of Sharonville



**Auditor of State  
Betty Montgomery**

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**CITY OF SHARONVILLE**

**HAMILTON COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
OCTOBER 12, 2004**