



**Auditor of State
Betty Montgomery**

**CITY OF SHARONVILLE
HAMILTON COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountant's Report..... (Under Separate Cover)	
Comprehensive Annual Financial Report (Under Separate Cover)	
Independent Accountants' Report on Compliance and Internal Control Required by Government Auditing Standards.....	1
Schedule of Findings.....	3

This page intentionally left blank.



**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 City Council:

We have audited the basic financial statements of the City of Sharonville, Hamilton County, Ohio (the City), as of and for the fiscal year ended December 31, 2002, and have issued our report thereon dated June 20, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2002-001 and 2002-002. We also noted certain immaterial instances of noncompliance that we have reported to the management of the City in a separate letter dated June 20, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However we noted certain matters involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to the management of the City in a separate letter dated June 20, 2003.

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

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

Betty Montgomery
Auditor of State

June 20, 2003

**CITY OF SHARONVILLE
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2002**

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

FINDING NUMBER 2002-001

Material Noncompliance

Ohio Rev. Code, Section 5705.39, states that the total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditure therefrom, as certified by the budget commission. On June 30, 2002 and October 31, 2002 the City had appropriations that exceeded the estimated revenue for the following funds:

Fund [Fund Number]	Estimated Resources	Appropriations	Appropriations in Excess of Estimated Resources
Street Construction, Maintenance, & Repair [201]	\$1,174,144	\$1,295,530	\$121,386
FEMA [206]	119,359	129,580	10,221
COPS Grant [218]	108,282	290,000	181,718
Senior Citizen Housing [602]	244,352	312,400	68,048
Convention Center [605]	3,697,482	5,145,760	1,448,278

FINDING NUMBER 2002-002

Material Noncompliance

Ohio Rev. Code, Section 5705.41(B), prohibits a subdivision from making an expenditure unless it has been properly appropriated. On December 31, 2002, the City's disbursements plus encumbrances exceeded appropriations in the following funds:

Fund [Fund Number - Department - Object]	Appropriations	Actual Disbursements plus Encumbrances	Disbursements plus Encumbrances in Excess of Appropriations
Capital Improvement Issue II [402]	\$2,057,436	\$2,778,064	\$720,628
Capital Improvement Issue IIB [403]	\$935,902	\$1,544,487	\$608,585
General – Miscellaneous Financings – Supplies & Materials [100-900-57210]	6,946,600	7,156,557	209,957
COPS Grant – Police – Personal Services [218-110-51010]	102,500	115,288	12,788
Senior Citizen Housing – Senior Housing – Other/Transfers [602-420-57201]	8,000	40,000	32,000
Convention Center – Convention Center – Other [605-785-57201]	250	1,750	1,500

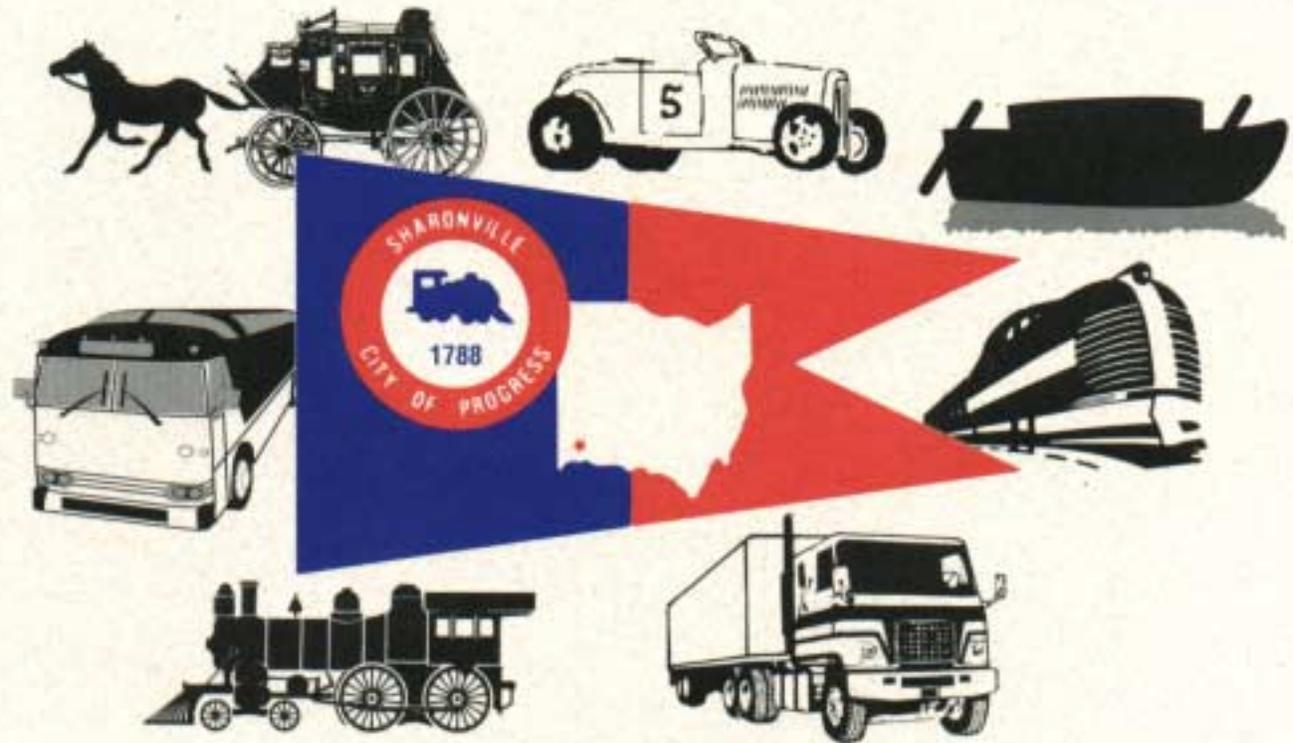
FINDING NUMBER 2002-002
(Continued)

The Auditor should deny payment requests exceeding appropriations. The Auditor may request Council to approve increased expenditure levels by increasing appropriations and amending estimated resources, if necessary.

CITY OF SHARONVILLE, OHIO

December 31, 2002
COMPREHENSIVE ANNUAL
FINANCIAL REPORT

City of Progress



City On The Move

THE CITY OF SHARONVILLE, OHIO

HAMILTON COUNTY

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2002

Prepared by:
Janet L. Barger
City Auditor

TABLE OF CONTENTS

CITY OF SHARONVILLE, OHIO HAMILTON COUNTY

I

INTRODUCTORY SECTION:

A	Letter of Transmittal	v
B	Elected Officials	xv
C	Administrative Personnel	xvii
D	City Organizational Chart	xix
E	Certificate of Achievement	xx

II

FINANCIAL SECTION:

A	REPORT OF INDEPENDENT ACCOUNTANTS	1
B	GENERAL PURPOSE FINANCIAL STATEMENTS	
	Combined Financial Statements - Overview	
	Combined Balance Sheet All Fund Types and Account Groups All Fund Types, Account Groups and Discretely Presented Component Unit	4
	Combined Statement of Revenues, Expenditures and Changes in Fund Balances All Governmental Fund Types and Expendable Trust Fund	7
	Combined Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual (Non-GAAP Budgetary Basis) All Governmental Fund Types and Expendable Trust Fund	8
	Combined Statement of Revenues, Expenses and Changes in Retained Earnings Proprietary Fund Type and Discretely Presented Component Unit	11
	Combined Statement of Cash Flows Proprietary Fund Type and Discretely Presented Component Unit	12
	Notes to the General Purpose Financial Statements	14

C	COMBINING AND INDIVIDUAL FUND AND ACCOUNT GROUP STATEMENTS AND SCHEDULES	
	General Fund	43
	Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis)	
	Special Revenue Funds	
	Combining Balance Sheet	50
	Combining Statement of Revenues, Expenditures and Changes in Fund Balances	53
	Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual (Non-GAAP Budgetary Basis)	
	Street Construction, Maintenance and Repair Fund	56
	State Highway Fund	57
	Federal Emergency Management Agency (FEMA) Fund	58
	State Health Licenses Fund	59
	Law Enforcement Trust Fund	60
	Drug Law Enforcement Fund	61
	DUI Education and Enforcement Fund	62
	Mayor's Court Computer Fund	63
	Clerk of Courts Computer Fund	64
	Law Enforcement Block Grant Fund	65
	Confinement Reimbursement Fund	66
	Community Oriented Policing Services (COPS) Grant Fund	67
	Termination Benefits Fund	68
	Fire Department Fund	69
	Debt Service Funds	
	Combining Balance Sheet	72
	Combining Statement of Revenues, Expenditures and Changes in Fund Balances	73

Debt Service Funds (Continued)Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Budgetary Basis)

Note Debt Retirement Fund	74
Special Assessment Retirement Fund	75
Crystalview Widening Fund	76
Zind Lane Sewer Fund	77
Crowne Point Drive Fund	78

Capital Projects Funds

Combining Balance Sheet	80
Combining Statement of Revenues, Expenditures And Changes in Fund Balances	81
Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual (Non-GAAP Budgetary Basis)	
Capital Improvement Fund	82
Capital Improvement Issue II Fund	83
Capital Improvement Issue II-B Fund	84

Enterprise Funds

Combining Balance Sheet	86
Combining Statement of Revenues, Expenses and Changes in Retained Earnings	87
Combining Statement of Cash Flows	88

Fiduciary Fund Type

Combining Balance Sheet	92
Combining Statement of Changes in Assets and Liabilities - Agency Funds	94

General Fixed Asset Account Group

Schedule of General Fixed Assets by Source	97
Schedule of General Fixed Assets by Category	98
Schedule of Changes in General Fixed Assets by Function and Activity	100

III**STATISTICAL SECTION**

General Governmental Expenditures by Function - Last Ten Years	102
General Governmental Revenues By Source - Last Ten Years	103
Assessed Valuations and Estimated True Values of Taxable Property - Last Ten Years	104
Property Tax Rates - Direct and Overlapping Governments - Last Ten Years	105
Special Assessment Billings and Collections - Last Ten Years	106
Computation of 5-1/2% Legal Debt Margin	107
Computation of 10-1/2% Legal Debt Margin	108
Ratio of Net General Obligation Bonded Debt to Assessed Value and General Obligation Bonded Debt Per Capita - Last Ten Years	109
Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Governmental Expenditures - Last Ten Years	110
Computation of All Direct and Overlapping General Obligation Debt	111
Demographic Statistics - Last Ten Years	112
Property Value and Construction Permits - Last Ten Years	113
Principal Taxpayers (Income Tax)	114
Principal Employers	115
Miscellaneous Statistics	116

INTRODUCTORY SECTION

City of Sharonville, Ohio

10900 Reading Road
Sharonville, Ohio 45241

Phone (513) 563-1144
Fax (513) 563-0617



June 30, 2003

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

We are pleased to submit the second Comprehensive Annual Financial Report for the City of Sharonville for the fiscal year ended December 31, 2002. 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 and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The 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 City's General Purpose Financial Statements and explanatory notes thereto, the combining and individual fund and account group financial statements and schedules and the Report of Independent Accountants.
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.

The Reporting Entity

The accompanying general purpose 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 39 full-time officers and 9 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.

The Fire Department is staffed 24 hours a day by 13 full-time, 18 part-time and 31 on-call firefighters. 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

Despite a slump in the nation's economic picture, two of the City's major employers, Ford Motor Company and Valley Asphalt have not experienced a downturn in their business. The Ford Motor Plant manufactures transmissions for a variety of vehicles, and as such, has not experienced the type of drop that may be experienced by a specific type of vehicle. In addition, Ford officials have approached City representatives about the installation of one or possibly two new transmission lines.

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, one motel site is undergoing a major renovation and another motel has recently opened.

The passage of the additional .5% earnings tax for the Fire Department has created an indirect economic cushion for the City. General funds that were previously designated for the Fire Department can now be allocated to the repayment of debt or held in reserve.

Major Initiatives

In January 2003, the City consolidated several of its existing debt obligations in order to obtain a lower interest rate of 3.93%. The refinancing will result in substantial savings in debt payments.

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.

Financial Information

Basis of Accounting

The accounting system of the City of Sharonville is organized on a "fund basis." Each fund or account group is a distinct, self-balancing accounting entity. For financial reporting purposes, the City uses the modified accrual basis of accounting for the Governmental, Expendable Trust 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 and account groups is fully described in Note 1 of the General Purpose 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 General Purpose 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.

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.

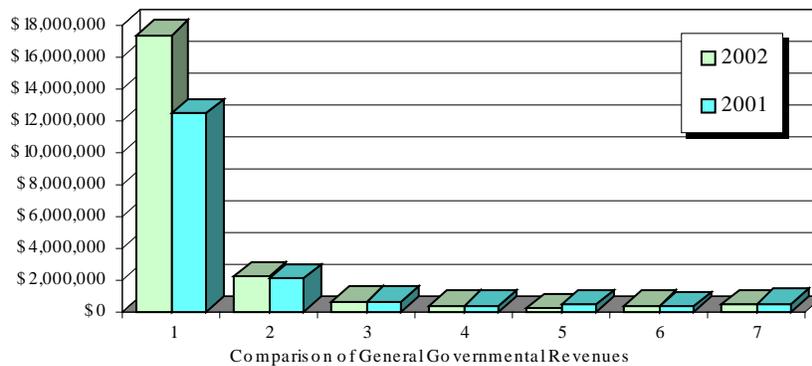
All funds other than the Community Improvement Corporation of Sharonville (CIC) and agency funds are included in the annual appropriated budget. The level of budgetary control (*i.e.*, the level at which expenditures can not legally exceed the appropriated amount) is at the fund level except for the 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.

General Governmental Revenues

The following schedule presents a comparison of general governmental (general, special revenue and debt service funds) revenues for the years ended December 31, 2001 and 2002:

Revenue Source	2002 Total	Percent of Total	2001 Total	Increase (Decrease) over 2001	Percent of Increase (Decrease)
1. Taxes	\$17,366,445	80.31%	\$12,472,396	\$4,894,049	39.24%
2. Intergovernmental Revenues	2,172,722	10.05%	2,039,196	133,526	6.55%
3. Charges for Services	643,529	2.98%	637,937	5,592	0.88%
4. Licenses and Permits	389,235	1.80%	403,317	(14,082)	(3.49%)
5. Investment Earnings	237,410	1.10%	438,603	(201,193)	(45.87%)
6. Fines and Forfeitures	371,820	1.72%	285,793	86,027	30.10%
7. All Other Revenues	444,031	2.04%	495,090	(51,059)	(10.31%)
Total	\$21,625,192	100.00%	\$16,772,332	\$4,852,860	



Total revenues increased by \$4,852,860 from 2001 to 2002. Intergovernmental revenues grew by \$133,526 from 2001 to 2002 due to increased motor vehicle tax collections and more Community Oriented Policing Services (COPS) grant monies being received by the City.

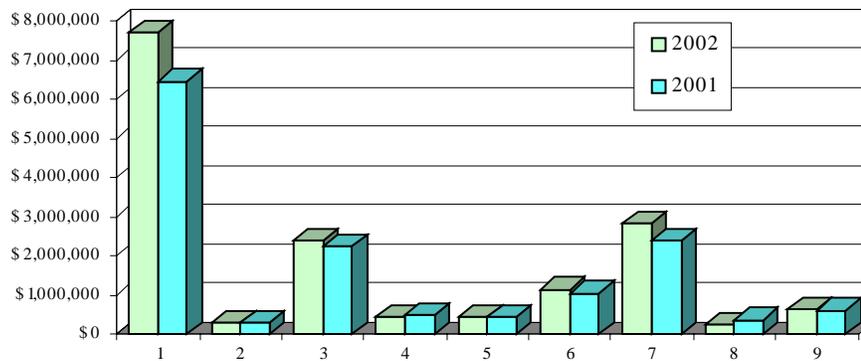
Investment earnings declined by 45.87% from 2001 to 2002, the largest decrease of any revenue source. The decrease resulted from declining investment yields in 2002. Fines and forfeitures jumped \$86,027, or 30.10%, as the City initiated the STEP traffic enforcement program in an attempt to protect motorists and workers on the many streets undergoing construction work.

The City's income tax continues to be its primary source of revenue. Revenues from the income tax rose from 2001 to 2002 as a result of a .50% increase in the earnings tax rate that was approved by voters during 2001. The income tax applies to all wages, salaries, commissions and other compensation paid by employers and/or the net proceeds from the operation of a business, profession or other enterprise activity. Income tax rates of cities within the State of Ohio are limited to a maximum of 1% unless specifically approved by a majority of the resident voters of the city.

General Governmental Expenditures

The following schedule presents a comparison of general governmental (general, special revenue and debt service funds) expenditures for the years ended December 31, 2001 and 2002:

Function	2002 Total	Percent of Total	2001 Total	Increase (Decrease) over 2001	Percent of Increase (Decrease)
1. Security of Persons & Property	\$7,695,278	47.82%	\$6,470,013	\$1,225,265	18.94%
2. Public Health & Welfare Services	306,549	1.90%	285,270	21,279	7.46%
3. Leisure Time Activities	2,403,827	14.94%	2,249,929	153,898	6.84%
4. Community Environment	451,860	2.81%	498,626	(46,766)	(9.38%)
5. Basic Utility Services	440,747	2.74%	452,286	(11,539)	(2.55%)
6. Transportation	1,143,510	7.11%	1,049,109	94,401	9.00%
7. General Government	2,811,164	17.47%	2,370,029	441,135	18.61%
8. Capital Outlay	225,086	1.40%	359,338	(134,252)	(37.36%)
9. Debt Service	613,923	3.81%	603,832	10,091	1.67%
Total	\$16,091,944	100.00%	\$14,338,432	\$1,753,512	



Total expenditures increased by 12.23%, or \$1,753,512, from 2001 to 2002. Security of persons and property increased by \$1,225,265 which was attributable to overtime costs and expenditures associated with the initiation of the STEP traffic enforcement program. Community environment decreased 9.38% from 2001 to 2002 due to fewer development opportunities existing within the developed City.

General government expenditures rose by \$441,135 from 2001 to 2002 as the City had one-time costs associated with moving the tax department into a new building. In addition, several longtime employees retired during 2002 and were awarded their compensated absence payouts. Capital outlay declined 37.36% as the City made fewer capital equipment purchases in the Fire Department.

General Fund Balance

The fund balance for the General Fund amounted to \$2,418,532 at December 31, 2002. This represents a decrease of \$2,343,438, or 49.21%, over the balance at December 31, 2001 of \$4,761,970.

Proprietary Operations

The City operates the Senior Citizen Housing Fund and the Convention Center Fund as Enterprise Funds. These funds, which are comparable to profit-making businesses, were established to account for the City's self-supporting activities. The following is a summary of 2002 activities in the Enterprise Funds:

	Total Assets	Total Equity	Net Loss	Return on Assets	Return on Equity
Senior Citizen Housing	\$816,170	\$755,893	(\$51,620)	(6.325%)	(6.829%)
Convention Center	10,427,228	2,351,380	(449,515)	(4.311%)	(19.117%)

Fiduciary Operations

Trust and Agency Funds are established 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. The City maintains one Expendable Trust Fund, the Unclaimed Monies Fund, to account for monies that get refunded to the rightful owners. At December 31, 2002, this fund has assets totaling \$1,271. The City also maintains six Agency Funds with assets and corresponding liabilities of \$1,157,774.

Debt Administration

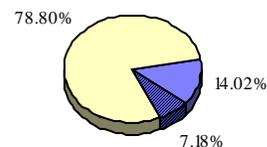
At year end, the City had several debt issues outstanding, which included \$9,965,000 of general obligation bonds, \$495,000 of special assessment debt with government commitment, \$2,000,000 of long-term general obligation bond anticipation notes, and \$3,560,000 of general obligation bond anticipation notes. The City has maintained a "AA-" rating from Standard and Poor's Corporation on general obligation bond issues.

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 \$268,648 of investment income during 2002. As of December 31, 2002, the City's cash resources were divided between cash and investments as follows:

Cash Resources	2002	%
Cash	\$1,973,562	14.02
Federal Government Securities	1,010,630	7.18
STAR Ohio	11,097,201	78.80
Total Resources	<u>\$14,081,393</u>	<u>100.00</u>

2002



At December 31, 2002, the City had deposits of \$11,097,201 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 General Purpose 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 general purpose 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, 2001. 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.

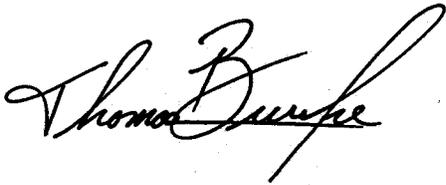
Acknowledgments

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.

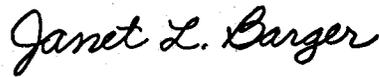
Special acknowledgment is extended to the staff of Donald J. Schonhardt and Associates, Inc. for their guidance in the preparation of this report.

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,



Thomas Burske
Deputy Auditor and Finance Director



Janet Barger
City Auditor

THE CITY OF SHARONVILLE, OHIO
HAMILTON COUNTY

ELECTED OFFICIALS AS OF DECEMBER 31, 2002

<u>ELECTED OFFICIAL</u>	<u>TITLE</u>	<u>SALARY</u>	<u>TERM OF OFFICE</u>	<u>SURETY</u>
Virgil Lovitt II	Mayor	\$31,200	01/01/00 - 12/31/03	(A)
Kevin Hardman	President of Council	12,192	01/01/02 - 12/31/03	(A)
William Breyer	Council Member	9,906	01/01/02 - 12/31/03	(A)
Jim Dygert	Council Member	9,906	01/01/02 - 12/31/03	(A)
Janey Kattelman	Council Member	9,906	01/01/02 - 12/31/03	(A)
Bill Lewis	Council Member	9,906	01/01/02 - 12/31/03	(A)
Kerry Rabe	Council Member	9,906	01/01/02 - 12/31/03	(A)
Robert Taylor	Council Member	9,906	01/01/02 - 12/31/03	(A)
Steven Tolbert	Council Member	9,906	01/01/02 - 12/31/03	(A)
Mark Piepmeier	Treasurer	9,906	01/01/00 - 12/31/03	(A)
Janet L. Barger	Auditor	17,526	01/01/00 - 12/31/03	(A)
Thomas Keating	Law Director	48,006	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 04/26/02 to 04/26/03.

ELECTED OFFICIALS AS OF DECEMBER 31, 2002



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 Piepmeir
Treasurer



Janet L. Barger
Auditor



Thomas Keating
Law Director

THE CITY OF SHARONVILLE, OHIO
HAMILTON COUNTY

ADMINISTRATIVE PERSONNEL AS OF DECEMBER 31, 2002

<u><i>ADMINISTRATIVE PERSONNEL</i></u>	<u><i>TITLE</i></u>	<u><i>SALARY</i></u>	<u><i>TERM OF OFFICE OR CONTRACT</i></u>	<u><i>SURETY</i></u>
Al Ledbetter	Safety/Service Director	\$75,231 – 114,840	Indefinite	(A)
Dan Burke	Budget Director	47,147 – 63,392	Indefinite	(A)
Martha Cross Funk	Tax Commissioner	47,147 – 63,392	Indefinite	(A)
Thomas Burske	Deputy Auditor	47,147 – 63,392	Indefinite	(A)

(A) Covered under Ohio Government Risk Management Plan in the amount of \$100,000 from 04/26/02 to 04/26/03.

ADMINISTRATIVE PERSONNEL AS OF DECEMBER 31, 2002



Al Ledbetter
Safety/Service Director



Dan Burke
Budget Director

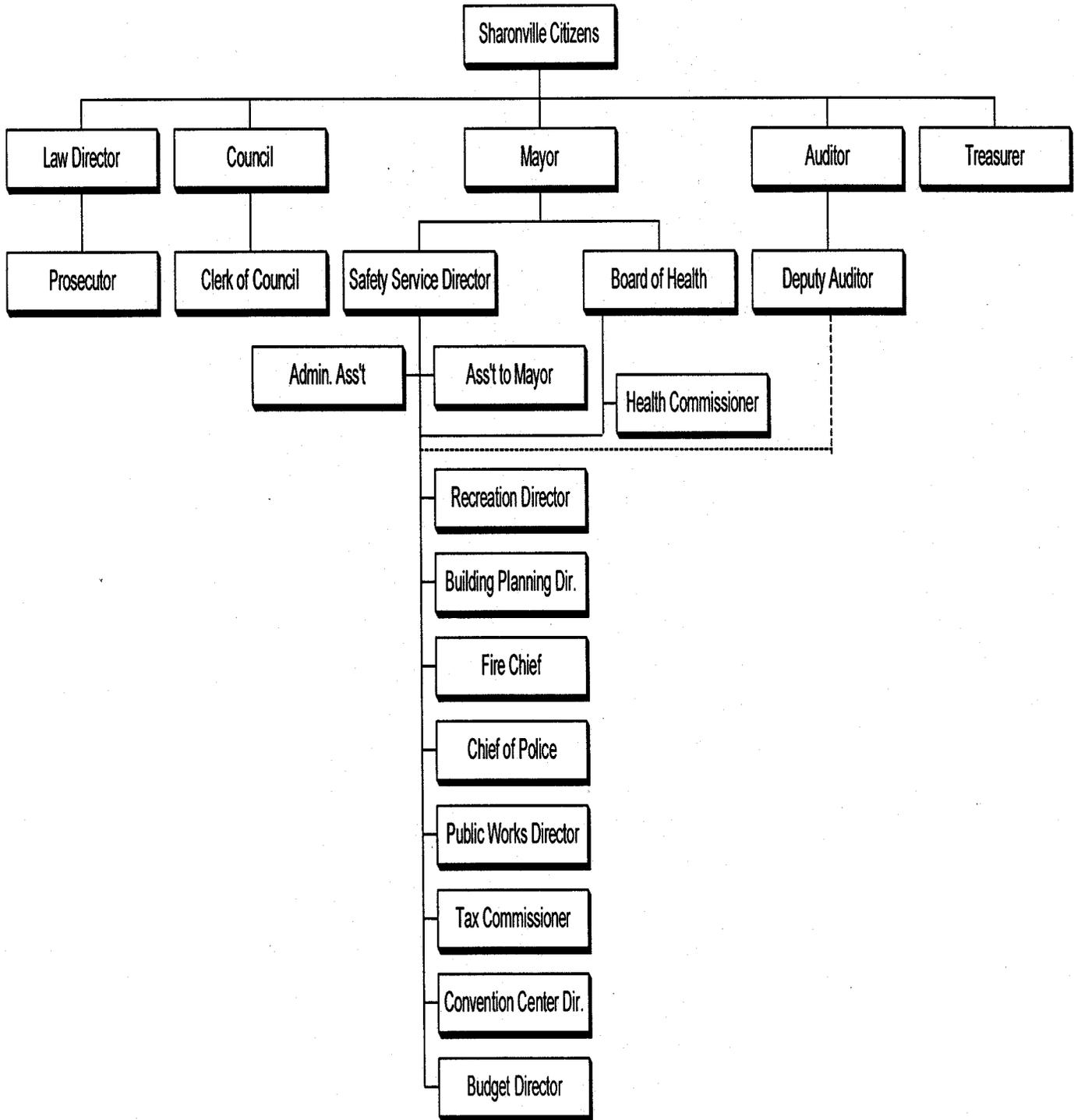


Martha Cross Funk
Tax Commissioner



Thomas Burske
Deputy Auditor

City of Sharonville Organizational Chart



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, 2001

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



William Patrick Pate

President

Jeffrey R. Emmer

Executive Director

FINANCIAL SECTION



**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANT'S REPORT

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

We have audited the accompanying general-purpose financial statements 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, 2002, as listed in the table of contents. These general-purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2003 on our consideration of the Government'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.

City of Sharonville
Hamilton County
June 20, 2003

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

June 20, 2003

GENERAL PURPOSE FINANCIAL STATEMENTS

THE FOLLOWING GENERAL PURPOSE FINANCIAL STATEMENTS, ALONG WITH THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS, PRESENT AN OVERVIEW OF THE CITY'S FINANCIAL POSITION AT DECEMBER 31, 2002 AND THE RESULTS OF OPERATIONS AND CASH FLOWS OF ITS PROPRIETARY FUNDS AND DISCRETELY PRESENTED COMPONENT UNIT FOR THE YEAR THEN ENDED.

THE CITY OF SHARONVILLE, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES, ACCOUNT GROUPS AND
DISCRETELY PRESENTED COMPONENT UNIT
DECEMBER 31, 2002

	<i>Governmental</i>				<i>Proprietary</i>	<i>Fiduciary</i>	<i>Account</i>		Totals Primary Government (Memorandum Only)	<i>Component Unit</i>
	<i>Fund Types</i>				<i>Fund Type</i>	<i>Fund Types</i>	<i>Groups</i>			
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Enterprise Funds	Trust and Agency Funds	General Fixed Assets	General Long-Term Obligations		
Cash and Cash Equivalents	\$583,046	\$2,510,263	\$442,918	\$7,001,471	\$1,361,544	\$1,271	\$0	\$0	\$11,900,513	\$44,882
Investments	144,015	474,534	69,843	0	322,238	0	0	0	1,010,630	0
Receivables (net of allowance for doubtful accounts):										
Taxes	3,239,746	0	0	0	0	0	0	0	3,239,746	0
Accounts	239,033	8,258	0	0	47,196	0	0	0	294,487	0
Interest	766	239	35	0	160	0	0	0	1,200	0
Special Assessments	0	0	528,399	0	0	0	0	0	528,399	0
Intergovernmental Receivables	417,326	663,759	0	0	0	0	0	0	1,081,085	0
Inventory of Supplies at Cost	0	101,046	0	0	0	0	0	0	101,046	0
Prepaid Items	2,926	515	0	0	594	0	0	0	4,035	0
Restricted Assets:										
Cash and Cash Equivalents	0	0	0	0	12,476	1,157,774	0	0	1,170,250	0
Fixed Assets (net of accumulated depreciation)	0	0	0	0	9,499,190	0	36,597,888	0	46,097,078	336,186
Amount Available in Debt Service Fund	0	0	0	0	0	0	0	512,785	512,785	0
Amount to be Provided for General Long-Term Obligations	0	0	0	0	0	0	0	8,270,910	8,270,910	0
Total Assets and Other Debits	<u>\$4,626,858</u>	<u>\$3,758,614</u>	<u>\$1,041,195</u>	<u>\$7,001,471</u>	<u>\$11,243,398</u>	<u>\$1,159,045</u>	<u>\$36,597,888</u>	<u>\$8,783,695</u>	<u>\$74,212,164</u>	<u>\$381,068</u>

(Continued)

	<i>Governmental Fund Types</i>				<i>Proprietary Fund Type</i>	<i>Fiduciary Fund Types</i>	<i>Account Groups</i>		Totals Primary Government (Memorandum Only)	<i>Component Unit</i>
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Enterprise Funds	Trust and Agency Funds	General Fixed Assets	General Long-Term Obligations		
Accounts Payable	\$200,129	\$177,100	\$0	\$578,516	\$68,562	\$0	\$0	\$0	\$1,024,307	\$4,293
Accrued Wages and Benefits	110,732	65,171	0	0	5,394	0	0	0	181,297	0
Intergovernmental Payables	334,245	176,860	0	0	115,919	360	0	0	627,384	0
Due to Others	0	0	0	0	0	1,157,414	0	0	1,157,414	0
Accrued Interest Payable	0	9,746	0	6,840	80,536	0	0	0	97,122	0
Customer Deposits	0	0	0	0	12,476	0	0	0	12,476	1,000
Deferred Revenue	1,563,220	495,479	528,410	0	68,282	0	0	0	2,655,391	0
General Obligation Notes Payable	0	400,000	0	460,000	2,700,000	0	0	2,000,000	5,560,000	0
Capital Leases Payable	0	0	0	0	0	0	0	176,730	176,730	0
Compensated Absences Payable	0	0	0	0	69,956	0	0	1,128,601	1,198,557	0
General Obligation Bonds Payable	0	0	0	0	5,015,000	0	0	4,950,000	9,965,000	0
Special Assessment Bonds Payable (with governmental commitment)	0	0	0	0	0	0	0	495,000	495,000	0
Police/Firemen's Pension Accrued Liability	0	0	0	0	0	0	0	33,364	33,364	0
Total Liabilities	2,208,326	1,324,356	528,410	1,045,356	8,136,125	1,157,774	0	8,783,695	23,184,042	5,293
Investment in General Fixed Assets	0	0	0	0	0	0	36,597,888	0	36,597,888	0
Contributed Capital	0	0	0	0	79,021	0	0	0	79,021	0
Retained Earnings:										
Unreserved	0	0	0	0	3,028,252	0	0	0	3,028,252	375,775
Fund Balances:										
Reserved for Encumbrances	320,152	327,986	0	4,230,828	0	0	0	0	4,878,966	0
Reserved for Supplies Inventory	0	101,046	0	0	0	0	0	0	101,046	0
Reserved for Prepaid Items	2,926	515	0	0	0	0	0	0	3,441	0
Reserved for Debt Service	0	0	512,785	0	0	0	0	0	512,785	0
Unreserved:										
Undesignated	2,095,454	2,004,711	0	1,725,287	0	1,271	0	0	5,826,723	0
Total Equity and Other Credits	2,418,532	2,434,258	512,785	5,956,115	3,107,273	1,271	36,597,888	0	51,028,122	375,775
Total Liabilities, Equity and Other Credits	\$4,626,858	\$3,758,614	\$1,041,195	\$7,001,471	\$11,243,398	\$1,159,045	\$36,597,888	\$8,783,695	\$74,212,164	\$381,068

The notes to the general purpose financial statements are an integral part of this statement.



THE CITY OF SHARONVILLE, OHIO
COMBINED STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2002

	<i>Governmental</i>			<i>Fiduciary</i>		Totals (Memorandum Only)
	<i>Fund Types</i>			<i>Fund Type</i>		
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Expendable Trust Fund	
Revenues:						
Taxes	\$12,824,226	\$4,542,219	\$0	\$0	\$0	\$17,366,445
Intergovernmental Revenues	595,295	1,396,118	181,309	501,173	0	2,673,895
Charges for Services	394,155	249,374	0	0	0	643,529
Licenses and Permits	332,817	56,418	0	0	0	389,235
Investment Earnings	201,682	29,231	6,497	0	0	237,410
Special Assessments	0	0	125,270	0	0	125,270
Fines and Forfeitures	309,571	62,249	0	0	0	371,820
All Other Revenues	248,066	70,695	0	26,252	0	345,013
Total Revenues	14,905,812	6,406,304	313,076	527,425	0	22,152,617
Expenditures:						
Current:						
Security of Persons and Property	4,256,532	3,438,746	0	0	0	7,695,278
Public Health and Welfare Services	299,722	6,827	0	0	0	306,549
Leisure Time Activities	2,403,827	0	0	0	0	2,403,827
Community Environment	451,860	0	0	0	0	451,860
Basic Utility Services	440,747	0	0	0	0	440,747
Transportation	0	1,143,510	0	0	0	1,143,510
General Government	2,617,905	188,505	4,754	0	0	2,811,164
Capital Outlay	0	225,086	0	4,933,694	0	5,158,780
Debt Service:						
Principal Retirement	0	0	300,000	100,688	0	400,688
Interest and Fiscal Charges	0	22,019	291,904	40,318	0	354,241
Total Expenditures	10,470,593	5,024,693	596,658	5,074,700	0	21,166,644
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,435,219	1,381,611	(283,582)	(4,547,275)	0	985,973
Other Financing Sources (Uses):						
Proceeds from General Obligation Notes	0	0	0	2,000,000	0	2,000,000
Operating Transfers In	40,000	113,757	325,000	6,520,000	0	6,998,757
Operating Transfers Out	(6,818,657)	(68,100)	(282,000)	0	0	(7,168,757)
Transfers Out - Component Unit	0	0	0	(81,000)	0	(81,000)
Total Other Financing Sources (Uses)	(6,778,657)	45,657	43,000	8,439,000	0	1,749,000
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,343,438)	1,427,268	(240,582)	3,891,725	0	2,734,973
Restated Fund Balance Beginning of Year	4,761,970	1,013,683	753,367	2,064,390	1,271	8,594,681
Decrease in Inventory Reserve	0	(6,693)	0	0	0	(6,693)
Fund Balance End of Year	\$2,418,532	\$2,434,258	\$512,785	\$5,956,115	\$1,271	\$11,322,961

The notes to the general purpose financial statements are an integral part of this statement.

THE CITY OF SHARONVILLE, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2002

	<i>General Fund</i>			<i>Special Revenue Funds</i>		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:						
Taxes	\$12,786,175	\$11,841,051	(\$945,124)	\$4,590,922	\$4,542,219	(\$48,703)
Intergovernmental Revenues	622,981	595,356	(27,625)	1,316,470	1,377,928	61,458
Charges for Services	408,703	390,580	(18,123)	249,374	249,374	0
Licenses and Permits	352,093	336,480	(15,613)	55,000	56,418	1,418
Investment Earnings	203,743	194,708	(9,035)	28,071	28,139	68
Special Assessments	0	0	0	0	0	0
Fines and Forfeitures	323,935	309,571	(14,364)	58,523	61,726	3,203
All Other Revenues	260,429	248,881	(11,548)	63,861	62,960	(901)
Total Revenues	14,958,059	13,916,627	(1,041,432)	6,362,221	6,378,764	16,543
Expenditures:						
Current:						
Security of Persons and Property	4,874,787	4,466,625	408,162	3,644,500	3,243,091	401,409
Public Health and Welfare Services	325,146	302,570	22,576	8,000	6,827	1,173
Leisure Time Activities	2,625,342	2,441,715	183,627	0	0	0
Community Environment	548,796	527,636	21,160	0	0	0
Basic Utility Services	465,195	459,204	5,991	0	0	0
Transportation	0	0	0	1,504,210	1,269,661	234,549
General Government	3,219,686	2,831,169	388,517	394,580	188,505	206,075
Capital Outlay	0	0	0	924,069	466,988	457,081
Debt Service:						
Principal Retirement	0	0	0	1,140,000	500,000	640,000
Interest and Fiscal Charges	0	0	0	45,000	16,933	28,067
Total Expenditures	12,058,952	11,028,919	1,030,033	7,660,359	5,692,005	1,968,354
Excess (Deficiency) of						
Revenues Over (Under) Expenditures	2,899,107	2,887,708	(11,399)	(1,298,138)	686,759	1,984,897
Other Financing Sources (Uses):						
Proceeds from General Obligation Notes	0	0	0	400,000	400,000	0
Operating Transfers In	40,000	40,000	0	113,557	113,757	200
Operating Transfers Out	(7,028,657)	(6,818,657)	210,000	(115,100)	(68,100)	47,000
Transfers Out - Component Unit	0	0	0	0	0	0
Total Other Financing Sources (Uses)	(6,988,657)	(6,778,657)	210,000	398,457	445,657	47,200
Excess (Deficiency) of Revenues and						
Other Financing Sources Over (Under)						
Expenditures and Other Financing Uses	(4,089,550)	(3,890,949)	198,601	(899,681)	1,132,416	2,032,097
Fund Balance at Beginning of Year	3,750,585	3,750,585	0	1,139,307	1,139,307	0
Prior Year Encumbrances	368,529	368,529	0	217,462	217,462	0
Fund Balance at End of Year	\$29,564	\$228,165	\$198,601	\$457,088	\$2,489,185	\$2,032,097

The notes to the general purpose financial statements are an integral part of this statement.

(Continued)

THE CITY OF SHARONVILLE, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2002

	<i>Debt Service Funds</i>			<i>Capital Projects Funds</i>		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:						
Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Intergovernmental Revenues	175,000	181,309	6,309	1,723,632	522,473	(1,201,159)
Charges for Services	0	0	0	0	0	0
Licenses and Permits	0	0	0	0	0	0
Investment Earnings	5,824	6,266	442	0	0	0
Special Assessments	125,267	125,270	3	0	0	0
Fines and Forfeitures	0	0	0	0	0	0
All Other Revenues	0	0	0	27,072	26,252	(820)
Total Revenues	306,091	312,845	6,754	1,750,704	548,725	(1,201,979)
Expenditures:						
Current:						
Security of Persons and Property	0	0	0	0	0	0
Public Health and Welfare Services	0	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0	0
Community Environment	0	0	0	0	0	0
Basic Utility Services	0	0	0	0	0	0
Transportation	0	0	0	0	0	0
General Government	4,000	4,754	(754)	0	0	0
Capital Outlay	0	0	0	9,904,749	9,299,507	605,242
Debt Service:						
Principal Retirement	410,500	300,000	110,500	694,139	1,300,688	(606,549)
Interest and Fiscal Charges	332,700	291,904	40,796	56,607	56,607	0
Total Expenditures	747,200	596,658	150,542	10,655,495	10,656,802	(1,307)
Excess (Deficiency) of						
Revenues Over (Under) Expenditures	(441,109)	(283,813)	157,296	(8,904,791)	(10,108,077)	(1,203,286)
Other Financing Sources (Uses):						
Proceeds from General Obligation Notes	0	0	0	1,500,000	2,460,000	960,000
Operating Transfers In	325,000	325,000	0	5,318,000	6,520,000	1,202,000
Operating Transfers Out	(282,000)	(282,000)	0	0	0	0
Transfers Out - Component Unit	0	0	0	(81,000)	(81,000)	0
Total Other Financing Sources (Uses)	43,000	43,000	0	6,737,000	8,899,000	2,162,000
Excess (Deficiency) of Revenues and						
Other Financing Sources Over (Under)						
Expenditures and Other Financing Uses	(398,109)	(240,813)	157,296	(2,167,791)	(1,209,077)	958,714
Fund Balance at Beginning of Year	753,367	753,367	0	1,935,748	1,935,748	0
Prior Year Encumbrances	0	0	0	1,465,596	1,465,596	0
Fund Balance at End of Year	\$355,258	\$512,554	\$157,296	\$1,233,553	\$2,192,267	\$958,714

(Continued)

THE CITY OF SHARONVILLE, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2002

	<i>Expendable Trust Fund</i>			<i>Totals (Memorandum Only)</i>		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:						
Taxes	\$0	\$0	\$0	\$17,377,097	\$16,383,270	(\$993,827)
Intergovernmental Revenues	0	0	0	3,838,083	2,677,066	(1,161,017)
Charges for Services	0	0	0	658,077	639,954	(18,123)
Licenses and Permits	0	0	0	407,093	392,898	(14,195)
Investment Earnings	0	0	0	237,638	229,113	(8,525)
Special Assessments	0	0	0	125,267	125,270	3
Fines and Forfeitures	0	0	0	382,458	371,297	(11,161)
All Other Revenues	0	0	0	351,362	338,093	(13,269)
Total Revenues	0	0	0	23,377,075	21,156,961	(2,220,114)
Expenditures:						
Current:						
Security of Persons and Property	0	0	0	8,519,287	7,709,716	809,571
Public Health and Welfare Services	0	0	0	333,146	309,397	23,749
Leisure Time Activities	0	0	0	2,625,342	2,441,715	183,627
Community Environment	0	0	0	548,796	527,636	21,160
Basic Utility Services	0	0	0	465,195	459,204	5,991
Transportation	0	0	0	1,504,210	1,269,661	234,549
General Government	0	0	0	3,618,266	3,024,428	593,838
Capital Outlay	0	0	0	10,828,818	9,766,495	1,062,323
Debt Service:						
Principal Retirement	0	0	0	2,244,639	2,100,688	143,951
Interest and Fiscal Charges	0	0	0	434,307	365,444	68,863
Total Expenditures	0	0	0	31,122,006	27,974,384	3,147,622
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	(7,744,931)	(6,817,423)	927,508
Other Financing Sources (Uses):						
Proceeds from General Obligation Notes	0	0	0	1,900,000	2,860,000	960,000
Operating Transfers In	0	0	0	5,796,557	6,998,757	1,202,200
Operating Transfers Out	0	0	0	(7,425,757)	(7,168,757)	257,000
Transfers Out - Component Unit	0	0	0	(81,000)	(81,000)	0
Total Other Financing Sources (Uses)	0	0	0	189,800	2,609,000	2,419,200
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	0	0	0	(7,555,131)	(4,208,423)	3,346,708
Fund Balance at Beginning of Year	1,271	1,271	0	7,580,278	7,580,278	0
Prior Year Encumbrances	0	0	0	2,051,587	2,051,587	0
Fund Balance at End of Year	\$1,271	\$1,271	\$0	\$2,076,734	\$5,423,442	\$3,346,708

THE CITY OF SHARONVILLE, OHIO
COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
PROPRIETARY FUND TYPE AND DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED DECEMBER 31, 2002

	<i>Enterprise Funds</i>	<i>Component Unit</i>
	<hr/>	<hr/>
<u>Operating Revenues:</u>		
Charges for Services	\$970,648	\$0
Other Operating Revenues	97,641	13,054
Total Operating Revenues	<hr/> 1,068,289 <hr/>	<hr/> 13,054 <hr/>
<u>Operating Expenses:</u>		
Personal Services	841,073	0
Materials and Supplies	123,569	0
Contractual Services	549,289	11,201
Utilities	146,496	854
Depreciation	205,399	4,912
Total Operating Expenses	<hr/> 1,865,826 <hr/>	<hr/> 16,967 <hr/>
Operating Loss	(797,537)	(3,913)
<u>Non-Operating Revenues (Expenses):</u>		
Intergovernmental Revenues	418,021	0
Investment Earnings	31,238	66
Interest and Fiscal Charges	(322,857)	0
Total Non-Operating Revenues (Expenses)	<hr/> 126,402 <hr/>	<hr/> 66 <hr/>
Loss Before Operating Transfers	(671,135)	(3,847)
<u>Operating Transfers:</u>		
Operating Transfers In	210,000	0
Operating Transfers In - Primary Government	0	81,000
Operating Transfers Out	(40,000)	0
Total Operating Transfers	<hr/> 170,000 <hr/>	<hr/> 81,000 <hr/>
Net Income (Loss)	(501,135)	77,153
Restated Retained Earnings at Beginning of Year	<hr/> 3,529,387 <hr/>	<hr/> 298,622 <hr/>
Retained Earnings at End of Year	<hr/> <u>\$3,028,252</u> <hr/>	<hr/> <u>\$375,775</u> <hr/>

The notes to the general purpose financial statements are an integral part of this statement.

THE CITY OF SHARONVILLE, OHIO
COMBINED STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE AND DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED DECEMBER 31, 2002

	<i>Enterprise Funds</i>	<i>Component Unit</i>
<u>Cash Flows from Operating Activities:</u>		
Cash Received from Customers	\$963,739	\$0
Cash Payments for Goods and Services	(698,023)	(12,166)
Cash Payments to Employees	(799,861)	0
Other Operating Revenues	97,641	13,054
Customer Deposits Received	2,235	0
Customer Deposits Returned	(1,685)	0
Net Cash Provided (Used) by Operating Activities	<u>(435,954)</u>	<u>888</u>
<u>Cash Flows from Noncapital Financing Activities:</u>		
Transfers In from Other Funds	210,000	0
Transfers In from Primary Government	0	81,000
Transfers Out to Other Funds	(40,000)	0
Net Cash Provided by Noncapital Financing Activities	<u>170,000</u>	<u>81,000</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>		
Acquisition and Construction of Assets	(2,716,274)	(123,146)
Intergovernmental Revenue Received	418,021	0
Proceeds from General Obligation Notes	2,700,000	0
Payment on General Obligation Bonds	(275,000)	0
Interest Paid on All Debt	(263,040)	0
Net Cash Used for Capital and Related Financing Activities	<u>(136,293)</u>	<u>(123,146)</u>
<u>Cash Flows from Investing Activities:</u>		
Purchase of Investments	(321,241)	0
Receipts of Interest	30,081	66
Net Cash Provided (Used) by Investing Activities	<u>(291,160)</u>	<u>66</u>
Net Decrease in Cash and Cash Equivalents	(693,407)	(41,192)
Cash and Cash Equivalents at Beginning of Year	2,067,427	86,074
Cash and Cash Equivalents at End of Year	<u>\$1,374,020</u>	<u>\$44,882</u>
<u>Reconciliation of Cash and Cash Equivalents per the Balance Sheet:</u>		
Cash and Cash Equivalents	\$1,361,544	\$44,882
Restricted Cash and Cash Equivalents	12,476	0
Cash and Cash Equivalents at End of Year	<u>\$1,374,020</u>	<u>\$44,882</u>

(Continued)

THE CITY OF SHARONVILLE, OHIO
COMBINED STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE AND DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED DECEMBER 31, 2002

	<i>Enterprise Funds</i>	<i>Component Unit</i>
<u>Reconciliation of Operating Loss to Net Cash</u>		
<u>Provided (Used) by Operating Activities:</u>		
Operating Loss	(\$797,537)	(\$3,913)
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities:		
Depreciation Expense	205,399	4,912
Changes in Assets and Liabilities:		
Increase in Accounts Receivable	(1,111)	0
Decrease in Prepaid Items	916	0
Increase (Decrease) in Accounts Payable	29,098	(611)
Increase in Accrued Wages and Benefits	3,035	0
Increase in Intergovernmental Payable	89,700	0
Increase in Customer Deposits Payable	550	500
Decrease in Deferred Revenue	(5,798)	0
Increase in Compensated Absences	39,794	0
Total Adjustments	361,583	4,801
Net Cash Provided (Used) by Operating Activities	(\$435,954)	\$888

The notes to the general purpose financial statements are an integral part of this statement.

THE CITY OF SHARONVILLE, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2002

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 general purpose 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, account groups, 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation

The accounting policies of the City conform to generally accepted accounting principles applicable to governments as prescribed by the GASB. The following is a summary of the more significant policies:

The accounts of the City are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures (expenses). The various funds are summarized by type in the combined financial statements. The following fund types and account groups 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 governmental fund types:

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 and fire protection, community environment and general government.

Special Revenue Funds - These funds are used to account for revenues derived from specific taxes, grants or other restricted revenue sources which are legally restricted for specific purposes.

Debt Service Funds - These funds are used to account for the accumulation of resources for, and the payment of, general obligation and special assessment long-term debt bond principal, interest and related costs.

Capital Projects Funds - These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment (other than those financed by the proprietary funds).

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. Fund equity (i.e., net assets) are segregated into contributed capital and retained earnings components. The proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (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.

Fiduciary Funds

Trust and Agency Funds - These funds are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The City maintains an expendable trust fund and agency funds. The expendable trust fund is accounted for and reported similarly to governmental funds. The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups - To make a clear distinction between fixed assets related to specific funds and those of general government and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group - This account group is established to account for fixed assets of the City other than those accounted for in the proprietary funds.

General Long-Term Obligations Account Group - This account group is established to account for all long-term debt of the City except those accounted for in the proprietary funds.

C. 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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

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.

D. 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process (Continued)

All funds other than the CIC fund and 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 2002.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process (Continued)

3. Appropriations (Continued)

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 2002, no supplemental appropriations were needed. The budgetary figures which appear in the "Combined Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual--All Governmental Fund Types" 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 general 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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process (Continued)

6. Budgetary Basis of Accounting (Continued)

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the governmental funds and the expendable trust fund:

	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses				
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Expendable Trust Fund
GAAP Basis (as reported)	(\$2,343,438)	\$1,427,268	(\$240,582)	\$3,891,725	\$0
Increase (Decrease):					
Accrued Revenues at December 31, 2002 received during 2003	(2,340,103)	(177,706)	(231)	0	0
Accrued Revenues at December 31, 2001 received during 2002	1,350,547	150,166	0	21,300	0
Accrued Expenditures at December 31, 2002 paid during 2003	645,106	428,877	0	585,356	0
Accrued Expenditures at December 31, 2001 paid during 2002	(740,471)	(101,165)	0	(158,254)	0
2001 Prepays for 2002	31,455	174	0	0	0
2002 Prepays for 2003	(2,926)	(515)	0	0	0
General Obligation Note:					
Issuance	0	400,000	0	460,000	0
Retirements	0	(500,000)	0	(1,200,000)	0
Outstanding Encumbrances	(491,119)	(494,683)	0	(4,809,204)	0
Budget Basis	<u>(\$3,890,949)</u>	<u>\$1,132,416</u>	<u>(\$240,813)</u>	<u>(\$1,209,077)</u>	<u>\$0</u>

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. 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."

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

G. 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 and expendable trust funds when purchased and as expenses in the proprietary funds when used.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Fixed Assets and Depreciation

The accounting and reporting treatment applied to fixed assets is determined by their ultimate use:

1. Property, Plant and Equipment - General Governmental Purposes

Fixed assets acquired or constructed for general governmental purposes are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years) in the General Fixed Assets Account Group. Contributed fixed assets are recorded at fair market value at the date received.

Fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, have not been capitalized. Such assets normally are immovable and of value only to the City. Therefore, the purpose of stewardship for capital expenditures can be satisfied without recording these assets.

General fixed asset values were initially determined at December 31, 1987 by identifying historical costs when such information was available. During the year ended December 31, 2000, the City completed a physical inventory and revaluation of all fixed assets.

The City has elected not to record depreciation in the General Fixed Assets Account Group.

2. Property, Plant and Equipment - Proprietary Funds

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 fixed assets are recorded at fair market value at the date received.

Depreciation has been provided using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives (Years)</u>
Land Improvements	20
Buildings	25 – 50
Building Improvements	20 – 30
Infrastructure	10 – 20
Machinery, Equipment, Furniture, Fixtures and Vehicles	3 – 30

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Long-Term Obligations

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

Obligation	Fund
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

J. 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, the portion of unpaid compensated absences that is expected to be paid using expendable, available resources 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." The long-term portion of the liability is reported in the General Long-Term Obligations Account Group.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Pensions

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

L. Interfund Transactions

During the course of normal operations, the City has numerous transactions between funds. Interfund transactions are generally classified as follows:

Operating transfers are reported as "Other Financing Sources and Uses" in the governmental funds, as "Operating Transfers In" by the recipient fund, and "Operating Transfers Out" by the disbursing fund.

Residual Equity Transfers are nonroutine or nonrecurring transfers between funds and are reported as additions to or deductions from the fund equity balance. There were no residual equity transfers during 2002.

Transactions that would be treated as revenues and expenditures if the transactions involved organizations external to the City are similarly treated when involving other funds of the City. The City also advances cash from one fund to another as necessary to meet current obligations.

M. 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.

N. Total Columns on Combined Financial Statements - Overview

Total columns on the "Combined Financial Statements - Overview" are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations or cash flow in conformity with generally accepted accounting principles, nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

O. 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.

NOTE 2 – RESTATEMENT OF FUND BALANCE/RETAINED EARNINGS

The beginning of year balance in the capital projects funds has been restated due to the reclassification of the Community Improvement Corporation of Sharonville (CIC). The CIC was formerly reported as a blended capital project component unit. As of December 31, 2001 the CIC is reported as a discretely presented component unit. The reclassification has required the restatement of fund balance at December 31, 2001 in the following amount:

Fund Name	Fund Balance as Reported 12/31/01	Reclassification of CIC	Fund Balance as Restated 12/31/01
Capital Projects Funds	\$2,150,464	(\$86,074)	\$2,064,390

In addition to the above noted change to fund balance, the restatement of fund balance had the following effect on prior year excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses:

Fund Name	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses as Reported 12/31/01	Reclassification of CIC	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses as Restated 12/31/01
Capital Projects Funds	(\$1,570,330)	\$26,005	(\$1,544,325)

Also during 2002 certain adjustments were made to the beginning retained earnings balance of the enterprise funds due to an accounting error in the reporting of Property, Plant and Equipment. This resulted in the following change to the beginning retained earnings balance in the enterprise funds:

Fund Name	Retained Earnings as Reported 12/31/01	Restatement of Property, Plant and Equipment	Retained Earnings as Restated 12/31/01
Enterprise Funds	\$3,458,428	\$70,959	\$3,529,387

In addition to the above noted change to retained earnings, the restatement had the following effect on prior year net income:

Fund Name	Net Loss as Reported 12/31/01	Restatement of Property, Plant and Equipment	Net Loss as Restated 12/31/01
Enterprise Funds	(\$111,739)	\$70,959	(\$40,780)

NOTE 2 – RESTATEMENT OF FUND BALANCE/RETAINED EARNINGS (Continued)

During 2002 certain adjustments were made to the beginning retained earnings balance of the component unit due to the reclassification of the Community Improvement Corporation of Sharonville (CIC). The CIC was formerly reported as a blended capital project component unit. As of December 31, 2001 the CIC is reported as a discretely presented component unit. This resulted in the following change to the beginning retained earnings balance in the component unit:

Component Unit	Retained Earnings as Reported 12/31/01	Reclassification of CIC	Retained Earnings as Restated 12/31/01
Community Improvement Corporation of Sharonville	\$0	\$298,622	\$298,622

In addition to the above noted change to retained earnings, the restatement had the following effect on prior year net income:

Component Unit	Net Income as Reported 12/31/01	Reclassification of CIC	Net Loss as Restated 12/31/01
Community Improvement Corporation of Sharonville	\$0	(\$4,580)	(\$4,580)

Beginning of year assets and liabilities in the agency funds have been restated to report the Warranty Bond Fund. The restatement increased beginning of year assets and liabilities for the agency funds by \$7,905, from \$404,779 to \$412,684.

NOTE 3 – COMPLIANCE AND ACCOUNTABILITY

A. Estimated Resources Exceeded by Appropriations

For the year ended December 31, 2002, the City Council adopted appropriations which exceeded the estimated resources as certified by the Hamilton County Budget Commission.

B. Excess of Expenditures Over Appropriations

For the year ended December 31, 2002, expenditures exceeded appropriations at the object level (i.e., the legal level of budgetary control). The excess expenditures were funded from available fund balance.

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;
- 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).

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

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.

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 \$1,973,562 and the bank balance was \$2,112,286. 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 \$44,882 and the bank balance was \$47,882. Federal depository insurance covered all of the bank balance.

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

B. Investments

The City's investments at December 31, 2002 are:

<u>Categorized Investments</u>	<u>Category 2</u>	<u>Fair Value</u>
Federal Home Loan Mortgage Notes	\$1,002,045	\$1,010,630
<u>Noncategorized Investments</u>		
STAR Ohio	N/A	11,097,201
Total Investments	<u>\$1,002,045</u>	<u>\$12,107,831</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	\$13,070,763	\$1,010,630
Investments:		
STAR Ohio	(11,097,201)	11,097,201
Per GASB Statement No. 3	<u>\$1,973,562</u>	<u>\$12,107,831</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.

NOTE 6 - RECEIVABLES

Receivables at December 31, 2002 consisted of income taxes, accounts receivable, interest, special assessments, and intergovernmental receivables arising from shared revenues.

NOTE 7 - OPERATING TRANSFERS

Following is a summary of operating transfers in and out for all funds for 2002:

Fund	Transfers In	Transfers Out
General Fund	\$40,000	\$6,818,657
Special Revenue Funds:		
Street, Construction, Maintenance and Repair Fund	0	68,100
Law Enforcement Block Grant Fund	3,557	0
Termination Benefits Fund	110,200	0
Total Special Revenue Funds	113,757	68,100
Debt Service Fund:		
Note Debt Retirement Fund	325,000	282,000
Capital Projects Funds:		
Capital Improvement Fund	5,638,000	81,000
Capital Improvement Issue II Fund	600,000	0
Capital Improvement Issue II-B Fund	282,000	0
Total Capital Projects Funds	6,520,000	81,000
Enterprise Funds:		
Senior Citizen Housing Fund	0	40,000
Convention Center Fund	210,000	0
Total Enterprise Funds	210,000	40,000
Component Unit:		
Community Improvement Corporation of Sharonville	81,000	0
Totals	<u>\$7,289,757</u>	<u>\$7,289,757</u>

NOTE 8 - FIXED ASSETS**A. General Fixed Assets**

Summary by category of changes in general fixed assets:

Category	December 31, 2001	Additions	Deletions	December 31, 2002
Land	\$1,369,556	\$492,160	\$0	\$1,861,716
Land Improvements	2,335,197	5,065	0	2,340,262
Buildings and Improvements	11,301,378	1,031,781	0	12,333,159
Infrastructure	11,985,155	782,898	0	12,768,053
Machinery and Equipment	3,820,126	217,059	(17,435)	4,019,750
Vehicles	3,120,706	222,203	(67,961)	3,274,948
Totals	\$33,932,118	\$2,751,166	(\$85,396)	\$36,597,888

B. Proprietary Fixed Assets

Summary by category at December 31, 2002:

Category	Historic Cost	Accumulated Depreciation	Book Value
Land	\$3,350,000	\$0	\$3,350,000
Land Improvements	131,639	(61,838)	69,801
Buildings and Improvements	7,929,188	(2,041,688)	5,887,500
Infrastructure	57,388	(47,963)	9,425
Machinery and Equipment	385,857	(221,538)	164,319
Vehicles	63,135	(44,990)	18,145
Property, Plant and Equipment	\$11,917,207	(\$2,418,017)	\$9,499,190

C. Component Unit Fixed Assets

Summary by category at December 31, 2002:

Category	Historic Cost	Accumulated Depreciation	Book Value
Land	\$260,919	\$0	\$260,919
Buildings and Improvements	66,260	(3,206)	63,054
Machinery and Equipment	17,447	(5,234)	12,213
Property, Plant and Equipment	\$344,626	(\$8,440)	\$336,186

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."

All employees of the City, except full-time uniformed police officers and full-time firefighters, participate in the Ohio PERS, a cost-sharing multiple employer defined benefit pension plan. The Ohio PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Chapter 145 of the Ohio Revised Code provides 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. The employee contribution rate is 8.5%. The 2002 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, 2002, 2001 and 2000 were \$651,012, \$612,063 and \$461,150, respectively, which were equal to the required contributions for each year.

The Ohio PERS provides postemployment health care benefits to age and service retirants with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirants. 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 2002 employer contribution rate (identified above) that was used to fund health care for the year 2002 was 5.0% of covered payroll which amounted to \$240,226.

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, 2001. 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 2001 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 402,041. The actuarial value of the Ohio PERS net assets available for OPEB at December 31, 2001 is \$11.6 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$16.4 billion and \$4.8 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, 2002, 2001 and 2000 were \$488,486, \$449,733 and \$426,880 for police and \$344,255, \$185,183 and \$156,482 for firefighters, respectively, which were equal to the required contributions for each year.

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 2002 covered payroll that was used to fund postemployment health care benefits was \$194,142 representing 7.75% of covered payroll for police and \$111,166 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. As of December 31, 2001, the date of the last actuarial evaluation available, the number of participants eligible to receive health care benefits was 13,174 for police and 10,239 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, 2001 were \$122,298,771, which was net of member contributions of \$6,874,699.

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, 2002, the City had \$214,062 payable to employees for the Dental/Optical Plan.

B. Compensated Absences

As of December 31, 2002, the liability for unpaid compensated absences was \$1,128,601 for all funds of the City except the proprietary funds. Of that, \$1,128,601, was considered long-term, while \$0 was anticipated to require the use of current available financial resources. The long-term liability has been reported in the General Long-Term Obligations Account Group. Compensated absences payable in the proprietary funds was \$69,956, a net increase of \$39,794 from the amount reported at December 31, 2001.

NOTE 11 - 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, 2002 were as follows:

	Balance December 31, 2001	Issued	(Retired)	Balance December 31, 2002
Special Revenue Fund:				
Fire Department Fund:				
3.15% Fire Equipment Acquisition	\$500,000	\$0	(\$500,000)	\$0
2.45% Fire Equipment Acquisition	0	400,000	0	400,000
Total Special Revenue Fund	500,000	400,000	(500,000)	400,000
Capital Projects Fund:				
Capital Improvement Issue II-B Fund:				
3.50% Crescentville Road	1,200,000	0	(1,200,000)	0
2.70% Crescentville Road	0	460,000	0	460,000
Total Capital Projects Fund	1,200,000	460,000	(1,200,000)	460,000
Enterprise Fund:				
Convention Center Fund:				
2.45% Real Estate Acquisition	0	2,700,000	0	2,700,000
Total Notes Payable	<u>\$1,700,000</u>	<u>\$3,560,000</u>	<u>(\$1,700,000)</u>	<u>\$3,560,000</u>

NOTE 12 - LONG-TERM OBLIGATIONS

Long-term obligations of the City at December 31, 2002 were as follows:

	Balance December 31, 2001	Issued (Retired)	Balance December 31, 2002
Enterprise Funds:			
General Obligation Bond:			
4.70% - 5.30% Convention Center Bonds	\$5,290,000	(\$275,000)	\$5,015,000
Total Enterprise Long-Term Debt	<u>\$5,290,000</u>	<u>(\$275,000)</u>	<u>\$5,015,000</u>
General Long-Term Obligations:			
General Obligation Note:			
2.70% Kemper Road	\$0	\$1,500,000	\$1,500,000
2.70% Crescentville Road	0	500,000	500,000
Total General Obligation Notes	<u>0</u>	<u>2,000,000</u>	<u>2,000,000</u>
General Obligation Bond:			
4.60% - 4.80% Recreation Center Bond	5,175,000	(225,000)	4,950,000
Special Assessment Bonds:			
9.75% Crystalview Widening	20,000	(10,000)	10,000
8.00% Zind Lane Sewer	25,000	(5,000)	20,000
7.00% Crowne Point Drive/Miller Valentine Phase I	405,000	(45,000)	360,000
7.10% Crowne Point Drive/Miller Valentine Phase II	120,000	(15,000)	105,000
Total Special Assessment Bonds (with Government Commitment)	<u>570,000</u>	<u>(75,000)</u>	<u>495,000</u>
Other Long-Term Obligations:			
Compensated Absences	1,097,870	30,731	1,128,601
Capital Leases	277,418	(100,688)	176,730
Police and Firemen's Pension Accrued Liability	33,835	(471)	33,364
Total Other Long-Term Obligations	<u>1,409,123</u>	<u>(70,428)</u>	<u>1,338,695</u>
Total General Long-Term Debt and Other Long-Term Obligations	<u>\$7,154,123</u>	<u>\$1,629,572</u>	<u>\$8,783,695</u>

In January of 2003, \$2,000,000 of short-term general obligation notes were reissued as long-term notes.

The principal amount of the City's special assessment debt outstanding at December 31, 2002, \$495,000, 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 \$512,785 in the debt service funds at December 31, 2002 is reserved for the retirement of outstanding special assessment bonds. Delinquent special assessments at year end were \$3,876.

A. 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, 2002 is \$33,364 in principal payments through the year 2035. Only the principal amount is included in the General Long-Term Obligations Account Group.

NOTE 12 - LONG-TERM OBLIGATIONS (Continued)

B. 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, 2002 follows:

Years	General Obligation Notes		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2003	\$2,000,000	\$54,000	\$520,000	\$486,773
2004	0	0	545,000	462,215
2005	0	0	570,000	436,478
2006	0	0	600,000	409,560
2007	0	0	625,000	381,225
2008-2012	0	0	3,595,000	1,426,830
2013-2017	0	0	3,510,000	462,420
2018-2035	0	0	0	0
Totals	\$2,000,000	\$54,000	\$9,965,000	\$4,065,501

Years	Special Assessment Bonds		Police/Fire Pension Accrued Liability	
	Principal	Interest	Principal	Interest
2003	\$70,000	\$35,230	\$491	\$1,413
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
2008-2012	180,000	25,290	3,305	6,215
2013-2017	0	0	4,078	5,442
2018-2035	0	0	23,302	10,018
Totals	\$495,000	\$153,520	\$33,364	\$28,516

NOTE 13 - 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.

NOTE 14 - CAPITAL LEASE COMMITMENTS

Under a capital lease the City leases a ladder truck for the fire department. The cost of the leased asset is accounted for in the General Fixed Assets Account Group and the related liability in the General Long-Term Obligations Account Group. 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, 2002:

<u>Year Ending December 31,</u>	<u>Capital Leases</u>
2003	\$65,031
2004	65,030
2005	65,032
Minimum Lease Payments	195,093
Less: Amount representing interest at the City's incremental borrowing rate of interest	(18,363)
Present value of minimum lease payments	<u>\$176,730</u>

NOTE 15 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

Key financial information for the year ended December 31, 2002 for the City's enterprise activity is as follows:

	<u>Senior Citizen Housing</u>	<u>Convention Center</u>	<u>Total</u>
Operating Revenues	\$192,555	\$875,734	\$1,068,289
Depreciation	29,006	176,393	205,399
Operating Loss	(12,612)	(784,925)	(797,537)
Operating Transfers In	0	210,000	210,000
Operating Transfers Out	(40,000)	0	(40,000)
Net Loss	(51,620)	(449,515)	(501,135)
Property, Plant and Equipment:			
Additions	0	2,716,274	2,716,274
Assets	816,170	10,427,228	11,243,398
Net Working Capital	33,760	(1,272,439)	(1,238,679)
Notes Payable	0	2,700,000	2,700,000
Bonds Payable	0	5,015,000	5,015,000
Total Equity	755,893	2,351,380	3,107,273

NOTE 16 - CONTRIBUTED CAPITAL

There were no changes in contributed capital during 2002:

	Senior Citizen Housing	Convention Center	Total
Balance at End of Year	<u>\$0</u>	<u>\$79,021</u>	<u>\$79,021</u>

NOTE 17 - 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.

NOTE 18 – 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 2002, these transfers totaled \$81,000. 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 19 – 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 20 – SUBSEQUENT EVENT

In January of 2003 the City issued General Obligation Bonds in the amount of \$22,400,000. Proceeds from the bonds will be used to retire the Convention Center bond (\$5,015,000), Convention Center note (\$2,700,000), Kemper Road note (\$1,500,000) and Crescentville Road note (\$500,000). In addition, the proceeds will finance the construction of a firehouse and swimming pool.

***C*OMBINING AND *I*NDIVIDUAL *F*UND AND *A*CCOUNT *G*ROUP
*S*TATEMENTS AND *S*CHEDULES**

***T*HE FOLLOWING COMBINING STATEMENTS AND SCHEDULES INCLUDE THE
GENERAL FUND, SPECIAL REVENUE FUNDS, DEBT SERVICE FUNDS,
CAPITAL PROJECTS FUNDS, ENTERPRISE FUNDS, FIDUCIARY FUNDS AND
THE GENERAL FIXED ASSETS ACCOUNT GROUP.**

GENERAL FUND

The General Fund is used to account for government resources not accounted for in any other fund. The General Fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio.

CITY OF SHARONVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2002

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$12,786,175	\$11,841,051	(\$945,124)
Intergovernmental Revenues	622,981	595,356	(27,625)
Charges for Services	408,703	390,580	(18,123)
Licenses and Permits	352,093	336,480	(15,613)
Investment Earnings	203,743	194,708	(9,035)
Fines and Forfeitures	323,935	309,571	(14,364)
All Other Revenues	260,429	248,881	(11,548)
Total Revenues	14,958,059	13,916,627	(1,041,432)
<u>Expenditures:</u>			
Security of Persons and Property:			
Police Department:			
Personal Services	4,132,216	3,788,388	343,828
Materials and Supplies	216,781	198,447	18,334
Contractual Services	472,626	441,336	31,290
Total Police Department	4,821,623	4,428,171	393,452
Fire Department:			
Personal Services	4,991	4,434	557
Materials and Supplies	29,170	22,920	6,250
Contractual Services	19,003	11,100	7,903
Total Fire Department	53,164	38,454	14,710
Total Security of Persons and Property	4,874,787	4,466,625	408,162
Public Health and Welfare Services:			
Health Department:			
Personal Services	268,520	261,983	6,537
Materials and Supplies	17,016	12,457	4,559
Contractual Services	39,610	28,130	11,480
Total Health Department	325,146	302,570	22,576
Total Public Health and Welfare Services	325,146	302,570	22,576

(Continued)

CITY OF SHARONVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2002

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Leisure Time Activities:			
Recreation Centers:			
Personal Services	581,404	519,959	61,445
Materials and Supplies	81,576	73,061	8,515
Contractual Services	81,731	63,145	18,586
Total Recreation Centers	744,711	656,165	88,546
Recreation Parks and Programs:			
Personal Services	1,113,295	1,061,137	52,158
Materials and Supplies	87,566	81,374	6,192
Contractual Services	506,377	471,073	35,304
Total Recreation Parks and Programs	1,707,238	1,613,584	93,654
Recreation Pools:			
Personal Services	130,230	129,565	665
Materials and Supplies	19,430	20,540	(1,110)
Contractual Services	23,733	21,861	1,872
Total Recreation Pools	173,393	171,966	1,427
Total Leisure Time Activities	2,625,342	2,441,715	183,627
Community Environment:			
Building and Planning:			
Personal Services	389,435	382,371	7,064
Materials and Supplies	12,181	9,982	2,199
Contractual Services	147,180	135,283	11,897
Total Building and Planning	548,796	527,636	21,160
Total Community Environment	548,796	527,636	21,160
Basic Utility Services:			
Waste Collection:			
Contractual Services	465,195	459,204	5,991
Total Waste Collection	465,195	459,204	5,991
Total Basic Utility Services	465,195	459,204	5,991

(Continued)

CITY OF SHARONVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2002

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
General Government:			
Mayor:			
Personal Services	36,380	35,710	670
Materials and Supplies	1,200	813	387
Contractual Services	27,412	23,731	3,681
Total Mayor	64,992	60,254	4,738
Council:			
Personal Services	104,880	102,061	2,819
Materials and Supplies	1,170	1,531	(361)
Contractual Services	18,349	3,866	14,483
Total Council	124,399	107,458	16,941
Auditor and Treasurer:			
Personal Services	109,280	104,054	5,226
Materials and Supplies	4,695	3,582	1,113
Contractual Services	50,664	50,332	332
Total Auditor and Treasurer	164,639	157,968	6,671
Law Director:			
Personal Services	72,210	71,104	1,106
Materials and Supplies	200	0	200
Contractual Services	119,605	109,407	10,198
Total Law Director	192,015	180,511	11,504
Civil Service:			
Personal Services	11,710	6,541	5,169
Materials and Supplies	3,000	428	2,572
Contractual Services	26,393	26,271	122
Total Civil Service	41,103	33,240	7,863

(Continued)

CITY OF SHARONVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2002

GENERAL FUND

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
General Government: (continued)			
Safety/Service Director:			
Personal Services	576,690	565,797	10,893
Materials and Supplies	5,378	8,981	(3,603)
Contractual Services	<u>361,648</u>	<u>258,567</u>	<u>103,081</u>
Total Safety/Service Director	943,716	833,345	110,371
Tax Department:			
Personal Services	227,050	204,286	22,764
Materials and Supplies	20,609	15,123	5,486
Contractual Services	<u>18,550</u>	<u>19,167</u>	<u>(617)</u>
Total Tax Department	266,209	238,576	27,633
Building and Lands:			
Personal Services	270,169	248,500	21,669
Materials and Supplies	51,161	49,770	1,391
Contractual Services	<u>250,795</u>	<u>246,607</u>	<u>4,188</u>
Total Building and Lands	572,125	544,877	27,248
Miscellaneous Government:			
Materials and Supplies	22,549	22,040	509
Contractual Services	<u>777,939</u>	<u>652,900</u>	<u>125,039</u>
Total Miscellaneous Government	800,488	674,940	125,548
Maintenance:			
Contractual Services	<u>50,000</u>	<u>0</u>	<u>50,000</u>
Total Maintenance	50,000	0	50,000
Total General Government	<u>3,219,686</u>	<u>2,831,169</u>	<u>388,517</u>
Total Expenditures	<u>12,058,952</u>	<u>11,028,919</u>	<u>1,030,033</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,899,107	2,887,708	(11,399)

(Continued)

CITY OF SHARONVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2002

GENERAL FUND

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	40,000	40,000	0
Operating Transfers Out	<u>(7,028,657)</u>	<u>(6,818,657)</u>	<u>210,000</u>
Total Other Financing Sources (Uses)	<u>(6,988,657)</u>	<u>(6,778,657)</u>	<u>210,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(4,089,550)	(3,890,949)	198,601
Fund Balance at Beginning of Year	3,750,585	3,750,585	0
Prior Year Encumbrances	<u>368,529</u>	<u>368,529</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$29,564</u></u>	<u><u>\$228,165</u></u>	<u><u>\$198,601</u></u>

SPECIAL REVENUE FUNDS

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.

(Continued)

SPECIAL REVENUE FUNDS

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.

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.

Fire Department Fund

To account for income tax revenues collected to fund Fire Department operations.

THE CITY OF SHARONVILLE, OHIO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
DECEMBER 31, 2002

	Street Construction, Maintenance and Repair	State Highway	Federal Emergency Management Agency	State Health Licenses
<u>Assets:</u>				
Cash and Cash Equivalents	\$310,900	\$255,805	\$47,075	\$68,406
Investments	73,540	60,504	0	0
Receivables (net of allowance for doubtful accounts):				
Accounts	0	0	0	0
Interest	38	31	0	0
Intergovernmental Receivables	421,970	34,217	0	0
Inventory of Supplies at Cost	67,701	33,345	0	0
Prepaid Items	0	0	0	0
	<u>\$874,149</u>	<u>\$383,902</u>	<u>\$47,075</u>	<u>\$68,406</u>
Total Assets				
<u>Liabilities:</u>				
Accounts Payable	\$24,837	\$20,222	\$0	\$0
Accrued Wages and Benefits	13,157	0	0	0
Intergovernmental Payables	28,092	0	0	0
Accrued Interest Payable	0	0	0	0
Deferred Revenue	281,072	22,802	0	0
General Obligation Notes Payable	0	0	0	0
	<u>347,158</u>	<u>43,024</u>	<u>0</u>	<u>0</u>
Total Liabilities				
<u>Fund Equity:</u>				
Fund Balances:				
Reserved for Encumbrances	97,230	25,404	26,000	0
Reserved for Supplies Inventory	67,701	33,345	0	0
Reserved for Prepaid Items	0	0	0	0
Unreserved - Undesignated	362,060	282,129	21,075	68,406
	<u>526,991</u>	<u>340,878</u>	<u>47,075</u>	<u>68,406</u>
Total Fund Equity				
Total Liabilities and Fund Equity	<u>\$874,149</u>	<u>\$383,902</u>	<u>\$47,075</u>	<u>\$68,406</u>

THE CITY OF SHARONVILLE, OHIO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
DECEMBER 31, 2002

Law Enforcement Trust	Drug Law Enforcement	DUI Education and Enforcement	Mayor's Court Computer	Clerk of Courts Computer	Law Enforcement Block Grant	Confinement Reimbursement
\$19,094	\$15,320	\$4,797	\$7,872	\$21,450	\$13,983	\$48
0	0	0	0	0	0	0
443	80	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>\$19,537</u>	<u>\$15,400</u>	<u>\$4,797</u>	<u>\$7,872</u>	<u>\$21,450</u>	<u>\$13,983</u>	<u>\$48</u>
\$0	\$156	\$0	\$0	\$0	\$10,628	\$0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>156</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,628</u>	<u>0</u>
200	1,051	0	0	0	2,314	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>19,337</u>	<u>14,193</u>	<u>4,797</u>	<u>7,872</u>	<u>21,450</u>	<u>1,041</u>	<u>48</u>
<u>19,537</u>	<u>15,244</u>	<u>4,797</u>	<u>7,872</u>	<u>21,450</u>	<u>3,355</u>	<u>48</u>
<u>\$19,537</u>	<u>\$15,400</u>	<u>\$4,797</u>	<u>\$7,872</u>	<u>\$21,450</u>	<u>\$13,983</u>	<u>\$48</u>

(Continued)

THE CITY OF SHARONVILLE, OHIO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
DECEMBER 31, 2002

	COPS Grant	Termination Benefits	Fire Department	Totals
<u>Assets:</u>				
Cash and Cash Equivalents	\$4,047	\$300,843	\$1,440,623	\$2,510,263
Investments	0	0	340,490	474,534
Receivables (net of allowance for doubtful accounts):				
Accounts	0	0	7,735	8,258
Interest	0	0	170	239
Intergovernmental Receivables	192,572	0	15,000	663,759
Inventory of Supplies at Cost	0	0	0	101,046
Prepaid Items	0	0	515	515
Total Assets	<u>\$196,619</u>	<u>\$300,843</u>	<u>\$1,804,533</u>	<u>\$3,758,614</u>
<u>Liabilities:</u>				
Accounts Payable	\$0	\$0	\$121,257	\$177,100
Accrued Wages and Benefits	0	0	52,014	65,171
Intergovernmental Payables	0	0	148,768	176,860
Accrued Interest Payable	0	0	9,746	9,746
Deferred Revenue	176,551	0	15,054	495,479
General Obligation Notes Payable	0	0	400,000	400,000
Total Liabilities	<u>176,551</u>	<u>0</u>	<u>746,839</u>	<u>1,324,356</u>
<u>Fund Equity:</u>				
Fund Balances:				
Reserved for Encumbrances	0	0	175,787	327,986
Reserved for Supplies Inventory	0	0	0	101,046
Reserved for Prepaid Items	0	0	515	515
Unreserved - Undesignated	20,068	300,843	881,392	2,004,711
Total Fund Equity	<u>20,068</u>	<u>300,843</u>	<u>1,057,694</u>	<u>2,434,258</u>
Total Liabilities and Fund Equity	<u>\$196,619</u>	<u>\$300,843</u>	<u>\$1,804,533</u>	<u>\$3,758,614</u>

This Page is Intentionally Left Blank.

THE CITY OF SHARONVILLE, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

	Street Construction, Maintenance and Repair	State Highway	Federal Emergency Management Agency	State Health Licenses
<u>Revenues:</u>				
Taxes	\$0	\$0	\$0	\$0
Intergovernmental Revenues	1,169,376	94,728	0	0
Charges for Services	4,679	0	0	0
Licenses and Permits	0	0	0	56,418
Investment Earnings	5,846	4,698	0	0
Fines and Forfeitures	0	0	0	0
All Other Revenues	10,930	0	1,232	0
Total Revenues	<u>1,190,831</u>	<u>99,426</u>	<u>1,232</u>	<u>56,418</u>
<u>Expenditures:</u>				
Current:				
Security of Persons and Property	0	0	0	0
Public Health and Welfare Services	0	0	0	6,827
Transportation	1,069,117	74,393	0	0
General Government	0	0	0	0
Capital Outlay	0	0	0	0
Debt Service:				
Interest and Fiscal Charges	0	0	0	0
Total Expenditures	<u>1,069,117</u>	<u>74,393</u>	<u>0</u>	<u>6,827</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	121,714	25,033	1,232	49,591
<u>Other Financing Sources (Uses):</u>				
Operating Transfers In	0	0	0	0
Operating Transfers Out	(68,100)	0	0	0
Total Other Financing Sources (Uses)	<u>(68,100)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	53,614	25,033	1,232	49,591
Fund Balance (Deficit) at Beginning of Year	477,861	318,054	45,843	18,815
Decrease in Inventory Reserve	(4,484)	(2,209)	0	0
Fund Balance at End of Year	<u>\$526,991</u>	<u>\$340,878</u>	<u>\$47,075</u>	<u>\$68,406</u>

(Continued)

THE CITY OF SHARONVILLE, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

Law Enforcement Trust	Drug Law Enforcement	DUI Education and Enforcement	Mayor's Court Computer	Clerk of Courts Computer	Law Enforcement Block Grant	Confinement Reimbursement
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	12,314	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	118	0
11,924	7,736	795	12,524	29,222	0	48
2,471	100	1,485	0	0	220	0
<u>14,395</u>	<u>7,836</u>	<u>2,280</u>	<u>12,524</u>	<u>29,222</u>	<u>12,652</u>	<u>48</u>
3,942	6,020	1,167	13,888	29,378	23,460	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>3,942</u>	<u>6,020</u>	<u>1,167</u>	<u>13,888</u>	<u>29,378</u>	<u>23,460</u>	<u>0</u>
10,453	1,816	1,113	(1,364)	(156)	(10,808)	48
0	0	0	0	0	3,557	0
0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,557</u>	<u>0</u>
10,453	1,816	1,113	(1,364)	(156)	(7,251)	48
9,084	13,428	3,684	9,236	21,606	10,606	0
0	0	0	0	0	0	0
<u>\$19,537</u>	<u>\$15,244</u>	<u>\$4,797</u>	<u>\$7,872</u>	<u>\$21,450</u>	<u>\$3,355</u>	<u>\$48</u>

THE CITY OF SHARONVILLE, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

	COPS Grant	Termination Benefits	Fire Department	Totals
<u>Revenues:</u>				
Taxes	\$0	\$0	\$4,542,219	\$4,542,219
Intergovernmental Revenues	119,700	0	0	1,396,118
Charges for Services	0	0	244,695	249,374
Licenses and Permits	0	0	0	56,418
Investment Earnings	0	0	18,569	29,231
Fines and Forfeitures	0	0	0	62,249
All Other Revenues	0	0	54,257	70,695
Total Revenues	<u>119,700</u>	<u>0</u>	<u>4,859,740</u>	<u>6,406,304</u>
<u>Expenditures:</u>				
Current:				
Security of Persons and Property	115,288	0	3,245,603	3,438,746
Public Health and Welfare Services	0	0	0	6,827
Transportation	0	0	0	1,143,510
General Government	0	188,505	0	188,505
Capital Outlay	0	0	225,086	225,086
Debt Service:				
Interest and Fiscal Charges	0	0	22,019	22,019
Total Expenditures	<u>115,288</u>	<u>188,505</u>	<u>3,492,708</u>	<u>5,024,693</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,412	(188,505)	1,367,032	1,381,611
<u>Other Financing Sources (Uses):</u>				
Operating Transfers In	0	110,200	0	113,757
Operating Transfers Out	0	0	0	(68,100)
Total Other Financing Sources (Uses)	<u>0</u>	<u>110,200</u>	<u>0</u>	<u>45,657</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	4,412	(78,305)	1,367,032	1,427,268
Fund Balance (Deficit) at Beginning of Year	15,656	379,148	(309,338)	1,013,683
Decrease in Inventory Reserve	0	0	0	(6,693)
Fund Balance at End of Year	<u>\$20,068</u>	<u>\$300,843</u>	<u>\$1,057,694</u>	<u>\$2,434,258</u>

CITY OF SHARONVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$1,098,662	\$1,155,924	\$57,262
Charges for Services	4,679	4,679	0
Investment Earnings	5,600	5,633	33
All Other Revenues	12,762	10,930	(1,832)
Total Revenues	1,121,703	1,177,166	55,463
<u>Expenditures:</u>			
Transportation:			
Street Maintenance and Repair Department:			
Personal Services	870,046	865,185	4,861
Materials and Supplies	128,590	104,109	54,459
Contractual Services	100,968	46,509	24,481
Snow and Ice Removal Department:			
Personal Services	41,700	19,871	21,829
Materials and Supplies	156,716	104,319	52,397
Contractual Services	1,270	1,000	270
Traffic Signs and Signals Department:			
Materials and Supplies	1,070	0	1,070
Contractual Services	24,412	23,532	880
Total Expenditures	1,324,772	1,164,525	160,247
Excess (Deficiency) of Revenues Over (Under) Expenditures	(203,069)	12,641	215,710
<u>Other Financing Sources (Uses):</u>			
Operating Transfers Out	(68,100)	(68,100)	0
Total Other Financing Sources (Uses)	(68,100)	(68,100)	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(271,169)	(55,459)	215,710
Fund Balance at Beginning of Year	222,062	222,062	0
Prior Year Encumbrances	96,342	96,342	0
Fund Balance at End of Year	\$47,235	\$262,945	\$215,710

CITY OF SHARONVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

STATE HIGHWAY FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$89,375	\$93,637	\$4,262
Investment Earnings	4,500	4,527	27
Total Revenues	93,875	98,164	4,289
<u>Expenditures:</u>			
Transportation:			
Street Maintenance and Repair Department:			
Materials and Supplies	21,000	0	21,000
Contractual Services	86,963	46,574	40,389
Snow and Ice Removal Department:			
Materials and Supplies	45,023	35,488	9,535
Traffic Signs and Signals Department:			
Materials and Supplies	840	0	840
Contractual Services	25,612	23,074	2,538
Total Expenditures	179,438	105,136	74,302
Excess (Deficiency) of Revenues Over (Under) Expenditures	(85,563)	(6,972)	78,591
Fund Balance at Beginning of Year	230,123	230,123	0
Prior Year Encumbrances	47,848	47,848	0
Fund Balance at End of Year	\$192,408	\$270,999	\$78,591

CITY OF SHARONVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA) FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
All Other Revenues	\$1,232	\$1,232	\$0
Total Revenues	1,232	1,232	0
<u>Expenditures:</u>			
General Government:			
Miscellaneous Government Department:			
Personal Services	14,580	0	14,580
Total General Government	14,580	0	14,580
Capital Outlay	46,985	40,500	6,485
Total Expenditures	61,565	40,500	21,065
Excess (Deficiency) of Revenues Over (Under) Expenditures	(60,333)	(39,268)	21,065
Fund Balance at Beginning of Year	39,358	39,358	0
Prior Year Encumbrances	20,985	20,985	0
Fund Balance at End of Year	\$10	\$21,075	\$21,065

CITY OF SHARONVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

STATE HEALTH LICENSES FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Licenses and Permits	\$55,000	\$56,418	\$1,418
Total Revenues	55,000	56,418	1,418
<u>Expenditures:</u>			
Public Health and Welfare Services:			
Health Department:			
Contractual Services	8,000	6,827	1,173
Total Expenditures	8,000	6,827	1,173
Excess (Deficiency) of Revenues Over (Under) Expenditures	47,000	49,591	2,591
<u>Other Financing Sources (Uses):</u>			
Operating Transfers Out	(47,000)	0	47,000
Total Other Financing Sources (Uses)	(47,000)	0	47,000
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	0	49,591	49,591
Fund Balance at Beginning of Year	18,815	18,815	0
Fund Balance at End of Year	\$18,815	\$68,406	\$49,591

CITY OF SHARONVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

LAW ENFORCEMENT TRUST FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Fines and Forfeitures	\$12,000	\$11,481	(\$519)
All Other Revenues	1,900	2,471	571
Total Revenues	13,900	13,952	52
<u>Expenditures:</u>			
Security of Persons and Property:			
Police Department:			
Materials and Supplies	4,000	3,102	898
Contractual Services	2,200	1,040	1,160
Total Expenditures	6,200	4,142	2,058
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,700	9,810	2,110
Fund Balance at Beginning of Year	8,884	8,884	0
Prior Year Encumbrances	200	200	0
Fund Balance at End of Year	\$16,784	\$18,894	\$2,110

CITY OF SHARONVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

DRUG LAW ENFORCEMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Fines and Forfeitures	\$7,400	\$7,656	\$256
All Other Revenues	0	100	100
Total Revenues	<u>7,400</u>	<u>7,756</u>	<u>356</u>
<u>Expenditures:</u>			
Security of Persons and Property:			
Police Department:			
Personal Services	2,000	0	2,000
Materials and Supplies	16,500	11,592	4,908
Contractual Services	<u>7,000</u>	<u>305</u>	<u>6,695</u>
Total Expenditures	<u>25,500</u>	<u>11,897</u>	<u>13,603</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(18,100)	(4,141)	13,959
Fund Balance at Beginning of Year	12,254	12,254	0
Prior Year Encumbrances	<u>6,000</u>	<u>6,000</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$154</u></u>	<u><u>\$14,113</u></u>	<u><u>\$13,959</u></u>

CITY OF SHARONVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

DUI EDUCATION AND ENFORCEMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Fines and Forfeitures	\$795	\$795	\$0
All Other Revenues	1,225	1,485	260
Total Revenues	<u>2,020</u>	<u>2,280</u>	<u>260</u>
<u>Expenditures:</u>			
Security of Persons and Property:			
Police Department:			
Materials and Supplies	3,000	1,167	1,833
Contractual Services	2,080	0	2,080
Total Expenditures	<u>5,080</u>	<u>1,167</u>	<u>3,913</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,060)	1,113	4,173
Fund Balance at Beginning of Year	3,604	3,604	0
Prior Year Encumbrances	80	80	0
Fund Balance at End of Year	<u><u>\$624</u></u>	<u><u>\$4,797</u></u>	<u><u>\$4,173</u></u>

CITY OF SHARONVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

MAYOR'S COURT COMPUTER FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Fines and Forfeitures	\$11,480	\$12,524	\$1,044
Total Revenues	11,480	12,524	1,044
<u>Expenditures:</u>			
Security of Persons and Property:			
Police Department:			
Materials and Supplies	15,000	10,888	4,112
Contractual Services	0	3,000	(3,000)
Total Expenditures	15,000	13,888	1,112
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,520)	(1,364)	2,156
Fund Balance at Beginning of Year	9,236	9,236	0
Fund Balance at End of Year	\$5,716	\$7,872	\$2,156

CITY OF SHARONVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

CLERK OF COURTS COMPUTER FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Fines and Forfeitures	\$26,800	\$29,222	\$2,422
Total Revenues	26,800	29,222	2,422
<u>Expenditures:</u>			
Security of Persons and Property:			
Police Department:			
Materials and Supplies	37,000	27,878	9,122
Contractual Services	250	1,500	(1,250)
Total Expenditures	37,250	29,378	7,872
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,450)	(156)	10,294
Fund Balance at Beginning of Year	21,606	21,606	0
Fund Balance at End of Year	\$11,156	\$21,450	\$10,294

CITY OF SHARONVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

LAW ENFORCEMENT BLOCK GRANT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$12,313	\$12,314	\$1
Investment Earnings	110	118	8
All Other Revenues	220	220	0
Total Revenues	12,643	12,652	9
<u>Expenditures:</u>			
Security of Persons and Property:			
Police Department:			
Materials and Supplies	34,822	33,796	1,026
Total Expenditures	34,822	33,796	1,026
Excess (Deficiency) of Revenues Over (Under) Expenditures	(22,179)	(21,144)	1,035
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	3,557	3,557	0
Total Other Financing Sources (Uses)	3,557	3,557	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(18,622)	(17,587)	1,035
Fund Balance at Beginning of Year	10,606	10,606	0
Prior Year Encumbrances	8,022	8,022	0
Fund Balance at End of Year	\$6	\$1,041	\$1,035

CITY OF SHARONVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

CONFINEMENT REIMBURSEMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Fines and Forfeitures	\$48	\$48	\$0
Total Revenues	48	48	0
<u>Expenditures:</u>			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	48	48	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$48	\$48	\$0

CITY OF SHARONVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

COPS GRANT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$116,120	\$116,053	(\$67)
Total Revenues	116,120	116,053	(67)
<u>Expenditures:</u>			
Security of Persons and Property:			
Police Department:			
Personal Services	115,289	115,288	1
Materials and Supplies	3,711	0	3,711
Total Expenditures	119,000	115,288	3,712
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,880)	765	3,645
Fund Balance at Beginning of Year	3,282	3,282	0
Fund Balance at End of Year	\$402	\$4,047	\$3,645

CITY OF SHARONVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

TERMINATION BENEFITS FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
General Government:			
Miscellaneous Financing Department:			
Personal Services	380,000	188,505	191,495
Total Expenditures	380,000	188,505	191,495
Excess (Deficiency) of Revenues Over (Under) Expenditures	(380,000)	(188,505)	191,495
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	110,000	110,200	200
Total Other Financing Sources (Uses)	110,000	110,200	200
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(270,000)	(78,305)	191,695
Fund Balance at Beginning of Year	379,148	379,148	0
Fund Balance at End of Year	\$109,148	\$300,843	\$191,695

CITY OF SHARONVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

FIRE DEPARTMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$4,590,922	\$4,542,219	(\$48,703)
Charges for Services	244,695	244,695	0
Investment Earnings	17,861	17,861	0
All Other Revenues	46,522	46,522	0
Total Revenues	4,900,000	4,851,297	(48,703)
<u>Expenditures:</u>			
Security of Persons and Property:			
Fire Department:			
Personal Services	2,880,088	2,524,790	355,298
Materials and Supplies	187,000	195,139	(8,139)
Contractual Services	334,560	313,606	20,954
Total Security of Persons and Property	3,401,648	3,033,535	368,113
Capital Outlay	877,084	426,488	450,596
Debt Service:			
Principal Retirement	1,140,000	500,000	640,000
Interest and Fiscal Charges	45,000	16,933	28,067
Total Debt Service	1,185,000	516,933	668,067
Total Expenditures	5,463,732	3,976,956	1,486,776
Excess (Deficiency) of Revenues Over (Under) Expenditures	(563,732)	874,341	1,438,073
<u>Other Financing Sources (Uses):</u>			
Proceeds from General Obligation Notes	400,000	400,000	0
Total Other Financing Sources (Uses)	400,000	400,000	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(163,732)	1,274,341	1,438,073
Fund Balance at Beginning of Year	180,329	180,329	0
Prior Year Encumbrances	37,985	37,985	0
Fund Balance at End of Year	\$54,582	\$1,492,655	\$1,438,073



DEBT SERVICE FUNDS

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.

THE CITY OF SHARONVILLE, OHIO
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
DECEMBER 31, 2002

	Note Debt Retirement	Special Assessment Retirement	Crystalview Widening	Zind Lane Sewer	Crowne Point Drive	Totals
Assets:						
Cash and Cash Equivalents	\$90,048	\$31,706	\$22,334	\$3,685	\$295,145	\$442,918
Investments	0	0	0	0	69,843	69,843
Receivables (net of allowances for doubtful accounts):						
Interest	0	0	0	0	35	35
Special Assessments	0	8,189	8,132	28,212	483,866	528,399
Total Assets	<u>\$90,048</u>	<u>\$39,895</u>	<u>\$30,466</u>	<u>\$31,897</u>	<u>\$848,889</u>	<u>\$1,041,195</u>
Liabilities:						
Deferred Revenue	\$0	\$8,189	\$8,132	\$28,212	\$483,877	\$528,410
Total Liabilities	<u>0</u>	<u>8,189</u>	<u>8,132</u>	<u>28,212</u>	<u>483,877</u>	<u>528,410</u>
Fund Equity:						
Fund Balances:						
Reserved for Debt Service	90,048	31,706	22,334	3,685	365,012	512,785
Total Fund Equity	<u>90,048</u>	<u>31,706</u>	<u>22,334</u>	<u>3,685</u>	<u>365,012</u>	<u>512,785</u>
Total Liabilities and Fund Equity	<u>\$90,048</u>	<u>\$39,895</u>	<u>\$30,466</u>	<u>\$31,897</u>	<u>\$848,889</u>	<u>\$1,041,195</u>

THE CITY OF SHARONVILLE, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

	Note Debt Retirement	Special Assessment Retirement	Crystalview Widening	Zind Lane Sewer	Crowne Point Drive	Totals
Revenues:						
Intergovernmental Revenues	\$181,309	\$0	\$0	\$0	\$0	\$181,309
Investment Earnings	0	0	0	0	6,497	6,497
Special Assessments	0	1,345	14,853	9,296	99,776	125,270
Total Revenues	<u>181,309</u>	<u>1,345</u>	<u>14,853</u>	<u>9,296</u>	<u>106,273</u>	<u>313,076</u>
Expenditures:						
General Government	4,754	0	0	0	0	4,754
Debt Service:						
Principal Retirement	225,000	0	10,000	5,000	60,000	300,000
Interest and Fiscal Charges	247,345	0	2,490	2,293	39,776	291,904
Total Expenditures	<u>477,099</u>	<u>0</u>	<u>12,490</u>	<u>7,293</u>	<u>99,776</u>	<u>596,658</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(295,790)	1,345	2,363	2,003	6,497	(283,582)
Other Financing Sources (Uses):						
Operating Transfers In	325,000	0	0	0	0	325,000
Operating Transfers Out	(282,000)	0	0	0	0	(282,000)
Total Other Financing Sources (Uses)	<u>43,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>43,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(252,790)	1,345	2,363	2,003	6,497	(240,582)
Fund Balance at Beginning of Year	342,838	30,361	19,971	1,682	358,515	753,367
Fund Balance at End of Year	<u>\$90,048</u>	<u>\$31,706</u>	<u>\$22,334</u>	<u>\$3,685</u>	<u>\$365,012</u>	<u>\$512,785</u>

CITY OF SHARONVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

NOTE DEBT RETIREMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$175,000	\$181,309	\$6,309
Total Revenues	175,000	181,309	6,309
<u>Expenditures:</u>			
General Government:			
Miscellaneous Financing Department:			
Contractual Services	4,000	4,754	(754)
Debt Service:			
Principal Retirement	231,000	225,000	6,000
Interest and Fiscal Charges	283,000	247,345	35,655
Expenditures	518,000	477,099	40,901
Excess (Deficiency) of Revenues Over (Under) Expenditures	(343,000)	(295,790)	47,210
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	325,000	325,000	0
Operating Transfers Out	(282,000)	(282,000)	0
Total Other Financing Sources (Uses)	43,000	43,000	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(300,000)	(252,790)	47,210
Fund Balance at Beginning of Year	342,838	342,838	0
Fund Balance at End of Year	\$42,838	\$90,048	\$47,210

CITY OF SHARONVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

SPECIAL ASSESSMENT RETIREMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Special Assessments	\$1,345	\$1,345	\$0
Total Revenues	1,345	1,345	0
<u>Expenditures:</u>			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,345	1,345	0
Fund Balance at Beginning of Year	30,361	30,361	0
Fund Balance at End of Year	\$31,706	\$31,706	\$0

CITY OF SHARONVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

CRYSTALVIEW WIDENING FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Special Assessments	\$14,850	\$14,853	\$3
Total Revenues	14,850	14,853	3
<u>Expenditures:</u>			
Debt Service:			
Principal Retirement	16,700	10,000	6,700
Interest and Fiscal Charges	3,300	2,490	810
Total Expenditures	20,000	12,490	7,510
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,150)	2,363	7,513
Fund Balance at Beginning of Year	19,971	19,971	0
Fund Balance at End of Year	\$14,821	\$22,334	\$7,513

CITY OF SHARONVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

ZIND LANE SEWER FUND

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Special Assessments	\$9,296	\$9,296	\$0
Total Revenues	<u>9,296</u>	<u>9,296</u>	<u>0</u>
<u>Expenditures:</u>			
Debt Service:			
Principal Retirement	6,800	5,000	1,800
Interest and Fiscal Charges	<u>2,400</u>	<u>2,293</u>	<u>107</u>
Total Expenditures	<u>9,200</u>	<u>7,293</u>	<u>1,907</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	96	2,003	1,907
Fund Balance at Beginning of Year	<u>1,682</u>	<u>1,682</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$1,778</u></u>	<u><u>\$3,685</u></u>	<u><u>\$1,907</u></u>

CITY OF SHARONVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

CROWNE POINT DRIVE FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Investment Earnings	\$5,824	\$6,266	\$442
Special Assessments	99,776	99,776	0
Total Revenues	105,600	106,042	442
<u>Expenditures:</u>			
Debt Service:			
Principal Retirement	156,000	60,000	96,000
Interest and Fiscal Charges	44,000	39,776	4,224
Total Expenditures	200,000	99,776	100,224
Excess (Deficiency) of Revenues Over (Under) Expenditures	(94,400)	6,266	100,666
Fund Balance at Beginning of Year	358,515	358,515	0
Fund Balance at End of Year	\$264,115	\$364,781	\$100,666

CAPITAL PROJECTS FUNDS

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 Fund

To account for the accumulation of funds for the acquisition of capital assets and/or the construction of major capital facilities.

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.

THE CITY OF SHARONVILLE, OHIO
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
DECEMBER 31, 2002

	Capital Improvement	Capital Improvement Issue II	Capital Improvement Issue II-B	Totals
<u>Assets:</u>				
Cash and Cash Equivalents	\$3,614,685	\$2,911,342	\$475,444	\$7,001,471
Total Assets	<u>\$3,614,685</u>	<u>\$2,911,342</u>	<u>\$475,444</u>	<u>\$7,001,471</u>
<u>Liabilities:</u>				
Accounts Payable	\$446,530	\$131,986	\$0	\$578,516
Accrued Interest Payable	0	0	6,840	6,840
General Obligation Notes Payable	0	0	460,000	460,000
Total Liabilities	<u>446,530</u>	<u>131,986</u>	<u>466,840</u>	<u>1,045,356</u>
<u>Fund Equity:</u>				
Fund Balances:				
Reserved for Encumbrances	1,687,204	2,505,897	37,727	4,230,828
Unreserved - Undesignated	1,480,951	273,459	(29,123)	1,725,287
Total Fund Equity	<u>3,168,155</u>	<u>2,779,356</u>	<u>8,604</u>	<u>5,956,115</u>
Total Liabilities and Fund Equity	<u>\$3,614,685</u>	<u>\$2,911,342</u>	<u>\$475,444</u>	<u>\$7,001,471</u>

THE CITY OF SHARONVILLE, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

	Capital Improvement	Capital Improvement Issue II	Capital Improvement Issue II-B	Totals
<u>Revenues:</u>				
Intergovernmental Revenues	\$367,541	\$0	\$133,632	\$501,173
All Other Revenues	13,180	0	13,072	26,252
Total Revenues	<u>380,721</u>	<u>0</u>	<u>146,704</u>	<u>527,425</u>
<u>Expenditures:</u>				
Capital Outlay	4,433,901	235,033	264,760	4,933,694
Debt Service:				
Principal Retirement	100,688	0	0	100,688
Interest and Fiscal Charges	14,607	0	25,711	40,318
Total Expenditures	<u>4,549,196</u>	<u>235,033</u>	<u>290,471</u>	<u>5,074,700</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,168,475)	(235,033)	(143,767)	(4,547,275)
<u>Other Financing Sources (Uses):</u>				
Proceeds from General Obligation Notes	0	1,500,000	500,000	2,000,000
Operating Transfers In	5,638,000	600,000	282,000	6,520,000
Transfers Out - Component Unit	(81,000)	0	0	(81,000)
Total Other Financing Sources (Uses)	<u>5,557,000</u>	<u>2,100,000</u>	<u>782,000</u>	<u>8,439,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	1,388,525	1,864,967	638,233	3,891,725
Restated Fund Balance (Deficit) at Beginning of Year	<u>1,779,630</u>	<u>914,389</u>	<u>(629,629)</u>	<u>2,064,390</u>
Fund Balance at End of Year	<u><u>\$3,168,155</u></u>	<u><u>\$2,779,356</u></u>	<u><u>\$8,604</u></u>	<u><u>\$5,956,115</u></u>

CITY OF SHARONVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

CAPITAL IMPROVEMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$1,590,000	\$388,841	(\$1,201,159)
All Other Revenues	14,000	13,180	(820)
Total Revenues	1,604,000	402,021	(1,201,979)
<u>Expenditures:</u>			
Capital Outlay	6,751,164	6,218,956	532,208
Debt Service:			
Principal Retirement	100,688	100,688	0
Interest and Fiscal Charges	14,607	14,607	0
Total Expenditures	6,866,459	6,334,251	532,208
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,262,459)	(5,932,230)	(669,771)
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	4,436,000	5,638,000	1,202,000
Transfers Out - Component Unit	(81,000)	(81,000)	0
Total Other Financing Sources (Uses)	4,355,000	5,557,000	1,202,000
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(907,459)	(375,230)	532,229
Fund Balance at Beginning of Year	948,612	948,612	0
Prior Year Encumbrances	907,709	907,709	0
Fund Balance at End of Year	\$948,862	\$1,481,091	\$532,229

CITY OF SHARONVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

CAPITAL IMPROVEMENT ISSUE II FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
Capital Outlay	2,057,436	2,778,064	(720,628)
Total Expenditures	2,057,436	2,778,064	(720,628)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,057,436)	(2,778,064)	(720,628)
<u>Other Financing Sources (Uses):</u>			
Proceeds from General Obligation Notes	1,500,000	1,500,000	0
Operating Transfers In	600,000	600,000	0
Total Other Financing Sources (Uses)	2,100,000	2,100,000	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	42,564	(678,064)	(720,628)
Fund Balance at Beginning of Year	694,087	694,087	0
Prior Year Encumbrances	257,436	257,436	0
Fund Balance at End of Year	\$994,087	\$273,459	(\$720,628)

CITY OF SHARONVILLE, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

CAPITAL IMPROVEMENT ISSUE II-B FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$133,632	\$133,632	\$0
All Other Revenues	13,072	13,072	0
Total Revenues	146,704	146,704	0
<u>Expenditures:</u>			
Capital Outlay	300,451	302,487	(2,036)
Debt Service:			
Principal Retirement	593,451	1,200,000	(606,549)
Interest and Fiscal Charges	42,000	42,000	0
Total Expenditures	935,902	1,544,487	(608,585)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(789,198)	(1,397,783)	(608,585)
<u>Other Financing Sources (Uses):</u>			
Proceeds from General Obligation Notes	0	960,000	960,000
Operating Transfers In	282,000	282,000	0
Total Other Financing Sources (Uses)	282,000	1,242,000	960,000
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(507,198)	(155,783)	351,415
Fund Balance at Beginning of Year	293,049	293,049	0
Prior Year Encumbrances	300,451	300,451	0
Fund Balance at End of Year	\$86,302	\$437,717	\$351,415

ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprise, whereby the intent of the City is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the City has decided that periodic determination of net income is appropriate for accountability purposes.

Senior Citizen Housing Fund

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.

Convention Center Fund

To account for revenues and expenses associated with the operation of a city-owned convention center.

THE CITY OF SHARONVILLE, OHIO
COMBINING BALANCE SHEET
ENTERPRISE FUNDS
DECEMBER 31, 2002

	Senior Citizen Housing	Convention Center	Totals
<u>Assets:</u>			
Cash and Cash Equivalents	\$40,663	\$1,320,881	\$1,361,544
Investments	9,626	312,612	322,238
Receivables (net of allowances for doubtful accounts):			
Accounts	0	47,196	47,196
Interest	0	160	160
Prepaid Items	0	594	594
Restricted Assets:			
Cash and Cash Equivalents	12,476	0	12,476
Property, Plant and Equipment	1,406,526	10,510,681	11,917,207
Less: Accumulated Depreciation	(653,121)	(1,764,896)	(2,418,017)
Net Fixed Assets	<u>753,405</u>	<u>8,745,785</u>	<u>9,499,190</u>
Total Assets	<u>\$816,170</u>	<u>\$10,427,228</u>	<u>\$11,243,398</u>
<u>Liabilities and Fund Equity:</u>			
Liabilities:			
Accounts Payable	\$13,493	\$55,069	\$68,562
Accrued Wages and Benefits	753	4,641	5,394
Intergovernmental Payables	2,283	113,636	115,919
Accrued Interest Payable	0	80,536	80,536
Customer Deposits	12,476	0	12,476
Deferred Revenue	0	68,282	68,282
General Obligation Notes Payable	0	2,700,000	2,700,000
Compensated Absences Payable	31,272	38,684	69,956
General Obligation Bonds Payable	0	5,015,000	5,015,000
Total Liabilities	<u>60,277</u>	<u>8,075,848</u>	<u>8,136,125</u>
Fund Equity:			
Contributed Capital	0	79,021	79,021
Retained Earnings:			
Unreserved	755,893	2,272,359	3,028,252
Total Fund Equity	<u>755,893</u>	<u>2,351,380</u>	<u>3,107,273</u>
Total Liabilities and Fund Equity	<u>\$816,170</u>	<u>\$10,427,228</u>	<u>\$11,243,398</u>

THE CITY OF SHARONVILLE, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

	Senior Citizen Housing	Convention Center	Totals
<u>Operating Revenues:</u>			
Charges for Services	\$191,670	\$778,978	\$970,648
Other Operating Revenues	885	96,756	97,641
Total Operating Revenues	192,555	875,734	1,068,289
<u>Operating Expenses:</u>			
Personal Services	68,689	772,384	841,073
Materials and Supplies	25,734	97,835	123,569
Contractual Services	65,553	483,736	549,289
Utilities	16,185	130,311	146,496
Depreciation	29,006	176,393	205,399
Total Operating Expenses	205,167	1,660,659	1,865,826
Operating Loss	(12,612)	(784,925)	(797,537)
<u>Non-Operating Revenues (Expenses):</u>			
Intergovernmental Revenues	0	418,021	418,021
Investment Earnings	992	30,246	31,238
Interest and Fiscal Charges	0	(322,857)	(322,857)
Total Non-Operating Revenues (Expenses)	992	125,410	126,402
Loss Before Operating Transfers	(11,620)	(659,515)	(671,135)
<u>Operating Transfers:</u>			
Operating Transfers In	0	210,000	210,000
Operating Transfers Out	(40,000)	0	(40,000)
Total Operating Transfers	(40,000)	210,000	170,000
Net Loss	(51,620)	(449,515)	(501,135)
Restated Retained Earnings at Beginning of Year	807,513	2,721,874	3,529,387
Retained Earnings at End of Year	\$755,893	\$2,272,359	\$3,028,252

THE CITY OF SHARONVILLE, OHIO
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

	Senior Citizen Housing	Convention Center	Totals
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$191,670	\$772,069	\$963,739
Cash Payments for Goods and Services	(96,000)	(602,023)	(698,023)
Cash Payments to Employees	(67,051)	(732,810)	(799,861)
Other Operating Revenues	885	96,756	97,641
Customer Deposits Received	2,235	0	2,235
Customer Deposits Returned	(1,685)	0	(1,685)
Net Cash Provided (Used) by Operating Activities	<u>30,054</u>	<u>(466,008)</u>	<u>(435,954)</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers In from Other Funds	0	210,000	210,000
Transfers Out to Other Funds	(40,000)	0	(40,000)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(40,000)</u>	<u>210,000</u>	<u>170,000</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and Construction of Assets	0	(2,716,274)	(2,716,274)
Intergovernmental Revenue Received	0	418,021	418,021
Proceeds from General Obligation Notes	0	2,700,000	2,700,000
Payment on General Obligation Bonds	0	(275,000)	(275,000)
Interest Paid on All Debt	0	(263,040)	(263,040)
Net Cash Used for Capital and Related Financing Activities	<u>0</u>	<u>(136,293)</u>	<u>(136,293)</u>
<u>Cash Flows from Investing Activities:</u>			
Purchase of Investments	(9,594)	(311,647)	(321,241)
Receipts of Interest	960	29,121	30,081
Net Cash Used for Investing Activities	<u>(8,634)</u>	<u>(282,526)</u>	<u>(291,160)</u>
Net Decrease in Cash and Cash Equivalents	(18,580)	(674,827)	(693,407)
Cash and Cash Equivalents at Beginning of Year	71,719	1,995,708	2,067,427
Cash and Cash Equivalents at End of Year	<u>\$53,139</u>	<u>\$1,320,881</u>	<u>\$1,374,020</u>
<u>Reconciliation of Cash and</u>			
<u>Cash Equivalents per the Balance Sheet:</u>			
Cash and Cash Equivalents	\$40,663	\$1,320,881	\$1,361,544
Restricted Cash and Cash Equivalents	12,476	0	12,476
Cash and Cash Equivalents at End of Year	<u>\$53,139</u>	<u>\$1,320,881</u>	<u>\$1,374,020</u>

(Continued)

THE CITY OF SHARONVILLE, OHIO
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

	Senior Citizen Housing	Convention Center	Totals
<u>Reconciliation of Operating Loss to Net Cash</u>			
<u>Provided (Used) by Operating Activities:</u>			
Operating Loss	(\$12,612)	(\$784,925)	(\$797,537)
Adjustments to Reconcile Operating Loss to			
Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	29,006	176,393	205,399
Changes in Assets and Liabilities:			
Increase in Accounts Receivable	0	(1,111)	(1,111)
Decrease in Prepaid Items	0	916	916
Increase in Accounts Payable	11,455	17,643	29,098
Increase in Accrued Wages and Benefits	498	2,537	3,035
Increase in Intergovernmental Payable	47	89,653	89,700
Increase in Customer Deposits Payable	550	0	550
Decrease in Deferred Revenue	0	(5,798)	(5,798)
Increase in Compensated Absences	1,110	38,684	39,794
Total Adjustments	42,666	318,917	361,583
Net Cash Provided (Used) by Operating Activities	\$30,054	(\$466,008)	(\$435,954)



FIDUCIARY FUND TYPES

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.

EXPENDABLE TRUST FUND

Unclaimed Monies Fund

To account for funds which rightfully belong to the payor and are refunded when the payor provides proof of claim for the funds within the period specified by law.

AGENCY FUNDS

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.

THE CITY OF SHARONVILLE, OHIO
COMBINING BALANCE SHEET
FIDUCIARY FUND TYPES
DECEMBER 31, 2002

	Expendable Trust Fund	Agency Funds						Totals
	Unclaimed Monies	Mayor's Court	Employee Benefits	Tax Rebate	Ohio Board of Building Standards	Tax Rebate 1.5%	Warranty Bond	
<u>Assets:</u>								
Cash and Cash Equivalents	\$1,271	\$0	\$0	\$0	\$0	\$0	\$0	\$1,271
Restricted Assets:								
Cash and Cash Equivalents	0	12,092	214,062	199,785	360	723,717	7,758	1,157,774
Total Assets	<u>\$1,271</u>	<u>\$12,092</u>	<u>\$214,062</u>	<u>\$199,785</u>	<u>\$360</u>	<u>\$723,717</u>	<u>\$7,758</u>	<u>\$1,159,045</u>
<u>Liabilities:</u>								
Intergovernmental Payables	\$0	\$0	\$0	\$0	\$360	\$0	\$0	360
Due to Others	0	12,092	214,062	199,785	0	723,717	7,758	1,157,414
Total Liabilities	0	12,092	214,062	199,785	360	723,717	7,758	1,157,774
<u>Fund Equity:</u>								
Unreserved	1,271	0	0	0	0	0	0	1,271
Total Fund Equity	1,271	0	0	0	0	0	0	1,271
Total Liabilities and Fund Equity	<u>\$1,271</u>	<u>\$12,092</u>	<u>\$214,062</u>	<u>\$199,785</u>	<u>\$360</u>	<u>\$723,717</u>	<u>\$7,758</u>	<u>\$1,159,045</u>



THE CITY OF SHARONVILLE, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

	Restated Balance December 31, 2001	Additions	Deductions	Balance December 31, 2002
<u>Mayor's Court Fund</u>				
Assets:				
Cash and Cash Equivalents	\$4,685	\$796,196	(\$788,789)	\$12,092
Total Assets	<u>\$4,685</u>	<u>\$796,196</u>	<u>(\$788,789)</u>	<u>\$12,092</u>
Liabilities:				
Due to Others	\$4,685	\$796,196	(\$788,789)	\$12,092
Total Liabilities	<u>\$4,685</u>	<u>\$796,196</u>	<u>(\$788,789)</u>	<u>\$12,092</u>
<u>Employee Benefits Fund</u>				
Assets:				
Cash and Cash Equivalents	\$181,806	\$131,239	(\$98,983)	\$214,062
Total Assets	<u>\$181,806</u>	<u>\$131,239</u>	<u>(\$98,983)</u>	<u>\$214,062</u>
Liabilities:				
Due to Others	\$181,806	\$131,239	(\$98,983)	\$214,062
Total Liabilities	<u>\$181,806</u>	<u>\$131,239</u>	<u>(\$98,983)</u>	<u>\$214,062</u>
<u>Tax Rebate Fund</u>				
Assets:				
Cash and Cash Equivalents	\$217,998	\$380,000	(\$398,213)	\$199,785
Total Assets	<u>\$217,998</u>	<u>\$380,000</u>	<u>(\$398,213)</u>	<u>\$199,785</u>
Liabilities:				
Due to Others	\$217,998	\$380,000	(\$398,213)	\$199,785
Total Liabilities	<u>\$217,998</u>	<u>\$380,000</u>	<u>(\$398,213)</u>	<u>\$199,785</u>
<u>Ohio Board of Building Standards Fund</u>				
Assets:				
Cash and Cash Equivalents	\$290	\$3,244	(\$3,174)	\$360
Total Assets	<u>\$290</u>	<u>\$3,244</u>	<u>(\$3,174)</u>	<u>\$360</u>
Liabilities:				
Intergovernmental Payables	\$290	\$3,244	(\$3,174)	\$360
Total Liabilities	<u>\$290</u>	<u>\$3,244</u>	<u>(\$3,174)</u>	<u>\$360</u>
<u>Tax Rebate 1.5% Fund</u>				
Assets:				
Cash and Cash Equivalents	\$0	\$732,624	(\$8,907)	\$723,717
Total Assets	<u>\$0</u>	<u>\$732,624</u>	<u>(\$8,907)</u>	<u>\$723,717</u>
Liabilities:				
Due to Others	\$0	\$732,624	(\$8,907)	\$723,717
Total Liabilities	<u>\$0</u>	<u>\$732,624</u>	<u>(\$8,907)</u>	<u>\$723,717</u>

THE CITY OF SHARONVILLE, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

	Restated Balance December 31, 2001	Additions	Deductions	Balance December 31, 2002
<u>Warranty Bond Fund</u>				
Assets:				
Cash and Cash Equivalents	\$7,905	\$81	(\$228)	\$7,758
Total Assets	<u>\$7,905</u>	<u>\$81</u>	<u>(\$228)</u>	<u>\$7,758</u>
Liabilities:				
Due to Others	\$7,905	\$81	(\$228)	\$7,758
Total Liabilities	<u>\$7,905</u>	<u>\$81</u>	<u>(\$228)</u>	<u>\$7,758</u>
<u>Totals - All Agency Funds</u>				
Assets:				
Cash and Cash Equivalents	\$412,684	\$2,043,384	(\$1,298,294)	\$1,157,774
Total Assets	<u>\$412,684</u>	<u>\$2,043,384</u>	<u>(\$1,298,294)</u>	<u>\$1,157,774</u>
Liabilities:				
Intergovernmental Payables	\$290	\$3,244	(\$3,174)	\$360
Due to Others	412,394	2,040,140	(1,295,120)	1,157,414
Total Liabilities	<u>\$412,684</u>	<u>\$2,043,384</u>	<u>(\$1,298,294)</u>	<u>\$1,157,774</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

General Fixed Assets Account Group is used to account for fixed assets other than those accounted for in the Proprietary Funds.

THE CITY OF SHARONVILLE, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY SOURCE
DECEMBER 31, 2002

General Fixed Assets:

Land	\$1,861,716
Land Improvements	2,340,262
Buildings and Improvements	12,333,159
Infrastructure	12,768,053
Machinery and Equipment	4,019,750
Vehicles	<u>3,274,948</u>
Total General Fixed Assets	<u><u>\$36,597,888</u></u>

Investment in General Fixed Assets from:

General Fund	\$1,505,668
Special Revenue Funds	4,686,106
Capital Project Funds	<u>30,406,114</u>
Total Investment in General Fixed Assets	<u><u>\$36,597,888</u></u>

This Page is Intentionally Left Blank.

THE CITY OF SHARONVILLE, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY CATEGORY
DECEMBER 31, 2002

Function and Activity	Land	Land Improvements	Buildings and Improvements	Infrastructure
<u>Security of Persons and Property:</u>				
Police Department	\$0	\$0	\$0	\$0
Fire Department	0	35,221	0	111,679
Total	0	35,221	0	111,679
<u>Public Health and Welfare Services:</u>				
Health Department	0	0	0	0
<u>Leisure Time Activities:</u>				
Recreation Centers	0	182,366	0	0
Recreation Parks and Programs	0	1,676,168	205,046	0
Recreation Pools	0	271,497	0	0
Total	0	2,130,031	205,046	0
<u>Community Environment:</u>				
Building and Planning	0	0	0	0
<u>Transportation:</u>				
Street Construction and Reconstruction	0	2,359	191,173	10,150,015
Street Maintenance and Repairs	0	0	14,997	462,399
Traffic Signs and Signals	0	0	0	1,407,067
Total	0	2,359	206,170	12,019,481
<u>General Government:</u>				
Mayor	0	0	0	0
Council	0	72,648	0	0
Auditor and Treasurer	0	0	0	0
Civil Service	0	0	0	0
Safety/Service Director	0	0	0	0
Tax Department	492,160	0	707,840	0
Buildings and Lands	1,369,556	100,003	11,214,103	636,893
Total	1,861,716	172,651	11,921,943	636,893
Total General Fixed Assets	<u>\$1,861,716</u>	<u>\$2,340,262</u>	<u>\$12,333,159</u>	<u>\$12,768,053</u>

THE CITY OF SHARONVILLE, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY CATEGORY
DECEMBER 31, 2002

Machinery and Equipment	Vehicles	Total
\$586,358	\$548,727	\$1,135,085
2,123,934	2,072,635	4,343,469
<u>2,710,292</u>	<u>2,621,362</u>	<u>5,478,554</u>
15,474	41,461	56,935
366,718	0	549,084
278,011	16,169	2,175,394
65,296	0	336,793
<u>710,025</u>	<u>16,169</u>	<u>3,061,271</u>
21,612	59,630	81,242
1,214	0	10,344,761
323,057	536,326	1,336,779
0	0	1,407,067
<u>324,271</u>	<u>536,326</u>	<u>13,088,607</u>
38,429	0	38,429
2,106	0	74,754
15,885	0	15,885
0	0	0
84,229	0	84,229
54,925	0	1,254,925
42,502	0	13,363,057
<u>238,076</u>	<u>0</u>	<u>14,831,279</u>
<u>\$4,019,750</u>	<u>\$3,274,948</u>	<u>\$36,597,888</u>

THE CITY OF SHARONVILLE, OHIO
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2002

Function and Activity	December 31, 2001	Transfers	Additions	Deletions	December 31, 2002
<u>Security of Persons and Property:</u>					
Police Department	\$1,051,838	(\$20,811)	\$172,019	(\$67,961)	\$1,135,085
Fire Department	4,246,768	0	103,455	(6,754)	4,343,469
Total	<u>5,298,606</u>	<u>(20,811)</u>	<u>275,474</u>	<u>(74,715)</u>	<u>5,478,554</u>
<u>Public Health and Welfare Services:</u>					
Health Department	15,474	20,811	20,650	0	56,935
<u>Leisure Time Activities:</u>					
Recreation Centers	526,248	0	24,942	(2,106)	549,084
Recreation Parks and Programs	1,927,512	0	247,882	0	2,175,394
Recreation Pools	336,793	0	0	0	336,793
Total	<u>2,790,553</u>	<u>0</u>	<u>272,824</u>	<u>(2,106)</u>	<u>3,061,271</u>
<u>Community Environment:</u>					
Building and Planning	81,242	0	0	0	81,242
<u>Transportation:</u>					
Street Construction and Reconstruction	9,457,965	0	886,796	0	10,344,761
Street Maintenance and Repairs	1,271,895	0	64,884	0	1,336,779
Traffic Signs and Signals	1,407,067	0	0	0	1,407,067
Total	<u>12,136,927</u>	<u>0</u>	<u>951,680</u>	<u>0</u>	<u>13,088,607</u>
<u>General Government:</u>					
Mayor	39,729	0	0	(1,300)	38,429
Council	74,754	0	0	0	74,754
Auditor and Treasurer	15,885	0	0	0	15,885
Civil Service	3,403	0	0	(3,403)	0
Safety/Service Director	83,761	0	4,340	(3,872)	84,229
Tax Department	29,925	0	1,225,000	0	1,254,925
Buildings and Lands	13,361,859	0	1,198	0	13,363,057
Total	<u>13,609,316</u>	<u>0</u>	<u>1,230,538</u>	<u>(8,575)</u>	<u>14,831,279</u>
Total General Fixed Assets	<u>\$33,932,118</u>	<u>\$0</u>	<u>\$2,751,166</u>	<u>(\$85,396)</u>	<u>\$36,597,888</u>

STATISTICAL SECTION

STATISTICAL TABLES

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

THE 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
1993	\$3,623,617	\$209,429	\$840,459	\$208,484	\$360,832	\$750,132	\$1,863,767	\$0	\$38,389	\$7,895,109
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

(1) Includes General Fund, Special Revenue Funds and Debt Service Funds.

THE CITY OF SHARONVILLE, OHIO
GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
LAST TEN YEARS

Year	Taxes	Inter-Governmental Revenues	Charges for Services	Licenses and Permits	Investment Earnings	Fines and Forfeitures	(2) All Other	Total
1993	\$8,158,208	\$1,623,664	\$190,848	\$268,275	\$264,742	\$298,190	\$92,274	\$10,896,201
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

(1) Includes General Fund, Special Revenue Funds and Debt Service 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	
1993	\$292,922,420	\$836,921,200	\$18,482,340	\$18,482,340	\$112,648,670	\$450,594,680	\$424,053,430	\$1,305,998,220	32.47%
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%

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		Total	Princeton *	Hamilton County	Special	Total
	General Fund	Debt Service Fund		Sycamore ** School District		Taxing Districts	
1993	0.00	0.00	0	42.24 *	18.33	2.70	63.27 *
				54.14 **			75.17 **
1994	0.00	0.00	0	42.24 *	18.30	2.70	63.24 *
				54.14 **			75.14 **
1995	0.00	0.00	0	42.24 *	18.30	2.70	63.24 *
				54.14 **			75.14 **
1996	0.00	0.00	0	42.24 *	19.44	2.70	64.38 *
				54.14 **			76.28 **
1997	0.00	0.00	0	42.24 *	19.44	2.70	64.38 *
				54.14 **			76.28 **
1998	0.00	0.00	0	42.24 *	19.01	2.70	63.95 *
				54.14 **			75.85 **
1999	0.00	0.00	0	42.24 *	19.54	2.70	64.48 *
				61.53 **			83.77 **
2000	0.00	0.00	0	46.19 *	20.83	2.70	69.72 *
				60.84 **			84.37 **
2001	0.00	0.00	0	46.19 *	19.92	2.70	68.81 *
				60.84 **			83.46 **
2002	0.00	0.00	0	46.19 *	21.47	2.70	70.36 *
				60.84 **			85.01 **

Source: Hamilton County, Ohio: County Auditor

CITY OF SHARONVILLE, OHIO
SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
LAST TEN YEARS

Collection Year	Amount Billed	Amount Collected	Percent Collected
1993	\$158,092	\$153,678	97.21%
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%

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

Source: Hamilton County, Ohio: County Auditor

CITY OF SHARONVILLE, OHIO
COMPUTATION OF 5-1/2 % LEGAL DEBT MARGIN
DECEMBER 31, 2002

Assessed Value		<u>\$580,710,700</u>
Unvoted Debt Limit		
5-1/2% Assessed Value		\$31,939,089
Total Unvoted Debt Outstanding at December 31, 2001	5,445,000	
Less: Exempt Debt		
Special Assessment Bonds		
Issued in Anticipation of the Collection of Special Assessments	<u>(495,000)</u>	
Subtotal	4,950,000	
Less: Note Debt Retirement Fund Balance	<u>(90,048)</u>	
Net Subject to 5-1/2% Limitation		<u>4,859,952</u>
Legal Debt Margin within 5-1/2% Limitation		<u><u>\$36,799,041</u></u>

CITY OF SHARONVILLE, OHIO
COMPUTATION OF 10-1/2 % LEGAL DEBT MARGIN
DECEMBER 31, 2002

Assessed Value		<u>\$580,710,700</u>
Voted and Unvoted Debt Limit 10-1/2% Assessed Value		\$60,974,624
Total Voted and Unvoted Debt Outstanding at December 31, 2002	5,445,000	
Less: Exempt Debt		
Special Assessment Bonds Issued in Anticipation of the Collection of Special Assessments	<u>(495,000)</u>	
Subtotal	4,950,000	
Less: Bond Retirement Fund Balance	<u>(90,048)</u>	
Net Subject to 10-1/2% Limitation		<u>4,859,952</u>
Legal Debt Margin within 10-1/2% Limitation		<u>\$65,834,576</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

Year	Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Debt Service Funds Available	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Valuation	Net Bonded Debt Per Capita
1993	11,312 (a)	\$424,053,430	\$0	\$221,618	\$0	0.00%	\$0.00
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

(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

Year	Debt Principal	Interest and Fiscal Charges	Total Bonded Debt Service (1)	General Governmental Expenditures (2)	Debt Service to General Governmental Expenditures
1993	\$0	\$0	\$0	\$7,895,109	0.00%
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%

(1) Includes Debt Principal, Interest and Fiscal Charges.

(2) Excludes Operating Transfers-Out.

CITY OF SHARONVILLE, OHIO
COMPUTATION OF ALL DIRECT AND OVERLAPPING
GENERAL OBLIGATION DEBT
DECEMBER 31, 2002

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to City of Sharonville (2)</u>	<u>Amount Applicable to City of Sharonville</u>
Direct			
City of Sharonville (1)	\$16,245,000	100.00%	\$16,245,000
Overlapping Subdivisions			
Princeton City School District	1,228,775	99.95%	1,228,161
Great Oaks Joint Vocational School District	7,130,000	3.80%	270,940
Hamilton County	130,790,000	3.18%	4,159,122
		Subtotal	<u>5,658,223</u>
		Total	<u><u>\$21,903,223</u></u>

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>
1993	11,312 (a)	6,683	5.4%
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%

(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
1993	25	\$2,342,900	670	\$13,128,427
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

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

CITY OF SHARONVILLE, OHIO
PRINCIPAL TAXPAYERS (INCOME TAX)
DECEMBER 31, 2002

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Amount of Tax Paid in 2002</u>
1. Ford Motor Company	Auto Parts Manufacturing	\$3,295,049
2. United States Postal Service	Bulk Mail Processing	694,099
3. Princeton City School District	Public Education	406,176
4. Diversey Lever	Health and Beauty Products	393,475
5. United Parcel Service	Bulk Package Processing	320,184
6. General Mills	Cereal Manufacturing	251,588
7. X-TEK Incorporated	Steel Fabrication	216,129
8. Great Oaks Joint Vocational School	Public Education	173,907
9. Champion Widow Company	Manufacturing	153,375
10. City of Sharonville	Municipal Government	140,166
	Total	<u><u>\$6,044,148</u></u>

Source: City of Sharonville Auditor and Treasurer Department.

CITY OF SHARONVILLE , OHIO
PRINCIPAL EMPLOYERS
DECEMBER 31, 2002

<u>Employer</u>	<u>Type of Business</u>	<u>Number of Employees *</u>
1. Ford Motor Company	Auto Parts Manufacturing	3,061
2. United States Postal Service	Bulk Mail Processing	1,572
3. United Parcel Service	Bulk Package Processing	1,038
4. Princeton City School District	Public Education	852
5. Champion Window Company	Manufacturing	468
6. Diversey Lever	Health and Beauty Products	447
7. City of Sharonville	Municipal Government	419
8. X-TEK Incorporated	Steel Fabrication	320
9. General Mills	Cereal Manufacturing	282
10. Great Oaks Joint Vocational School	Public Education	241

* Full-time Equivalents.

Source: City of Sharonville Building and Planning Department.

**CITY OF SHARONVILLE, OHIO
MISCELLANEOUS STATISTICS
DECEMBER 31, 2002**

	Year of Incorporation	1961		
	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	4		Fire Protection:	
			Number of Stations	3
Cemeteries:			Number of Full-time Fire Personnel and Officers	29
Number of Cemeteries	3		Number of Part-time Fire Personnel and Officers	36
Cemetery Acreage	2		Number of Calls Answered	2,590
			Number of Inspections Conducted	1,380
Building Permits Issued in 2001	488			
			Police Protection:	
Number of Libraries	1		Number of Stations	4
			Number of Police Personnel and Officers	39
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	1,357
Number of Secondary Schools	2		Traffic Citations Issued	4,777
Number of Secondary School Students	2,928			

SOURCE: Finance Office, City of Sharonville



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

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
AUGUST 5, 2003**