

CITY OF MIAMISBURG, OHIO

Audit Reports Required by

Government Auditing Standards

Year Ended December 31, 2003



**Auditor of State
Betty Montgomery**

City Council
City of Miamisburg
10 N. First St.
Miamisburg, OH 45342

We have reviewed the Independent Auditor's Report of the City of Miamisburg, Montgomery County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2003 through December 31, 2003. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

December 21, 2004

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CITY OF MIAMISBURG, OHIO

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Miamisburg, Ohio (the City) as of and for the year ended December 31, 2003 and have issued our report thereon dated August 16, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted other matters involving compliance that we have reported to management of the City in a separate letter dated August 16, 2004.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the City in a separate letter dated August 16, 2004.

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

Clark, Schaefer, Hackel & Co.

Middletown, Ohio
August 16, 2004

CITY OF MIAMISBURG, OHIO

Schedule of Prior Findings and Questioned Costs

December 31, 2003

Findings:

None

Questioned Costs:

None

CITY OF MIAMISBURG, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2003

Issued by:
Finance Department

George S. Perrine
Finance Director

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CITY OF MIAMISBURG, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED DECEMBER 31, 2003

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August 30, 2004

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Miamisburg, for the year ended December 31, 2003. This report contains the financial statements and other financial and statistical data that provide complete and full disclosure of all material financial aspects of the City of Miamisburg ("the City"). The responsibility for the accuracy and completeness of all data presented, and the fairness of the presentation, rests with the City, specifically with the City Finance Director's office.

This CAFR is divided into three sections as follows:

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

CITY OVERVIEW

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

CITY ORGANIZATION AND REPORTING ENTITY

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

City of Miamisburg
Finance Department
10 North First Street * Miamisburg, Ohio 45342
Phone: 937-866-3303 Fax: 937-866-0891
E-mail: mburg@mvcc.net

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

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

ECONOMIC CONDITION AND OUTLOOK

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

The City of Miamisburg has experienced significant growth and development over the past two decades. The 2000 U.S. Census report indicated that the City's population increased 9.3% during the 1990s to 19,489. This followed the 1990 Census that reported Miamisburg had the largest percentage increase in population (17%) of any city in Montgomery County during the 1980s. This continuing growth was acknowledged in a joint study by *Ohio Business* magazine and Cleveland State University in December 2002 that ranked Miamisburg as one of 50 "growth cities" in the state. The study used an exclusive formula for measuring economic vibrancy, charting population growth, housing growth, median family income growth and labor force changes over the past decade. Population and land area growth have also occurred due to several annexations, and the current physical size of the City is 11.4 square miles.

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

When the DOE announced it would cease its federal defense operations by the year 2005 at the Mound facility, the site contractor at the time, EG&G Mound Applied Technologies, had over 2,100 employees. At the end of 2003, the contractor employment level totaled approximately 400 employees. In the face of this loss of Mound jobs, the City's economic reliance on the Mound facility has lessened. Total General Fund budget-basis revenues have increased from \$7.8 million in 1991 to \$13.4 million in 2003, an average annual rate of 4.0%. Meanwhile, the percentage of total General Fund revenues represented by the Mound contractor has decreased from 17% in 1991 to 3% in 2003. Growth and development in

Miamisburg outside the Mound facility has more than offset the job losses within the facility. New jobs have been created in the City through concentrated efforts to attract light industrial, retail and service sector employers. In December 2002, CH2M Hill was selected to become the lead government contractor at Mound, charged with completing an accelerated cleanup of the site.

In 1994, the economic redevelopment and reuse responsibility for Mound was shifted from the City to the Miamisburg Mound Community Improvement Corporation (MMCIC), an economic development organization created by the City under Ohio law. The MMCIC Board of Directors, consisting of seven business, community and City government representatives, renamed the facility the Mound Advanced Technology Center (MATC) to bring together private businesses and the tremendous technological assets residing within the complex. The MMCIC has been granted \$38.8 million in committed funds from the DOE and other federal, state and local agencies for economic development and conversion activity, and the early results have been very positive. In the last eight years, nearly 30 private businesses and approximately 325 new non-governmental jobs have located within the MATC. Through these activities, the City is positioning itself to be even more diversified in its employer base and better able to serve the citizens of Miamisburg in any economic climate. An ownership agreement was reached in 1998 whereby parcels of Mound property would be conveyed to the MMCIC as they become available and as environmental restoration occurs. To date, 126 acres of the 306-acre site have been transferred.

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

The City ended 2003 with a budget basis general fund balance of \$3.2 million which is approximately 26 percent of the general fund annual expenditures. This favorable ratio that indicates the City could operate for more than three months without receiving any current revenue to fund operations.

MAJOR INITIATIVES

For The Year

From drinking water to street maintenance to public safety services, local government is that level of government that most directly impacts the daily lives of citizens. The City of Miamisburg believes that to fulfill this significant responsibility, it is important to maintain flexibility in order to change direction when needed in response to changing or evolving circumstances. Several highlights from 2003 demonstrate that flexibility.

The first example of this was City Council's decision to join with several other South Dayton communities to participate in a natural gas aggregation program. Voters gave the City the authority last May to have the option of aggregating all Miamisburg households into a single buying pool for the purpose of negotiating gas and electric rates with energy suppliers. The State of Ohio has a deregulated energy industry, and Council pursued this initiative as a way of safeguarding residents in the event of dramatically increasing or fluctuating energy rates. The City also chose a format known as "opt-out", whereby every household would be automatically included in the buying pool unless a resident asked to be excluded. But as the year went on, circumstances changed. First it became clear that the regulatory requirements for enacting an opt-out program would make it impossible to have it implemented in time

for this winter heating season. Then, second, although there weren't dramatic price increases, market conditions for natural gas indicated there were some potential savings available for residents if a buying pool could be formed.

As a result of these developments, the City joined these other participating communities in altering their original plan. In a joint effort, the cities conducted a competitive bidding process for natural gas supply, negotiated a competitive fixed rate from Shell Energy and implemented an opt-in aggregation program whereby residents could choose to actively join a buying pool. In the end, over 5,000 south Dayton households enrolled for this energy aggregation program. Opt-out programs are still being considered for the future, but in the near term Miamisburg and other local governments in the area demonstrated great flexibility in response to evolving circumstances. Area natural gas consumers benefited from a competitive rate and price certainty for the winter.

Another great example of the adaptability of local government occurred at the Mound facility. Occupancy of space available to the private sector is approximately 93 percent. To meet ongoing demand in the marketplace, the MMCIC decided to construct a new 24,000 square-foot commercial building with a flexible-use design. Ground was broken in late September near the entrance to the site off Dayton-Cincinnati Pike, and completion is scheduled for mid-2004. The City expects this project to bring new jobs to Mound and to the City of Miamisburg.

The third example of this approach from 2003 directly brought 50 new jobs to the community. Early in the year, the City worked with Montgomery County development officials to find a way to meet the needs of an established company looking to relocate to Miamisburg. By working cooperatively, staffs from the City, County and Digital Controls, an IT company, developed an economic package that resulted in construction of a new corporate headquarters for the firm on Alexandersville Road. This is an important business corridor in Miamisburg ... and Digital Controls serves as a foundation for its future.

During the normal course of operations, the City of Miamisburg is committed to providing the best in municipal services and planning for the future of this community. Downtown revitalization and historic preservation continue to be major focal points in the City. The agency formed by the City in 2001 called Downtown Miamisburg, Inc. leads the effort to implement a master plan for the business district, and real progress is being made. One of the key components of the master plan is the development of future park space between downtown and the adjacent Great Miami River. To begin the process, the City secured two separate CleanOhio grants totaling nearly \$700,000 for the purpose of property acquisition. This acquisition process will be done in several phases, and additional CleanOhio funding will be sought to continue the project. These funds will make possible not only future park and preservation of green space, but also provides the benefit of enhancing wellfield protection. In addition, a project to enhance the gateways into downtown began last fall. Federally funded streetscape improvements are taking place at two main intersections to provide distinct entrances into the district, and these should be completed in the spring. Community Development Block Grants have been secured by the City to assist with future gateway enhancement, as well as a continuation of the successful downtown business improvement program that makes available funds to downtown property owners for building improvements.

In the area of public safety, the Miamisburg Police Department created and filled a new staff position called Community Resource Officer. A 15-year veteran of the Department was selected to fill this important role to serve as a primary liaison with citizens and help coordinate a variety of community-oriented activities. In 2004, the Police Department also plans to add a staff position dedicated to the downtown district. This position will be grant funded and represents another enhancement to the City's community policing efforts. Meanwhile, the Fire Department was notified late in the year of two significant grant awards. The first was a federal emergency management grant for over \$92,000 for the

purchase of new breathing equipment. These funds were part of the Fire Act Grant Program initiated by the President and Congress following the 9-11 terrorist attacks. The second was from the State of Ohio EMS Board for over \$2,700 for the purchase of new EMS equipment. The Miamisburg Fire Department includes 33 full-time firefighters, who are also certified paramedics.

The City increased its parks and recreation offerings during 2003 by opening a new neighborhood park. Sunflower Park, the City's 21st park, was built on land donated by the adjacent new Parkview United Methodist Church on Benner Road. In a second community partnership, about 20 citizen volunteers joined with City staff in October to celebrate "National Make a Difference Day" by installing new play equipment at Westover Park just off Siebert Avenue. Among other highlights, a new putting green was installed at the City's 9-hole Mound Golf Course and the fully staffed Senior Adult Center celebrated its 25th anniversary of serving our active senior population. In a related Parks and Recreation note, the City hosted the annual Southwest Ohio Tree City USA Awards ceremony in April. Miamisburg was one of 29 regional cities honored during this event for having effective urban forestry programs.

To keep up with continuing growth in the community, capital improvement projects are critical. The City neared completion on a major \$6.5 million project to renovate and expand its wastewater treatment plant. Funded by sewer capital improvement funds, its purpose was to expand the treatment capacity of the facility, replace outdated equipment, improve the treatment processes and meet increasing EPA requirements. This effort was officially concluded in early 2004 and will be followed by a similar expansion project of the water treatment plant, where an 18-month construction process began mid-2004. Together, these projects represent a total investment of nearly \$9 million in the City's utility system and will provide capacity for expected growth and development for the next 20 years.

Another important capital project was completed at the municipal service center, headquarters of the Public Works Department, where a new salt storage facility was constructed. This new structure has a 3,700 ton capacity, more than tripling the City's previous capacity. It gives street crews better resources to meet the ever-increasing demands of snow and ice control.

The City's volunteer program, known as MOVE (Miamisburg Offers Volunteer Excellence), continues to be a popular way for citizens to be involved in local government and results in significant cost savings to the City. In 2003, there were approximately 400 volunteers who participated in the program and logged 25,417 hours. Volunteers provide a variety of services including, but not limited to, organizing and staffing senior adult programs, delivering home meals to the elderly, preparing newsletters for mailing, serving as receptionists and office assistants, sorting and delivering mail and serving as auxiliary police officers. These volunteers saved the City \$204,861 based on part-time, entry-level wages.

For The Future

Some of the more common challenges being faced at various levels of governments are budgetary in nature, and the City of Miamisburg is no different. Our local government completed 2003 with a general fund budgetary operating deficit of approximately \$1.0 million. Contributing factors included decreasing interest income, a sluggish national economy, continuing increases in health care expenditures, declining revenues from the Mound facility and a freeze in Local Government Funds from the State of Ohio.

During the course of the year, City staff conducted a thorough analysis of both revenue and expenditure budget data and made recommendations on how best to eliminate this deficit. The 2004 budget approved by City Council does that with a balanced approach that addresses both these factors.

On the expenditure side, Council made several staffing adjustments, including the elimination of several vacant positions, and reduced the City's travel budget by 50 percent, except where it pertains to public safety training. On the revenue side, Council agreed to implement two new resident user fees. One of these is a \$12 monthly fee per household for solid waste collection services, while the second is an expansion of the City's existing Emergency Medical Services (EMS) fee policy to include residents. Formerly, only non-residents were assessed this EMS charge. A survey of other Montgomery County providers of these services prior to Council's decision indicated that citizens in nearly all surrounding communities were being charged similar type fees. However, in order to soften their effects on residents, Council decided on rate amounts for both services that were below County averages.

Addressing the budget deficit required some difficult decisions. Ultimately, the steps outlined above are expected to result in a balanced budget for 2004. Looking ahead further, among keys to the future growth in the City's revenue stream will be development of the Alexandersville Road corridor where Digital Controls relocated, the continuing increase in private sector jobs at the Mound facility and a proposed new interchange on Interstate-75 near Miamisburg's southeast boundary.

We believe that the future of local government lies in "cooperative governance" assuring that citizens have a role in decision-making that affects the community. As a result, the City makes a concerted effort to incorporate its citizens into the decision-making process, inviting them into partnerships that keep Miamisburg local government responsive to citizens' needs. The strategic planning process in 1997 was a prime example of this emphasis, and recommendations from other task forces and advisory boards on issues such as solid waste; sidewalk, curb and gutter policy; groundwater protection; and parks and recreation provide guidelines for our decision-making in these areas.

For example, the City's 2001 renovation of Community Park included meaningful dialogue with citizens, a planned update of the City's Park and Recreation Master Plan in 2004 will feature resident input and the aforementioned Downtown Miamisburg, Inc. Board of Trustees includes local and regional representation from the business community.

In spite of these challenges, the City recognizes the importance of continuing with capital investments in the community wherever possible. In that vein, Council has prioritized in the near future capital expenditures for roadway maintenance and essential equipment purchases.

Roadway projects will include both standard maintenance and major construction. In 2004, two complete bridge replacements will be major projects. The first of these is on North Heincke Road, where Montgomery County has begun work. Then, later in the year, a bridge on Kercher Street between 10th and 11th streets will be rebuilt. Both of these projects will be funded primarily by State Issue II grants, with matching contributions from the County and City, respectively. In terms of annual maintenance, the City has budgeted just over \$300,000 for the year for paving, surface treatment and sidewalks, curb and gutter programs.

The information presented below summarizes some of the more significant budget highlights planned for 2004.

The City in 2001 began systematically funding components of the aforementioned downtown master plan document. For 2004, the Downtown Miamisburg, Inc. budget includes \$150,000 for a demonstration project involving an historical building that was recently donated to the City. There also is \$120,000 allocated for new downtown signage intended to help provide this business district with more of a distinct identity and \$50,000 budgeted for a downtown business improvement program that has in the past successfully helped business owners fund interior and exterior building improvements. In addition

\$475,000 has been budgeted for the aforementioned property acquisition process, which continues in the area between downtown and the Great Miami River. Of this amount, \$253,000 will be funded from the Income Tax Facility Fund, while \$222,000 will be debt financed.

Administratively, \$88,000 is allocated for continuing updates and upgrades in management information systems (MIS) technology. In 2003, the City implemented a technology master plan that networked most City facilities and included the purchase and installation of computer hardware, software, servers and cabling. Among the features of the new network are e-mail and electronic information sharing, comprehensive internet access, fiber optic I-net access, current system upgrades and the framework to implement future e-business services.

In the Public Works Department, \$50,000 has been allocated for storm water improvements and \$15,000 has been budgeted for service equipment and traffic signal equipment. In a planned service enhancement, \$25,000 will fund a special resident drop-off of hazardous household waste products not normally collected with regular refuse.

In 1990, Miamisburg residents approved a permanent three-mill fire levy to fund the purchase of capital equipment, as well as the addition of ten new firefighter/paramedic staff positions. In 2004, fire levy fund allocation will include the purchase of an 800 mhz radio system (\$33,000).

Police Department expenditures planned for 2004 will include the purchase of four cruisers (\$102,000), new cruiser equipment (\$20,000) and mobile laptop computers for use in cruisers (\$25,000).

Finally, Parks and Recreation capital funding in the amount of \$50,000 is budgeted for golf course improvements, and \$15,000 is budgeted for improvements to Sycamore Trails Aquatic Center. The aforementioned Parks and Recreation Master Plan update process will be allocated \$60,000, and ongoing replacement, upgrade and maintenance for public buildings, equipment and grounds also will be funded.

FINANCIAL INFORMATION

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

Internal Control Structure and Budgetary Controls

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

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

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

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

Financial Condition

This is the first year the City has prepared its financial statements following GASB Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments". GASB 34 created new basic financial statements for reports as follows:

Government-wide financial statements – These statements are prepared on an accrual basis of accounting which is similar to the basis of accounting followed by many businesses. The government-wide statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

Fund financial statements – These statements present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting.

Statements of budgetary comparisons – These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

As part of this new reporting model, management is responsible for preparing a Management's Discussion and Analysis of the City. This discussion starts the financial section of this report, providing an assessment of the City finances for 2003.

Cash Management

Cash temporarily idle during the year was invested in various treasury and agency instruments, certificates of deposit and STAR Ohio. Total interest earned during the year ended December 31, 2003, was \$550,660. In November 1999, City Council adopted an investment and deposit policy. The primary objectives of the City's investment policy are to minimize credit and market risks while maintaining a competitive yield on the City's investment portfolio.

The deposits not covered by federal deposit insurance are collateralized with pooled securities held by the pledging financial institution's trust departments or agent but not in the City's name. Note 6 outlines the City's policies and procedures for deposits and investments and categorizes the risk of the investments held at year end.

Risk Management

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

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

➤ General Liability (including law enforcement)	\$6 million per occurrence
➤ Automobile Liability	\$6 million per occurrence
➤ Public Officials Liability	\$16 million excess \$1 million (\$16 million aggregate per city)
➤ Employment Practice Liability	\$6 million excess \$1 million SIR (\$6 million aggregate per city)
➤ Boiler and Machinery	\$100 million per occurrence
➤ Property	\$100 million per occurrence
➤ Flood and Earthquake	\$25 million annual aggregate

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

OTHER INFORMATION

Independent Audit

A state statute requires an annual audit by the State Auditor's Office or, at the State Auditor's discretion, by an independent certified public accounting firm. The City and the State Auditor's Office selected the firm of Clark, Schaefer, Hackett and Company to perform the 2003 audit of the City. The auditor's unqualified opinion is included in the financial section of the report.

Certificate of Achievement

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2002. To achieve this award, the City published a CAFR which not only satisfied generally accepted accounting principles and applicable legal requirements, but also was efficiently organized and concisely written.

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

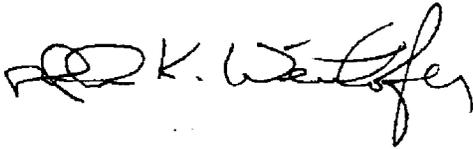
The Certificate is the highest form of recognition in the area of governmental financial reporting and its attainment is a significant accomplishment by a governmental unit.

Acknowledgments

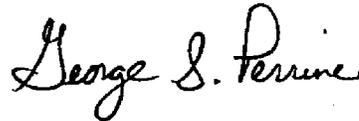
Preparation of the comprehensive annual financial report represents months of effort by many members of staff. The Finance Department staff has worked diligently to gather the data for this report while still attending to the day-to-day responsibilities of the department.

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

Respectfully submitted,



John K. Weithofer
City Manager



George S. Perrine
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Miamisburg,
Ohio

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

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



President

Executive Director

CITY OF MIAMISBURG, OHIO
LIST OF PRINCIPAL OFFICIALS

CITY COUNCIL

Richard C. Church, Jr., Mayor

Bob Faulkner, Vice-Mayor

Jane Chance

Tom Dearth

Lisa Hughes

Tom Nicholas

Darin Preston

Mady Ransdell

CITY MANAGER

John K. Weithofer

ASSISTANT CITY MANAGER

Dody Bruck

DIRECTOR OF LAW

K. Philip Callahan

DEPARTMENT DIRECTORS

Keith Johnson, Economic Development and Planning

Robert Stanley, Engineering

George Perrine, Finance

Robert Bobbitt, Fire

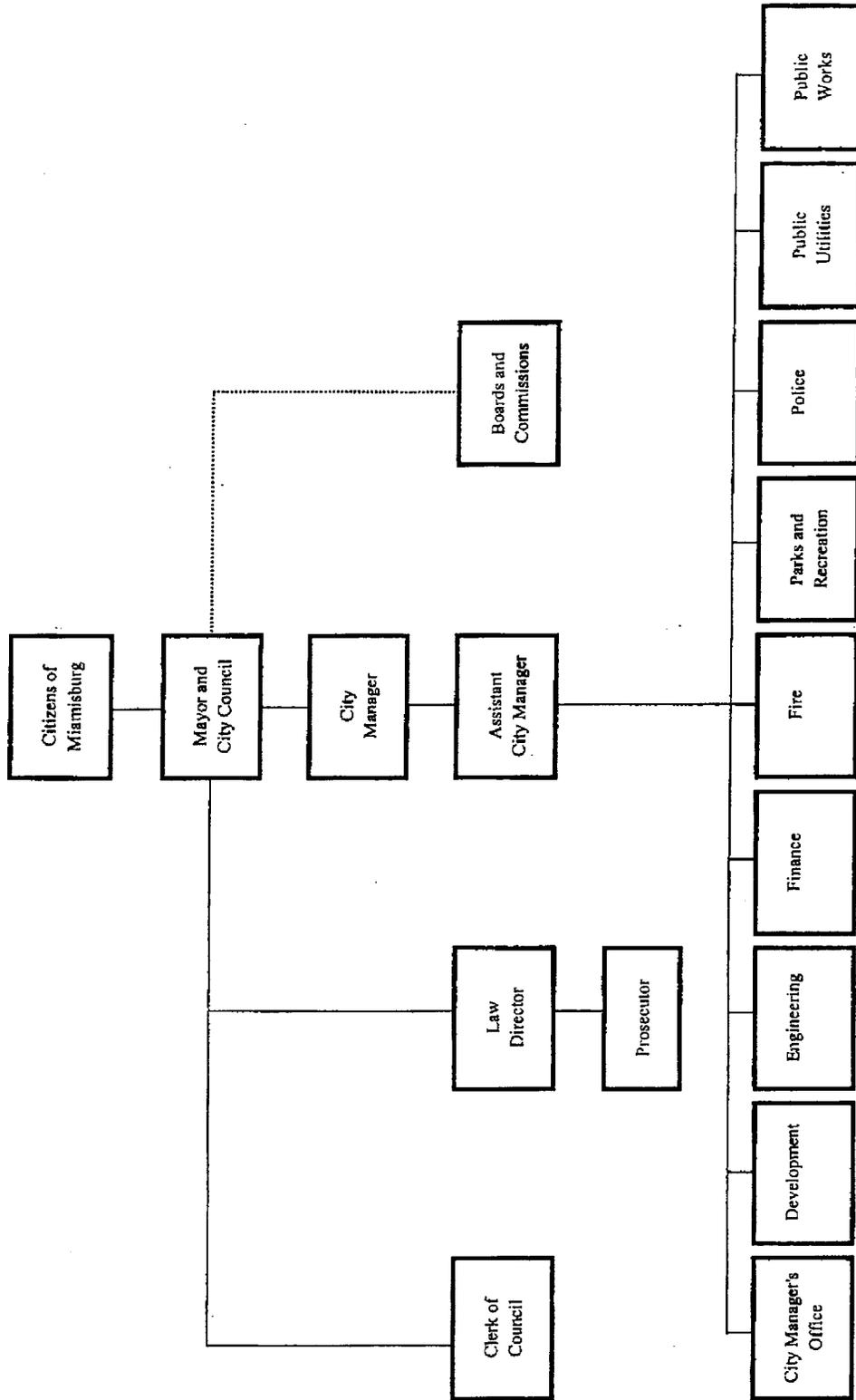
Rebecca Benna, Parks and Recreation

John Sedlak, Police

Larry Retherford, Public Works

Steve Morrison, Public Utilities

**CITY OF MIAMISBURG, OHIO
ORGANIZATIONAL CHART**



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

Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Miamisburg, Ohio (the City) as of and for the year ended December 31, 2003, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Miamisburg, Ohio as of December 31, 2003, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 4 to the basic financial statements, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis - For State and Local Governments*; Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis -for State and Local Governments: Omnibus*; Statement No. 38, *Certain Financial Statement Note Disclosures*, and Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, as of January 1, 2003. This results in a change in the format and content of the basic financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 16, 2004 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

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

Clark, Schaefer, Hackett & Co.

Middletown, Ohio
August 16, 2004

CITY OF MIAMISBURG, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2003
(Unaudited)

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

Financial Highlights

Key financial highlights for the year ended December 31, 2003 are as follows:

- Total net assets increased \$0.3 million, which represents just over a one percent increase from 2002. Both the governmental and business-type activities increased during the year, \$237,522 and \$74,919, respectively.
- Total assets of governmental activities increased slightly by approximately \$109,000, attributed predominantly to the City continued effort to improve capital assets throughout the City. Overall, the capital asset acquisitions totaled \$1.6 million which was offset by current year depreciation of \$666,216 or a net increase of \$966,173.
- Overall, the assets of the City's business-type activities decreased by \$2.6 million which is almost entirely attributable to paying down debt and other obligations. The total liabilities of the business-type activities decreased by \$2.7 million during the year. The ending unrestricted net assets of all business-type activities funds remained a healthy \$8.1 million at December 31, 2003.
- The \$3.6 million unreserved, undesignated ending fund balance reported in the General Fund represents 29 percent of the total expenditures and transfers out reported in the General Fund for 2003. All major governmental funds realized a negative change in net assets for the year primarily due to the decrease in municipal income tax and interest revenue realized by the City during 2003.
- The City finalized a \$6.5 project to expand and improve the City's Water Reclamation facility. The three-year project was completed in late 2003.
- On a budgetary basis, the deficit realized by the general fund (approximately \$1.1 million) was approximately \$17,000 larger than what was anticipated in the final budget and approximately \$234,000 larger than what was expected in the original budget for the year. Ending budgetary fund balance remained at approximately 28 percent of the general fund's annual expenditures.

Using this Annual Financial Report

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

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

CITY OF MIAMISBURG, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2003
(Unaudited)

Reporting the City as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2003?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

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

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

Reporting the City's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

CITY OF MIAMISBURG, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2003
(Unaudited)

Proprietary Funds

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

Fiduciary Funds

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

The City as a Whole

Recall that the Statement of Net Assets provides the perspective of the City as a whole. In the case of the City of Miamisburg, Ohio, assets exceeded liabilities by a total of \$53.9 million at December 31, 2003.

Table 1 provides a summary of the City's net assets for 2003 compared to 2002:

TABLE 1
NET ASSETS
(in 000s)

	Governmental Activities		Business-Type Activities		Total	
	2003	2002	2003	2002	2003	2002
Assets:						
Current and Other Assets	\$ 19,162	\$ 20,020	\$ 9,399	\$ 13,036	\$ 28,561	\$ 33,056
Capital Assets, Net	18,406	17,439	34,124	33,106	52,530	50,545
Total Assets	37,568	37,459	43,523	46,142	81,091	83,601
Liabilities:						
Current and Other Liabilities	3,587	3,394	282	3,320	3,869	6,714
Long-Term Liabilities:						
Due within One Year	547	515	1,208	1,115	1,755	1,630
Due in more than One Year	5,482	5,836	16,082	15,830	21,564	21,666
Total Liabilities	9,616	9,745	17,572	20,265	27,188	30,010
Net Assets:						
Invested in Capital Assets, Net of Related Debt	14,171	11,814	16,355	12,953	30,526	24,767
Restricted:						
Municipal Trust	5,569	5,671	-	-	5,569	5,671
Debt Service	552	477	1,491	1,304	2,043	1,781
Capital Projects	127	-	-	-	127	-
Other Purposes	920	782	-	-	920	782
Unrestricted	6,613	8,970	8,105	11,620	14,718	20,590
Total Net Assets	\$ 27,952	\$ 27,714	\$ 25,951	\$ 25,877	\$ 53,903	\$ 53,591

CITY OF MIAMISBURG, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2003
(Unaudited)

As displayed in Table 1, total net assets of the City increased by approximately \$313,000 from 2002 to 2003. This slight increase was due primarily to the City's continuing investment in capital assets in both governmental and business-type activities. The capital assets of the City increased by \$2.0 million, \$967,000 in the governmental activities and \$1.0 million business-type activities respectively, which was then offset by current year depreciation expense. Also, the City continued to pay-down its long-term obligations. The significant decrease in liabilities in the business-type activities represents the payment of the water bonds which were technically refunded in 2002 but the actual payment to the bond holders was not made until early 2003. Further, the short-term sewer bond anticipation note reported at December 31, 2003 was refinanced using a long-term sewer revenue bond during 2003.

Table 2 shows the changes in net assets for the year ended December 31, 2003. Since this is the first year the City has prepared financial statements following GASB Statement No. 34, revenue and expense comparisons to 2002 are not available. In future years, when prior-year information is available, a comparative analysis of the city-wide data will be presented.

TABLE 2
CHANGE IN NET ASSETS, DECEMBER 31, 2003
(in 000s)

	Governmental Activities	Business-Type Activities	Total
Revenues:			
Program Revenues:			
Charges for Services	\$ 2,440	\$ 4,928	\$ 7,368
Operating Grants and Contributions	1,241	-	1,241
Capital Grants and Contributions	159	-	159
Total Program Revenues	3,840	4,928	8,768
General Revenues:			
Municipal Income Taxes	8,233	1,354	9,587
Property and Other Taxes	2,617	-	2,617
Grants and Entitlements	1,542	-	1,542
Other	632	267	899
Total General Revenues	13,024	1,621	14,645
Total Revenues	16,864	6,549	23,413
Program Expenses:			
Security of Person and Property	7,876	-	7,876
Public Health Services	21	-	21
Leisure Time Activities	1,840	-	1,840
Community Environment	792	-	792
Basic Utility Services	956	-	956
Transportation	1,852	-	1,852
General Government	3,256	-	3,256
Interest and Fiscal Charges	321	-	321
Golf	-	1,560	1,560
Water	-	2,336	2,336
Sewer	-	2,290	2,290
Total Expenses	16,914	6,186	23,100
Excess Before Transfer	(50)	363	313
Transfers	288	(288)	-
Increase in Net Assets	\$ 238	\$ 75	\$ 313

CITY OF MIAMISBURG, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2003
(Unaudited)

Governmental Activities

During 2003, total net assets reported in the governmental activities increased by approximately \$238,000. The primary reason for this increase was management's tight control over budget accounts. Despite realizing less than expected revenues for 2003, expenses were contained to counter-balance the revenue side.

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

TABLE 3
ANALYSIS OF PROGRAM EXPENSES
GOVERNMENTAL ACTIVITIES

	Percentage of Total Program Expenses	Net Expenses of Function	Percentage of Function Financed with General Revenues
Security of Person & Property	46.57 %	\$ 7,709,181	97.88 %
Public Health	0.12 %	20,759	100.00 %
Leisure Time Activities	10.88 %	1,240,269	67.40 %
Community Environment	4.68 %	328,576	41.50 %
Basic Utility Services	5.65 %	914,488	95.69 %
Transportation	10.95 %	861,568	46.52 %
General Government	19.25 %	1,677,825	51.53 %
Interest & Fiscal Charges	1.90 %	321,460	100.00 %
Total	100.00 %	\$ 13,074,126	77.30 %

As indicated by Table 3, the City is spending the majority of its resources (57.5 percent) on security of person and property and leisure time activities. While the operation of the police and fire departments is 47 percent of total program expenses, revenues generated by those two departments covers only 2.1 percent of functional expenses. This means that general revenues collected by the city, principally municipal income taxes and property taxes, must cover the remaining 97.9 percent of those department expenses. Fees generated by the parks and recreation department and senior center help offset the expenses reported for the leisure time activities function.

General government functions, principally legislation, administration and judicial activities, comprise 19.3 percent of the total governmental expenses. Court costs and fees generated by licenses and permits financed approximately 48 percent of the general government functional expenses while the remaining 52 percent comes from general revenue sources. Operating and capital grants received from the State of Ohio provided funding for approximately 53.5 percent of the expenses incurred in the transportation function. Since minimal fees are charged for the storm sewer and refuse collection programs (which comprise the basic utility services function), general revenue sources provide 96 percent of the funding for these programs. The City began charging residents for refuse collection in 2004. In 2003, program revenues cover approximately 22.7 percent of the total expenses.

General revenues comprise 77.2 percent of the total governmental revenues collected by the City during 2003. Principal components of general revenues, municipal income taxes (63.2 percent) and local property taxes (20.1 percent), are used to furnish the quality of life services to citizens and businesses to which they have become accustomed.

CITY OF MIAMISBURG, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2003
(Unaudited)

Business-Type Activities

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

Golf – The City operates two municipal golf courses; PipeStone golf course is an eighteen hole championship golf course and Mound golf course is a nine hole course. The activities at each course include operation of the golf course, pro-shop, restaurant or snack bar, golf carts and driving range. While the increase in net assets realized before contributions and transfers was minimal, it is important to point out that 2003 was the first year where the golf course function had income that exceeded expenses since PipeStone opened several years ago. No significant increase in net assets is anticipated until the golf course debt obligation is paid.

Water – The public utilities department at the City of Miamisburg is responsible for the treatment and delivery of quality water to businesses and citizens within the boundaries of the City. Various functions within the water department include administration, water pumping, water distribution and treatment of water. While the water department realized an operating loss (\$212,768) and provided the local match for the Clean Ohio Grant project (\$440,419), the unrestricted net assets at year end totaled approximately \$2.2 million or 109 percent of the operating expenses realized by the department during 2003.

Sewer – The City's public utilities department is responsible for the collection and treatment of wastewater generated throughout the City. Various functions within the sewer department include administration, treatment, and collection of wastewater. The sewer department realized an operating loss of \$113,429 during 2003 which is similar to the loss experienced during 2002. Unrestricted net assets at year-end were \$5.6 million or 303 percent of the operating expenses incurred during the year.

Overall, the City's business-type activities generated \$4.9 million in program revenue during 2003, while program expenses were \$6.2 million. General revenues, primarily income tax revenues, offset the deficiency in program revenues and resulted in a slight increase in net assets for the business-type activities. The City Council and management will continue to monitor utility rates and user fees and necessary adjustments will be made to provide any additional financial resources if needed.

The City's Funds

Information about the City's major governmental funds begins on page 16. These funds are reported using the modified accrual basis of accounting. Governmental funds had total revenues of \$16.5 million, expenditures of \$18.4 million and net transfers in of \$418,169. The excess of expenditures over revenues and other financing sources of \$1.5 million can be attributed to less than expected revenues being realized, increased cost of operations, and the continued efforts to improve the City's capital assets. While capital assets are included in the statement of net assets, expenditures are recognized in the fund statements thereby reducing the amount of resources available for future spending. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The City's General Fund realized a \$1.1 million decrease in fund balance during 2003. The General Fund is the primary fund that finances government services to citizens. As operating costs increase and revenue sources do not increase at the same rate, deficiencies occur. The City has maintained a fairly healthy fund balance over the years to provide stability in years in which revenues could not support spending levels. As the fund balance continues to decrease, addition revenue sources or reductions in spending levels will be necessary to preserve the financial integrity of the general fund. At December 31, 2003 the ending unreserved and undesignated fund balance of the general fund was \$3.6 million.

CITY OF MIAMISBURG, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2003
(Unaudited)

The City's other two major funds, the Municipal Trust and the Capital Improvement Funds both had negative change in net assets during 2003. The decrease in the Municipal Trust Fund was exclusively due to the decrease in the fair market value to the investments reported at December 31, 2003 versus the value of the investments at December 31, 2002. The decrease in net assets associated with the Capital Improvement Fund is associated with the continued efforts to improve the City's capital assets as well as repayment of debt associated with previous capital projects. In total the Capital Improvement fund balance decreased by \$653,145. Fund balance at December 31, 2003 was \$610,065, of which \$189,249 was encumbered. Transfers from the General Fund and other funds are made when financing for capital improvement are needed. All other governmental fund balances increased by \$337,178 during 2003.

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

General Fund Budgeting Highlights

The City's budget is adopted on a fund basis. Before the budget is adopted, Council reviews the detailed budgets of each department within the General Fund and other funds, and then adopts the budget on a fund basis. During 2003, the City amended its original budgetary amounts several times as certain information became known. Within each departmental budget, a department head may make small line item adjustments within their budget, as long as the total operational and maintenance amount does not exceed their budgetary allotment.

For the General Fund, actual revenue on the budget basis was \$11.3 million as compared to final budgeted amount of \$11.7 million. The most significant negative variances with budgetary amounts for revenues were noted in municipal income tax and property and other tax revenue sources. Both of these sources were affected by the overall economy of the City, as well as the surrounding area. Overall, actual revenue receipts were within three percent of the amount the City anticipated receiving in its final budgetary numbers.

Due to the City's continuing efforts to control expenditures, actual budgetary expenditures were \$318,782 less than the \$12.6 million budgeted for 2003. Actual budgetary expenditures related to general fund departments decrease in 2003 to \$12.3 million from the \$13.9 million incurred in 2002, or a 11.8 percent decrease. Finally, the ending fund balance of the general fund was \$3.4 million at December 31, 2003, which was less than was anticipated by only one-half or one percent.

Capital Assets

At the end of fiscal year 2003, the City had a total of \$72.8 million invested in capital assets less accumulated depreciation of \$20.3 million resulting in total capital assets, net of accumulated depreciation of \$52.5 million.

During 2003, the City spent a significant amount of resources upgrading its capital assets. The multi-million dollar project to renovate and expand the Water Reclamation facility concluded at a total cost of approximately \$6.5 million. Approximately \$1.4 was expended during 2003 associated with this project, while the remaining \$5.1 million was expended in prior years and recorded as construction in progress in those years. The City also purchased approximately \$500,000 of other capital assets for its business-type activities during the year including vehicles, equipment and building improvements; \$103,000 of these capital assets were purchased by governmental funds and are recorded as capital contribution in the appropriate enterprise funds.

Significant additions to the capital assets for governmental activities included purchase of land associated with the Clean Ohio Grant project, which initially provides green space along the Great Miami River and additional

CITY OF MIAMISBURG, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2003
(Unaudited)

protection to the City's well-fields as called for in the Downtown and Riverfront Master Plan. Total land purchases from the Clean Ohio Grant Fund totaled approximately \$432,000 during 2003. The City also continued to improve its vehicle fleet by purchasing police and fleet vehicles, service and street maintenance trucks which totaled approximately \$634,000. Nearly \$448,000 was expended in 2003 to add various pieces of electronic and service equipment to the City's governmental functions, the most significant being a new dispatching communication system for the public safety departments.

Table 4 shows 2003 balances compared to those of 2002:

TABLE 4
CAPITAL ASSETS, NET
(in 000s)

	Governmental Activities		Business-Type Activities		Total	
	2003	2002	2003	2002	2003	2002
Land	\$ 6,214	\$ 5,676	\$ 2,044	\$ 2,044	\$ 8,258	\$ 7,720
Buildings	2,694	2,776	10,975	4,731	13,669	7,507
Improvements	5,835	5,867	3,367	3,363	9,202	9,230
Equipment	1,679	1,497	1,557	1,582	3,236	3,079
Vehicles	1,984	1,623	413	158	2,397	1,781
Infrastructure	-	-	15,717	16,047	15,717	16,047
Construction in Progress	-	-	51	5,181	51	5,181
Total	\$ 18,406	\$ 17,439	\$ 34,124	\$ 33,106	\$ 52,530	\$ 50,545

Accumulated depreciation of \$8.8 million and \$11.5 million is reported in the governmental activities and business-type activities respectively. Additional information on the City's capital assets can be found in Note 8 to the basic financial statements.

Debt Administration

At December 31, 2003, the City had a total of \$22.9 million of short and long-term debt obligations compared with \$25.5 million reported at December 31, 2002.

Table 5 shows outstanding debt obligations of the City at December 31, 2003 compared with 2002:

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

	Governmental Activities		Business-Type Activities		Total	
	2003	2002	2003	2002	2003	2002
General Obligation Bonds	\$ 4,235	\$ 4,530	\$ 7,100	\$ 7,375	\$ 11,335	\$ 11,905
Special Assessment Bonds	310	345	-	-	310	345
Revenue Bonds	-	-	10,490	9,915	10,490	9,915
Police and Fire Pension	263	267	-	-	263	267
Long-Term Notes	-	-	187	224	187	224
Bond Anticipation Notes	285	210	-	2,640	285	2,850
Total	\$ 5,093	\$ 5,352	\$ 17,777	\$ 20,154	\$ 22,870	\$ 25,506

CITY OF MIAMISBURG, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2003
(Unaudited)

During 2003 the City issued a \$2.97 million sewer revenue bond to replace the bond anticipation note issued in previous years to provide financing for the Water Reclamation facility project. In addition a \$285,000 bond anticipation note was issued to provide financing for the City's sidewalks curbs and gutters project as well as refinancing the note issued in the prior year.

In early 2003, the redeemed \$1.685 million of water revenue bonds to finalize the refunding of water bonds. The issuance of the refunding general obligation bonds took place in late 2002 and therefore, both issues were reported as outstanding obligations of the City for a short period of time until the call provision of the bonds arrived in early 2003. Other debt obligations are being repaid in accordance with the original debt agreement.

At June 30, 2003, the City's overall legal debt margin was \$39.8 million and the unvoted debt margin was \$18.4 million. See Notes 13 and 14 of the notes to the basic financial statements for more detailed information on the debt obligations of the City.

Contacting the City's Finance Department

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

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CITY OF MIAMISBURG, OHIO
STATEMENT OF NET ASSETS
DECEMBER 31, 2003

	Governmental Activities	Business- Type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents	\$ 7,309,496	\$ 6,789,274	\$ 14,098,770
Investments	5,568,525	-	5,568,525
Cash and cash equivalents in segregated accounts	80,779	-	80,779
Receivables:			
Taxes	3,533,665	177,001	3,710,666
Accounts	-	1,056,357	1,056,357
Intergovernmental	1,328,810	-	1,328,810
Special assessments	282,277	-	282,277
Accrued interest	58,390	-	58,390
Inventory held for resale	-	12,870	12,870
Inventory of supplies and materials	324,840	172,198	497,038
Unamortized bond issuance cost	-	336,171	336,171
Internal Balances	675,216	(675,216)	-
Restricted cash and cash equivalents with fiscal agent	-	662,012	662,012
Restricted investments with fiscal agent	-	868,280	868,280
Non-depreciable capital assets	6,214,177	2,043,934	8,258,111
Depreciable capital assets, net of accumulated depreciation	<u>12,191,661</u>	<u>32,080,425</u>	<u>44,272,086</u>
 Total Assets	 <u>37,567,836</u>	 <u>43,523,306</u>	 <u>81,091,142</u>
 Liabilities:			
Accounts payable	209,499	67,204	276,703
Contracts payable	-	73,631	73,631
Accrued salaries payable	285,860	39,477	325,337
Intergovernmental payable	370,958	34,496	405,454
Accrued interest payable	19,916	28,265	48,181
Bond anticipation notes payable	285,000	-	285,000
Deferred revenue	2,415,688	-	2,415,688
Accrued interest payable from restricted assets	-	39,010	39,010
Long Term Liabilities:			
Due within one year	547,256	1,207,516	1,754,772
Due in more than one year	<u>5,482,179</u>	<u>16,082,257</u>	<u>21,564,436</u>
 Total Liabilities	 <u>9,616,356</u>	 <u>17,571,856</u>	 <u>27,188,212</u>
 Net Assets:			
Invested in capital assets, net of related debt	14,170,838	16,355,330	30,526,168
Restricted for:			
Municipal trust	5,568,525	-	5,568,525
Debt service	551,822	1,491,282	2,043,104
Capital projects	126,598	-	126,598
Other purpose	920,742	-	920,742
Unrestricted	<u>6,612,955</u>	<u>8,104,838</u>	<u>14,717,793</u>
 Total Net Assets	 <u>\$ 27,951,480</u>	 <u>\$ 25,951,450</u>	 <u>\$ 53,902,930</u>

See accompanying notes to the basic financial statements.

CITY OF MIAMISBURG, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2003

	Program Revenues			
	Expenses	Charges for services	Operating grants and contributions	Capital grants and contributions
Governmental Activities:				
Security of Persons and Property	7,875,782	137,607	28,994	-
Public Health Services	20,759	-	-	-
Leisure Time Activities	1,840,101	565,569	34,263	-
Community Environment	791,683	345,418	-	117,689
Basic Utility Services	955,714	41,226	-	-
Transportation	1,852,090	-	948,877	41,645
General Government	3,256,274	1,349,683	228,766	-
Interest and fiscal charges	321,460	-	-	-
Total Governmental Activities	16,913,863	2,439,503	1,240,900	159,334
Business-Type Activities:				
Golf	1,560,630	1,556,069	-	-
Sewer	2,335,737	1,582,800	-	-
Water	2,290,007	1,788,847	-	-
Total Business-Type Activities	6,186,374	4,927,716	-	-
Total	23,100,237	7,367,219	1,240,900	159,334

General Revenues:

- Municipal income taxes, levied for:
 - General purposes
 - Capital projects
 - Enterprise debt payments
- Property taxes levied for:
 - General purposes
 - Conservancy operations
 - Fire levy
 - Police & fire pension
- Grants and entitlements not restricted to specific programs
- Investment earnings
- Miscellaneous
- Transfers

Total General Revenues

Changes in net assets

Net assets at beginning of year - restated

Net assets at end of year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue
and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
(7,709,181)	-	(7,709,181)
(20,759)	-	(20,759)
(1,240,269)	-	(1,240,269)
(328,576)	-	(328,576)
(914,488)	-	(914,488)
(861,568)	-	(861,568)
(1,677,825)	-	(1,677,825)
<u>(321,460)</u>	<u>-</u>	<u>(321,460)</u>
<u>(13,074,126)</u>	<u>-</u>	<u>(13,074,126)</u>
-	(4,561)	(4,561)
-	(752,937)	(752,937)
<u>-</u>	<u>(501,160)</u>	<u>(501,160)</u>
<u>-</u>	<u>(1,258,658)</u>	<u>(1,258,658)</u>
<u>(13,074,126)</u>	<u>(1,258,658)</u>	<u>(14,332,784)</u>
6,339,301	-	6,339,301
1,894,305	-	1,894,305
-	1,354,591	1,354,591
-	-	-
1,545,189	-	1,545,189
52,773	-	52,773
775,782	-	775,782
243,562	-	243,562
1,541,450	-	1,541,450
460,101	95,559	555,660
171,461	171,151	342,612
<u>287,724</u>	<u>(287,724)</u>	<u>-</u>
<u>13,311,648</u>	<u>1,333,577</u>	<u>14,645,225</u>
237,522	74,919	312,441
<u>27,713,958</u>	<u>25,876,531</u>	<u>53,590,489</u>
<u>27,951,480</u>	<u>25,951,450</u>	<u>53,902,930</u>

CITY OF MIAMISBURG, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2003

	Major Governmental Funds			Other Governmental Funds	Total Governmental Funds
	General	Municipal Trust	Capital Improvements		
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$ 3,630,911	\$ -	\$ 772,916	\$ 2,491,328	\$ 6,895,155
Investments	-	5,568,525	-	-	5,568,525
Cash and Cash Equivalents in Segregated Accounts	69,763	-	-	11,016	80,779
Receivables:					
Taxes	2,194,693	-	247,553	1,091,419	3,533,665
Intergovernmental	879,921	-	-	448,889	1,328,810
Special Assessments	-	-	-	282,277	282,277
Accrued Interest	57,014	-	-	1,376	58,390
Supplies Inventory	135,288	-	-	90,195	225,483
Advances to Other Funds	1,040,856	-	-	-	1,040,856
Total Assets	\$ 8,008,446	\$ 5,568,525	\$ 1,020,469	\$ 4,416,500	\$ 19,013,940
Liabilities:					
Accounts Payable	\$ 81,956	\$ -	\$ 28,212	\$ 81,045	\$ 191,213
Accrued Salaries Payable	238,873	-	-	41,114	279,987
Intergovernmental Payable	102,485	-	-	15,300	117,785
Notes Payable	-	-	285,000	-	285,000
Deferred Revenue	2,500,326	-	97,192	1,756,280	4,353,798
Total Liabilities	2,923,640	-	410,404	1,893,739	5,227,783
Fund Balances:					
Reserved for Encumbrances	53,587	-	189,249	29,013	271,849
Reserved for Supplies Inventory	135,288	-	-	90,195	225,483
Reserved for Long-Term Advance	1,040,856	-	-	-	1,040,856
Unreserved:					
Designated for Severance Payments	265,693	-	-	-	265,693
Undesignated, Reported in:					
General Fund	3,589,382	-	-	-	3,589,382
Special Revenue Funds	-	5,568,525	-	1,466,866	7,035,391
Debt Service Funds	-	-	-	269,545	269,545
Capital Project Funds	-	-	420,816	667,142	1,087,958
Total Fund Balance	5,084,806	5,568,525	610,065	2,522,761	13,786,157
Total Liabilities and Fund Balance	\$ 8,008,446	\$ 5,568,525	\$ 1,020,469	\$ 4,416,500	\$ 19,013,940

See accompanying notes to the basic financial statements.

CITY OF MIAMISBURG, OHIO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2003

Total Governmental Fund Balances	\$ 13,786,157
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	17,354,100
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Municipal income taxes	416,468
Property and other taxes	168,933
Special assessments	282,277
Intergovernmental	<u>1,070,432</u>
Total	1,938,110
Internal service fund is used by management to charge the costs of providing insurance as well as the central service center to the individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets	1,530,055
The internal balance represents the portion of the internal services funds' assets and liabilities that are allocated to the enterprise funds.	(365,640)
Due to other governments includes contractually required pension contributions not expected to be paid with expendable available financial resources and therefore not reported in the funds.	(250,111)
Some liabilities, including long-term debt obligations and compensated absences payable, are not due and payable in the current period and therefore are not reported in the funds:	
Accrued interest payable	(19,916)
Compensated absences payable	(1,212,819)
Police and fire pension liability	(263,456)
Special assessments bonds payable	(310,000)
General obligations bonds payable	<u>(4,235,000)</u>
Total	<u>(6,041,191)</u>
Net Assets of Governmental Activities	<u>\$ 27,951,480</u>

See accompanying notes to the basic financial statements.

CITY OF MIAMISBURG, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

	Major Governmental Funds			Other	Total
	General	Municipal Trust	Capital Improvement	Governmental Funds	Governmental Funds
Revenues:					
Municipal Income Taxes	\$ 6,354,295	\$ -	\$ 1,898,869	\$ -	\$ 8,253,164
Property and Other Taxes	1,490,196	-	-	1,043,863	2,534,059
Intergovernmental	1,263,531	-	143,879	1,157,612	2,565,022
Special Assessments	-	-	-	123,178	123,178
Charges for Services	511,105	-	65,478	292,184	868,767
Fines, Licenses and Permits	945,143	-	-	385,136	1,330,279
Interest	551,467	(102,414)	-	11,048	460,101
Donations	-	-	-	38,283	38,283
Other	150,060	-	1,200	136,832	288,092
Total Revenues	11,265,797	(102,414)	2,109,426	3,188,136	16,460,945
Expenditures:					
Current:					
Security of Persons and Property	5,943,256	-	-	1,340,495	7,283,751
Public Health Services	19,858	-	-	-	19,858
Leisure Time Activities	1,407,293	-	-	257,881	1,665,174
Community Environment	779,392	-	-	-	779,392
Basic Utility Services	784,303	-	-	-	784,303
Transportation	270,323	-	-	1,159,295	1,429,618
General Government	2,790,779	-	139,176	181,589	3,111,544
Capital Outlay	-	-	2,151,587	520,399	2,671,986
Debt Service:					
Principal Retirement	-	-	-	333,940	333,940
Interest and Fiscal Charges	-	-	13,665	310,589	324,254
Total Expenditures	11,995,204	-	2,304,428	4,104,188	18,403,820
Excess of Revenues Over(Under)					
Expenditures	(729,407)	(102,414)	(195,002)	(916,052)	(1,942,875)
Other Financing Sources (Uses):					
Transfers-In	75,000	-	63,665	1,434,097	1,572,762
Transfers-Out	(451,918)	-	(521,808)	(180,867)	(1,154,593)
Total Other Financing Sources (Uses)	(376,918)	-	(458,143)	1,253,230	418,169
Net Change in Fund Balance	(1,106,325)	(102,414)	(653,145)	337,178	(1,524,706)
Fund Balance at Beginning of Year - Restated	6,188,623	5,670,939	1,263,210	2,222,544	15,345,316
Increase(Decrease) in Reserve for Inventory	2,508	-	-	(36,961)	(34,453)
Fund Balance at End of Year	\$ 5,084,806	\$ 5,568,525	\$ 610,065	\$ 2,522,761	\$ 13,786,157

See accompanying notes to the basic financial statements.

CITY OF MIAMISBURG, OHIO
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO
 THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2003

Net Change in Fund Balance - Total Governmental Funds \$ (1,524,706)

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

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

Capital outlay	1,617,362	
Depreciation	<u>(607,270)</u>	
Total		1,010,092

Consumable inventory is reported using the purchase method in the governmental fund statements, but is reported using the consumption method for full accrual. This amount represents the decrease in inventory that took place during the year. (34,453)

Repayment of long-term obligations is reported as an expenditure in the governmental funds, but the repayment reduces the long-term liabilities in the statement of net assets. In the current year, these amounts consisted of a payment on the police and fire pension obligation. 333,940

The internal service fund used by management to charge the cost of providing insurance and the centralized service center to the individual funds is reported in the statement of activities. (21,613)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, rather these revenues are deferred. 402,716

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

These activities consist of:

Decrease in accrued interest payable	2,794	
Increase in compensated absences payable	(11,677)	
Decrease in intergovernmental payable	<u>80,429</u>	

Total 71,546

Change in Net Assets of Governmental Activities \$ 237,522

See accompanying notes to the basic financial statements.

CITY OF MIAMISBURG, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Revenues:				
Municipal Income Taxes	\$ 6,533,934	\$ 6,533,934	\$ 6,375,658	\$ (158,276)
Property and Other Taxes	1,590,000	1,590,000	1,495,162	(94,838)
Intergovernmental	1,287,400	1,263,400	1,238,558	(24,842)
Charges for Services	565,500	565,500	511,105	(54,395)
Fines, Licenses and Permits	983,600	983,600	932,368	(51,232)
Interest	600,000	600,000	640,796	40,796
Other	142,900	142,900	150,060	7,160
Total Revenues	11,703,334	11,679,334	11,343,707	(335,627)
Expenditures:				
Current:				
Security of Persons and Property	6,312,999	6,351,853	6,159,215	192,638
Public Health Services	19,831	19,831	20,926	(1,095)
Leisure Time Activities	1,470,826	1,470,826	1,426,813	44,013
Community Environment	789,734	789,734	785,199	4,535
Basic Utility Services	840,377	840,377	782,184	58,193
Transportation	277,165	277,165	272,809	4,356
General Government	2,693,286	2,847,760	2,831,618	16,142
Total Expenditures	12,404,218	12,597,546	12,278,764	318,782
Excess of Revenues Under Disbursements	(700,884)	(918,212)	(935,057)	(16,845)
Other Financing Sources (Uses):				
Transfers In	315,000	315,000	315,000	-
Transfers Out	(451,918)	(451,918)	(451,918)	-
Total Other Financing Sources (Uses)	(136,918)	(136,918)	(136,918)	-
Net Change in Fund Balance	(837,802)	(1,055,130)	(1,071,975)	(16,845)
Fund Balance at Beginning of Year	4,381,802	4,381,802	4,381,802	-
Prior Year Encumbrances Appropriated	106,866	106,866	106,866	-
Fund Balance at End of Year	\$ 3,650,866	\$ 3,433,538	\$ 3,416,693	\$ (16,845)

See accompanying notes to the basic financial statements.

CITY OF MIAMISBURG, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL
MUNICIPAL TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

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

See accompanying notes to the basic financial statements.

CITY OF MIAMISBURG, OHIO
STATEMENT OF FUND NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2003

	Enterprise Funds				Internal Service Funds
	Golf	Sewer	Water	Total	
Assets:					
Current Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 357,499	\$ 4,755,157	\$ 1,676,618	\$ 6,789,274	\$ 414,341
Receivables:					
Taxes	-	110,554	66,447	177,001	-
Accounts	-	577,051	479,306	1,056,357	-
Inventory Held for Resale	12,870	-	-	12,870	-
Materials and Supplies Inventory	39,413	31,985	100,800	172,198	99,357
Unamortized Bond Issue Costs	94,487	211,096	30,588	336,171	-
Restricted Assets:					
Cash and Cash Equivalents with Fiscal Agent	-	645,852	16,160	662,012	-
Investment with Fiscal Agent	-	582,080	286,200	868,280	-
Total Current Assets	<u>504,269</u>	<u>6,913,775</u>	<u>2,656,119</u>	<u>10,074,163</u>	<u>513,698</u>
Non-current Assets					
Capital Assets, Net	<u>5,518,343</u>	<u>16,227,073</u>	<u>12,378,943</u>	<u>34,124,359</u>	<u>1,051,738</u>
Total Assets	<u>6,022,612</u>	<u>23,140,848</u>	<u>15,035,062</u>	<u>44,198,522</u>	<u>1,565,436</u>
Liabilities:					
Current Liabilities					
Accounts Payable	14,990	34,330	17,884	67,204	18,286
Contracts Payable	-	55,873	17,758	73,631	-
Accrued Salaries Payable	-	16,265	23,212	39,477	5,873
Intergovernmental Payable	-	15,750	18,746	34,496	3,062
Accrued Interest Payable	23,937	-	4,328	28,265	-
Bonds and Loan Payable - Current Portion	188,674	695,563	320,000	1,204,237	-
Payable from Restricted Assets:					
Accrued Interest Payable	-	28,906	10,104	39,010	-
Total Current Liabilities	<u>227,601</u>	<u>846,687</u>	<u>412,032</u>	<u>1,486,320</u>	<u>27,221</u>
Long-Term Liabilities					
Bonds and Loan Payable - Long-term	4,825,377	8,675,433	2,429,532	15,930,342	-
Interfund Payable	1,040,856	-	-	1,040,856	-
Compensated Absences Payable	-	58,211	96,983	155,194	8,160
Total Long-Term Liabilities	<u>5,866,233</u>	<u>8,733,644</u>	<u>2,526,515</u>	<u>17,126,392</u>	<u>8,160</u>
Total Liabilities	<u>6,093,834</u>	<u>9,580,331</u>	<u>2,938,547</u>	<u>18,612,712</u>	<u>35,381</u>
Net Assets:					
Invested in Capital Assets, Net of Related Debt	-	6,741,387	9,613,943	16,355,330	1,051,738
Restricted for Debt Payments	-	1,199,026	292,256	1,491,282	-
Unrestricted	(71,222)	5,620,104	2,190,316	7,739,198	478,317
Total Net Assets	<u>\$ (71,222)</u>	<u>\$ 13,560,517</u>	<u>\$ 12,096,515</u>	<u>25,585,810</u>	<u>\$ 1,530,055</u>
Net assets reported for business-type activities in the statement of net assets is different because they include a proportionate share of the balance of the internal service fund.				<u>365,640</u>	
				<u>\$ 25,951,450</u>	

See accompanying notes to the basic financial statements.

CITY OF MIAMISBURG, OHIO
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
ALL PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

	Enterprise Funds				Internal Service Funds
	Golf	Sewer	Water	Total	
Operating Revenues:					
Charges for Services	\$ 1,556,069	\$ 1,582,800	\$ 1,788,847	\$ 4,927,716	\$ 797,263
Other Operating Revenue	-	158,514	12,637	171,151	-
Total Operating Revenue	1,556,069	1,741,314	1,801,484	5,098,867	797,263
Operating Expenses:					
Personal Services	-	724,337	950,323	1,674,660	270,295
Contractual Services	923,363	663,797	530,183	2,117,343	297,150
Supplies and Materials	131,128	95,857	161,131	388,116	177,257
Cost of Goods Sold	210,235	-	-	210,235	-
Depreciation	115,097	370,752	372,615	858,464	58,946
Total Operating Expenses	1,379,823	1,854,743	2,014,252	5,248,818	803,648
Operating Income (Loss)	176,246	(113,429)	(212,768)	(149,951)	(6,385)
Non-Operating Revenues (Expenses):					
Interest	4,608	90,656	295	95,559	-
Interest and Fiscal Charges	(180,807)	(482,246)	(277,008)	(940,061)	-
Municipal Income Taxes	-	920,265	434,326	1,354,591	-
Total Non-Operating Revenues (Expenses)	(176,199)	528,675	157,613	510,089	-
Income(Loss) before Contributions and Transfers	47	415,246	(55,155)	360,138	(6,385)
Capital Contributions	102,695	-	-	102,695	15,027
Transfers In	50,000	-	-	50,000	-
Transfers Out	-	-	(440,419)	(440,419)	(27,750)
Change in Net Assets	152,742	415,246	(495,574)	72,414	(19,108)
Net Assets at the Beginning of the Year - Restated	(223,964)	13,145,271	12,592,089		1,549,163
Net Assets at the End of the Year	\$ (71,222)	\$ 13,560,517	\$ 12,096,515		\$ 1,530,055

Some amounts reported for business-type activities in the statement of activities are different because a proportionate share to the internal services funds' net expenses is reported with business-type activities.

2,505
74,919

See accompanying notes to the basic financial statements.

CITY OF MIAMISBURG, OHIO
STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

	Enterprise Funds				Internal Service Funds
	Golf	Sewer	Water	Total	
<u>Increase (Decrease) in Cash and Cash Equivalents</u>					
Cash Flows from Operating Activities:					
Cash Received from Customers	\$ 1,556,069	\$ 1,484,651	\$ 1,803,748	\$ 4,844,468	\$ -
Cash Received from Quasi-External Transactions from Other Funds	-	-	-	-	797,263
Cash Received from Other Sources	-	158,514	12,637	171,151	-
Cash Payments to Employees for Services and Benefits	-	(719,082)	(981,380)	(1,700,462)	(273,330)
Cash Payments to Suppliers for Goods and Services	(1,250,387)	(1,038,658)	(693,828)	(2,982,873)	(465,063)
Net Cash Provided (Used) by Operating Activities	<u>305,682</u>	<u>(114,575)</u>	<u>141,177</u>	<u>332,284</u>	<u>58,870</u>
Cash Flows from Noncapital Financing Activities:					
Municipal Income Taxes	-	851,016	511,488	1,362,504	-
Transfers In	50,000	-	-	50,000	-
Transfers Out	-	-	(440,419)	(440,419)	(27,750)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>50,000</u>	<u>851,016</u>	<u>71,069</u>	<u>972,085</u>	<u>(27,750)</u>
Cash Flows from Capital and Related Financing Activities:					
Acquisition of Capital Assets	(63,532)	(1,655,036)	(55,090)	(1,773,658)	-
Proceeds from Sale of Bonds	-	2,970,000	-	2,970,000	-
Principal Paid on Bonds	(175,000)	(555,000)	(1,940,000)	(2,670,000)	-
Principal Paid on Notes	(21,180)	(2,655,563)	-	(2,676,743)	-
Interest and Fiscal Charges	(148,187)	(500,778)	(279,669)	(928,634)	-
Net Cash Used in Capital and Related Financing Activities	<u>(407,899)</u>	<u>(2,396,377)</u>	<u>(2,274,759)</u>	<u>(5,079,035)</u>	<u>-</u>
Cash Flows from Investing Activities:					
Market Gain (Loss) on Investments	(9,517)	(93,652)	(32,786)	(135,955)	-
Interest and Dividends on Investments	14,125	202,230	41,891	258,246	-
Net Cash Provided by Investing Activities	<u>4,608</u>	<u>108,578</u>	<u>9,105</u>	<u>122,291</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(47,609)</u>	<u>(1,551,358)</u>	<u>(2,053,408)</u>	<u>(3,652,375)</u>	<u>31,120</u>
Cash and Cash Equivalents Beginning of Year	405,108	6,952,367	3,746,186	11,103,661	383,221
Cash and Cash Equivalents End of Year	<u>\$ 357,499</u>	<u>\$ 5,401,009</u>	<u>\$ 1,692,778</u>	<u>\$ 7,451,286</u>	<u>\$ 414,341</u>

(Continued)

See accompanying notes to the basic financial statements.

CITY OF MIAMISBURG, OHIO
STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003
(Continued)

Reconciliation of Operating Income (Loss) to Net Cash

Provided (Used) by Operating Activities:

Operating Income(Loss)	\$ 176,246	\$ (113,429)	\$ (212,768)	\$ (149,951)	\$ (6,385)
Adjustments to Reconcile Operating Income(Loss) to Net Cash Provided(Used) by Operating Activities:					
Depreciation	115,097	370,752	372,615	858,464	58,946
Changes in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	-	(98,149)	14,901	(83,248)	-
(Increase) Decrease in Supplies Inventory	16,869	(2,726)	3,822	17,965	16,029
Increase in Due in Inventory Held for Resale	(5,571)	-	-	(5,571)	-
Increase (Decrease) in Accounts Payable	3,268	1,403	(24,094)	(19,423)	(6,685)
Increase (Decrease) in Contracts Payable	-	(277,681)	17,758	(259,923)	-
Increase in Accrued Salaries Payable	-	4,324	7,031	11,355	791
Increase (Decrease) in Intergovernmental Payable	(227)	(16,351)	(20,690)	(37,268)	(3,903)
Increase (Decrease) in Compensated Absences Payable	-	17,282	(17,398)	(116)	77
Net Cash Provided(Used) by Operating Activities	<u>\$ 305,682</u>	<u>\$ (114,575)</u>	<u>\$ 141,177</u>	<u>\$ 332,284</u>	<u>\$ 58,870</u>

Noncash Capital Financing Activities:

The golf and internal service funds received capital assets from the general fund totaling \$102,695 and \$15,027, respectively. These amounts are included in capital contributions.

See accompanying notes to the basic financial statements.

CITY OF MIAMISBURG, OHIO
STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
DECEMBER 31, 2003

	<u>Agency</u>
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 431,940
Cash and Cash Equivalents with Fiscal Agent	<u>115,375</u>
Total Assets	<u><u>\$ 547,315</u></u>
Liabilities:	
Accounts Payable	\$ 18,474
Due to Other Governments	61,690
Undistributed Monies	<u>467,151</u>
Total Liabilities	<u><u>\$ 547,315</u></u>

See accompanying notes to the basic financial statements.

CITY OF MIAMISBURG, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 1 – DESCRIPTION OF CITY AND REPORTING ENTITY:

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

Reporting Entity

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

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

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

CITY OF MIAMISBURG, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

Basis of Presentation

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

Government-wide Financial Statements

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

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

Fund Financial Statements

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

Fund Accounting

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

Governmental Funds

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

CITY OF MIAMISBURG, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

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

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

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

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

Proprietary Fund Types

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

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

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

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

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

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

Fiduciary Funds

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

CITY OF MIAMISBURG, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

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

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

Basis of Accounting

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

Revenues – Exchange and Non-exchange Transaction

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

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income tax, property tax, grants, entitlements and donations. On an accrual basis, revenue from income tax is recognized in the fiscal year in which the tax imposed takes place and revenue from property tax is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year

CITY OF MIAMISBURG, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

when use is first permitted, matching requirements, in which the City must provide local resources, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

Deferred Revenue

Deferred revenues arise when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of December 31, 2003, but which were levied to finance 2004 operations, have been recorded as deferred revenues. Special assessments not received within the available period and grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Expenses/Expenditures

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

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

Cash and Cash Equivalents

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

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

During the year, the City's investments included STAROhio and various federal securities. STAROhio is an investment pool managed by the State of Ohio's Treasurer's Office, which allows governments within Ohio to pool their funds for investment purposes. STAROhio is not registered with the Securities and Exchange Commission (SEC) as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2003.

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

CITY OF MIAMISBURG, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

Interest income is distributed to the funds according to charter and statutory requirements. Interest revenue reported in the statement of net activities for 2003 amounted to \$555,660. This amount includes a decrease of \$391,654 in the market value of the City's investments at December 31, 2003 as compared with the market value at December 31, 2002, as required under Governmental Accounting Standards Board (GASB) Statement No. 31 "*Accounting and Financial Reporting for Certain Investments and for External Investment Pools.*"

Supplies Inventory

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

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

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

Restricted Assets

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

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

Interfund Receivables and Payables

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

Internal Balances

Internal balance amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are presented as "internal balances". At December 31, 2003 the amounts reported in the internal balances line item is comprised of the allocation of the business-type activities interest in the internal service funds that are included within the governmental activities and the advance made from the general fund to the golf fund in previous years to provide operating funds.

CITY OF MIAMISBURG, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

Capital Assets

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

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

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

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

The City has elected to phase-in recording its governmental-activities infrastructure as permitted by GASB and therefore only the current year additions to infrastructure are recorded in the financial statements.

Compensated Absences

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

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

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

CITY OF MIAMISBURG, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

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

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

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

Accrued Liabilities and Long-Term Obligations

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

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

Fund Balance Reserves

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

Net Assets

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

Operating Revenues and Expenses

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

CITY OF MIAMISBURG, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

Contribution of Capital

Contribution of capital in proprietary fund financial statements arise from proprietary capital assets which were purchased or financed with funds from governmental funds.

Interfund Activity

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

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

Estimates

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

Budgetary Process

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

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

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

CITY OF MIAMISBURG, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 3 – BUDGETARY REPORTING AND ACCOUNTING:

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

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

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

Net Change in Fund Balance		
	General Fund	Municipal Trust Fund
GAAP Basis	\$ (1,106,325)	\$ (102,414)
Revenue Accruals	77,910	102,414
Expenditure Accruals	(197,088)	-
Encumbrances	(86,472)	-
Transfers	240,000	-
Budgetary Basis	\$ (1,071,975)	\$ -

NOTE 4 – CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF PRIOR YEAR FUND EQUITY:

Changes in Accounting Principles

For 2003, the City has implemented GASB Statement No. 34, “Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments”, GASB Statement No. 37, “Basic Financial Statements – and Management’s Discussion and Analysis - for State and Local Governments: Omnibus”, GASB Statement No. 38, “Certain Financial Statement Note Disclosures” and GASB Interpretation No. 6, “Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements”.

CITY OF MIAMISBURG, OHIO
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GASB Statement No. 34 creates new basic financial statements for reporting on the City's financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. Fiduciary funds are reported by type.

The government-wide financial statements combine the governmental activities into one column. The beginning net asset amount for governmental programs reflects the change in fund balance for governmental funds at December 31, 2002, caused by the conversion to the new reporting model.

Restatement of Fund Balances

The City reclassified certain funds due to the implementation of GASB 34. Certain trust funds that provide support to City activities that were previously reported as expendable trust funds and were reclassified as special revenue funds. In addition, the City adopted a new capital asset threshold limit of \$5,000 and reevaluated all capital assets for existence and proper classification. This process resulted in adjustments to all categories of capital assets including the value of the assets, the useful life remaining, and the fund and department in which the capital assets were reported.

These restatements, as well as the corrections of the errors in the capital assets, had the following effect on fund balance of major and nonmajor funds of the City. The transition from governmental fund balance to net assets of the governmental activities is also presented.

	<u>General</u>	<u>Municipal Trust</u>	<u>Capital Improvement</u>	<u>Nonmajor</u>	<u>Total</u>
Fund Balance, 12/31/2002	\$ 6,188,623	-	1,263,210	2,085,107	\$9,536,940
Reclassification of Funds	-	5,670,939	-	137,437	5,808,376
Adjusted Fund Balance, 12/31/2002	<u>\$ 6,188,623</u>	<u>5,670,939</u>	<u>1,263,210</u>	<u>2,222,544</u>	15,345,316

GASB 34 Adjustments:

Capital Assets, net of accumulated depreciation	16,344,008
Allocation of governmental activities share of internal service funds	1,186,028
Long-term liabilities	(1,531,682)
Police and fire pension payable	(267,396)
General obligation bonds payable	(4,530,000)
Special assessment bonds payable	(345,000)
Accrued interest on long-term debt	(22,710)
Long-term (deferred) assets	<u>1,535,394</u>
Governmental Activities Net Assets, 12/31/2002	<u>\$27,713,958</u>

CITY OF MIAMISBURG, OHIO
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During 2003, the City also adjusted the beginning balances for capital assets reported in the proprietary funds as of December 31, 2002. In addition, the implementation of GASB Statement No. 34 required the allocation of the City's internal service funds equity to the funds responsible for providing financing to the internal service funds. These adjustments are shown in the restatement to business-type activities net assets.

	<u>Golf</u>	<u>Sewer</u>	<u>Water</u>	<u>Total</u>	<u>Internal Service Funds</u>
Fund Equity, 12/31/2002	\$ (167,052)	13,221,323	12,649,924	25,704,195	2,381,613
Capital asset adjustments	(56,912)	(76,052)	(57,835)	(190,799)	(832,450)
Adjusted Fund Equity, 12/31/02	\$ (223,964)	13,145,271	12,592,089	25,513,396	1,549,163
GASB 34 Adjustments:					
Allocation of business-type activities share of internal service funds				363,135	
Business-type Activities Net Assets, 12/31/2002				<u>\$25,876,531</u>	

NOTE 5 – COMPLIANCE AND ACCOUNTABILITY:

The Golf Fund had deficit net assets of \$71,222 at December 31, 2003. This deficit is due to the debt-service requirements associated with building the PipeStone Golf Course. The general fund will transfer adequate funds to the Golf Fund as needed.

NOTE 6 – DEPOSITS AND INVESTMENTS:

Monies of substantially all funds of the City are maintained or invested in a common group of bank accounts, STAROhio, and various federal securities. This is done in order to maximize the rate of interest that can be earned on invested funds. Interest income is distributed to the funds according to the charter and statutory requirements.

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

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

CITY OF MIAMISBURG, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

Deposits

At year-end, the carrying amount of the City's deposits was \$729,648 and the bank balance was \$1,103,097. Of the bank balance, \$253,904 was covered by federal deposit insurance and the remaining amounts were uninsured and uncollateralized as defined by GASB Statement No. 3 because the securities held as collateral by the financial institutions or their trust departments or agencies were in the financial institutions' names. As authorized by state statute, the pledging bank has established an investment and securities pool to collateralize all public deposits.

Investments

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

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

	Category <u>2</u>	Carrying Value	Fair Value
Government securities	\$ 20,557,185	20,557,185	20,557,185
Unclassifieds:			
STAROhio	<u>0</u>	<u>538,848</u>	<u>538,848</u>
Total	<u>\$ 20,557,185</u>	<u>21,096,033</u>	<u>21,096,033</u>

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

	Cash and Cash <u>Equivalents/Deposits</u>	<u>Investments</u>
GASB Statement 9	\$ 15,388,876	6,436,805
Investments:		
Government securities	(14,120,380)	14,120,380
STAROhio	<u>(538,848)</u>	<u>538,848</u>
GASB Statement 3	<u>\$ 729,648</u>	<u>21,096,033</u>

CITY OF MIAMISBURG, OHIO
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FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 7- RECEIVABLES:

Receivables at December 31, 2003 consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements, shared revenues, special assessments, accrued interest on investments and accounts (billing for utility services and various other charges for services). No allowances for doubtful accounts have been recorded because uncollectible amounts are expected to be insignificant.

Property Taxes

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Property tax revenue received during 2003 for real and public utility property taxes represents collections of the 2002 taxes. Property tax payments received during 2003 for tangible personal property (other than public utility property) is for 2003 taxes.

2003 real property taxes are levied after October 1, 2003, on the assessed value as of January 1, 2003, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2003 real property taxes are collected in and intended to finance 2004.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2003 public utility property taxes became a lien December 31, 2002, are levied after October 1, 2003, and are collected in 2004 with real property taxes. 2003 tangible personal property taxes are levied after October 1, 2002, on the value as of December 31, 2002. Collections are made in 2003. Tangible personal property assessments are 25 percent of true value for capital assets and 24 percent of true value for inventory.

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

The full tax rate of for all City operations for the year ended December 31, 2003 was \$7.03 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2003 property tax receipts were based are as follows:

Real Property Tax Assessed Valuation	\$ 272,703,590
Public Utility Real Property Tax Assessed Valuation	54,420
Public Utility Tangible Personal Property Assessed Valuation	30,849,610
Tangible Personal Property Assessed Valuation	<u>40,567,400</u>
Total	\$ <u>428,500,480</u>

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

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

CITY OF MIAMISBURG, OHIO
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FOR THE YEAR ENDED DECEMBER 31, 2003

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Miamisburg. The County Auditor periodically remits to the City its portion of the taxes collected. Accrued property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2003, and for which there is an enforceable legal claim. In the general fund, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2003 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On the full accrual basis, collectible delinquent property taxes have been recorded as revenue.

Income Tax

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

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

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

Accounts Receivable

Accounts Receivable at December 31, 2003 consisted of billings for sewer and water services provided prior to December 31 but payment had not yet been received by the City. The City deems approximately two percent of the utilities receivables as uncollectible.

<u>Utility Accounts Receivables</u>	<u>Estimated Uncollectible</u>	<u>Net Account Receivables</u>
\$ 1,077,916	21,559	1,056,357

Due from Other Governments

A summary of the governmental activities intergovernmental receivables follows:

<u>Governmental Activities:</u>	
Inheritance tax shared tax	\$ 512,192
Homestead/Rollback property relief	121,756
Gasoline Tax	273,058
Local government assistance	272,552
Motor vehicle license fees	102,318
Police grant	24,974
Permissive motor vehicle license tax	<u>21,960</u>
Total	\$ <u>1,328,810</u>

CITY OF MIAMISBURG, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 8 – CAPITAL ASSETS:

Capital asset activity for the year ended December 31, 2003 was as follows:

	Restated Balance <u>12/31/02</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>12/31/03</u>
<u>Governmental Activities</u>				
Non-depreciable capital assets:				
Land	\$ 5,675,740	538,437	-	6,214,177
Depreciable capital assets:				
Buildings	4,900,551	12,515	-	4,913,066
Improvements	8,456,298	-	-	8,456,298
Equipment	3,988,231	447,722	-	4,435,953
Vehicles	<u>2,570,187</u>	<u>633,715</u>	-	<u>3,203,902</u>
Depreciable capital assets	<u>19,915,267</u>	<u>1,093,952</u>	-	<u>21,009,219</u>
Less: accumulated depreciation				
Buildings	(2,124,844)	(94,648)	-	(2,219,492)
Improvements	(2,589,184)	(32,159)	-	(2,621,343)
Equipment	(2,490,590)	(266,545)	-	(2,757,135)
Vehicles	<u>(946,724)</u>	<u>(272,864)</u>	-	<u>(1,219,588)</u>
Accumulated depreciation	<u>(8,151,342)</u>	<u>(666,216)*</u>	-	<u>(8,817,558)</u>
Depreciable capital assets, net	<u>11,763,925</u>	<u>427,736</u>	-	<u>12,191,661</u>
Governmental activities capital assets, net	\$ <u>17,439,665</u>	<u>966,173</u>	-	<u>18,405,838</u>
<u>Business-type Activities</u>				
Non-depreciable capital assets:				
Land	\$ 2,043,934	-	-	2,043,934
Construction in progress	5,181,125	-	5,130,063	51,062
Depreciable capital assets:				
Buildings	7,436,459	6,499,147	-	13,935,606
Improvements	4,080,119	73,163	-	4,153,282
Equipment	4,072,940	129,280	-	4,202,220
Vehicles	295,296	304,826	-	600,122
Infrastructure	<u>20,606,891</u>	-	-	<u>20,606,891</u>
Depreciable capital assets	<u>36,491,705</u>	<u>7,006,416</u>	-	<u>43,498,121</u>
Less: accumulated depreciation				
Buildings	(2,705,119)	(255,045)	-	(2,960,164)
Improvements	(717,590)	(68,773)	-	(786,363)
Equipment	(2,491,086)	(154,175)	-	(2,645,261)
Vehicles	(136,728)	(50,599)	-	(187,327)
Infrastructure	<u>(4,559,771)</u>	<u>(329,872)</u>	-	<u>(4,889,643)</u>
Accumulated Depreciation	<u>(10,610,294)</u>	<u>(858,464)</u>	-	<u>(11,468,758)</u>
Depreciable capital assets, net	<u>25,881,411</u>	<u>6,147,952</u>	-	<u>32,029,363</u>
Business-type activities capital assets, net	\$ <u>33,106,470</u>	<u>6,147,952</u>	<u>5,130,063</u>	<u>34,124,359</u>

CITY OF MIAMISBURG, OHIO
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* - Depreciation expense was charged to governmental functions as follows:

General government	\$ 40,781
Security of person & property	224,599
Public health services	77
Basic utility services	80,005
Community environment	5,403
Transportation	140,086
Leisure time activities	116,319
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>58,946</u>

Total depreciation expense – governmental activities \$ 666,216

NOTE 9 – DEFINED BENEFIT PENSION PLANS:

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

Public Employees Retirement System

The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-6705.

For the year ended December 31, 2003, the members of all three plans were required to contribute 8.5% of their annual covered salaries. The City's employer rate for 2003 was 13.55%. The Ohio Revised Code provides statutory authority for member and employer contributions. The City's required contributions, representing 100% of employer contributions for the periods ending December 31, 2003, 2002, and 2001 were \$797,597, \$763,295, and \$715,514 respectively; 93% has been contributed for 2003 and 100% for 2002 and 2001.

CITY OF MIAMISBURG, OHIO
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Police and Firemen's Disability and Pension Fund

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

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.50% and 24.00% respectively for police officers and firefighters. The City's contributions to OP&F for the years ending December 31, 2003, 2002 and 2001 were \$929,394, \$858,738 and \$861,066. The unpaid contribution for 2003 is \$220,310 and a long-term obligation and therefore is reported in the statement of net assets for governmental activities. Total contributions for 2003 represented 76.30% of required contributions for the year, with 100% being contributed for 2002 and 2001.

NOTE 10 - POSTEMPLOYMENT BENEFITS:

Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2003 local government employer contribution rate was 13.31% of covered payroll; 5.00% of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2002, include a rate of return on investments of 8.00%, an annual increase in active employee total payroll of 4.00% compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50% and 6.3% based on additional annual pay increases. Health care premiums were assumed to increase 4.00% annually.

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

The number of active contributing participants in the traditional and combined plans was 364,881. Actual employer contributions for 2003 which were used to fund postemployment benefits were \$294,313. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2002, (the latest information available) were \$10.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$18.7 billion and \$8.7 billion, respectively.

CITY OF MIAMISBURG, OHIO
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In December 2001, the Board adopted the Health Care "Choices" Plan. The Choices Plan will be offered to all persons newly hired in an OPERS covered position after January 1, 2003, with no prior service credit accumulated toward health care coverage. Choices will incorporate a cafeteria approach, offering a broader range of health care options. The Plan uses a graded scale from ten to thirty years to calculate a monthly health care benefit. This is in contrast to the ten-year "cliff" eligibility standard for the present Plan.

The benefit recipient will be free to select the option that best meets their needs. Recipients will fund health care costs in excess of their monthly health care benefit. The Plan will also offer a spending account feature, enabling the benefit recipient to apply their allowance toward specific medical expenses, much like a Medical Spending Account.

Police and Firemen's Disability and Pension Fund

The Ohio Police and Fire Pension Fund provides postretirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such persons. An eligible dependent child is any child under the age of eighteen whether or not he is attending school or under twenty-two if attending full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in *GASB Statement No. 12*. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution rate is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2003. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The City's actual contributions for 2003 that were used to fund postemployment benefits were \$332,057 (\$170,350 for police and \$161,707 for firefighters). The OP&F's total health care expense for the year ended December 31, 2002, (the latest information available) was \$141,028,006, which was net of member contributions of \$12,623,875. The number of OP&F participants eligible to receive health care benefits as of December 31, 2002, was 13,527 for police and 10,396 for firefighters.

NOTE 11 – OTHER EMPLOYEE BENEFITS:

Deferred Compensation Plans

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

CITY OF MIAMISBURG, OHIO
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Compensated Absences

Accumulated Unpaid Vacation

City employees earn vacation leave at varying rates based upon length of service. Employees are permitted to accumulate twice their yearly vacation accrual. In the case of death or retirement, and employee (or his estate) is paid for his unused vacation leave. Also, any employee that leaves the City after completion of the probationary period is eligible to receive payment for unused vacation leave. The total obligation for vacation leave for the City as a whole amounted to \$625,871 at December 31, 2003.

Accumulated Unpaid Sick Leave

City employees earn sick leave at the rate of four and six tenths hours per eighty hours of service. Sick leave is cumulative without limit. In the case of death, an employee's estate is paid for one-half of the employee's accumulated sick leave. Upon retirement an employee is paid for one-half of his accumulated sick leave within various limits. The total obligations for sick leave accrual for the City as a whole as of December 31, 2003 was \$723,302.

NOTE 12 – RISK MANAGEMENT:

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

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

General Liability (including law enforcement)	\$6 million per occurrence
Automobile Liability	\$6 million per occurrence
Public Officials Liability	\$16 million excess \$1 million (\$16 million aggregate per city)
Employment Practice Liability	\$6 million excess \$1 million SIR (\$6 million aggregate per city)
Boiler and Machinery	\$100 million per occurrence
Property	\$100 million per occurrence
Flood and Earthquake (Property)	\$25,000,000 annual aggregate

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

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

CITY OF MIAMISBURG, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 13 - LONG-TERM OBLIGATIONS:

Long-term obligation activity for the year ended December 31, 2003, was as follows.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
<u>Governmental Activities:</u>					
Bonds Payable:					
General obligation bonds	\$4,530,000	-	295,000	4,235,000	325,000
Special assessment debt with governmental commitment	<u>345,000</u>	<u>-</u>	<u>35,000</u>	<u>310,000</u>	<u>35,000</u>
Total Bonds Payable	4,875,000	-	330,000	4,545,000	360,000
Police and fire pension liability	267,396	-	3,940	263,456	4,109
Compensated absences	<u>1,201,142</u>	<u>200,008</u>	<u>180,171</u>	<u>1,220,979</u>	<u>183,147</u>
Total Governmental Activities	<u>\$6,343,538</u>	<u>200,008</u>	<u>514,111</u>	<u>6,029,435</u>	<u>547,256</u>
 <u>Business-Type Activities:</u>					
Bonds Payable:					
General obligation bonds	\$7,375,000	-	275,000	7,100,000	340,000
Revenue bonds	9,915,000	2,970,000	2,395,000	10,490,000	845,000
Less: Deferred charges	<u>(693,485)</u>	<u>-</u>	<u>(50,922)</u>	<u>(642,563)</u>	<u>-</u>
Total Bonds Payable	16,596,515	2,970,000	2,720,922	16,947,437	1,185,000
Long-term notes	223,885	-	36,743	187,142	19,237
Compensated absences	<u>155,310</u>	<u>23,181</u>	<u>23,297</u>	<u>155,194</u>	<u>23,279</u>
Total Business-Type Activities	<u>\$16,975,710</u>	<u>2,993,181</u>	<u>2,679,118</u>	<u>17,289,773</u>	<u>1,227,516</u>

General Obligation Bonds

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

All of the City's general obligation bonds were issued during prior periods. The original amount of general obligation bonds issued in prior periods was \$12,735,000. No additional general obligations bonds were issued during the year ended December 31, 2003. General obligation bonds currently outstanding are as follows:

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

CITY OF MIAMISBURG, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

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

Year Ending December 31	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2004	\$ 325,000	\$ 156,766	\$ 340,000	\$ 339,185
2005	335,000	146,174	345,000	327,742
2006	310,000	135,361	360,000	315,910
2007	325,000	125,763	390,000	302,403
2008	335,000	115,032	405,000	286,852
2009-2013	1,595,000	388,977	2,125,000	1,131,976
2014-2018	1,010,000	83,375	1,815,000	626,353
2019-2021	-	-	1,320,000	135,915
Total	<u>\$4,235,000</u>	<u>\$1,151,448</u>	<u>\$7,100,000</u>	<u>\$3,466,336</u>

Special Assessment Bonds

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

Year Ending December 31	Governmental Activities	
	Principal	Interest
2004	\$ 35,000	\$ 15,202
2005	40,000	13,540
2006	40,000	11,620
2007	45,000	9,680
2008	50,000	7,475
2009-2010	100,000	7,750
Total	<u>\$ 310,000</u>	<u>\$ 65,267</u>

Revenue Bonds

The City also issues bonds where income generated by the operation benefiting from the bonds pays the annual debt service requirements. Prior to the beginning of 2003, the City had issued \$11,760,000 in revenue bonds. During 2003, the City issued \$2,970,000 of revenue bonds to finance the City's Water Reclamation facility improvement project. All revenue bonds are for business-type activities and outstanding revenue bonds at December 31, 2003 are as follows:

CITY OF MIAMISBURG, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

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

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

Year Ending December 31	Principal	Interest
2004	\$ 845,000	\$ 462,628
2005	885,000	424,818
2006	925,000	384,102
2007	960,000	340,728
2008	1,015,000	294,832
2009-2013	2,045,000	1,039,506
2014-2018	2,195,000	641,210
2019-2023	<u>1,620,000</u>	<u>166,130</u>
Total	<u>\$10,490,000</u>	<u>\$3,753,954</u>

Long-Term Notes

In 1995 the City entered into two long-term notes with the Ohio Public Works Commission to finance certain sewer system improvements. The twenty-year notes had a zero percent interest rate. In addition, a \$99,689, 4.15 percent long-term note was issued by the City in 1999 for the purchase of golf course equipment. The remaining \$3,674 of the long-term golf course equipment notes will be repaid early in 2004. All long-term notes payable are reported in business-type activities.

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

Year Ending December 31	Principal	Interest
2004	\$ 15,563	\$ -
2005	15,562	-
2006	15,563	-
2007	15,562	-
2008	15,563	-
2009-2013	77,812	-
2019-2023	<u>27,843</u>	<u>-</u>
Total	<u>\$183,468</u>	<u>\$ -</u>

CITY OF MIAMISBURG, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

Police and Fire Pension Liability

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

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

Year Ending December 31	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2004	\$ 4,109	\$ 11,154
2005	4,285	10,977
2006	4,469	10,793
2007	4,661	10,601
2008	4,862	10,401
2009-2013	27,626	48,687
2014-2018	34,091	42,222
2019-2023	42,069	34,245
2024-2028	51,913	24,400
2029-2033	64,062	12,251
2034-2035	<u>21,309</u>	<u>898</u>
Total	<u>\$263,456</u>	<u>\$216,629</u>

Compensated Absences

Compensated absences will be paid from the general fund; the fire levy, municipal court probation, recreation, street maintenance, and state highway special revenue funds; the water and sewer enterprise funds; and the civic center, city garage, and service center internal service funds. Internal service funds predominantly serve the governmental funds. Accordingly, \$8,160 of compensated absences related to the internal service funds are include as part of the compensated absences liability reported for governmental activities.

NOTE 14 - SHORT-TERM OBLIGATIONS:

On December 18, 2003 the City issued a bond anticipation note in the amount of \$285,000, with an interest rate of 1.63 percent. The note will mature in one year. The note was issued to provide financing for the City's sidewalk, curb and gutter program. It is anticipated the note will be repaid with a special assessment general obligation bond. With the proceeds of this note, the City redeemed the \$210,000 bond anticipation note issued in 2002 for the sidewalk, curb and gutter special assessment project.

Also during 2003, the City repaid the \$2,640,000 sewer system improvement bond anticipation note issued during 2002 with the proceeds of the 2003 sewer system improvement revenue bonds.

CITY OF MIAMISBURG, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

A summary of the short-term note transactions for the year ended December 31, 2003 follows:

<u>Issue</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Governmental Activities</u>				
2002 Sidewalk, Curb and Gutter BAN – 1.75%	\$ 210,000	\$ -	\$ 210,000	\$ -
2003 Sidewalk, Curb and Gutter BAN – 1.63%	-	285,000	-	285,000
<u>Business-type Activities</u>				
2002 Sewer System Improvement BAN – 2.65%	\$2,640,000	\$ -	\$2,640,000	\$ -

NOTE 15 – INTERFUND BALANCES AND TRANSFERS:

Interfund transfers for the year ended December 31, 2003, consisted of the following:

<u>Transfer to Fund</u>	<u>Transfer from Fund</u>	<u>Amount</u>
General Fund	Other Governmental	\$ 75,000
Capital Improvement	Other Governmental	63,665
Golf Fund	Capital Improvement	50,000
Other Governmental	General	451,918
	Capital Improvement	471,808
	Water	440,419
	Other Governmental	42,202
	Internal Service	27,750
		<u>1,434,097</u>
Total		<u>\$ 1,622,762</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed. The \$50,000 transfer from the capital improvement fund to the golf fund was to provide the golf fund with monies to help meet the current year debt service requirement. The \$440,419 transfer from the water fund to the clean Ohio capital project fund (other governmental) was to provide the local matching portion of a state grant to address the quality of Ohio's waterways, in accordance with the grant agreement. On the statement of activities, the capital contributions of \$102,695 reported in the golf fund was reclassified as a transfer from governmental activities to the business-type activities.

The \$1,040,856 advance from the general fund to the golf fund was made prior to 2003 and was made to provide operating funds to the golf fund during the start-up phase of the PipeStone Golf Course. The advance is expected to be repaid to the general fund, once the golf fund accumulates sufficient financial resources to repay the advance. The advance is not expected to be repaid during 2004, therefore, a reserve for long-term receivables has been established in the general fund in a like amount to represent these funds are not available for appropriation or expenditure. In the government-wide financial statements, the advance is reported as a component of the internal balances line-item.

CITY OF MIAMISBURG, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 16 – RELATED ORGANIZATION:

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

NOTE 17 – CONTINGENT LIABILITIES:

Litigation

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

Federal and State Grants

For the period January 1, 2003 to December 31, 2003 the City received federal and state grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

NOTE 18 – SUBSEQUENT EVENT:

On June 1, 2004 the City issued \$1.8 million of bond anticipation notes to provide financing for the water treatment facility renovation and expansion project. These notes mature on December 1, 2004 and will be replaced with a bond issue.

Also, the City has continued to implement the Downtown and Riverfront Master Plan by purchasing properties along the Great Miami River to add additional green space to the City, as well as enhancing the protection of the City's well-fields. The acquisition of property since December 31, 2003 has totaled approximately \$334,000 and is being finance through the Clean Ohio Grant fund as well as local matching funds.

COMBINING FINANCIAL STATEMENTS

COMBINING STATEMENTS – NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

Conservancy

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

Court Modernization

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

Drug Law Enforcement

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

Enforcement and Education

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

Fire Levy

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

Indigent Driver's Alcohol Treatment

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

Law Enforcement

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

Motor Vehicle License Tax

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

Municipal Court Computer

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

Municipal Court Probation

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

**COMBINING STATEMENTS – NONMAJOR GOVERNMENTAL FUNDS
(Continued)**

SPECIAL REVENUE FUNDS (Continued)

Municipal Court Special Projects

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

Police and Fire Pension

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

Recreation Program

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

Senior Center Programs

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

State Highway

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

Street Maintenance and Repair

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

DEBT SERVICE FUNDS

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

General Obligation Bond Retirement

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

Special Assessment Bond Retirement

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

**COMBINING STATEMENTS – NONMAJOR GOVERNMENTAL FUNDS
(Continued)**

CAPITAL PROJECT FUNDS

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

Clean Ohio Grant

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

Issue II Capital Improvements

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

Park Development

To account for a federal grant to be used for the construction of an aquatic center.

Park Capital Improvement

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

Roadway Improvement

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

Sidewalks, Curbs and Gutter

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

CITY OF MIAMISBURG, OHIO
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2003

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 1,549,312	\$ 273,710	\$ 668,306	\$ 2,491,328
Cash and Cash Equivalents in Segregated Accounts	11,016	-	-	11,016
Receivables:				
Taxes	1,091,419	-	-	1,091,419
Intergovernmental	448,889	-	-	448,889
Special Assessments	-	282,277	-	282,277
Accrued Interest	68	-	1,308	1,376
Supplies Inventory	90,195	-	-	90,195
Total Assets and Other Debits	3,190,899	555,987	669,614	4,416,500
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	76,880	4,165	-	81,045
Accrued Salaries Payable	41,114	-	-	41,114
Intergovernmental Payable	15,300	-	-	15,300
Deferred Revenue	1,474,003	282,277	-	1,756,280
Total Liabilities	1,607,297	286,442	-	1,893,739
Fund Balances:				
Reserved for Encumbrances	26,541	-	2,472	29,013
Reserved for Supplies Inventory	90,195	-	-	90,195
Unreserved:				
Undesignated, Reported in:				
Special Revenue Funds	1,466,866	-	-	1,466,866
Debt Service Funds	-	269,545	-	269,545
Capital Project Funds	-	-	667,142	667,142
Total Fund Balances	1,583,602	269,545	669,614	2,522,761
Total Liabilities and Fund Balances	\$ 3,190,899	\$ 555,987	\$ 669,614	\$ 4,416,500

CITY OF MIAMISBURG, OHIO
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2003

	Conservancy	Court Modernization	Drug Law Enforcement
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 85,932	\$ 189,228	\$ 7,533
Cash and Cash Equivalents in Segregated Accounts	-	8,522	-
Receivables:			
Taxes	53,755	-	-
Intergovernmental	2,792	-	-
Accrued Interest	-	-	-
Supplies Inventory	-	-	-
Total Assets	142,479	197,750	7,533
Liabilities:			
Accounts Payable	-	313	-
Accrued Salaries Payable	-	-	-
Intergovernmental Payable	-	-	-
Deferred Revenue	56,547	-	-
Total Liabilities	56,547	313	-
Fund Balances:			
Reserved for Encumbrances	-	4,280	-
Reserved for Supplies Inventory	-	-	-
Unreserved:			
Undesignated	85,932	193,157	7,533
Total Fund Balances	85,932	197,437	7,533
Total Liabilities and Fund Balance	\$ 142,479	\$ 197,750	\$ 7,533

Enforcement and Education	Fire Levy	Indigent Drivers' Alcohol Treatment	Law Enforcement	Motor Vehicle License Tax	Municipal Court Computer
\$ 5,666	\$ 222,850	\$ 231,337	\$ 17,650	\$ 18,209	\$ 66,369
-	-	444	-	-	-
-	789,459	-	-	-	-
-	35,382	-	-	21,960	-
-	-	-	-	68	-
-	-	-	-	-	-
<u>5,666</u>	<u>1,047,691</u>	<u>231,781</u>	<u>17,650</u>	<u>40,237</u>	<u>66,369</u>
-	1,279	-	-	-	-
-	25,249	-	-	-	-
-	6,060	-	-	-	-
-	824,841	-	-	18,300	-
-	857,429	-	-	18,300	-
-	9,815	-	-	-	-
-	-	-	-	-	-
<u>5,666</u>	<u>180,447</u>	<u>231,781</u>	<u>17,650</u>	<u>21,937</u>	<u>66,369</u>
<u>5,666</u>	<u>190,262</u>	<u>231,781</u>	<u>17,650</u>	<u>21,937</u>	<u>66,369</u>
<u>\$ 5,666</u>	<u>\$ 1,047,691</u>	<u>\$ 231,781</u>	<u>\$ 17,650</u>	<u>\$ 40,237</u>	<u>\$ 66,369</u>

(Continued)

CITY OF MIAMISBURG, OHIO
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2003
(Continued)

	Municipal Court Probation	Municipal Court Special Projects	Police and Fire Pension
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 111,789	\$ 95,027	\$ 78,350
Cash and Cash Equivalents in Segregated Accounts	-	2,050	-
Receivables:			
Taxes	-	-	248,205
Intergovernmental	-	-	12,885
Accrued Interest	-	-	-
Supplies Inventory	-	-	-
Total Assets	<u>111,789</u>	<u>97,077</u>	<u>339,440</u>
Liabilities:			
Accounts Payable	-	3,191	-
Accrued Salaries Payable	847	-	-
Intergovernmental Payable	560	-	-
Deferred Revenue	-	-	261,090
Total Liabilities	<u>1,407</u>	<u>3,191</u>	<u>261,090</u>
Fund Balances:			
Reserved for Encumbrances	-	-	-
Reserved for Supplies Inventory	-	-	-
Unreserved:			
Undesignated	<u>110,382</u>	<u>93,886</u>	<u>78,350</u>
Total Fund Balances	<u>110,382</u>	<u>93,886</u>	<u>78,350</u>
Total Liabilities and Fund Balance	<u>\$ 111,789</u>	<u>\$ 97,077</u>	<u>\$ 339,440</u>

Recreation Programs	Senior Citizen Programs	State Highway	Street Maintenance and Repair	Total
\$ 27,767	\$ 142,239	\$ 71,568	\$ 177,798	\$ 1,549,312
-	-	-	-	11,016
-	-	-	-	1,091,419
-	-	24,888	350,982	448,889
-	-	-	-	68
460	-	-	89,735	90,195
<u>28,227</u>	<u>142,239</u>	<u>96,456</u>	<u>618,515</u>	<u>3,190,899</u>
120	2,213	26,527	43,237	76,880
1,008	660	961	12,389	41,114
1,142	187	567	6,784	15,300
-	-	20,740	292,485	1,474,003
<u>2,270</u>	<u>3,060</u>	<u>48,795</u>	<u>354,895</u>	<u>1,607,297</u>
-	1,511	3,756	7,179	26,541
460	-	-	89,735	90,195
<u>25,497</u>	<u>137,668</u>	<u>43,905</u>	<u>166,706</u>	<u>1,466,866</u>
<u>25,957</u>	<u>139,179</u>	<u>47,661</u>	<u>263,620</u>	<u>1,583,602</u>
<u>\$ 28,227</u>	<u>\$ 142,239</u>	<u>\$ 96,456</u>	<u>\$ 618,515</u>	<u>\$ 3,190,899</u>

CITY OF MIAMISBURG, OHIO
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2003

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 119,294	\$ 154,416	\$ 273,710
Special Assessment Receivable	-	282,277	282,277
Total Assets	119,294	436,693	555,987
Liabilities:			
Accounts Payable	4,165	-	4,165
Deferred Revenue	-	282,277	282,277
Total Liabilities	4,165	282,277	286,442
Fund Balances:			
Unreserved			
Undesignated	115,129	154,416	269,545
Total Fund Equity	115,129	154,416	269,545
Total Liabilities and Fund Equity	\$ 119,294	\$ 436,693	\$ 555,987

CITY OF MIAMISBURG, OHIO
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2003

	Clean <u>Ohio Grant</u>	Issue II <u> </u>	Park <u>Development</u>
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 126,598	\$ -	\$ -
Accrued Interest Receivable	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Other Debits	<u>126,598</u>	<u>-</u>	<u>-</u>
Liabilities:			
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:			
Reserved for Encumbrances	-	-	-
Unreserved:			
Undesignated	<u>126,598</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>126,598</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 126,598</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

CITY OF MIAMISBURG, OHIO

Combining Balance Sheet

Nonmajor Capital Projects Funds

December 31, 2003

(Continued)

	<u>Park Capital Improvement</u>	<u>Roadway Improvement</u>	<u>Sidewalk, Curb and Gutter</u>	<u>Total</u>
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 174,386	\$ 337,681	\$ 29,641	\$ 668,306
Accrued Interest Receivable	-	1,200	108	1,308
Total Assets and Other Debits	<u>174,386</u>	<u>338,881</u>	<u>29,749</u>	<u>669,614</u>
Liabilities:				
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Reserved for Encumbrances	2,472	-	-	2,472
Unreserved:				
Undesignated	<u>171,914</u>	<u>338,881</u>	<u>29,749</u>	<u>667,142</u>
Total Fund Balances	<u>174,386</u>	<u>338,881</u>	<u>29,749</u>	<u>669,614</u>
Total Liabilities and Fund Balances	<u>\$ 174,386</u>	<u>\$ 338,881</u>	<u>\$ 29,749</u>	<u>\$ 669,614</u>

CITY OF MIAMISBURG, OHIO
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2003

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property and Other Taxes	\$ 1,043,863	\$ -	\$ -	\$ 1,043,863
Intergovernmental	998,278	-	159,334	1,157,612
Special Assessments	-	116,628	6,550	123,178
Charges for Services	221,564	-	70,620	292,184
Fines, Licenses and Permits	385,136	-	-	385,136
Interest	3,404	-	7,644	11,048
Donations	38,283	-	-	38,283
Other	121,889	12	14,931	136,832
Total Revenues	2,812,417	116,640	259,079	3,188,136
Expenditures:				
Current:				
Security of Persons and Property	1,340,495	-	-	1,340,495
Leisure Time Activities	257,207	-	674	257,881
Transportation	1,159,295	-	-	1,159,295
General Government	155,883	25,026	680	181,589
Capital Outlay	-	-	520,399	520,399
Debt Service:				
Principal Retirement	3,940	330,000	-	333,940
Interest and Fiscal Charges	11,323	299,266	-	310,589
Total Expenditures	2,928,143	654,292	521,753	4,104,188
Excess of Revenues Over(Under) Expenditures	(115,726)	(537,652)	(262,674)	(916,052)
Other Financing Sources (Uses):				
Transfers-In	360,000	625,304	448,793	1,434,097
Transfers-Out	(125,000)	(13,665)	(42,202)	(180,867)
Total Other Financing Sources (Uses)	235,000	611,639	406,591	1,253,230
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	119,274	73,987	143,917	337,178
Fund Balance at Beginning of Year	1,501,289	195,558	525,697	2,222,544
Increase (Decrease) in Reserve for Inventory	(36,961)	-	-	(36,961)
Fund Balance at End of Year	\$ 1,583,602	\$ 269,545	\$ 669,614	\$ 2,522,761

CITY OF MIAMISBURG, OHIO
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2003

	Conservancy	Court Modernization	Drug Law Enforcement
Revenues:			
Property and Other Taxes	\$ 51,046	\$ -	\$ -
Intergovernmental	8,346	-	-
Charges for Services	-	-	-
Fines, Licenses and Permits	-	151,574	1,232
Interest	-	-	-
Donations	-	-	-
Other	-	-	1,025
Total Revenues	59,392	151,574	2,257
Expenditures:			
Current:			
Security of Persons and Property	-	-	1,322
Leisure Time Activities	-	-	-
Transportation	-	-	-
General Government	56,463	23,904	-
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Total Expenditures	56,463	23,904	1,322
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,929	127,670	935
Other Financing Sources (Uses):			
Transfers-In	-	-	-
Transfers-Out	-	(75,000)	-
Total Other Financing Sources (Uses)	-	(75,000)	-
Net Change in Fund Balance	2,929	52,670	935
Fund Balance at Beginning of Year	83,003	144,767	6,598
Increase in Reserve for Inventory	-	-	-
Fund Balance at End of Year	\$ 85,932	\$ 197,437	\$ 7,533

Enforcement and Education	Fire Levy	Indigent Drivers' Alcohol Treatment	Law Enforcement	Motor Vehicle License Tax	Municipal Court Computer
\$ -	\$ 757,219	\$ -	\$ -	\$ -	\$ -
-	135,560	-	-	52,681	-
-	-	-	-	-	-
4,170	-	14,809	-	-	38,046
-	-	-	-	504	-
-	4,020	-	-	-	-
-	116,621	-	4,203	-	-
<u>4,170</u>	<u>1,013,420</u>	<u>14,809</u>	<u>4,203</u>	<u>53,185</u>	<u>38,046</u>
6,364	1,064,652	-	41,160	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>6,364</u>	<u>1,064,652</u>	<u>-</u>	<u>41,160</u>	<u>-</u>	<u>-</u>
(2,194)	(51,232)	14,809	(36,957)	53,185	38,046
-	-	-	-	-	-
-	-	-	-	(50,000)	-
-	-	-	-	(50,000)	-
(2,194)	(51,232)	14,809	(36,957)	3,185	38,046
7,860	241,494	216,972	54,607	18,752	28,323
-	-	-	-	-	-
<u>\$ 5,666</u>	<u>\$ 190,262</u>	<u>\$ 231,781</u>	<u>\$ 17,650</u>	<u>\$ 21,937</u>	<u>\$ 66,369</u>

(Continued)

CITY OF MIAMISBURG, OHIO
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2003
(Continued)

	Municipal Court Probation	Municipal Court Special Projects	Police and Fire Pension
Revenues:			
Property and Other Taxes	\$ -	\$ -	\$ 235,598
Intergovernmental	-	-	38,503
Charges for Services	-	-	-
Fines, Licenses and Permits	111,982	63,323	-
Interest	-	-	-
Donations	-	-	-
Other	-	-	-
Total Revenues	111,982	63,323	274,101
Expenditures:			
Current:			
Security of Persons and Property	-	-	226,997
Leisure Time Activities	-	-	-
Transportation	-	-	-
General Government	58,016	17,500	-
Debt Service:			
Principal Retirement	-	-	3,940
Interest and Fiscal Charges	-	-	11,323
Total Expenditures	58,016	17,500	242,260
Excess (Deficiency) of Revenues Over (Under) Expenditures	53,966	45,823	31,841
Other Financing Sources (Uses):			
Transfers-In	-	-	-
Transfers-Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balance	53,966	45,823	31,841
Fund Balance at Beginning of Year	56,416	48,063	46,509
Increase in Reserve for Inventory	-	-	-
Fund Balance at End of Year	\$ 110,382	\$ 93,886	\$ 78,350

<u>Recreation Programs</u>	<u>Senior Citizen Programs</u>	<u>State Highway</u>	<u>Street Maintenance and Repair</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,043,863
-	-	49,327	713,861	998,278
133,859	87,705	-	-	221,564
-	-	-	-	385,136
-	2,900	-	-	3,404
16,465	17,798	-	-	38,283
40	-	-	-	121,889
<u>150,364</u>	<u>108,403</u>	<u>49,327</u>	<u>713,861</u>	<u>2,812,417</u>
-	-	-	-	1,340,495
150,546	106,661	-	-	257,207
-	-	147,153	1,012,142	1,159,295
-	-	-	-	155,883
-	-	-	-	3,940
-	-	-	-	11,323
<u>150,546</u>	<u>106,661</u>	<u>147,153</u>	<u>1,012,142</u>	<u>2,928,143</u>
<u>(182)</u>	<u>1,742</u>	<u>(97,826)</u>	<u>(298,281)</u>	<u>(115,726)</u>
-	-	75,000	285,000	360,000
-	-	-	-	(125,000)
-	-	75,000	285,000	235,000
(182)	1,742	(22,826)	(13,281)	119,274
26,019	137,437	70,487	313,982	1,501,289
120	-	-	(37,081)	(36,961)
<u>\$ 25,957</u>	<u>\$ 139,179</u>	<u>\$ 47,661</u>	<u>\$ 263,620</u>	<u>\$ 1,583,602</u>

CITY OF MIAMISBURG, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total
Revenues:			
Special Assessments	\$ -	\$ 116,628	\$ 116,628
Other	-	12	12
Total Revenues	-	116,640	116,640
Expenditures:			
Current:			
General Government	18,692	6,334	25,026
Debt Service:			
Principal Retirement	295,000	35,000	330,000
Interest and Fiscal Charges	291,264	8,002	299,266
Total Expenditures	604,956	49,336	654,292
Excess of Revenues Over(Under) Expenditures	(604,956)	67,304	(537,652)
Other Financing Sources (Uses)			
Transfers In	625,304	-	625,304
Transfers Out	-	(13,665)	(13,665)
Total Other Financing Sources (Uses)	625,304	(13,665)	611,639
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	20,348	53,639	73,987
Fund Balance at Beginning of Year	94,781	100,777	195,558
Fund Balance at End of Year	\$ 115,129	\$ 154,416	\$ 269,545

CITY OF MIAMISBURG, OHIO
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2003

	Clean Ohio Grant	Issue II	Park Development
Revenues:			
Intergovernmental	\$ 117,689	\$ 41,645	\$ -
Special Assessments	-	-	-
Charges for Services	-	-	-
Interest	-	-	-
Other	-	-	-
	<hr/>	<hr/>	<hr/>
Total Revenues	117,689	41,645	-
	<hr/>	<hr/>	<hr/>
Expenditures:			
Current:			
Leisure Time Activities	-	-	1
General Government	-	-	-
Capital Outlay	431,510	41,645	-
	<hr/>	<hr/>	<hr/>
Total Expenditures	431,510	41,645	1
	<hr/>	<hr/>	<hr/>
Excess of Revenues Over(Under) Expenditures	(313,821)	-	(1)
	<hr/>	<hr/>	<hr/>
Other Financing Sources (Uses):			
Transfers-In	440,419	-	-
Transfers-Out	-	-	(8,374)
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	440,419	-	(8,374)
	<hr/>	<hr/>	<hr/>
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	126,598	-	(8,375)
	<hr/>	<hr/>	<hr/>
Fund Balance at Beginning of Year	-	-	8,375
	<hr/>	<hr/>	<hr/>
Fund Balance at End of Year	\$ 126,598	\$ -	\$ -
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

(Continued)

CITY OF MIAMISBURG, OHIO
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2003
(Continued)

	Park Capital Improvement	Roadway Improvement	Sidewalk, Curb and Gutter	Total
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ 159,334
Special Assessments	-	-	6,550	6,550
Charges for Services	70,620	-	-	70,620
Interest	-	6,161	1,483	7,644
Other	-	14,931	-	14,931
Total Revenues	<u>70,620</u>	<u>21,092</u>	<u>8,033</u>	<u>259,079</u>
Expenditures:				
Current:				
Leisure Time Activities	673	-	-	674
General Government	-	-	680	680
Capital Outlay	47,244	-	-	520,399
Total Expenditures	<u>47,917</u>	<u>-</u>	<u>680</u>	<u>521,753</u>
Excess of Revenues Over(Under) Expenditures	<u>22,703</u>	<u>21,092</u>	<u>7,353</u>	<u>(262,674)</u>
Other Financing Sources (Uses):				
Transfers-In	8,374	-	-	448,793
Transfers-Out	(33,828)	-	-	(42,202)
Total Other Financing Sources (Uses)	<u>(25,454)</u>	<u>-</u>	<u>-</u>	<u>406,591</u>
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	<u>(2,751)</u>	<u>21,092</u>	<u>7,353</u>	<u>143,917</u>
Fund Balance at Beginning of Year	<u>177,137</u>	<u>317,789</u>	<u>22,396</u>	<u>525,697</u>
Fund Balance at End of Year	<u>\$ 174,386</u>	<u>\$ 338,881</u>	<u>\$ 29,749</u>	<u>\$ 669,614</u>

COMBINING STATEMENTS – NONMAJOR PROPRIETARY FUNDS

INTERNAL SERVICE FUNDS

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

City Garage

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

Civic Center Building and Land

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

Service Center Building and Land

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

CITY OF MIAMISBURG, OHIO
COMBINING STATEMENT OF FUND NET ASSETS
INTERNAL SERVICE FUNDS
DECEMBER 31, 2003

	City Garage	Civic Center Building and Land	Service Center Building and Land	Total
Assets:				
Current Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 165,765	\$ 68,268	\$ 180,308	\$ 414,341
Supplies Inventory	91,630	4,451	3,276	99,357
Total Current Assets	257,395	72,719	183,584	513,698
Non-current Assets				
Capital Assets:				
Land	-	90,700	88,000	178,700
Buildings	8,211	1,328,911	516,794	1,853,916
Equipment	82,628	145,173	137,539	365,340
Less: Accumulated Depreciation	(66,608)	(904,414)	(375,196)	(1,346,218)
Total Capital Assets	24,231	660,370	367,137	1,051,738
Total Assets	281,626	733,089	550,721	1,565,436
Liabilities:				
Current Liabilities:				
Accounts Payable	7,398	3,261	7,627	18,286
Accrued Salaries Payable	4,610	1,115	148	5,873
Intergovernmental Payable	2,365	592	105	3,062
Total Current Liabilities	14,373	4,968	7,880	27,221
Long Term Liabilities				
Compensated Absences Payable	6,465	1,695	-	8,160
Total Long Term Liabilities	6,465	1,695	-	8,160
Total Liabilities	20,838	6,663	7,880	35,381
Net Assets:				
Invested in Capital Assets	24,231	660,370	367,137	1,051,738
Unrestricted	236,557	66,056	175,704	478,317
Total Net Assets	\$ 260,788	\$ 726,426	\$ 542,841	\$ 1,530,055

CITY OF MIAMISBURG, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

	City Garage	Civic Center Building and Land	Service Center Building and Land	Total
Operating Revenues:				
Charges for Services	\$ 412,758	\$ 256,795	\$ 127,710	\$ 797,263
Total Operating Revenue	<u>412,758</u>	<u>256,795</u>	<u>127,710</u>	<u>797,263</u>
Operating Expenses:				
Personal Services	213,293	47,420	9,582	270,295
Contractual Services	56,097	183,641	57,412	297,150
Supplies and Materials	157,724	13,965	5,568	177,257
Depreciation	2,457	34,925	21,564	58,946
Total Operating Expenses	<u>429,571</u>	<u>279,951</u>	<u>94,126</u>	<u>803,648</u>
Operating Income (Loss)	(16,813)	(23,156)	33,584	(6,385)
Capital Contributions	9,500	-	5,527	15,027
Transfers Out	-	-	(27,750)	(27,750)
Change in Net Assets	(7,313)	(23,156)	11,361	(19,108)
Net Assets at Beginning of Year - Restated	<u>268,101</u>	<u>749,582</u>	<u>531,480</u>	<u>1,549,163</u>
Net Assets at End of Year	<u>\$ 260,788</u>	<u>\$ 726,426</u>	<u>\$ 542,841</u>	<u>\$ 1,530,055</u>

CITY OF MIAMISBURG, OHIO
COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

	City Garage	Civic Center Building and Land	Service Center Building and Land	Total
<u>Increase (Decrease) in Cash and Cash Equivalents</u>				
Cash Flows from Operating Activities:				
Cash Received from Quasi-External Transactions from Other Funds	\$ 412,758	\$ 256,795	\$ 127,710	\$ 797,263
Cash Payments to Employees for Services and Benefits	(217,267)	(46,321)	(9,742)	(273,330)
Cash Payments to Suppliers for Goods and Services	<u>(191,821)</u>	<u>(210,110)</u>	<u>(63,132)</u>	<u>(465,063)</u>
Net Cash Provided by Operating Activities	<u>3,670</u>	<u>364</u>	<u>54,836</u>	<u>58,870</u>
Cash Flows from Noncapital Financing Activities:				
Transfers Out	<u>-</u>	<u>-</u>	<u>(27,750)</u>	<u>(27,750)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	3,670	364	27,086	31,120
Cash and Cash Equivalents Beginning of Year	<u>162,095</u>	<u>67,904</u>	<u>153,222</u>	<u>383,221</u>
Cash and Cash Equivalents End of Year	<u>\$ 165,765</u>	<u>\$ 68,268</u>	<u>\$ 180,308</u>	<u>\$ 414,341</u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:				
Operating Income (Loss)	\$ (16,813)	\$ (23,156)	\$ 33,584	\$ (6,385)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	2,457	34,925	21,564	58,946
Changes in Assets and Liabilities				
(Increase) Decrease in Supplies Inventory	18,127	(697)	(1,401)	16,029
Increase(Decrease) in Accounts Payable	3,873	(11,807)	1,249	(6,685)
Increase in Accrued Salaries Payable	637	157	(3)	791
Increase (Decrease) in Intergovernmental Payable	(2,993)	(753)	(157)	(3,903)
Increase in Compensated Absences Payable	<u>(1,618)</u>	<u>1,695</u>	<u>-</u>	<u>77</u>
Net Cash Provided by Operating Activities	<u>\$ 3,670</u>	<u>\$ 364</u>	<u>\$ 54,836</u>	<u>\$ 58,870</u>

Noncash Capital Financing Activities:

The city garage and the service center building and land funds received capital assets from the general fund totaling \$9,500 and \$5,527, respectively. These amounts are included in capital contributions.

COMBINING STATEMENTS – FIDUCIARY FUNDS

AGENCY FUNDS

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

Board of Building Standard Assessment

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

Downtown Development

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

Municipal Court

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

Satellite Juvenile Court

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

CITY OF MIAMISBURG, OHIO
 Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 For the Year Ended December 31, 2003

	Balance 1/1/2003	Additions	Reductions	Balance 12/31/2003
<u>Board of Building Standards:</u>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 119	\$ 256	\$ 249	\$ 126
Total Assets	\$ 119	\$ 256	\$ 249	\$ 126
Liabilities:				
Intergovernmental Payable	\$ 119	\$ -	\$ 119	\$ -
Undistributed Monies	-	256	130	126
Total Liabilities	\$ 119	\$ 256	\$ 249	\$ 126
<u>Downtown Development:</u>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 324,787	\$ 105,647	\$ 8,652	\$ 421,782
Total Assets	\$ 324,787	\$ 105,647	\$ 8,652	\$ 421,782
Liabilities:				
Accounts Payable	\$ 459	\$ 18,474	\$ 459	\$ 18,474
Accrued Salaries Payable	1,574	-	1,574	-
Undistributed Monies	322,754	239,823	159,269	403,308
Total Liabilities	\$ 324,787	\$ 258,297	\$ 161,302	\$ 421,782
<u>Municipal Court:</u>				
Assets:				
Cash and Cash Equivalents with Fiscal Agents	\$ 197,517	\$ 2,260,633	\$ 2,342,775	\$ 115,375
Total Assets	\$ 197,517	\$ 2,260,633	\$ 2,342,775	\$ 115,375
Liabilities:				
Due to Other Governments	\$ 67,574	\$ 583,889	\$ 589,773	\$ 61,690
Undistributed Monies	129,943	1,676,744	1,753,002	53,685
Total Liabilities	\$ 197,517	\$ 2,260,633	\$ 2,342,775	\$ 115,375
<u>Satellite Juvenile Court:</u>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ -	\$ 38,697	\$ 28,665	\$ 10,032
Total Assets	\$ -	\$ 38,697	\$ 28,665	\$ 10,032
Liabilities:				
Undistributed Monies	\$ -	\$ 38,697	\$ 28,665	\$ 10,032
Total Liabilities	\$ -	\$ 38,697	\$ 28,665	\$ 10,032

(Continued)

CITY OF MIAMISBURG, OHIO
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2003
(Continued)

Total - All Agency Funds

Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 324,906	\$ 144,600	\$ 37,566	\$ 431,940
Cash and Cash Equivalents with Fiscal Agents	197,517	2,260,633	2,342,775	115,375
Total Assets	<u>\$ 522,423</u>	<u>\$ 2,405,233</u>	<u>\$ 2,380,341</u>	<u>\$ 547,315</u>
Liabilities				
Accounts Payable	\$ 459	\$ 18,474	\$ 459	\$ 18,474
Accrued Salaries Payable	1,574	-	1,574	-
Intergovernmental Payable	119	-	119	-
Due to Other Governments	67,574	583,889	589,773	61,690
Undistributed Monies	452,697	1,955,520	1,941,066	467,151
Total Liabilities	<u>\$ 522,423</u>	<u>\$ 2,557,883</u>	<u>\$ 2,532,991</u>	<u>\$ 547,315</u>

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**INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (Non-GAAP Basis) AND ACTUAL**

CITY OF MIAMISBURG, OHIO
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Capital Improvement Fund
For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive(Negative)
Revenues:				
Municipal Income Taxes	\$ 1,989,000	\$ 1,989,000	\$ 1,905,600	\$ (83,400)
Intergovernmental	75,000	75,000	143,879	68,879
Charges for Services	30,000	30,000	65,478	35,478
Other	-	-	1,200	1,200
Total Revenues	2,094,000	2,094,000	2,116,157	22,157
Expenditures:				
Capital Outlay	1,954,751	2,504,151	2,418,888	85,263
Total Expenditures	1,954,751	2,504,151	2,418,888	85,263
Excess of Revenues Over(Under) Expenditures	139,249	(410,151)	(302,731)	107,420
Other Financing Sources (Uses):				
Proceeds from Sale of Notes	-	-	75,000	75,000
Transfers In	50,000	50,000	50,000	-
Transfers Out	(571,808)	(571,808)	(621,808)	(50,000)
Total Other Financing Sources (Uses)	(521,808)	(521,808)	(496,808)	25,000
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(382,559)	(931,959)	(799,539)	132,420
Fund Balance at Beginning of Year	1,153,186	1,153,186	1,153,186	-
Prior Year Encumbrances Appropriated	205,233	205,233	205,233	-
Fund Balance at End of Year	\$ 975,860	\$ 426,460	\$ 558,880	\$ 132,420

CITY OF MIAMISBURG, OHIO
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Conservance Fund
For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive(Negative)
Revenues:				
Property and Other Taxes	\$ 54,000	\$ 54,000	\$ 51,046	\$ (2,954)
Intergovernmental	2,500	7,060	8,346	1,286
Total Revenues	56,500	61,060	59,392	(1,668)
Expenditures:				
Current:				
General Government	57,500	57,500	56,463	1,037
Total Expenditures	57,500	57,500	56,463	1,037
Excess of Revenues Over (Under)				
Expenditures	(1,000)	3,560	2,929	(631)
Fund Balance at Beginning of Year	83,003	83,003	83,003	-
Fund Balance at End of Year	\$ 82,003	\$ 86,563	\$ 85,932	\$ (631)

CITY OF MIAMISBURG, OHIO
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Court Modernization Fund
For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Fines, Licenses and Permits	\$ 150,000	\$ 150,000	\$ 145,600	\$ (4,400)
Total Revenues	<u>150,000</u>	<u>150,000</u>	<u>145,600</u>	<u>(4,400)</u>
Expenditures:				
Current:				
General Government	20,138	20,138	23,057	(2,919)
Capital Outlay	26,733	26,733	5,877	20,856
Total Expenditures	<u>46,871</u>	<u>46,871</u>	<u>28,934</u>	<u>17,937</u>
Excess of Revenues Over Expenditures	103,129	103,129	116,666	13,537
Other Financing Uses:				
Transfers Out	(75,000)	(75,000)	(75,000)	-
Excess of Revenues Over Expenditures and Other Financing Uses	28,129	28,129	41,666	13,537
Fund Balance at Beginning of Year	141,099	141,099	141,099	-
Prior Year Encumbrances Appropriated	1,871	1,871	1,871	-
Fund Balance at End of Year	<u>171,099</u>	<u>171,099</u>	<u>184,636</u>	<u>13,537</u>

CITY OF MIAMISBURG, OHIO
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Drug Law Enforcement Fund
For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive(Negative)
Revenues:				
Fines, Licenses and Permits	\$ 3,000	\$ 3,000	\$ 1,232	\$ (1,768)
Other	-	-	1,025	1,025
Total Revenues	3,000	3,000	2,257	(743)
Expenditures:				
Current:				
Security of Persons and Property	-	-	203	(203)
Capital Outlay	7,000	7,000	1,119	5,881
Total Expenditures	7,000	7,000	1,322	5,678
Excess of Revenues Over (Under) Expenditures	(4,000)	(4,000)	935	4,935
Fund Balance at Beginning of Year	6,598	6,598	6,598	-
Fund Balance at End of Year	\$ 2,598	\$ 2,598	\$ 7,533	\$ 4,935

CITY OF MIAMISBURG, OHIO
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Enforcement and Education Fund
For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Fines, Licenses and Permits	\$ 3,000	\$ 3,000	\$ 4,170	\$ 1,170
Total Revenues	<u>3,000</u>	<u>3,000</u>	<u>4,170</u>	<u>1,170</u>
Expenditures:				
Current:				
Security of Persons and Property	9,000	9,000	2,749	6,251
Capital Outlay	-	-	3,615	(3,615)
Total Expenditures	<u>9,000</u>	<u>9,000</u>	<u>6,364</u>	<u>2,636</u>
Excess of Revenues Under Expenditures	(6,000)	(6,000)	(2,194)	3,806
Fund Balance at Beginning of Year	<u>7,861</u>	<u>7,861</u>	<u>7,861</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 1,861</u>	<u>\$ 1,861</u>	<u>\$ 5,667</u>	<u>\$ 3,806</u>

CITY OF MIAMISBURG, OHIO
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Levy Fund
For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive(Negative)
Revenues:				
Property and Other Taxes	\$ 810,000	\$ 810,000	\$ 757,219	\$ (52,781)
Intergovernmental	65,000	110,856	135,560	24,704
Charges for Services	50,000	100,000	116,621	16,621
Donations	3,000	3,000	4,020	1,020
Total Revenues	928,000	1,023,856	1,013,420	(10,436)
Expenditures:				
Current:				
Security of Persons and Property	983,869	983,869	999,383	(15,514)
Capital Outlay	91,514	194,539	77,945	116,594
Total Expenditures	1,075,383	1,178,408	1,077,328	101,080
Excess of Revenues Under Expenditures	(147,383)	(154,552)	(63,908)	90,644
Fund Balance at Beginning of Year	261,430	261,430	261,430	-
Prior Year Encumbrances Appropriated	14,382	14,382	14,382	-
Fund Balance at End of Year	\$ 128,429	\$ 121,260	\$ 211,904	\$ 90,644

CITY OF MIAMISBURG, OHIO
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Indigent Drivers' Alcohol Treatment Fund
For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Fines, Licenses and Permits	\$ 20,000	\$ 20,000	\$ 21,966	\$ 1,966
Total Revenues	20,000	20,000	21,966	1,966
Expenditures:				
Current:				
Security of Persons and Property	-	-	-	-
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	20,000	20,000	21,966	1,966
Fund Balance at Beginning of Year	209,371	209,371	209,371	-
Fund Balance at End of Year	<u>\$ 229,371</u>	<u>\$ 229,371</u>	<u>\$ 231,337</u>	<u>\$ 1,966</u>

CITY OF MIAMISBURG, OHIO
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Fund
For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 20,000	\$ 20,000	\$ 4,203	\$ (15,797)
Other	-	-	-	-
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>4,203</u>	<u>(15,797)</u>
Expenditures:				
Current:				
Security of Persons and Property	-	-	7,165	(7,165)
Capital Outlay	53,991	53,991	33,994	19,997
Total Expenditures	<u>53,991</u>	<u>53,991</u>	<u>41,159</u>	<u>12,832</u>
Excess of Revenues Under Expenditures	(33,991)	(33,991)	(36,956)	(2,965)
Fund Balance at Beginning of Year	30,615	30,615	30,615	-
Prior Year Encumbrances Appropriated	<u>23,992</u>	<u>23,992</u>	<u>23,992</u>	-
Fund Balance at End of Year	<u>\$ 20,616</u>	<u>\$ 20,616</u>	<u>\$ 17,651</u>	<u>\$ (2,965)</u>

CITY OF MIAMISBURG, OHIO
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Motor Vehicle License Tax Fund
For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 55,000	\$ 55,000	\$ 57,410	\$ 2,410
Interest	400	400	507	107
Total Revenues	55,400	55,400	57,917	2,517
Expenditures:				
Current:				
Transportation	-	-	-	-
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	55,400	55,400	57,917	2,517
Other Financing Uses:				
Transfers Out	(50,000)	(50,000)	(50,000)	-
Total Other Financing Uses	(50,000)	(50,000)	(50,000)	-
Excess of Revenues Over Expenditures and Other Financing Uses	5,400	5,400	7,917	2,517
Fund Balance at Beginning of Year	10,184	10,184	10,184	-
Fund Balance at End of Year	\$ 15,584	\$ 15,584	\$ 18,101	\$ 2,517

CITY OF MIAMISBURG, OHIO
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Municipal Court Computer Fund
For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Fines, Licenses and Permits	\$ 50,000	\$ 50,000	\$ 38,046	\$ (11,954)
Interest	-	-	-	-
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>38,046</u>	<u>(11,954)</u>
Expenditures:				
Current:				
General Government	10,000	10,000	-	10,000
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Excess of Revenues Over Expenditures	40,000	40,000	38,046	(1,954)
Fund Balance at Beginning of Year	<u>28,323</u>	<u>28,323</u>	<u>28,323</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 68,323</u>	<u>\$ 68,323</u>	<u>\$ 66,369</u>	<u>\$ (1,954)</u>

CITY OF MIAMISBURG, OHIO
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Municipal Probation Services Fund
For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Fines, Licenses and Permits	\$ 100,000	\$ 100,000	\$ 111,982	\$ 11,982
Interest	-	-	-	-
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>111,982</u>	<u>11,982</u>
Expenditures:				
Current:				
General Government:	70,470	70,470	57,418	13,052
Total Expenditures	<u>70,470</u>	<u>70,470</u>	<u>57,418</u>	<u>13,052</u>
Excess of Revenues Over Expenditures	<u>29,530</u>	<u>29,530</u>	<u>54,564</u>	<u>25,034</u>
Fund Balance at Beginning of Year	<u>57,226</u>	<u>57,226</u>	<u>57,226</u>	<u>57,226</u>
Fund Balance at End of Year	<u>\$ 86,756</u>	<u>\$ 86,756</u>	<u>\$ 111,790</u>	<u>\$ 25,034</u>

CITY OF MIAMISBURG, OHIO
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Municipal Court Special Projects Fund
For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Fines, Licenses and Permits	\$ 75,000	\$ 75,000	\$ 62,108	\$ (12,892)
Interest	-	-	-	-
Total Revenues	<u>75,000</u>	<u>75,000</u>	<u>62,108</u>	<u>(12,892)</u>
Expenditures:				
Current:				
General Government	10,000	15,000	14,309	691
Total Expenditures	<u>10,000</u>	<u>15,000</u>	<u>14,309</u>	<u>691</u>
Excess of Revenues Over Expenditures	65,000	60,000	47,799	(12,201)
Fund Balance at Beginning of Year	<u>47,228</u>	<u>47,228</u>	<u>47,228</u>	-
Fund Balance at End of Year	<u>\$ 112,228</u>	<u>\$ 107,228</u>	<u>\$ 95,027</u>	<u>\$ (12,201)</u>

CITY OF MIAMISBURG, OHIO
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Police and Fire Pension Fund
For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Property and Other Taxes	\$ 245,000	\$ 245,000	\$ 235,598	\$ (9,402)
Intergovernmental	13,000	34,047	38,503	4,456
Total Revenues	258,000	279,047	274,101	(4,946)
Expenditures:				
Current:				
Security of Persons and Property	4,000	4,000	2,260	1,740
Total Expenditures	4,000	4,000	2,260	1,740
Excess of Revenues Over Expenditures	254,000	275,047	271,841	(3,206)
Other Financing Uses:				
Transfers Out	(240,000)	(240,000)	(240,000)	-
Total Other Financing Uses	(240,000)	(240,000)	(240,000)	-
Excess of Revenues Over Expenditures and Other Financing Uses	14,000	35,047	31,841	(3,206)
Fund Balance at Beginning of Year	46,509	46,509	46,509	-
Fund Balance at End of Year	\$ 60,509	\$ 81,556	\$ 78,350	\$ (3,206)

CITY OF MLAMISBURG, OHIO
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation Programs Fund
For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 147,400	\$ 147,400	\$ 133,859	\$ (13,541)
Donations	25,000	25,000	16,465	(8,535)
Other	-	-	40	40
Total Revenues	172,400	172,400	150,364	(22,036)
Expenditures:				
Current:				
Leisure Time Activities	171,708	171,708	149,193	22,515
Total Expenditures	171,708	171,708	149,193	22,515
Excess of Revenues Over Expenditures	692	692	1,171	479
Fund Balance at Beginning of Year	26,583	26,583	26,583	-
Fund Balance at End of Year	\$ 27,275	\$ 27,275	\$ 27,754	\$ 479

CITY OF MIAMISBURG, OHIO
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Senior Citizens Programs Fund
For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive(Negative)
Revenues:				
Charges for Services	\$ 94,234	\$ 94,234	\$ 87,705	\$ (6,529)
Interest	5,500	5,500	4,695	(805)
Donations	7,000	7,000	17,798	10,798
Total Revenues	<u>106,734</u>	<u>106,734</u>	<u>110,198</u>	<u>3,464</u>
Expenditures:				
Current:				
Leisure Time Activities	110,094	110,594	95,147	15,447
Capital Outlay	4,997	4,997	12,054	(7,057)
Total Expenditures	<u>115,091</u>	<u>115,591</u>	<u>107,201</u>	<u>8,390</u>
Excess of Revenues Over (Under)				
Expenditures	(8,357)	(8,857)	2,997	11,854
Fund Balance at Beginning of Year	130,355	130,355	130,355	-
Prior Years Encumbrances Appropriated	5,020	5,020	5,020	-
Fund Balance at End of Year	<u>\$ 127,018</u>	<u>\$ 126,518</u>	<u>\$ 138,372</u>	<u>\$ 11,854</u>

CITY OF MIAMISBURG, OHIO
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 47,000	\$ 47,000	\$ 50,357	\$ 3,357
Total Revenues	<u>47,000</u>	<u>47,000</u>	<u>50,357</u>	<u>3,357</u>
Expenditures:				
Current:				
Transportation	115,600	145,600	144,577	1,023
Total Expenditures	<u>115,600</u>	<u>145,600</u>	<u>144,577</u>	<u>1,023</u>
Excess of Revenues Under Expenditures	<u>(68,600)</u>	<u>(98,600)</u>	<u>(94,220)</u>	<u>4,380</u>
Other Financing Sources:				
Transfers In	55,000	55,000	75,000	20,000
Total Other Financing Sources	<u>55,000</u>	<u>55,000</u>	<u>75,000</u>	<u>20,000</u>
Excess of Revenues and Other Financing Sources Under Expenditures	<u>(13,600)</u>	<u>(43,600)</u>	<u>(19,220)</u>	<u>24,380</u>
Fund Balance at Beginning of Year	67,082	67,082	67,082	-
Prior Years Encumbrances Appropriated	4,350	4,350	4,350	-
Fund Balance at End of Year	<u>\$ 57,832</u>	<u>\$ 27,832</u>	<u>\$ 52,212</u>	<u>\$ 24,380</u>

CITY OF MIAMISBURG, OHIO
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Maintenance and Repair Fund
For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 655,000	\$ 680,000	\$ 736,047	\$ 56,047
Total Revenues	<u>655,000</u>	<u>680,000</u>	<u>736,047</u>	<u>56,047</u>
Expenditures:				
Current:				
Transportation	888,686	1,008,686	1,008,016	670
Total Expenditures	<u>888,686</u>	<u>1,008,686</u>	<u>1,008,016</u>	<u>670</u>
Excess of Revenues Under Expenditures	<u>(233,686)</u>	<u>(328,686)</u>	<u>(271,969)</u>	<u>56,717</u>
Other Financing Sources:				
Transfers In	185,000	185,000	285,000	100,000
Total Other Financing Sources	<u>185,000</u>	<u>185,000</u>	<u>285,000</u>	<u>100,000</u>
Excess of Revenues and Other Financing Sources Over(Under) Expenditures	(48,686)	(143,686)	13,031	156,717
Fund Balance at Beginning of Year	145,519	145,519	145,519	-
Prior Year Encumbrances Appropriated	<u>2,497</u>	<u>2,497</u>	<u>2,497</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 99,330</u>	<u>\$ 4,330</u>	<u>\$ 161,047</u>	<u>\$ 156,717</u>

CITY OF MIAMISBURG, OHIO
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
General Obligation Bond Retirement Fund
For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
General Government	8,094	28,094	22,048	6,046
Debt Service:				
Principal Retirement	410,563	410,563	410,562	1
Interest and Fiscal Charges	378,973	378,973	367,684	11,289
Total Expenditures	797,630	817,630	800,294	17,336
Excess of Revenues Under Expenditures	(797,630)	(817,630)	(800,294)	17,336
Other Financing Sources:				
Transfers In	789,536	789,536	817,286	27,750
Total Other Financing Sources	789,536	789,536	817,286	27,750
Excess of Revenues and Other Financing Sources Over(Under) Expenditures	(8,094)	(28,094)	16,992	45,086
Fund Balance at Beginning of Year	101,707	101,707	101,707	-
Prior Year Encumbrances Appropriated	594	594	594	-
Fund Balance at End of Year	\$ 94,207	\$ 74,207	\$ 119,293	\$ 45,086

CITY OF MIAMISBURG, OHIO
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Assessment Bond Retirement Fund
For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Special Assessments	\$ 111,000	\$ 111,000	\$ 116,628	\$ 5,628
Other	-	-	12	12
Total Revenues	111,000	111,000	116,640	5,640
Expenditures:				
Current:				
General Government	5,000	5,000	6,334	(1,334)
Debt Service:				
Principal Retirement	245,000	245,000	245,000	-
Interest and Fiscal Charges	24,303	24,303	21,667	2,636
Total Expenditures	274,303	274,303	273,001	1,302
Excess of Revenues Under Expenditures	(163,303)	(163,303)	(156,361)	6,942
Other Financing Sources:				
Proceeds from the Sale of Notes	-	-	210,000	210,000
Proceeds from the Sale of Bonds	360,000	360,000	-	(360,000)
Total Other Financing Sources	360,000	360,000	210,000	(150,000)
Excess of Revenues and Other Financing Sources Over Expenditures	196,697	196,697	53,639	(143,058)
Fund Balance at Beginning of Year	100,781	100,781	100,781	-
Fund Balance at End of Year	\$ 297,478	\$ 297,478	\$ 154,420	\$ (143,058)

CITY OF MIAMISBURG, OHIO
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Clean Ohio Grant Fund
For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 390,581	\$ 390,581	\$ 117,689	\$ (272,892)
Total Revenues	390,581	390,581	117,689	(272,892)
Expenditures:				
Capital Outlay	830,979	830,979	431,510	399,469
Total Expenditures	830,979	830,979	431,510	399,469
Excess of Revenues Under Expenditures	(440,398)	(440,398)	(313,821)	126,577
Other Financing Sources:				
Transfers In	440,419	440,419	440,419	-
Total Other Financing Sources	440,419	440,419	440,419	-
Excess of Revenues and Other Financing Sources Over Expenditures	21	21	126,598	126,577
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	\$ 21	\$ 21	\$ 126,598	\$ 126,577

CITY OF MIAMISBURG, OHIO
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Issue II Capital Improvements Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 37,875	\$ 42,875	\$ 41,645	\$ (1,230)
Total Revenues	<u>37,875</u>	<u>42,875</u>	<u>41,645</u>	<u>(1,230)</u>
Expenditures:				
Capital Outlay	37,875	42,875	41,645	1,230
Total General Government	<u>37,875</u>	<u>42,875</u>	<u>41,645</u>	<u>1,230</u>
Total Expenditures	<u>37,875</u>	<u>42,875</u>	<u>41,645</u>	<u>1,230</u>
Excess of Revenues Over Expenditures	-	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF MIAMISBURG, OHIO
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Park Development Fund
For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Leisure Time Activities	-	-	-	-
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	-	-	-	-
Other Financing Uses:				
Transfers Out	(8,374)	(8,374)	(8,374)	-
Total Other Financing Uses	(8,374)	(8,374)	(8,374)	-
Excess of Revenues Under Expenditures and Other Financing Uses	(8,374)	(8,374)	(8,374)	-
Fund Balance at Beginning of Year	8,374	8,374	8,374	-
Fund Balance at End of Year	\$ -	\$ -	\$ -	\$ -

CITY OF MIAMISBURG, OHIO
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Park Capital Improvement Fund
For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 65,000	\$ 65,000	\$ 70,620	\$ 5,620
Total Revenues	65,000	65,000	70,620	5,620
Expenditures:				
Current:				
Leisure Time Activities	4,270	4,270	4,180	90
Capital Outlay	44,786	50,786	48,209	2,577
Total Expenditures	49,056	55,056	52,389	2,667
Excess of Revenues Over Expenditures	15,944	9,944	18,231	8,287
Other Financing Sources(Uses):				
Transfers In	8,374	8,374	8,374	-
Transfers Out	(33,828)	(33,828)	(33,828)	-
Total Other Financing Sources(Uses)	(25,454)	(25,454)	(25,454)	-
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(9,510)	(15,510)	(7,223)	8,287
Fund Balance at Beginning of Year	133,581	133,581	133,581	-
Prior Year Encumbrances Appropriated	45,556	45,556	45,556	-
Fund Balance at End of Year	\$ 169,627	\$ 163,627	\$ 171,914	\$ 8,287

CITY OF MIAMISBURG, OHIO
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Roadway Improvement Fund
For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive(Negative)
Revenues:				
Interest	\$ 12,000	\$ 12,000	\$ 10,987	\$ (1,013)
Other	-	-	14,931	14,931
Total Revenues	<u>12,000</u>	<u>12,000</u>	<u>25,918</u>	<u>13,918</u>
Expenditures:				
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	12,000	12,000	25,918	13,918
Fund Balance at Beginning of Year	<u>309,330</u>	<u>309,330</u>	<u>309,330</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 321,330</u>	<u>\$ 321,330</u>	<u>\$ 335,248</u>	<u>\$ 13,918</u>

CITY OF MIAMISBURG, OHIO
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Sidewalk, Curb and Gutter Fund
For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Special Assessments	\$ -	\$ -	\$ 6,550	\$ 6,550
Interest	800	800	1,771	971
Total Revenues	<u>800</u>	<u>800</u>	<u>8,321</u>	<u>7,521</u>
Expenditures:				
Current:				
General Government	1,320	1,320	680	640
Total General Government	<u>1,320</u>	<u>1,320</u>	<u>680</u>	<u>640</u>
Total Expenditures	<u>1,320</u>	<u>1,320</u>	<u>680</u>	<u>640</u>
Excess of Revenues Over(Under)				
Expenditures	(520)	(520)	- 7,641	8,161
Fund Balance at Beginning of Year	21,105	21,105	21,105	-
Prior Year Encumbrances Appropriated	<u>681</u>	<u>681</u>	<u>681</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 21,266</u>	<u>\$ 21,266</u>	<u>\$ 29,427</u>	<u>\$ 8,161</u>

STATISTICAL SECTION

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

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

YEAR	SECURITY OF PERSON AND PROPERTY	PUBLIC HEALTH SERVICES	LEISURE TIME ACTIVITIES	COMMUNITY ENVIRONMENT	BASIC UTILITY SERVICES	TRANS-PORTATION	GENERAL GOVERNMENT	TOTAL
1994	\$ 4,096,466	\$ 11,160	\$ 1,144,847	\$ 555,469	\$ 717,453	\$ 139,531	\$ 2,571,227	\$ 9,236,153
1995	4,210,573	6,768	1,183,762	542,848	599,363	143,114	2,271,051	8,957,479
1996	4,277,276	2,720	966,212	538,672	683,810	138,514	2,392,764	8,999,968
1997	4,628,712	11,816	1,104,910	599,279	720,494	126,374	2,598,082	9,789,667
1998	4,676,464	26,218	1,277,859	660,781	715,999	140,567	2,571,314	10,069,202
1999	4,905,636	23,204	1,219,197	676,585	623,456	147,925	2,591,935	10,187,938
2000	5,264,451	25,124	1,079,645	673,566	713,346	214,965	2,743,022	10,714,119
2001	5,445,790	22,292	1,286,786	730,960	748,114	246,465	3,677,338	12,157,745
2002	5,628,019	18,721	1,348,663	749,570	785,388	249,786	4,646,817	13,426,964
2003	5,943,256	19,858	1,407,293	779,392	784,303	270,323	2,790,779	11,995,204

Source: City Financial Records

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

YEAR	MUNICIPAL INCOME TAXES	PROPERTY AND OTHER TAXES	INTER- GOVERNMENTAL	CHARGES FOR SERVICES	FINES, LICENSES AND PERMITS	INTEREST	OTHER	TOTAL
1994	\$ 4,800,644	\$ 1,110,626	\$ 913,668	\$ 636,119	\$ 667,932	\$ 758,623	\$ 107,911	\$ 8,995,523
1995	5,142,459	1,154,003	1,090,380	611,720	712,606	902,135	41,189	9,654,492
1996	4,992,937	1,171,472	1,126,176	262,123	777,192	1,157,637	123,112	9,610,649
1997	5,126,981	1,250,034	1,174,302	472,321	798,617	996,178	197,887	10,016,320
1998	5,510,996	1,284,753	1,212,156	557,310	804,194	981,645	281,193	10,632,247
1999	5,788,811	1,312,266	1,184,860	606,152	807,564	511,865	298,104	10,509,622
2000	6,139,155	1,448,210	1,336,886	504,710	985,293	837,273	191,804	11,443,331
2001	6,346,594	1,451,860	1,681,577	506,814	1,025,985	1,088,598	188,568	12,289,996
2002	6,595,861	1,374,388	1,298,989	543,602	983,047	709,188	358,832	11,863,907
2003	6,354,295	1,490,196	1,263,531	511,105	945,143	551,467	150,060	11,265,797

Source: City Financial Records

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

<u>COLLECTION YEAR</u>	<u>TOTAL TAX LEVY</u>	<u>CURRENT TAX COLLECTIONS</u>	<u>DELINQUENT TAX COLLECTIONS</u>	<u>TOTAL TAX COLLECTIONS</u>	<u>PERCENT OF TOTAL TAX COLLECTIONS TO TAX LEVY</u>	<u>ACCUMULATED OUTSTANDING DELINQUENT TAXES</u>	<u>PERCENTAGE OF ACCUMULATED DELINQUENT TAXES TO TOTAL TAX LEVY</u>
1994	\$ 1,804,039	\$ 1,727,516	\$ 27,457	\$ 1,754,973	97.28%	\$ 74,064	4.11%
1995	1,634,067	1,632,507	36,636	1,669,143	102.15%	65,154	3.99%
1996	1,684,655	1,541,933	29,974	1,571,907	93.31%	64,716	3.84%
1997	1,805,635	1,648,321	41,654	1,689,975	93.59%	85,987	4.76%
1998	1,846,183	1,682,705	52,267	1,734,972	93.98%	95,185	5.16%
1999	1,843,297	1,737,273	58,121	1,795,394	92.39%	96,346	4.96%
2000	2,040,699	1,995,969	49,543	2,045,512	100.24%	104,377	5.11%
2001	2,457,546	2,394,550	70,730	2,465,280	100.31%	96,691	3.93%
2002	2,373,983	2,288,975	58,277	2,347,252	98.87%	85,227	3.59%
2003	2,997,335	2,633,004	74,478	2,707,482	90.33%	158,854	5.30%

Source: Montgomery County Auditor

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

COLLECTION YEAR	ASSESSED REAL	ASSESSED PUBLIC UTILITY		ASSESSED TANGIBLE	ASSESSED TANGIBLE PERSONAL		TOTAL ASSESSED VALUE	ESTIMATED TRUE VALUE (1)	PERCENTAGE OF ASSESSED VALUE TO ESTIMATED TRUE VALUE
		REAL	UTILITY		UTILITY	PERSONAL			
1994	\$ 210,974,980	\$ 82,150	\$ 45,666,390	\$ 37,924,323	\$ 294,647,843	\$ 806,611,288		36.53%	
1995	210,509,670	75,780	49,979,780	44,302,986	304,868,216	835,679,863		36.48%	
1996	223,983,280	77,440	49,473,350	47,838,990	321,373,060	887,749,162		36.20%	
1997	252,804,950	82,960	49,742,440	44,307,558	346,937,908	956,292,618		36.28%	
1998	258,255,680	87,940	49,866,530	42,828,738	351,038,888	966,106,092		36.34%	
1999	262,998,880	91,010	51,647,310	42,828,738	357,565,938	981,690,477		36.42%	
2000	287,257,410	93,850	49,115,780	40,438,443	376,905,483	1,038,570,758		36.29%	
2001	297,955,850	87,900	50,072,020	49,992,696	398,108,466	1,108,424,378		35.92%	
2002	311,303,780	83,440	27,966,680	51,339,673	390,693,573	1,166,859,982		33.48%	
2003	357,029,050	54,420	30,849,610	40,567,400	428,500,480	1,099,465,886		38.97%	

Source: Montgomery County Auditor

Ohio Department of Taxation

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

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

YEAR	GENERAL FUND	FIRE LEVY FUND	CONSERVANCY FUND	POLICE AND FIRE PENSION FUND	TOTAL CITY	MIAMISBURG CITY SCHOOL DISTRICT	MONTGOMERY COUNTY COMMISSIONERS	MONTGOMERY COUNTY JVS	MIAMI TOWNSHIP	LIBRARY
1984	3.30%	3.00%	0.13%	0.60%	7.03%	38.95%	16.14%	2.58%	0.18%	0.72%
1985	3.30%	3.00%	0.13%	0.60%	7.03%	38.95%	16.14%	2.58%	0.18%	0.72%
1986	3.30%	3.00%	0.13%	0.60%	7.03%	44.70%	16.64%	2.58%	0.18%	0.72%
1987	3.30%	3.00%	0.13%	0.60%	7.03%	43.95%	16.64%	2.58%	0.18%	0.72%
1988	3.30%	3.00%	0.13%	0.60%	7.03%	44.83%	16.64%	2.58%	0.18%	0.00%
1989	3.30%	3.00%	0.13%	0.60%	7.03%	46.88%	16.64%	2.58%	0.18%	0.26%
2000	3.30%	3.00%	0.13%	0.60%	7.03%	46.88%	16.64%	2.58%	0.18%	0.00%
2001	3.30%	3.00%	0.13%	0.60%	7.03%	46.52%	17.24%	2.58%	0.18%	0.26%
2002	3.30%	3.00%	0.13%	0.60%	7.03%	47.70%	17.24%	2.58%	0.18%	0.26%
2003	3.30%	3.00%	0.13%	0.60%	7.03%	47.02%	17.24%	2.58%	0.18%	0.26%

Source: Montgomery County Auditor

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

COLLECTION YEAR	AMOUNT BILLED (1)	AMOUNT COLLECTED (2)	PERCENTAGE COLLECTED
1994	\$ 70,961	\$ 77,317	108.96%
1995	69,534	76,744	110.37%
1996	68,464	76,482	111.71%
1997	65,084	63,829	98.07%
1998	72,721	76,440	105.11%
1999	73,191	78,001	106.57%
2000	87,476	94,838	108.42%
2001	90,088	93,802	104.12%
2002	102,686	106,505	103.72%
2003	99,001	116,628	117.80%

Source: (1) Montgomery County Auditor

(2) City's Tax Settlement Sheets

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

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

YEAR	POPULATION (2)	ASSESSED VALUE (3) (IN THOUSANDS)	GROSS BONDED DEBT (4)	DEBT SERVICE MONIES AVAILABLE	DEBT PAYABLE FROM PROPRIETARY REVENUES	DEBT PAYABLE FROM INCOME TAX REVENUE	NET BONDED DEBT (1)	RATIO OF NET BONDED DEBT TO ASSESSED VALUATION	NET BONDED DEBT PER CAPITA
1994	18,900	\$ 294,648	\$ 16,345,000	\$ 2,724	\$ 16,035,000	\$ 300,000	\$ 7,276	0.002%	\$ 0.38
1995	18,900	304,868	16,215,000	1,616	15,950,000	260,000	3,384	0.001%	0.17
1996	19,480	321,373	15,590,000	-	15,355,000	235,000	-	0.000%	-
1997	19,480	346,938	14,975,000	-	14,765,000	210,000	-	0.000%	-
1998	19,860	351,039	15,080,000	-	14,155,000	925,000	-	0.000%	-
1999	18,640	357,565	14,375,000	-	13,525,000	850,000	-	0.000%	-
2000	19,489	376,905	13,640,000	-	12,865,000	775,000	-	0.000%	-
2001	19,489	398,108	17,215,000	-	16,515,000	700,000	-	0.000%	-
2002	19,489	390,694	21,820,000	94,781	15,605,000	620,000	5,500,219	1.408%	282.22
2003	19,789	428,500	21,825,000	115,129	16,005,000	540,000	5,164,871	1.205%	261.00

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

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

(3) Montgomery County Auditor

(4) Excludes special assessment bonded debt

CITY OF MIAMISBURG, OHIO
 COMPUTATION OF OVERALL LEGAL DEBT MARGIN
 DECEMBER 31, 2003

Assessed Value	\$ 428,500,480
Overall Debt Limitation (10 1/2% of assessed valuation)	\$ 44,992,550
Total Debt Outstanding at December 31, 2003	\$ 22,607,141
Less: Exempt Debt	
General Obligation Bonds Issued In Anticipation of the Collection of Special Assessments	310,000
General Obligation Bonds Issued in Anticipation of the Collection of Lawfully available Municipal Income Tax to be Applied to Debt Service	540,000
General Obligation Bonds to be Paid from Proprietary Funds Revenue	7,050,000
Mortgage Revenue Refunding Bonds to be Paid from Enterprise Fund Revenues	8,955,000
Notes Issued in Anticipation of the Collection of Lawfully available Municipal Income Tax to be Applied to Debt Service	285,000
Notes to be Paid from Enterprise Fund Revenue	<u>187,141</u>
Total Debt Subject to Limitation	5,280,000
Less: G.O. Debt Retirement Fund Balance	<u>115,129</u>
Net Subject to 10 1/2% Limitation	<u>5,164,871</u>
Legal Debt Margin within 10 1/2% Limitation	<u>\$ 39,827,679</u>

Source : Montgomery County Auditor and City Financial Records

CITY OF MIAMISBURG, OHIO
COMPUTATION OF UNVOTED LEGAL DEBT MARGIN
DECEMBER 31, 2003

Assessed Value		<u>\$ 428,500,480</u>
Overall Debt Limitation (5 1/2% of assessed valuation)		\$ 23,567,526
Total Debt Outstanding at December 31, 2003	\$ 22,607,141	
Less: Exempt Debt		
General Obligation Bonds Issued in Anticipation of the Collection of Special Assessments	310,000	
General Obligation Bonds Issued in Anticipation of the Collection of Lawfully available Municipal Income Tax to be Applied to Debt Service	540,000	
General Obligation Bonds to be Paid from Proprietary Funds Revenue	7,050,000	
Mortgage Revenue Refunding Bonds to be Paid from Enterprise Fund Revenues	8,955,000	
Notes Issued in Anticipation of the Collection of Lawfully available Municipal Income Tax to be Applied to Debt Service	285,000	
Notes to be Paid from Enterprise Fund Revenue	<u>187,141</u>	
Total Debt Subject to Limitation	5,280,000	
Less: G.O. Debt Retirement Fund Balance	<u>115,129</u>	
Net Subject to 5 1/2% Limitation		<u>5,164,871</u>
Legal Debt Margin within 5 1/2% Limitation		<u>\$ 18,402,655</u>

Source : Montgomery County Auditor and City Financial Records

CITY OF MIAMISBURG, OHIO
COMPUTATION OF DIRECT AND OVERLAPPING GENERAL BONDED DEBT
DECEMBER 31, 2003

JURISDICTION	NET DEBT (1) OUTSTANDING	PERCENTAGE APPLICABLE TO CITY OF MIAMISBURG	AMOUNT APPLICABLE TO CITY OF MIAMISBURG
City of Miamisburg	\$ 5,164,871	100%	\$ 5,164,871.00
Miamisburg City School District	8,635,000	48%	4,144,800
Montgomery County	35,982,639	4%	<u>1,529,262</u>
Total			<u>\$ 10,838,933</u>

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

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

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

YEAR	DEBT SERVICE REQUIREMENTS (1)			GENERAL FUND EXPENDITURES	RATIO OF DEBT PRINCIPAL AND INTEREST TO GENERAL FUND EXPENDITURES
	PRINCIPAL	INTEREST	TOTAL		
1994	\$ 5,000	\$ 1,050	\$ 6,050	\$ 9,236,153	0.07%
1995	5,000	525	5,525	8,957,489	0.06%
1996	-	-	-	8,999,968	0.00%
1997	-	-	-	9,789,668	0.00%
1998	-	-	-	10,069,202	0.00%
1999	-	-	-	10,187,938	0.00%
2000	-	-	-	10,714,119	0.00%
2001	-	-	-	12,157,745	0.00%
2002	-	-	-	13,426,964	0.00%
2003	315,000	189,420	504,420	11,995,204	4.21%

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

CITY OF MIAMISBURG, OHIO
DEMOGRAPHIC STATISTICS
LAST TEN YEARS

YEAR	POPULATION (1)	SCHOOL ENROLLMENT (2)	UNEMPLOYMENT RATE	
			MONGOMERY COUNTY (3)	
1994	18,900	4,335		3.6%
1995	18,900	4,552		3.8%
1996	19,480	4,619		3.4%
1997	19,480	4,605		3.7%
1998	19,860	4,651		3.3%
1999	18,640	4,702		3.8%
2000	19,489	4,715		3.7%
2001	19,489	4,832		5.8%
2002	19,489	4,923		6.1%
2003	19,789	5,021		5.6%

- Sources:
- (1) City of Miamisburg Development and Planning Department
 - (2) Miamisburg City School District/Ohio Department of Education
 - (3) Ohio Bureau of Employment Services, Division of Labor Market Information

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

YEAR	PROPERTY VALUES (1)	RESIDENTIAL CONSTRUCTION (2)		COMMERCIAL CONSTRUCTION (2)		CITY BANK (3) DEPOSITS (4)	COUNTY BANK (3) DEPOSITS (4)
		NUMBER OF PERMITS	VALUE (3)	NUMBER OF PERMITS	VALUE (3)		
1994	\$ 602,785,657	221	\$ 10,990	98	\$ 9,770	\$ 55,386	\$ 4,034,766
1995	601,456,200	232	12,031	105	7,412	56,279	3,995,114
1996	639,952,229	221	14,570	100	12,121	55,664	3,899,145
1997	722,299,857	248	13,384	123	10,441	58,447	3,530,314
1998	737,873,371	274	16,887	93	2,654	64,186	3,264,705
1999	751,685,400	377	23,585	105	9,319	57,758	2,994,378
2000	821,003,600	332	20,300	88	19,352	62,779	191,473
2001	851,302,429	280	16,365	101	21,499	65,253	224,099
2002	889,439,371	254	13,425	98	5,375	66,496	239,117
2003	1,020,083,000	246	12,846	103	14,023	68,710	249,614

Sources: (1) Estimated true values for real property

(2) City of Miamisburg Building Inspection Office

(3) Amounts are in thousands

(4) Federal Reserve Bank of Cleveland

CITY OF MIAMISBURG, OHIO
PRINCIPAL TAXPAYERS
DECEMBER 31, 2003

TAXPAYER	ASSESSED VALUATION	PERCENTAGE OF TOTAL ASSESSED VALUATION
1. Dayton Power and Light	\$ 28,031,550	6.54%
2. Kettering Medical Center	3,812,032	0.89%
3. Ohio Bell	3,731,310	0.87%
4. Heleronymus Management	2,966,470	0.69%
5. One Prestige Place Office	2,903,250	0.68%
6. Dayton Theater LLC	2,562,910	0.60%
7. Plaza Associates LTD	2,524,170	0.59%
8. Monach Marking Systems	2,447,200	0.57%
9. Dayton Corners Associates	2,347,158	0.55%
10. HD Development	<u>2,151,236</u>	<u>0.50%</u>
TOTAL	\$ <u>53,477,286</u>	<u>12.48%</u>

Source: Montgomery County Auditor's Office

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

YEAR	REVENUES (1)		EXPENSES (2)		NET REVENUE AVAILABLE FOR DEBT SERVICE		DEBT SERVICE REQUIREMENTS			COVERAGE
					DEBT SERVICE	PRINCIPAL	INTEREST	TOTAL		
SEWER										
1994	\$ 1,960,421	\$ 914,839	\$ 1,045,582	\$ 195,000	\$ 401,062	\$ 596,062			1.8	
1995	1,862,361	1,024,984	837,377	325,000	211,132	536,132			1.6	
1996	2,040,043	1,008,497	1,031,546	310,000	208,765	518,765			2.0	
1997	1,982,816	962,191	1,020,625	325,000	196,985	521,985			2.0	
1998	1,994,815	1,113,706	881,109	335,000	184,147	519,147			1.7	
1999	2,197,854	1,417,256	780,598	350,000	171,398	521,398			1.5	
2000	2,500,112	1,484,514	1,015,598	350,000	170,748	520,748			2.0	
2001	2,853,643	1,896,797	956,846	365,000	156,398	521,398			1.8	
2002	2,494,575	1,370,019	1,124,556	380,000	141,068	521,068			2.2	
2003	2,661,579	1,483,991	1,177,588	395,000	124,538	519,538			2.3	
WATER										
1994	\$ 1,845,184	\$ 1,111,628	\$ 733,556	\$ 60,000	\$ 247,750	\$ 307,750			2.4	
1995	2,085,874	1,149,551	936,323	110,000	134,889	244,889			3.8	
1996	1,822,765	1,282,294	540,471	110,000	135,003	245,003			2.2	
1997	1,843,263	1,259,338	583,925	120,000	128,678	248,678			2.3	
1998	2,277,414	1,414,132	863,282	125,000	121,717	246,717			3.5	
1999	2,548,485	1,576,730	971,755	130,000	114,343	244,343			4.0	
2000	2,187,248	1,495,019	692,229	130,000	114,342	244,342			2.8	
2001	2,264,636	1,455,062	809,574	140,000	106,608	246,608			3.3	
2002	2,344,156	1,779,158	564,998	150,000	98,138	248,138			2.3	
2003	2,235,810	1,641,637	594,173	155,000	88,838	243,838			2.4	

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

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

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

YEAR	INCOME TAX		TOTAL	EXPENSES (3)		NET REVENUE AVAILABLE FOR REVENUE BOND DEBT SERVICE		REVENUE BOND AND OTHER DEBT SERVICE		ALL BOND COVERAGE
	REVENUES (1)	RECEIPTS (2)				DEBT SERVICE	REVENUE BOND DEBT SERVICE	REVENUE BOND AND OTHER DEBT SERVICE	REVENUE BOND AND OTHER DEBT SERVICE	
SEWER										
1999	\$ 1,401,474	\$ 599,638	\$ 2,001,112	\$ 1,417,256	\$ 583,856	\$ 521,398	1.12	\$ 554,460	1.05	
2000	1,903,444	963,783	2,867,227	1,484,514	1,382,713	520,748	2.66	778,161	1.78	
2001	2,526,134	1,154,851	3,680,985	1,896,797	1,784,188	521,398	3.42	881,717	2.02	
2002	1,942,929	944,765	2,887,694	1,370,019	1,517,675	521,068	2.91	886,165	1.71	
2003	1,831,970	920,265	2,752,235	1,483,991	1,268,244	911,503	1.39	1,094,971	1.16	
WATER										
1999	\$ 1,682,963	\$ 628,848	\$ 2,311,811	\$ 1,576,730	\$ 735,081	\$ 244,343	3.01	\$ 490,543	1.50	
2000	1,929,845	350,732	2,280,577	1,495,019	785,558	242,342	3.24	492,857	1.59	
2001	1,975,216	366,666	2,341,882	1,455,062	886,820	246,608	3.60	482,308	1.84	
2002	2,053,419	411,867	2,465,286	1,779,158	686,128	248,138	2.77	481,533	1.42	
2003	1,801,779	434,328	2,236,105	1,641,637	594,468	243,838	2.44	398,026	1.49	

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

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

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

CITY OF MIAMISBURG, OHIO
MISCELLANEOUS STATISTICS
DECEMBER 31, 2003

Year of Incorporation	1832	Charter - Council/Manager
Form of Government		
Area	11.4 Square Miles	
Miles of Streets	126	
Number of Street Lights	1,545	
Number of Traffic Lights	28	
Police Protection:		
Number of Stations	1	
Number of Policemen and Officers	41	
Education (K-12) (public only)		
Attendance Centers	13	
Number of Classrooms	282	
Number of Teachers	365	
Number of Students	5,021	
Municipal Water Department		
Miles of Water Mains	84	
Sewers:		
Miles of Sanitary Sewers	73	
Miles of Storm Sewers	44	
Building Permits Issued		
Residential	246	
Commercial	103	
Recreation and Culture:		
Number of Parks	20	
Number of Golf Courses	2	
Number of Libraries	1	
Number of Employees		
Full-Time	190	
Part-Time	26	

Source: City of Miamisburg



**Auditor of State
Betty Montgomery**

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800-282-6379
Facsimile 614-466-4496

**CITY OF MIAMISBURG
MONTGOMERY COUNTY**

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
DECEMBER 30, 2004**