

**CITY OF BEAVERCREEK, OHIO**

**Independent Auditors' Report on  
Compliance and Internal Controls**

**December 31, 2003**





**Auditor of State  
Betty Montgomery**

Members of City Council  
City of Beavercreek

We have reviewed the Independent Auditor's Report of the City of Beavercreek, Greene 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 Beavercreek is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY  
Auditor of State

April 25, 2005

**This Page is Intentionally Left Blank.**



**Clark, Schaefer, Hackett & Co.**  
CERTIFIED PUBLIC ACCOUNTANTS  
BUSINESS CONSULTANTS  
www.cshco.com

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

Honorable Mayor, Members of the City Council  
and City Manager  
City of Beavercreek, Ohio

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 Beavercreek, Ohio (the City) as of and for the year ended December 31, 2003, which collectively comprise the City's basic financial statements and have issued our report thereon dated September 25, 2004, wherein we noted the City adopted GASB Statements No. 34, 37, and 38, as well as GASB Interpretation No. 6. 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 certain immaterial instances of noncompliance that we have reported to management of the City in a separate letter dated September 25, 2004.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 2003-001 and 2003-002.

A material weakness is a condition in which the design or operation of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions noted above, we consider both items (2003-001 and 2003-002) to be material weaknesses. We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the City in a separate letter dated September 25, 2004.

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

*Clark, Schaefer, Hachett & Co.*

Springfield, Ohio  
September 25, 2004



**Clark, Schaefer, Hackett & Co.**  
CERTIFIED PUBLIC ACCOUNTANTS  
BUSINESS CONSULTANTS  
www.cshco.com

Independent Auditors' Report on Compliance with Requirements Applicable  
to Each Major Program and Internal Control over Compliance in  
Accordance with OMB Circular A-133

Honorable Mayor, Members of the City Council  
and City Manager  
City of Beavercreek, Ohio

Compliance

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

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

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

Internal Control Over Compliance

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

We noted certain matters involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the City's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 2003-002.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions, and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider the reportable condition noted above, item 2003-002, to be a material weakness.

#### Schedule of Expenditures of Federal Awards

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 as of and for the year ended December 31, 2003, and have issued our report thereon dated September 25, 2004. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

*Clark, Schaefer, Hackett & Co.*

Springfield, Ohio  
September 25, 2004

**CITY OF BEAVERCREEK, OHIO**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2003**

<u>Federal Grantor/Program Title</u>	<u>Pass Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Award Disbursements</u>
<u>U.S. Department of Housing and Urban Development:</u>			
Community Development Block Grant - Entitlement	(2)	14.218	\$ <u>19,940</u>
Total U.S. Department of Housing and Urban Development			<u>19,940</u>
<u>U.S. Department of Transportation:</u>			
<i>Passed through Ohio Department of Transportation</i>			
Highway Planning and Construction	PID-24599 PID-22317	20.205	154,384 <u>613,693</u>
Total Highway Planning and Construction			<u>768,077</u>
<i>Passed through Ohio Public Safety</i>			
State and Community Highway Safety	3082.0	20.600	4,519
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	3082.0	20.601	<u>4,519</u>
Total U.S. Department of Transportation			<u>777,115</u>
<u>U.S. Department of Justice:</u>			
Bullet-Proof Vest Program	(1)	16.607	1,191
<i>Passed through Ohio Office of Criminal Justice</i>			
Byrne Formula Grant Program	2001-DG-DO2-7113	16.579	5,917
Public Safety Partnership and Community Policing Grant	2001CMWX0330	16.710	<u>92,137</u>
Total U.S. Department of Justice			<u>99,245</u>
<u>U.S. Department of Homeland Security</u>			
<i>Passed through Ohio Public Safety</i>			
Public Assistance Grants	DR-1453	97.036	<u>38,197</u>
Total U.S. Department of Homeland Security			<u>38,197</u>
<b>TOTAL FEDERAL AWARD EXPENDITURES</b>			<b>\$ <u>934,497</u></b>

(1) - Direct

(2) - Pass through number not available

CFDA - Catalog of Federal Domestic Assistance

Note - This schedule has been prepared using the cash basis of accounting.

**CITY OF BEAVERCREEK, OHIO**

**Schedule of Findings and Questioned Costs**

**December 31, 2003**

1. Summary of Auditors' Results		
---------------------------------	--	--

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified				
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	Yes				
(d)(1)(ii)	Were there any other reportable weakness conditions reported at the financial statement level (GAGAS)?	No				
(d)(1)(iii)	Was there any reported non-compliance at the financial statement level (GAGAS)?	No				
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	Yes				
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No				
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified				
(d)(1)(vi)	Are there any reportable findings under §5 10?	No				
(d)(1)(vii)	Major Programs	<table style="width: 100%; border: none;"> <tr> <td style="text-align: left;"><u>Program</u></td> <td style="text-align: right;"><u>CFDA#</u></td> </tr> <tr> <td>Highway Planning and Construction</td> <td style="text-align: right;">20.205</td> </tr> </table>	<u>Program</u>	<u>CFDA#</u>	Highway Planning and Construction	20.205
<u>Program</u>	<u>CFDA#</u>					
Highway Planning and Construction	20.205					
	Dollar Threshold: Type A\B Programs	Type A: > \$300,000 Type B: All others				
(d)(1)(ix)	Low Risk Auditee?	No				

## 2. Findings Related to the Financial Statements Required to be Reported in Accordance with GAGAS

Finding Number	2003-001
----------------	----------

The City owns a golf course operation that is reported on their financial statements as an enterprise fund. During 2003, the management of the golf course was contracted with a golf management company who was responsible for operation and maintenance of the golf course. The management company accounted for all sales as well as all expenditures related to course operations. Cash receipts were deposited daily into a City bank account from which the City transferred the revenues into the City's operating account periodically. The City has the ability to monitor on-line the point of sale system at the course that is used to record all sales. Expenditures (both payroll and non-payroll) were submitted to the City that reviews the documentation provided and disburses funds to the management company. The management company was responsible for paying the obligations once it receives the funds from the City.

During our review of the course operations, we noted certain internal control deficiencies, which were noted beginning in the 2000 audit, hindered the City's ability to properly oversee course operations and results. In late 2003, the City and the management company settled on dissolving the management contract of the golf course. Therefore, beginning in January 2004, the City was responsible for the day-to-day operations of the golf course which should include more detailed financial records regarding the operations of the course, as well as, the ability to reconcile information per the golf course to the information maintained in the City's ledgers. However, since these items were not corrected as of December 31, 2003, this comment will be repeated.

### Cash Disbursements

The manner in which obligations of the course are handled are cumbersome and difficult to monitor. The City receives a large packet of invoices periodically which it must review and substantiate before funds are disbursed to the management company. If any of the invoices are questioned, there is a delay in getting funds to the management company to pay the obligations. In addition, the City has experienced difficulties in tracing expenditures through the management company's financial records to ensure funds disbursed to the management company paid the obligations submitted to and reviewed by the City.

### Accounts Receivable

In addition, the manner in which the management company is tracking and recording accounts receivables is confusing and error prone. Tracing recorded accounts receivables to subsequent cash receipts proved to be difficult. The management company did not maintain adequate subsidiary ledgers to account for and track the receivables reported. Several items were noted in our review of the receivables that should not have been included in the receivable amount reported. The management company is tracking these accounts in a separate category of receivables until the issues surrounding the accounts have been satisfied.

To ensure the City’s management can adequately monitor receivables in the future, we recommend the City require the management company to maintain an adequate subsidiary ledger which details each event recorded as a receivable on the course point of sale system. The ledger should indicate what the event was, when it was held, who is responsible for the payment of the account, any deposit made towards the event and subsequent payments made against the receivable. This ledger should be reconciled with the point of sale system information at least monthly. The City should obtain copies of this ledger and reconcile it with information daily sales reports available. If the current system in place at the golf course can provide this information to City personnel, the management company should adequately and thoroughly explain what reports can be generated and how they can be used to monitor collection efforts.

As noted above, the management contract between the City and the management company of the golf course has been dissolved and the City has management personnel in place to oversee the operation of the golf course. All purchasing and receipting activities are, as of January 2004, being processed in the same manner as the other financial activity of the City.

Finding Number	2003-002
----------------	----------

During calendar year 2003, the City participated in two construction projects in which the Ohio Department of Transportation (ODOT) paid contractors directly for City managed projects. The total amount of payments made by ODOT on the City’s behalf was \$925,366, of which \$768,077 was federal funding. Generally accepted accounting principles requires the payment of these obligations be recorded in the City’s books with an equal and offsetting amount recorded as project expenditures. The payments made by ODOT during 2003 were not recorded in the City’s revenue or expenditure ledgers, nor was it accounted for in the year-end closing process until an audit adjustment was made to record these transactions.

In addition to not properly including the revenues and expenditures of the project within their records, failure to record these transactions does not properly enable the City to determine if its annual audit should comply with the requirements of Circular A-133 (Single Audit). As the City received more than \$500,000 in federal funding from ODOT during 2003, its annual audit became subject to Single Audit requirements. Failure to record these transactions increases the risk the City will not comply with the Single Audit requirements on a year to year basis.

The City should comply with generally accepted accounting principles and record all “on-behalf payments” made for City projects by outside organizations or other units of government.

### 3. Summary of Prior Year Audit Findings

<b><u>Finding Number</u></b>	<b><u>Finding Summary</u></b>	<b><u>Fully Corrected?</u></b>	<b><u>Explanation</u></b>
2002-001	The City did not have adequate controls over tracking and reporting its fixed assets throughout all departments.	No	Partially Corrected – City has addressed to some degree, comment included in management letter.
2002-002	Internal control deficiencies at the golf course hinder the City's ability to monitor and oversee the operations at the golf course.	No	Comment repeated in current year report – it should be noted the City negotiated a settlement with the management company and effective January 2004 the City is managing and supervising the operations of the gold course. It is expected these deficiencies will be addressed by the City as it evaluates the manner in which the golf course is operated and managed.

#### 4. Corrective Action Plan

##### Finding 2003-001

As a result of a settlement agreed to in late 2003, the management contract between the City and the management company ceased to exist. Therefore, effective January 2004, the City will be entirely responsible for the management, operation and maintenance of the City's golf course. Part of the management and operation evaluation that will take place is to identify better ways to capture and report financial data from the golf course to permit more effective management decisions to be made. In addition, unlike the manner previously at the golf course, all transactions (receipts, disbursements, payroll) will be processed in the same manner as all other transactions of the City. This will add consistency to the process. The management of the City continues to vigorously review all transactions at the golf course and will implement any procedures it deems necessary to enable effective monitor of the operations at the golf course.

##### Finding 2003-002

Management of the City will work with the Office of the Engineer to ensure all projects which are funded by sources outside the City are properly accounted for in the City's records. Knowledge of the circumstances and awareness by all city personnel should ensure all transactions are properly recorded in future periods.

**CITY OF BEAVERCREEK, OHIO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2003**

**Prepared By:**  
**DEPARTMENT OF FINANCE**



**THIS PAGE INTENTIONALLY LEFT BLANK**

**TABLE OF CONTENTS**

---

	<b>Page</b>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal	vii
Listing of Principal City Officials	xiii
City Organizational Chart	xiv
Certificate of Achievement for Excellence in Financial Reporting	xv
 <b>FINANCIAL SECTION</b>	
Report of Independent Accountants	1
Management's Discussion and Analysis	3
 Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	11
Statement of Activities	12
Fund Financial Statements:	
Balance Sheet - Governmental Funds	14
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities	17
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20
Statement of Net Assets - Proprietary Fund	21
Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Fund	22
Statement of Cash Flows - Proprietary Fund	23
Statement of Fiduciary Net Assets - Fiduciary Fund	24
Notes to the Basic Financial Statements	25
 Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund	52
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Police Levy Fund	53
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Street Levy Fund	54
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Street Maintenance Fund	55
Notes to the Required Supplementary Information	57

City of Beavercreek, Ohio  
 Comprehensive Annual Financial Report  
 For the Year Ended December 31, 2003

**TABLE OF CONTENTS**

---

	<b>Page</b>
Combining Statements and Individual Fund Schedules:	
Nonmajor Governmental Funds:	
Combining Balance Sheet	62
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	64
Nonmajor Special Revenue Funds:	
Combining Balance Sheet	66
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	70
Nonmajor Capital Projects Funds:	
Combining Balance Sheet	74
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	76
Agency Fund:	
Statement of Changes in Assets and Liabilities	78
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance- Budget and Actual (Non-GAAP Budgetary Basis):	
State Highway Fund	79
Cable Television Fund	80
Beautification Fund	81
Community Development Block Grant Fund	82
Recreational Activities Fund	83
Law Enforcement Fund	84
Drug Law Enforcement Fund	85
DUI Enforcement and Education Fund	86
Drug Offenses Forfeiture Fund	87
Federal Forfeiture Fund	88
Youth Activities Fund	89
Crime Prevention Fund	90
Miscellaneous Special Revenue Fund	91
Debt Service Fund	92
Voted Debt Service Fund	93
Street Capital Improvement Fund	94
Parks and Recreation Capital Improvement Fund	95
OPWC Capital Projects Fund	96
Service Facility Site Fund	97
Minor Special Assessment District Projects Fund	98
Municipal Facility Fund	99

City of Beavercreek, Ohio  
Comprehensive Annual Financial Report  
For the Year Ended December 31, 2003

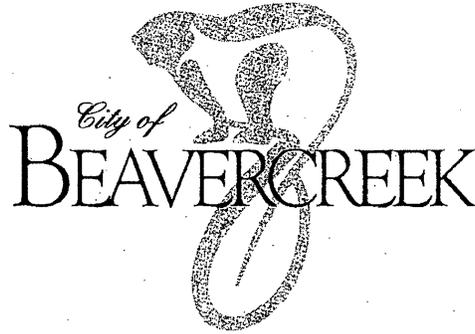
**TABLE OF CONTENTS**

---

	<u>Table</u>	<u>Page</u>
<b>STATISTICAL SECTION</b>		
General Governmental Revenues by Source	1	101
General Governmental Expenditures by Function	2	102
Assessed and Estimated Actual Value of Taxable Property	3	103
Property Tax Rates - Direct and Overlapping Governments	4	104
Property Tax Levies and Collection - Real and Public Utility	5	105
Special Assessments Collections	6	106
Computation of Legal Debt Margin	7	107
Computation of Direct and Overlapping Debt	8	108
Ratio of Annual Debt Service Expenditures for General Bonded Debt to General Government Expenditures	9	109
Ratio of Net General Bonded Debt to Assessed Valuation and Net Bonded Debt Per Capita	10	110
Demographic Statistics	11	111
Construction and Bank Deposits	12	112
Principal Taxpayers	13	113
Other Statistics	14	114

**THIS PAGE INTENTIONALLY LEFT BLANK**

**INTRODUCTORY  
SECTION**



October 31, 2004

Honorable Mayor, Members of City Council  
and Citizens of Beaver Creek, Ohio:

The Comprehensive Annual Financial Report of the City of Beaver Creek, Ohio, for the fiscal year ended December 31, 2003, is hereby submitted. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various fund and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City.

This Comprehensive Annual Financial Report incorporates GASB Statement No. 34 – Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. Statement No. 34 was developed to make annual financial reports of state and local governments easier to understand and more useful to those who make decisions using governmental financial information. This report represents and reflects upon the City's financial operations and condition to the City's residents, its elected officials, management personnel, financial institutions, City bondholders, rating agencies and all other parties interested in the financial affairs of the City.

The Comprehensive Annual Financial Report is presented in three sections: introductory, financial and statistical. The introductory section includes this transmittal letter, the government's organizational chart and a list of principal officials. The financial section begins with the Report of the Independent Accountants and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes to Basic Financial Statements that provide an overview of the City's financial position and operating results, the Required Supplementary Information, the Combining Statements for nonmajor funds, and other schedules that provide detailed information relative to the Basic Financial Statements. The statistical section includes selected economic data, financial trends and demographic information, generally presented on a multi-year basis

This report includes all funds of the City. Reflected in this report is the range of services provided by the City of Beavercreek. These include police protection, street construction and maintenance, traffic control, storm drainage improvements and maintenance, park improvements and maintenance, cemetery maintenance, recreational activities, cultural events, land use development regulation, government access cable channel, golf course facilities and operations, and general administration services. At present, the City has no service responsibilities for fire suppression (furnished independently by Beavercreek Township), public water distribution or sanitary sewerage (furnished independently by the Greene County Sanitary Engineering Department), or solid waste collection (furnished entirely by private firms without governmental involvement).

## **ECONOMIC CONDITION AND OUTLOOK**

Beavercreek's economic health is based in part on factors affecting the entire Dayton metropolitan ("Miami Valley") region and in part on more localized trends somewhat uniquely related to the community and its immediate surroundings.

Retail sales in constant dollars are forecasted to be about 2% above year before levels in the 2<sup>nd</sup> quarter of 2004 and rise in real terms during the 4<sup>th</sup> quarter of 2004 and the 1<sup>st</sup> quarter of 2005.

Beavercreek's economic health is based upon a mixture of trends, some identical to those affecting the entire region and some unique to its particular location within the region. The Mall at Fairfield Commons, with its five department stores and 130 specialty shops, anchors a growing regional business area that provides convenient shopping, dining and services for residents. Beavercreek is also home to numerous research and manufacturing firms engaged in defense technologies, aerospace, automotive components, electronics and other specialized advanced technologies. Immediately north of the community's border are two major regional employers, Wright Patterson Air Force Base and Wright State University, providing jobs for many City residents. Other residents commute to work at a diverse range of employers in Dayton and adjoining suburbs along the I-75 corridor 10 miles to the west of Beavercreek.

The April 2004 Ohio Bureau of Employment Services Labor Market Information report shows unemployment rates for Greene County at 4.8%, compared with the overall Ohio rate of 5.9%.

Inflation remains under control although there has been some acceleration over the past 2 months. In June 2004, the Consumer Price Index stood at 189.7, 3.3% above the level 12 months earlier. Current data from the producer price index does suggest no additional acceleration. As expected the Fed did increase the federal funds rate in June by 25 basis points and is likely to do so in August as an indication that they will respond to inflationary pressures. Any larger change is unlikely given the apparent slowdown in growth expected for the 2<sup>nd</sup> half of the year.

In May, 2004, the Personal Savings Rate stood at 2.2%, similar to the levels it has had over the last 6 months. The lower savings rate of the last 6 months does suggest that consumers continue to have more confidence about the economy. This is in marked contrast to the relatively high savings rate sustained over the period from January 2002 through May 2003.

Ironically, mortgage activity had increased in June in anticipation of higher rates. April-June, 2004 housing permits were 16% below year before levels in the Dayton metropolitan area, although to the immediate south they were still rising.

The City continues to experience a healthy expansion of new commercial, office, and industrial development reflected in the value of commercial construction permits issued during 2003 which totals \$36,230,298.

The growth in residential construction, coupled with a continuing increase in new commercial construction has resulted in an increase in the City's assessed value to \$1,033,367,304 for 2003.

## **MAJOR INITIATIVES AND OUTLOOK**

### Beavercreek Golf Course

The City entered into an agreement with Vintage Golf to terminate the contract for the sum of \$1,150,000. This was accomplished through the purchase of a Judgment Bond Anticipation Note at a rate of 2.75%.

The City has a potential savings of approximately \$4.9 million in management fees, provided we maintain or improve the level of service with the existing personnel we have today. The financial future of the golf course improves dramatically for fiscal year 2004.

City Council has directed staff to research alternative methods of managing the golf course. Among the alternatives being considered are leasing, retaining a new management company, or hiring our own employees and managing the course. Whatever method the Council decides to pursue we assure the general public that there will be no interruption of services regarding events/outings already scheduled and future events/outings to be scheduled.

### New Financial Software

The City has purchased new accounting and financial software from Civic Systems out of Madison, Wisconsin. An extensive RFP for financial software services was put together during the summer of 2003 with 15 firms responding. This new data base software will allow full system integration of all funds including enterprise fund accounting which will accommodate the golf course. We will also be able to track cash and investments on a daily basis which will improve our interest income.

## **FINANCIAL INFORMATION**

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits require estimates and judgments by management.

### Financial Assistance

The City of Beavercreek is recipient of federal, state, and county financial assistance. The City is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by the management of the City.

### Budgeting Controls

The City maintains budgetary controls, the objective of which is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of all funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Unused encumbrances are carried over to the following year.

### Cash Management

Cash that remained temporarily idle during the year was invested in demand deposits and certificates of deposit. The government earned \$136,015 on all investments for the year ended December 31, 2003.

The City's investment policy is to minimize credit and market risks while maintaining competitive yield on its portfolio. Accordingly, deposits were either insured by federal depository insurance or collateralized.

### Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City joined the Miami Valley Risk Management Association, Inc. (MVRMA) a risk sharing insurance pool. The pool consists of sixteen municipalities who pool risk for property, crime, liability, boiler and machinery and public official liability. The City pays an annual premium to MVRMA for this coverage. The agreement provides that the MVRMA will be self-sustaining through member premiums and excess insurance. The deductible per occurrence for all types of claims is \$2,500. The joint insurance pool will cover additional claims per occurrence up to \$997,500 for casualty, \$747,500 for auto physical damage, \$0-\$22,500 for crime (determined by type of claim), \$247,500 for property and \$2,500 for boiler and machinery except all wastewater treatment plants and electrical substations which would be \$7,500 per occurrence.

Excess insurance coverage will cover additional claims up to the limits listed below:

General Liability (including Police Professional Liability)	\$12 million per occurrence
Automobile Liability	\$12 million per occurrence \$1 million per occurrence self insured retention (SIR) \$11 million per occurrence excess SIR – Government Entities Mutual (GEM)/Endurance Specialty Insurance Limited
Employment Practice Liability	\$1 million per occurrence SIR \$11 million per occurrence excess SIR – GEM/Endurance Specialty Insurance Limited
Public Officials Liability	\$1 million per occurrence SIR \$11 million per occurrence excess SIR – GEM/Endurance Specialty Insurance Limited
Property	\$100 million per occurrence \$250,000 per occurrence SIR \$100 million per occurrence excess SIR – Chubb/Federal Ins.
Boiler and Machinery (Included in Property Policy)	\$100 million per occurrence \$5,000 per occurrence SIR except all waste water treatment/sewage, water treatment/pumping stations and any electrical substations which would be \$10,000 per occurrence \$100 million per occurrence excess SIR – Chubb/Federal Ins.
Flood (Property)	\$25 million per occurrence and annual aggregate (Excludes Zone A) excess property SIR \$1 million per occurrence and annual aggregate (Zone B and Shaded X) excess property SIR
Earthquake (Property)	\$25 million per occurrence and annual aggregate excess property SIR

There has been no material change in this coverage from the prior year. Settled claims have not exceeded this commercial coverage in any of the past three years.

## **OTHER INFORMATION**

### Independent Audit

State statutes require an annual audit. The independent public accounting firm of Clark, Schaefer, Hackett and Co. has performed the audit for the fiscal period ending December 31, 2003 in an engagement approved by the Ohio Auditor of State for satisfying the requirements of O.R.C. 117.11. Their opinion on the City's financial statements is included in the financial section of this Comprehensive Annual Financial Report.

### Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Beavercreek, Ohio for its comprehensive annual financial report for the fiscal year ended December 31, 2002. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government finance reports.

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

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report meets the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for a certificate.

### Acknowledgments

Important contributions to the preparation of this annual financial report were made by staff members in the Finance Department, including Myra Jackson, Karen Balsley, and Christine Bucheit, and by the City's financial reporting consultants, Plattenburg & Associates.

In addition to expressing appreciation to the various persons assisting with the report's preparation, we also acknowledge the support of the Mayor and City Council for the responsible conduct of the City's financial operation.

Sincerely,



Terry C. Klein  
Finance Director

**CITY OF BEAVERCREEK, OHIO**

**LISTING OF PRINCIPAL CITY OFFICIALS  
DECEMBER 31, 2003**

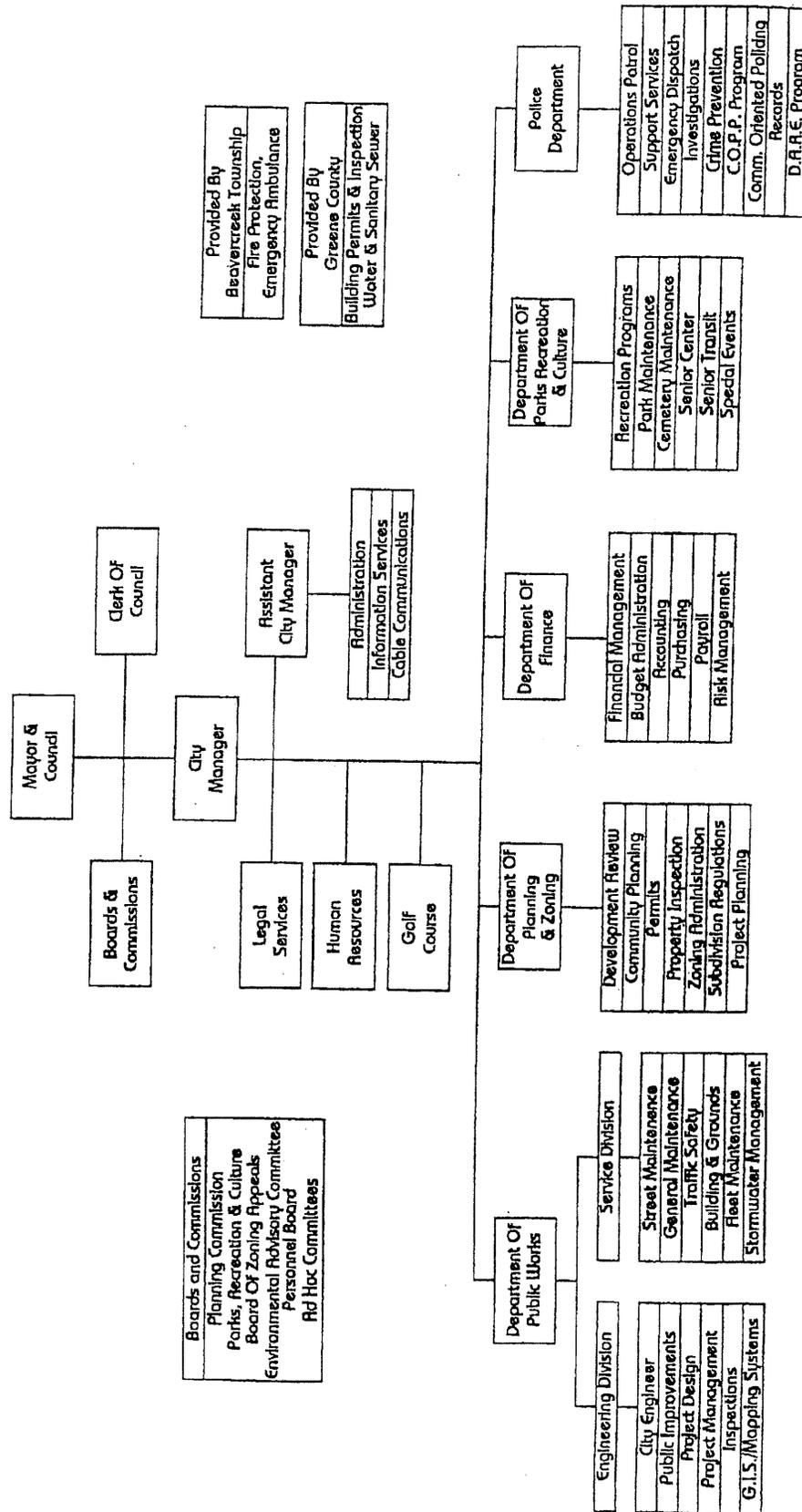
**ELECTED OFFICIALS**

Mayor	Richard G. Perales
Vice Mayor	Robert R. Stone
Council Member	Mark Fowler
Council Member	Robert J. Glaser
Council Member	Jerry Petrak
Council Member	Jay A. Tieber
Council Member	Julie Vann

**APPOINTED OFFICIALS**

Interim City Manager	Jack C. Haney
Clerk of Council	Lucia W. Ball

# City of Beaver Creek Municipal Organization



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Beavercreek,  
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

**THIS PAGE INTENTIONALLY LEFT BLANK**

**FINANCIAL  
SECTION**





**Clark, Schaefer, Hackett & Co.**

CERTIFIED PUBLIC ACCOUNTANTS  
BUSINESS CONSULTANTS  
www.csbcc.com

Independent Auditors' Report

To the Honorable Mayor, City Council  
and City Manager  
City of Beavercreek, Ohio

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregated remaining fund information of the City of Beavercreek, 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 Beavercreek, 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 15 to the basic financial statements, in 2003 the City adopted Governmental Accounting Standards Board (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*.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 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 through 9, and the budgetary comparison information, on pages 52 through 58, are not a required part of the basic financial statement but are 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's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Clark, Schaefer, Hackett & Co.*

Springfield, Ohio  
September 25, 2004

## **City of Beavercreek**

### **Management's Discussion and Analysis For The Year Ended December 31, 2003 (Unaudited)**

#### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

The City of Beavercreek's discussion and analysis of the annual financial reports provides a review of the financial performance for the fiscal year ending December 31, 2003.

#### **FINANCIAL HIGHLIGHTS**

- The City's total net assets decreased \$5.10 million. Net assets of governmental activities decreased \$4.39 million, net assets of business-type activities decreased by \$0.71 million.
- The General Fund reported a net change in fund balance of (\$.24) million.
- Business-type operations reflected an operating loss of \$0.51 million.
- The City canceled the management contract with Vintage Golf Corporation. As a result, the gain on cancellation was \$6,610 and was recorded as a special item.

#### **USING THIS ANNUAL FINANCIAL REPORT**

This annual report consists of a series of financial statements. These statements are presented so that the reader can understand the City's financial situation as a whole and to give a detailed view of the City's fiscal condition.

The Statement of Net Assets and Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Major fund financial statements provide the next level of detail. For governmental funds, these 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.

#### **REPORTING THE CITY AS A WHOLE**

##### *Statement of Net Assets and the Statement of Activities*

The analysis of the City as a whole begins with the Statement of Net Assets and the Statement of Activities. These reports provide information that will help the reader to determine if the City of Beavercreek is financially better off or worse off as a result of the year's activities. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by 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 to 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 needs to 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 capital assets.

In the Statement of Net Assets and the Statement of Activities, the City is divided into two kinds of activities.

- **Governmental Activities** - Most of the City's services are reported here including police, street maintenance, parks and recreation, and general administration. Property taxes, intergovernmental revenue, charges for services, and interest finance most of these activities.
- **Business-Type Activities** - This service consists of a golf course. Service fees for this operation are charged based upon the amount of usage or a usage fee. The intent is that the fees charged recoup operational costs.

## **REPORTING THE CITY'S MOST SIGNIFICANT FUNDS**

### *Fund Financial Statements*

Information about the City's major funds is presented in the Fund Financial Statements (see table of contents). Fund financial statements provide detailed information about the City's major funds - not the City as a whole. Some funds are required by State law and bond covenants. Other funds may be established by the City, with approval of council, to help control, manage and report money received for a particular purpose or to show that the City is meeting legal responsibilities for use of grants. The City's major funds are General, Police Levy, Street Levy, Street Maintenance, Debt Service, and Service Facility Site.

**Governmental Funds** - Most of the City's services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or less 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.

**Proprietary Funds** - When the City charges citizens for the services it provides, with the intent of recapturing 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.

**Fiduciary Funds** - The City is the fiscal agent for two agency funds. All of the City's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Statement of Changes in Assets and Liabilities. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

## THE CITY AS A WHOLE

As stated previously, the Statement of Net Assets looks at the City as a whole. Table 1 provides a summary of the City's net assets for 2003 compared to 2002.

**Table 1**  
Net Assets  
(In Millions)

	Governmental Activities		Business-Type Activities		Total	
	2003	2002	2003	2002	2003	2002
<b>Assets</b>						
Current And Other Assets	\$25.59	\$30.23	\$0.13	\$0.31	\$25.72	\$30.54
Capital Assets, Net	<u>191.33</u>	<u>191.55</u>	<u>10.06</u>	<u>10.20</u>	<u>201.39</u>	<u>201.75</u>
Total Assets	<u>216.92</u>	<u>221.78</u>	<u>10.19</u>	<u>10.51</u>	<u>227.11</u>	<u>232.29</u>
<b>Liabilities</b>						
Current and Other Liabilities	10.82	11.39	2.88	2.41	13.70	13.80
Long-Term Liabilities:						
Due within One Year	0.96	0.51	0.41	0.36	1.37	0.87
Due in More Than One Year	<u>10.64</u>	<u>10.99</u>	<u>9.37</u>	<u>9.50</u>	<u>20.01</u>	<u>20.49</u>
Total Liabilities	<u>22.42</u>	<u>22.89</u>	<u>12.66</u>	<u>12.27</u>	<u>35.08</u>	<u>35.16</u>
<b>Net Assets</b>						
Invested in Capital Assets Net of Debt	180.42	184.49	0.28	0.54	180.70	185.03
Restricted:						
Debt Service	4.47	4.57	0.00	0.00	4.47	4.57
Capital Projects	1.93	1.97	0.00	0.00	1.93	1.97
Special Revenue	4.28	4.38	0.00	0.00	4.28	4.38
Permanent	0.02	0.02	0.00	0.00	0.02	0.02
Unrestricted	<u>3.38</u>	<u>3.46</u>	<u>(2.75)</u>	<u>(2.30)</u>	<u>0.63</u>	<u>1.16</u>
Total Net Assets	<u>\$194.50</u>	<u>\$198.89</u>	<u>(\$2.47)</u>	<u>(\$1.76)</u>	<u>\$192.03</u>	<u>\$197.13</u>

Total net assets of the City as a whole decreased \$5.10 million. Net assets of the City's governmental activities decreased \$4.39 million. The decrease in net assets was mainly due to the decrease in cash, which was from construction of the new service facility.

The net assets of the City's business-type activities decreased \$0.71 million from 2002. The decrease in net assets is a result of the increase in current liabilities. The City's issuance of \$1.15 million for the judgment note payable was mainly the cause of the decrease in net assets.

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 34, revenue and expenditure comparisons to the prior year are not available. In future years, when prior year information is available, a comparative analysis of government-wide data will be presented.

**Table 2**  
Changes in Net Assets  
(In Millions)

	Governmental Activities	Business-Type Activities	Total
	<u>2003</u>	<u>2003</u>	<u>2003</u>
Revenues			
Program Revenues:			
Charges for Services	\$1.65	\$1.88	\$3.53
Operating Grants, Contributions	2.85	0.00	2.85
Capital Grants, Contributions	0.93	0.00	0.93
Total Program Revenues	<u>5.43</u>	<u>1.88</u>	<u>7.31</u>
General Revenues:			
Property Taxes	9.03	0.00	9.03
Grants and Entitlements	2.14	0.00	2.14
Unrestricted Contributions	0.08	0.00	0.08
Investment Earnings	0.14	0.00	0.14
Refunds and Reimbursements	0.08	0.00	0.08
Other Revenues	0.42	0.00	0.42
Total General Revenues	<u>11.89</u>	<u>0.00</u>	<u>11.89</u>
Total Revenues	<u>\$17.32</u>	<u>\$1.88</u>	<u>\$19.20</u>
Program Expenses:			
General Government	\$0.46	\$0.00	\$0.46
Public Safety	5.86	0.00	5.86
Leisure Time Activities	0.97	0.00	0.97
Community Development	0.57	0.00	0.57
Basic Utility Service	0.08	0.00	0.08
Transportation and Street Repair	12.19	0.00	12.19
Public Health and Welfare	0.41	0.00	0.41
Interest and Fiscal Charges	0.81	0.00	0.81
Golf Course	0.00	2.96	2.96
Total Expenses	<u>21.35</u>	<u>2.96</u>	<u>24.31</u>
Increase (Decrease) in Net Assets			
Before Transfers	<u>(\$4.03)</u>	<u>(\$1.08)</u>	<u>(\$5.11)</u>
Transfers – Internal Activities	(0.36)	0.36	0.00
Special Item	0.00	0.01	0.01
Increase (Decrease) in Net Assets	<u>(\$4.39)</u>	<u>(\$0.71)</u>	<u>(\$5.10)</u>

***Governmental Activities***

The City of Beavercreek has continued attracting large-scale employers to our city in the year 2003, thereby injecting the local economy with jobs and increasing the City's commercial tax base. Property taxes are the largest source of revenue for the City. Revenues generated by the property taxes represent more than 73% of the City's governmental activities general revenues. During 2003, the City's 2003 property tax revenues increased approximately 5.0% over 2002 tax revenues.

Governmental activities program expenses for 2003 were as follows:

General Government	2.12%
Public Safety	27.46%
Leisure Time Activities	4.55%
Community Development	2.67%
Basic Utility Service	0.40%
Transportation and Street Repair	57.09%
Public Health and Welfare	1.91%
Interest and Fiscal Charges	<u>3.80%</u>
Total	<u>100.00%</u>

General Government includes legislative and executive as well as judicial expenses. Storm drainage projects, aggressive street resurfacing program, amenities in the parks, and police services all culminate into a full service city. Transportation and street repair was over 50% of the governmental activities program expenses due to the depreciation on majority of the infrastructure was for transportation and street repair services.

***Business-Type Activities***

Business-type activities consist of a golf course. This program had revenues of \$1.88 million and expenses of \$2.96 million for fiscal year 2003. Business activities receive no support from tax revenues. The business activities net assets at the end of the year was (\$2.47) million, which decreased \$0.71 million from 2002.

The Beavercreek Golf Club includes an 18-hole golf course, a restaurant and full-service bar, banquet facilities, and pro shop. Revenue is earned through green fees, cart fees, memberships, golf lessons, restaurant and pro shop sales, and rental of banquet facilities.

On December 31, 2003 the City canceled its management contract with Vintage Golf Corporation. See footnotes for more detailed information.

## THE CITY'S FUNDS

Information about the City's major governmental funds is presented in the Fund Financial Statements (see table of contents). These funds are reported using the modified accrual basis of accounting. All Governmental funds had total revenues of \$17.58 million and expenditures of \$22.09 million. Within the General fund expenditures exceeded revenues, before other financing sources (uses) by \$0.32 million; within the Police Levy Fund expenditures exceeded revenues, before other financing sources (uses) by \$0.39 million; within the Street Levy Fund revenues exceeded expenditures, before other financing sources (uses) by \$0.02 million; within the Street Maintenance Fund expenditures exceeded revenues, before other financing sources (uses) by \$0.13 million; within the Debt Service Fund expenditures exceeded revenues, before other financing sources (uses) by \$0.31 million; and within the Service Facility Site Fund expenditures exceeded revenues, before other financing sources (uses) by \$3.32 million.

### *General Fund Budgeting Highlights*

The City's General Fund budget is formally adopted at the fund level. Financial reports, which compare actual performance with the budget, are prepared monthly and presented to the Council so the Council is able to review the financial status and measure the effectiveness of the budgetary controls.

As the City completed the year, its General Fund balance reported an actual fund balance of \$2,487,556, on a Non-GAAP Budgetary Basis.

Variations from the final budget amounts to the actual amounts are primarily due to the following reasons: The City overestimated the taxes revenue and investment earnings amounts and overestimated the general government expenditures for 2003.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

**Table 3**  
Capital Assets, Net  
(In Millions)

	Governmental Activities		Business-Type Activities		Total	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Land	\$5.13	\$4.82	\$7.83	\$7.83	\$12.96	\$12.65
Buildings and Improvements	10.37	6.65	2.42	2.42	12.79	9.07
Equipment	4.45	4.17	0.76	0.76	5.21	4.93
Infrastructure	218.99	218.32	0.00	0.00	218.99	218.32
Construction in Progress	0.00	0.30	0.00	0.00	0.00	0.30
Accumulated Depreciation	<u>(47.61)</u>	<u>(42.71)</u>	<u>(0.95)</u>	<u>(0.81)</u>	<u>(48.56)</u>	<u>(43.52)</u>
Totals	<u>\$191.33</u>	<u>\$191.55</u>	<u>\$10.06</u>	<u>\$10.20</u>	<u>\$201.39</u>	<u>\$201.75</u>

The decrease in net capital assets was the result of a minor increase in depreciation expense.

**Debt**

At year-end the City had \$20,466,169 in general obligation bonds and special assessment bonds.

**Table 4**  
Outstanding Debt at Year End

	<u>2003</u>	<u>2002</u>
<u>Governmental Activities:</u>		
<u>General Obligation Bonds</u>		
5.10% Various Purpose 1997	\$785,000	\$825,000
4.00% 2002 Maintenance Facility	<u>5,460,000</u>	<u>5,650,000</u>
Total General Obligation Bonds	<u>6,245,000</u>	<u>6,475,000</u>
<u>Special Assessment Bonds</u>		
7.38% Apple Valley	40,000	50,000
5.97% Fairfield Commons Street	1,120,000	1,225,000
6.47% Crossing District Street	1,225,000	1,330,000
5.49% Various Purpose Street 1995	180,000	195,000
5.79% Various Purpose 1997	70,000	75,000
5.61% Various Purpose 1999	100,000	105,000
4.76% Various Purpose 2000	410,000	450,000
3.92 Kontagiannis Hills	<u>1,290,000</u>	<u>0</u>
Total Special Assessment Bonds	<u>4,435,000</u>	<u>3,430,000</u>
<u>Business-Type Activities:</u>		
<u>Special Assessment Bonds</u>		
4.00%-4.80% Current Interest Bonds	\$4,355,000	\$4,710,000
5.05%-5.35% Capital Appreciation Bonds	<u>5,431,169</u>	<u>5,149,122</u>
Total Special Assessment Bonds	<u>9,786,169</u>	<u>9,859,122</u>
Total Debt	<u>\$20,466,169</u>	<u>\$19,764,122</u>

Special Assessment Street Improvement Bonds will be paid with special assessment revenue.

The Various Purpose Improvement general obligation bonds will be paid with property tax revenues via transfers from the General Fund.

Detailed information relating to capital assets and debt is presented in the notes to the financial statements.

**CONTACTING THE CITY'S FINANCE DEPARTMENT**

This financial report is designed to provide our citizens, taxpayers, customers and 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 any questions about this report or need additional financial information, contact the Department of Finance, City of Beavercreek, 1368 Research Park Drive, Beavercreek, Ohio 45432.

**THIS PAGE INTENTIONALLY LEFT BLANK**

City of Beavercreek, Ohio  
Statement of Net Assets  
December 31, 2003

	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Equity in Pooled Cash and Investments	\$9,019,595	\$47,747	\$9,067,342
Restricted Cash and Investments	15,717	25,001	40,718
<b>Receivables:</b>			
Taxes	8,974,700	0	8,974,700
Accounts	510,208	66,970	577,178
Intergovernmental	2,101,521	0	2,101,521
Special Assessments	4,425,414	0	4,425,414
Internal Balances	191,654	(191,654)	0
Deferred Bond Issuance Costs	0	125,926	125,926
Inventory	349,313	57,760	407,073
Nondepreciable Capital Assets	5,125,877	7,833,601	12,959,478
Depreciable Capital Assets, Net	186,205,807	2,230,394	188,436,201
<b>Total Assets</b>	<b>216,919,806</b>	<b>10,195,745</b>	<b>227,115,551</b>
<b>Liabilities:</b>			
Accounts Payable	994,252	51,635	1,045,887
Accrued Wages and Benefits	806,252	8,833	815,085
Restricted Retainage Payable	0	25,001	25,001
Accrued Interest Payable	37,300	1,595,050	1,632,350
Deferred Revenue	8,748,681	56,469	8,805,150
Judgement Note Payable	0	1,150,000	1,150,000
General Obligation Notes Payable	231,000	0	231,000
<b>Long-Term Liabilities:</b>			
Due Within One Year	964,379	415,000	1,379,379
Due In More Than One Year	10,637,564	9,371,169	20,008,733
<b>Total Liabilities</b>	<b>22,419,428</b>	<b>12,673,157</b>	<b>35,092,585</b>
<b>Net Assets:</b>			
Invested in Capital Assets, Net of Related Debt	180,420,684	277,826	180,698,510
<b>Restricted for:</b>			
Debt Service	4,473,958	0	4,473,958
Capital Projects	1,935,439	0	1,935,439
Special Revenue	4,277,784	0	4,277,784
Permanent	15,717	0	15,717
Unrestricted	3,376,796	(2,755,238)	621,558
<b>Total Net Assets</b>	<b>\$194,500,378</b>	<b>(\$2,477,412)</b>	<b>\$192,022,966</b>

See accompanying notes.

City of Beavercreek, Ohio  
Statement of Activities  
For the Fiscal Year Ended December 31, 2003

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General Government	\$453,631	\$556,013	\$83,548	\$0
Public Safety	5,864,516	223,184	888,472	0
Leisure Time Activities	971,211	142,477	96,472	0
Community Development	569,726	134,205	0	0
Basic Utility Service	81,434	593,916	0	0
Transportation & Street Repair	12,189,882	0	1,760,418	925,366
Public Health and Welfare	407,451	0	20,207	0
Interest and Fiscal Charges	812,021	0	0	0
<b>Total Governmental Activities</b>	<b>21,349,872</b>	<b>1,649,795</b>	<b>2,849,117</b>	<b>925,366</b>
<b>Business-Type Activities:</b>				
Golf Course	2,956,325	1,883,294	0	0
<b>Total Business-Type Activities</b>	<b>2,956,325</b>	<b>1,883,294</b>	<b>0</b>	<b>0</b>
<b>Totals</b>	<b>\$24,306,197</b>	<b>\$3,533,089</b>	<b>\$2,849,117</b>	<b>\$925,366</b>

General Revenues:  
Property Taxes Levied for:  
    General Purposes  
    Special Revenue Purposes  
    Debt Service  
Grants and Entitlements not Restricted to Specific Programs  
Unrestricted Contributions  
Investment Earnings  
Refunds & Reimbursements  
Other Revenues  
Transfers-Internal Activities  
Special Item

Total General Revenues & Transfers

Change in Net Assets

Net Assets Beginning of Year (Restated)

Net Assets End of Year

See accompanying notes.

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
\$185,930	\$0	\$185,930
(4,752,860)	0	(4,752,860)
(732,262)	0	(732,262)
(435,521)	0	(435,521)
512,482	0	512,482
(9,504,098)	0	(9,504,098)
(387,244)	0	(387,244)
(812,021)	0	(812,021)
<u>(15,925,594)</u>	<u>0</u>	<u>(15,925,594)</u>
<u>0</u>	<u>(1,073,031)</u>	<u>(1,073,031)</u>
<u>0</u>	<u>(1,073,031)</u>	<u>(1,073,031)</u>
<u>(\$15,925,594)</u>	<u>(\$1,073,031)</u>	<u>(\$16,998,625)</u>
8,563,536	0	8,563,536
234,672	0	234,672
240,371	0	240,371
2,136,006	0	2,136,006
78,830	0	78,830
136,015	0	136,015
83,639	0	83,639
421,828	0	421,828
(355,000)	355,000	0
0	6,610	6,610
<u>11,539,897</u>	<u>361,610</u>	<u>11,901,507</u>
(4,385,697)	(711,421)	(5,097,118)
<u>198,886,075</u>	<u>(1,765,991)</u>	<u>197,120,084</u>
<u>\$194,500,378</u>	<u>(\$2,477,412)</u>	<u>\$192,022,966</u>

City of Beavercreek, Ohio  
 Balance Sheet  
 Governmental Funds  
 December 31, 2003

	General	Police Levy	Street Levy	Street Maintenance
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$1,909,768	\$1,785,318	\$1,571,813	\$1,016,788
Restricted Cash and Investments	0	0	0	0
<b>Receivables:</b>				
Taxes	1,011,235	5,096,800	2,500,997	0
Accounts	314,008	0	0	0
Intergovernmental	835,277	306,558	156,042	535,253
Special Assessments	0	0	0	0
Due from Other Funds	455,946	0	0	0
Inventory	10,362	109,577	86,301	142,873
<b>Total Assets</b>	<b>4,536,596</b>	<b>7,298,253</b>	<b>4,315,153</b>	<b>1,694,914</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts Payable	100,387	80,296	16,500	651,853
Accrued Wages and Benefits	148,355	501,487	146,188	0
Compensated Absences	4,657	13,594	5,536	0
Deferred Revenue	1,581,653	5,403,358	2,657,039	442,405
Due to Other Funds	0	0	0	0
General Obligation Notes Payable	0	0	0	0
<b>Total Liabilities</b>	<b>1,835,052</b>	<b>5,998,735</b>	<b>2,825,263</b>	<b>1,094,258</b>
<b>Fund Balances:</b>				
Reserved for Encumbrances	62,676	0	250,050	308,625
Reserved for Inventory	10,362	109,577	86,301	142,873
Reserved for Cemetery Bequest	0	0	0	0
<b>Unreserved, Undesignated, Reported in:</b>				
General Fund	2,628,506	0	0	0
Special Revenue Funds	0	1,189,941	1,153,539	149,158
Debt Service Funds	0	0	0	0
Capital Projects Funds	0	0	0	0
Permanent Funds	0	0	0	0
<b>Total Fund Balances</b>	<b>2,701,544</b>	<b>1,299,518</b>	<b>1,489,890</b>	<b>600,656</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$4,536,596</b>	<b>\$7,298,253</b>	<b>\$4,315,153</b>	<b>\$1,694,914</b>

See accompanying notes.

<u>Debt Service</u>	<u>Service Facility Site</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$163,223	\$982,175	\$1,590,510	\$9,019,595
0	0	15,717	15,717
0	0	365,668	8,974,700
0	0	196,200	510,208
0	0	268,391	2,101,521
4,425,414	0	0	4,425,414
0	0	0	455,946
0	0	200	349,313
<u>4,588,637</u>	<u>982,175</u>	<u>2,436,686</u>	<u>25,852,414</u>
0	125,647	19,569	994,252
0	0	10,222	806,252
0	0	711	24,498
4,425,414	0	604,631	15,114,500
0	0	264,292	264,292
231,000	0	0	231,000
<u>4,656,414</u>	<u>125,647</u>	<u>899,425</u>	<u>17,434,794</u>
0	845,267	752,086	2,218,704
0	0	200	349,313
0	0	15,201	15,201
0	0	0	2,628,506
0	0	389,329	2,881,967
(67,777)	0	119,300	51,523
0	11,261	260,629	271,890
0	0	516	516
<u>(67,777)</u>	<u>856,528</u>	<u>1,537,261</u>	<u>8,417,620</u>
<u>\$4,588,637</u>	<u>\$982,175</u>	<u>\$2,436,686</u>	<u>\$25,852,414</u>

**THIS PAGE INTENTIONALLY LEFT BLANK**

City of Beavercreek, Ohio  
 Reconciliation of Total Governmental Fund Balance to  
 Net Assets of Governmental Activities  
 December 31, 2003

---

Total Governmental Fund Balance		\$8,417,620
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		191,331,684
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Delinquent Property Taxes	277,200	
Intergovernmental	1,663,205	
Special Assessments	<u>4,425,414</u>	
		6,365,819
In the statement of net assets interest payable is accrued when incurred, whereas in the governmental funds interest is reported as a liability only when it will require the use of current financial resources.		(37,300)
Some liabilities reported in the statement of net assets do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds.		
Compensated Absences	<u>(897,445)</u>	
		(897,445)
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds.		<u>(10,680,000)</u>
Net Assets of Governmental Activities		<u>\$194,500,378</u>

See accompanying notes.

City of Beavercreek, Ohio  
Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Governmental Funds  
For the Fiscal Year Ended December 31, 2003

	General	Police Levy	Street Levy	Street Maintenance
<b>Revenues:</b>				
Taxes	\$1,002,272	\$5,134,041	\$2,395,988	\$0
Fines, Licenses & Permits	199,047	82,372	0	0
Charges for Services	65,818	142,776	0	0
Investment Earnings	121,512	0	0	9,215
Intergovernmental	1,866,661	620,006	289,569	3,023,057
Special Assessments	105,670	0	0	0
Impact Fees	102,792	0	0	0
Other Revenues	251,270	106,521	29,476	0
<b>Total Revenues</b>	<b>3,715,042</b>	<b>6,085,716</b>	<b>2,715,033</b>	<b>3,032,272</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government	1,863,513	360,136	90,469	480
Public Safety	109,534	5,790,518	0	0
Leisure Time Activities	720,511	0	0	0
Community Development	474,058	0	0	0
Basic Utility Service	69,719	0	0	0
Transportation & Street Repair	0	0	2,207,199	2,880,698
Public Health and Welfare	216,254	149,080	0	0
Capital Outlay	579,951	176,820	401,168	280,553
<b>Debt Service:</b>				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<b>Total Expenditures</b>	<b>4,033,540</b>	<b>6,476,554</b>	<b>2,698,836</b>	<b>3,161,731</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(318,498)</b>	<b>(390,838)</b>	<b>16,197</b>	<b>(129,459)</b>
<b>Other Financing Sources (Uses):</b>				
Proceeds from Sale of Capital Assets	22,366	0	0	0
Proceeds of Long-Term Capital-Related Debt	0	0	0	0
Transfers In	109,210	0	0	0
Transfers (Out)	(52,819)	(120,430)	(76,510)	0
<b>Total Other Financing Sources (Uses)</b>	<b>78,757</b>	<b>(120,430)</b>	<b>(76,510)</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>(239,741)</b>	<b>(511,268)</b>	<b>(60,313)</b>	<b>(129,459)</b>
<b>Fund Balance Beginning of Year (Restated)</b>	<b>2,941,041</b>	<b>1,764,698</b>	<b>1,512,691</b>	<b>665,508</b>
<b>Change in Reserve for Inventory</b>	<b>244</b>	<b>46,088</b>	<b>37,512</b>	<b>64,607</b>
<b>Fund Balance End of Year</b>	<b>\$2,701,544</b>	<b>\$1,299,518</b>	<b>\$1,489,890</b>	<b>\$600,656</b>

See accompanying notes.

Debt Service	Service Facility Site	Other Governmental Funds	Total Governmental Funds
\$0	\$0	\$424,713	\$8,957,014
0	0	387,965	669,384
0	0	138,348	346,942
0	0	5,289	136,016
0	0	518,352	6,317,645
488,253	0	0	593,923
0	0	0	102,792
0	0	73,188	460,455
<u>488,253</u>	<u>0</u>	<u>1,547,855</u>	<u>17,584,171</u>
0	0	443,363	2,757,961
0	0	16,843	5,916,895
0	0	251,553	972,064
0	0	0	474,058
0	0	0	69,719
0	0	0	5,087,897
0	0	0	365,334
0	3,318,662	336,237	5,093,391
325,000	0	190,000	515,000
473,181	0	365,988	839,169
<u>798,181</u>	<u>3,318,662</u>	<u>1,603,984</u>	<u>22,091,488</u>
<u>(309,928)</u>	<u>(3,318,662)</u>	<u>(56,129)</u>	<u>(4,507,317)</u>
0	0	0	22,366
0	0	1,290,000	1,290,000
816,338	0	0	925,548
<u>(355,000)</u>	<u>0</u>	<u>(675,789)</u>	<u>(1,280,548)</u>
<u>461,338</u>	<u>0</u>	<u>614,211</u>	<u>957,366</u>
151,410	(3,318,662)	558,082	(3,549,951)
(219,187)	4,175,190	979,279	11,819,220
0	0	(100)	148,351
<u>(\$67,777)</u>	<u>\$856,528</u>	<u>\$1,537,261</u>	<u>\$8,417,620</u>

City of Beavercreek, Ohio  
 Reconciliation of the Statement of Revenues, Expenditures, and Changes  
 in Fund Balance of Governmental Funds to the Statement of Activities  
 For the Fiscal Year Ended December 31, 2003

---

Net Change in Fund Balance - Total Governmental Funds (\$3,549,951)

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

Governmental funds report capital asset additions as expenditures.

However, in the statement of activities, the cost of those assets is  
 allocated over their estimated useful lives as depreciation  
 expense. This is the amount of the difference between capital  
 asset additions and depreciation in the current period, (214,750)

Revenues in the statement of activities that do not provide  
 current financial resources are not reported as revenues in  
 the funds.

Delinquent Property Taxes	277,200	
Intergovernmental	(73,690)	
Special Assessments	(490,872)	
		(287,362)

Repayment of bond principal is an expenditure in the  
 governmental funds, but the repayment reduces long-term  
 liabilities in the statement of net assets. 515,000

In the statement of activities interest expense is accrued when incurred,  
 whereas in governmental funds an interest expenditure is reported  
 when due. 27,148

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

Pension Obligation	294,214	
Compensated Absences	(28,347)	
Change in Inventory	148,351	
		414,218

Proceeds from debt issues are an other financing source in the funds,  
 but a debt issue increases long-term liabilities in the statement  
 of net assets. (1,290,000)

Change in Net Assets of Governmental Activities (\$4,385,697)

See accompanying notes.

City of Beavercreek, Ohio  
Statement of Net Assets  
Proprietary Funds  
December 31, 2003

---

	Golf Course
Assets:	
Equity in Pooled Cash and Investments	\$47,747
Restricted Cash and Investments	25,001
Receivables:	
Accounts	66,970
Deferred Bond Issuance Costs	125,926
Inventory	<u>57,760</u>
Total Current Assets	<u>323,404</u>
Nondepreciable Capital Assets	7,833,601
Depreciable Capital Assets, Net	<u>2,230,394</u>
Total Assets	<u>10,387,399</u>
Liabilities:	
Current Liabilities:	
Accounts Payable	51,635
Accrued Wages and Benefits	8,833
Restricted Retainage Payable	25,001
Accrued Interest Payable	1,595,050
Deferred Revenue	56,469
Due to Other Funds	191,654
Judgement Note Payable	1,150,000
Long-Term Liabilities Due Within One Year	<u>415,000</u>
Total Current Liabilities	<u>3,493,642</u>
Long-Term Liabilities:	
Bonds, Notes & Loans Payable	<u>9,371,169</u>
Total Liabilities	<u>12,864,811</u>
Net Assets:	
Invested in Capital Assets, Net of Related Debt	277,826
Unrestricted	<u>(2,755,238)</u>
Total Net Assets	<u><u>(\$2,477,412)</u></u>

See accompanying notes.

City of Beavercreek, Ohio  
Statement of Revenues, Expenses  
and Changes in Fund Net Assets  
Proprietary Funds  
For the Fiscal Year Ended December 31, 2003

---

	Golf Course
Operating Revenues:	
Charges for Services	<u>\$1,883,294</u>
Total Operating Revenues	<u>1,883,294</u>
Operating Expenses:	
Personal Services	832,487
Contractual Services	1,415,129
Materials and Supplies	6,935
Depreciation	<u>140,799</u>
Total Operating Expenses	<u>2,395,350</u>
Operating Income (Loss)	<u>(512,056)</u>
Non-Operating Revenues (Expenses):	
Interest (Expense)	<u>(560,975)</u>
Total Non-Operating Revenues (Expenses)	<u>(560,975)</u>
Income (Loss) Before Contributions & Transfers	(1,073,031)
Transfers In	355,000
Special Item	<u>6,610</u>
Change in Net Assets	(711,421)
Net Assets Beginning of Year (Restated)	<u>(1,765,991)</u>
Net Assets End of Year	<u><u>(\$2,477,412)</u></u>

See accompanying notes.

City of Beavercreek, Ohio  
Statement of Cash Flows  
Proprietary Fund:  
For the Fiscal Year Ended December 31, 2003

	Golf Course
Cash Flows from Operating Activities:	
Cash Received from Customers	\$1,952,747
Cash Payments to Employees	(830,937)
Cash Payments to Suppliers	(2,227,703)
Net Cash Provided (Used) by Operating Activities	<u>(1,105,893)</u>
Cash Flows from Noncapital Financing Activities:	
Payments from Other Funds	<u>355,000</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>355,000</u>
Cash Flows from Capital and Related Financing Activities:	
Debt Proceeds	1,150,000
Debt Principal Payments	(355,000)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>795,000</u>
Net Increase (Decrease) in Cash and Cash Equivalents	44,107
Cash and Cash Equivalents Beginning of Year	<u>28,641</u>
Cash and Cash Equivalents End of Year	<u><u>72,748</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	(512,056)
Adjustments:	
Depreciation	140,799
Changes in Assets & Liabilities:	
(Increase) Decrease in Receivables	11,691
(Increase) Decrease in Inventory	6,935
Increase (Decrease) in Other Liabilities	(791,435)
Increase (Decrease) in Payables	30,519
Increase (Decrease) in Accrued Liabilities	3,534
Increase (Decrease) in Deferred Revenue	4,120
Net Cash Provided (Used) by Operating Activities	<u><u>(\$1,105,893)</u></u>

See accompanying notes.

City of Beavercreek, Ohio  
Statement of Fiduciary Net Assets  
Fiduciary Fund  
December 31, 2003

---

---

	<u>Agency</u>
Assets:	
Equity in Pooled Cash and Investments	<u>\$347,117</u>
Total Assets	<u><u>\$347,117</u></u>
Liabilities:	
Other Liabilities	<u>347,117</u>
Total Liabilities	<u><u>\$347,117</u></u>

See accompanying notes.

## **City of Beavercreek**

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

### **1. DESCRIPTION OF THE CITY AND REPORTING ENTITY**

The City of Beavercreek, Ohio ("the City") was incorporated on January 11, 1980 and since 1981 has operated as a home rule municipal corporation operating under its own charter. The Council/Manager form of government, whereby the City Manager is the Chief Administrative Officer, provides the following services: public safety (police), highways and streets, drainage, parks and recreation, public improvements, community development, planning and zoning, public health and welfare, cemetery, and general administrative services.

#### **Reporting Entity**

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that financial statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City. Council and the City Manager have direct responsibility for these activities.

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 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 organizations. Component units may also include organizations for which the City authorizes the issuance of debt or the levying of taxes, or determines the budget. There are no component units included as part of this report.

The Miami Valley Risk Management Association, Inc. (MVRMA) 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 Miami Valley Risk Management Association, Inc. for the purpose of administering the pool. The subscribing members of the self-insurance pool include the Cities of Beavercreek, Blue Ash, Kettering, Madeira, Mason, Miamisburg, Montgomery, Piqua, Sidney, Springdale, Tipp City, Troy, Vandalia, West Carrollton, Wilmington and Wyoming and the Village of Indian Hill. The City has no explicit and measurable equity interest in MVRMA and no ongoing financial responsibility for MVRMA.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as 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 follows Financial Accounting Standards Board (FASB) standards of accounting and financial reporting issued on or before November 30, 1989, in its governmental and business-type activities and to its enterprise funds financial statements to the extent that those standards do not conflict with or contradict GASB pronouncements (guidance). The most significant of the City's accounting policies are described below.

### **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 operation of the City are included on the Statement of 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 reports on 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 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 which 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 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 the 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 and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.

### Fund Financial Statements

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. Non-major funds are aggregated and presented in a single column. The internal service fund is 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:

General Fund – The general fund accounts 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 charter of the City and/or the general laws of Ohio.

Police Levy – To account for property tax receipts designated for operation of the police department, including the payment of the employer portion of police pension fund contributions, and to account for monies charged for police services furnished outside the City.

Street Levy – To account for property tax receipts designated for street construction, maintenance and repair.

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

Debt Service – To account for the resources applied to the repayment of outstanding debt obligations.

Service Facility Site – To account for service facility site improvements financed by governmental funds.

The other governmental funds of the City account for grants and other resources that are generally restricted to use for a particular purpose.

### Proprietary Funds

Proprietary fund reporting focuses on 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 is the City's major enterprise fund:

Golf Course Fund – To account for all operations of the City's golf course. Revenues include charges for services. Expenses are comprised of cost of operations.

### Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: agency funds, pension trust funds, investment trust funds and private-purpose trust funds. The Agency Fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations. Trust funds are used to account for assets held under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City currently has no trust funds and two agency funds.

### **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. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the 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 Transactions

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the 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 year when use is first permitted; matching requirements, in which the City must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: income tax, state-levied locally shared taxes (including gasoline tax), fines and forfeitures, interest, grants and fees.

#### Deferred Revenue

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

Property taxes for which there is an enforceable legal claim as of the current year-end, but which were levied to finance future operations, have been recorded as deferred revenue. 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 generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

#### **Cash and Cash Equivalents**

To improve cash management the City's cash and investments are pooled. Monies for all funds, except cash and investments held in segregated accounts, are maintained in this pool. Individual fund integrity is maintained through City records. Each fund's interest in the pool is presented as "equity in pooled cash and investments" on the balance sheet.

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

The City has segregated bank accounts for monies held separate from the City's central bank account. These interest-bearing depository accounts are presented on the statement of net assets/balance sheet as "Cash and Cash Equivalents in Segregated Accounts".

For purposes of the statement of cash flows and for presentation on the statement of net assets/balance sheet, investments with an original maturity of three months or less and investments of the cash management pool are considered to be cash equivalents.

### **Inventory**

On 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 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. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Inventories of the proprietary funds are expensed when used.

### **Capital Assets**

General capital assets are those assets 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 both in the business-type activities column of the government-wide statement of net assets and in the respective proprietary funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City's infrastructure consists of bridges, culverts, curbs, sidewalks, storm sewers, streets, and water and sewer lines. 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 not. The City uses a \$5,000 capitalization threshold.

All reported capital assets are depreciated except for land and land improvements and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	Governmental Activities <u>Estimated Lives</u>	Business-Type Activities <u>Estimated Lives</u>
Buildings and Improvements	25-50 years	25-50 years
Machinery and Equipment	5-20 years	5-20 years
Infrastructure	40-60 years	40-60 years
Vehicles	5-20 years	5-20 years

### **Interfund Balances**

On fund financial statements, long-term interfund loans are classified as "advances to/from other funds" on the balance sheet and are equally offset by a fund balance reserve account which indicates that they do not constitute available expendable resources. These amounts, as well as any short-term interfund balances, 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.

### **Compensated Absences**

The City reports compensated absences in accordance with the provisions of GASB No. 16, "Accounting for Compensated Absences." Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those that the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employee wage rates at fiscal year end taking into consideration any limits specified in the City's personnel manual.

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

For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "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, claims and judgments, compensated absences, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, capital leases and long-term loans are recognized as a liability on the fund financial statements when due.

## **Fund Balance Reserves**

The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditure. As a result, encumbrances, inventories, advances and notes receivable are recorded as a reservation of fund balance.

## **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 the 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. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

## **Contributions of Capital**

Contributions of capital in proprietary fund financial statements arise from outside contributions of fixed assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

## **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 expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the 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.

### **3. DEPOSITS AND INVESTMENTS**

Cash resources of several individual funds are combined to form a pool of cash and investments. Each fund type's portion of this pool is displayed on the combined balance sheet as "Equity in Pooled Cash and Investments."

Statutes require the classification of funds held by the City into three categories.

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

Category 2 consists of "inactive" funds – those funds not required for use within the current two-year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing no later than the end of the current period of designation of depositories.

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

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

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

Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository with which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amount equal to at least 110% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Deposits collateralized by investment pools are classified as Category 3 deposits per GASB Statement No. 3.

The GASB has established risk categories for deposits and investments as follows:

*Deposits:*

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

*Investments:*

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

**Deposits**

At year end, the carrying amount of the City's deposits was \$9,455,177 and the bank balance was \$10,039,315. Federal Depository Insurance covered \$247,746 of the deposits and bank balance. All remaining deposits were classified as Category 3.

**4. RECEIVABLES**

Receivables at year end, consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements, shared revenues, special assessments, accrued interest on investments, accounts and loans receivable.

No allowances for doubtful accounts have been recorded because uncollectible amounts are expected to be insignificant.

Special assessments expected to be collected in more than one year amounts to approximately \$4,425,414 in the Debt Service Fund.

**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 operations.

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.

The assessed values of real and tangible personal property upon which current year property tax receipts were based are as follows:

Real Property	\$963,710,820
Public Utility	22,553,160
Tangible Personal Property	<u>47,103,324</u>
Total Valuation	<u>\$1,033,367,304</u>

Real property taxes are payable annually or semi-annually. The first payment is due February 15 with the remainder payable by July 15.

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

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City. 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 year end for which there is an enforceable legal claim. Although total property tax collections for the next year are measurable, amounts to be received during the available period are not subject to reasonable estimation at year end, nor were they levied to finance current year operations. The receivable is therefore offset by deferred revenue.

## 5. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. In 1988, the City joined the Miami Valley Risk Management Association, Inc. (MVRMA) a risk sharing insurance pool. The pool consists of sixteen municipalities who pool risk for property, crime, liability, boiler and machinery and public official liability. The City pays an annual premium to MVRMA for this coverage. The agreement provides that the MVRMA will be self-sustaining through member premiums and excess insurance. The deductible per occurrence for all types of claims is \$2,500. The joint insurance pool will cover additional claims per occurrence up to \$997,500 for casualty, \$747,500 for auto physical damage, \$0-\$22,500 for crime (determined by type of claim), \$247,500 for property and \$2,500 for boiler and machinery except all wastewater treatment plants and electrical substations which would be \$7,500 per occurrence.

Excess insurance coverage will cover additional claims up to the limits listed below:

General Liability (including Police Professional Liability)	\$12 million per occurrence
Automobile Liability	\$12 million per occurrence \$1 million per occurrence self insured retention (SIR) \$11 million per occurrence excess SIR – Government Entities Mutual (GEM)/Endurance Specialty Insurance Limited
Employment Practice Liability	\$1 million per occurrence SIR \$11 million per occurrence excess SIR – GEM/Endurance Specialty Insurance Limited
Public Officials Liability	\$1 million per occurrence SIR \$11 million per occurrence excess SIR – GEM/Endurance Specialty Insurance Limited
Property	\$100 million per occurrence \$250,000 per occurrence SIR \$100 million per occurrence excess SIR – Chubb/Federal Ins.
Boiler and Machinery (Included in Property Policy)	\$100 million per occurrence \$5,000 per occurrence SIR except all waste water treatment/sewage, water treatment/pumping stations and any electrical substations which would be \$10,000 per occurrence \$100 million per occurrence excess SIR – Chubb/Federal Ins.
Flood (Property)	\$25 million per occurrence and annual aggregate (Excludes Zone A) excess property SIR \$1 million per occurrence and annual aggregate (Zone B and Shaded X) excess property SIR
Earthquake (Property)	\$25 million per occurrence and annual aggregate excess property SIR

There has been no material change in this coverage from the prior year. Settled claims have not exceeded this commercial coverage in any of the past three years.

## 6. CAPITAL ASSETS

Capital asset activity for the current year end was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital Assets, not being depreciated:				
Land	\$4,815,877	\$310,000	\$ 0	\$5,125,877
Construction in Progress	<u>301,537</u>	<u>0</u>	<u>(301,537)</u>	<u>0</u>
Total Capital Assets, not being depreciated	<u>5,117,414</u>	<u>310,000</u>	<u>(301,537)</u>	<u>5,125,877</u>
Capital Assets, being depreciated:				
Buildings and Improvements	6,647,699	3,718,689	0	10,366,388
Machinery and Equipment	4,169,187	476,103	(192,024)	4,453,266
Infrastructure	<u>218,325,966</u>	<u>665,323</u>	<u>0</u>	<u>218,991,289</u>
Total Capital Assets, being depreciated	<u>229,142,852</u>	<u>4,860,115</u>	<u>(192,024)</u>	<u>233,810,943</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(2,525,611)	(318,150)	0	(2,843,761)
Machinery and Equipment	(2,416,713)	(394,928)	192,024	(2,619,617)
Infrastructure	<u>(37,771,508)</u>	<u>(4,370,250)</u>	<u>0</u>	<u>(42,141,758)</u>
Total Accumulated Depreciation	<u>(42,713,832)</u>	<u>(5,083,328)</u>	<u>192,024</u>	<u>(47,605,136)</u>
Total Capital Assets, being depreciated, net	<u>186,429,020</u>	<u>(223,213)</u>	<u>0</u>	<u>186,205,807</u>
Governmental Activities Capital Assets, net	<u>\$191,546,434</u>	<u>\$86,787</u>	<u>(\$301,537)</u>	<u>\$191,331,684</u>

**Business-Type Activities**

Capital Assets, not being depreciated:				
Land	<u>\$7,833,601</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$7,833,601</u>
Total Capital Assets, not being depreciated:	<u>7,833,601</u>	<u>0</u>	<u>0</u>	<u>7,833,601</u>
Capital Assets, being depreciated:				
Buildings and Improvements	2,420,849	0	0	2,420,849
Machinery and Equipment	<u>756,643</u>	<u>0</u>	<u>0</u>	<u>756,643</u>
Total Capital Assets, being depreciated	<u>3,177,492</u>	<u>0</u>	<u>0</u>	<u>3,177,492</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(505,398)	(76,794)	0	(582,192)
Machinery and Equipment	<u>(307,897)</u>	<u>(57,009)</u>	<u>0</u>	<u>(364,906)</u>
Total Accumulated Depreciation	<u>(813,295)</u>	<u>(133,803)</u>	<u>0</u>	<u>(947,098)</u>
Total Capital Assets, being depreciated, net	<u>2,364,197</u>	<u>(133,803)</u>	<u>0</u>	<u>2,230,394</u>
Business-Type Activities Capital Assets, Net	<u>\$10,197,798</u>	<u>(\$133,803)</u>	<u>\$ 0</u>	<u>\$10,063,995</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$429,305
Public Safety	86,955
Public Health and Welfare	3,126
Leisure Time Activities	140,676
Transportation and Street Repair	<u>4,423,266</u>
	<u>\$5,083,328</u>

**7. INTERFUND ACTIVITY**

As of December 31, 2003, receivables and payables that resulted from various interfund transactions were as follows:

	<u>Due From</u> <u>Other Funds</u>	<u>Transfers In</u>	<u>Due To</u> <u>Other Funds</u>	<u>Transfers Out</u>
General Fund	\$455,946	\$109,210	\$ 0	\$52,819
Police Levy	0	0	0	120,430
Street Levy	0	0	0	76,510
Debt Service	0	816,338	0	355,000
Golf Course	0	355,000	191,654	0
 Non-Major Funds	 <u>0</u>	 <u>0</u>	 <u>264,292</u>	 <u>675,789</u>
 Total All Funds	 <u>\$455,946</u>	 <u>\$1,280,548</u>	 <u>\$455,946</u>	 <u>\$1,280,548</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.

**8. COMPENSATED ABSENCES**

Compensated absences consist of unpaid vacation and certain portions of unused sick leave. Vacation is accumulated based upon length of service as follows:

<u>Length of Service</u>	<u>Hourly</u> <u>Accrual Rate</u>	<u>Average Annual</u> <u>Days Vacation</u>
Date of hire through five (5) years service	.03875 per hour	10 days (2 weeks)
Six (6) through ten (10) complete years service	.0575 per hour	15 days (3 weeks)
Eleven (11) through nineteen (19) complete years service	.0775 per hour	20 days (4 weeks)
Twenty (20) complete years service and over	.09625 per hour	25 days (5 weeks)

Overtime hours cannot be used to accumulate vacation. No more than two years vacation at the applicable accrual rate can be carried forward into the next calendar year. In the case of death, termination, or retirement, an employee (or his estate) is paid for the unused vacation up to a maximum of the two-year accrual. Therefore, the entire liability as determined by the above policy is recognized for each fund.

All employees earn sick leave at the rate of .0577 per hour (an annual average of 15 days). Overtime hours cannot be used to accrue sick leave. There is no maximum amount for accrued sick leave hours.

It is the policy of the City that an employee upon retirement is entitled to receive payment on the basis of one day's pay for each two days of accrued sick leave. A sick leave liability is recorded for those employees that are considered probable to receive such payment.

As of December 31, 2003, the accrued liability for unpaid compensated absences was \$921,943 for all funds and account groups.

**9. NOTES PAYABLE**

A summary of the note transactions for the current year end are as follows:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Retired</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
1.50% Col. Glenn Hwy Improvements	\$150,000	\$138,000	(\$150,000)	\$138,000
1.50% Bullskin Run Improvements	10,000	0	(10,000)	0
1.50% North Fairfield Construction	90,000	0	(90,000)	0
1.50% Service Facility Construction	50,000	25,000	(50,000)	25,000
1.50% Varner Soccer Field	83,000	68,000	(83,000)	68,000
1.50% Kontagionnis Hills Development	<u>1,212,000</u>	<u>0</u>	<u>(1,212,000)</u>	<u>0</u>
<b>Total Governmental Activities</b>	<b>1,595,000</b>	<b>231,000</b>	<b>(1,595,000)</b>	<b>231,000</b>
<b>Business-Type Activities:</b>				
2.75% Golf Course Judgement Note	<u>0</u>	<u>1,150,000</u>	<u>0</u>	<u>1,150,000</u>
<b>Total Business-Type Activities</b>	<b>0</b>	<b>1,150,000</b>	<b>0</b>	<b>1,150,000</b>
<b>Total Notes Payable</b>	<b><u>\$1,595,000</u></b>	<b><u>\$1,381,000</u></b>	<b><u>(\$1,595,000)</u></b>	<b><u>\$1,381,000</u></b>

All of the notes are bond anticipation notes, are backed by the full faith and credit of the City, and mature within one year. The note liability is reflected in the fund which received the proceeds.

## 10. LONG-TERM DEBT

A schedule of changes in bonds and other long-term obligations of the City during the current year, follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities</b>					
<u>General Obligation Bonds</u>					
5.10% 1997-2016 Various Purpose Public Improvements	\$825,000	\$ 0	(\$40,000)	\$785,000	\$40,000
4.00% 2002-2022 Maintenance Facility Construction	<u>5,650,000</u>	<u>0</u>	<u>(190,000)</u>	<u>5,460,000</u>	<u>195,000</u>
Total General Obligation Bonds	<u>6,475,000</u>	<u>0</u>	<u>(230,000)</u>	<u>6,245,000</u>	<u>235,000</u>
<u>Special Assessment Bonds</u>					
7.38% 1989-2007 Apple Valley Street Improvement	50,000	0	(10,000)	40,000	10,000
5.97% 1994-2014 Fairfield Commons Street Improvements	1,225,000	0	(105,000)	1,120,000	105,000
6.47% 1995-2015 Crossing District Street Improvements	1,330,000	0	(105,000)	1,225,000	105,000
5.49% 1995-2015 Various Purpose Street Improvements	195,000	0	(15,000)	180,000	15,000
5.79% 1997-2016 Golf Course Access Roadway Project	75,000	0	(5,000)	70,000	5,000
5.61% 1999-2019 Various Purpose Street Improvements	105,000	0	(5,000)	100,000	5,000
4.76% 2001-2021 Various Purpose Street Improvements	450,000	0	(40,000)	410,000	40,000
3.92% 2003-2023 Kontagiannis Hills Street Development	<u>0</u>	<u>1,290,000</u>	<u>0</u>	<u>1,290,000</u>	<u>30,000</u>
Total Special Assessment Bonds	<u>3,430,000</u>	<u>1,290,000</u>	<u>(285,000)</u>	<u>4,435,000</u>	<u>315,000</u>
Capital Leases	1,530	0	(1,530)	0	0
Compensated Absences	<u>889,680</u>	<u>52,845</u>	<u>(20,582)</u>	<u>921,943</u>	<u>414,379</u>
Total Governmental Activities	<u>\$10,796,210</u>	<u>\$1,342,845</u>	<u>(\$537,112)</u>	<u>\$11,601,943</u>	<u>\$964,379</u>

The various purpose public improvements bond will be paid through the Debt Service Fund and the Maintenance Facility construction bond will be paid through the Voted Debt Service Fund. The special assessment bonds are backed by the full faith and credit of the City and are repaid from the resources of the debt service fund. The City levies an assessment against the effected property owners.

### Business-Type Activities

#### General Obligation Bonds

4.00%-4.80% 1999-2023 Current Interest Bonds	\$4,710,000	\$ 0	(\$355,000)	\$4,355,000	\$415,000
5.05%-5.35% 1999-2023 Capital Appreciation Bonds	<u>5,149,122</u>	<u>282,047</u>	<u>0</u>	<u>5,431,169</u>	<u>0</u>
Total Business-Type Activities	<u>\$9,859,122</u>	<u>\$282,047</u>	<u>(\$355,000)</u>	<u>\$9,786,169</u>	<u>\$415,000</u>

On December 15, 1997 the City issued \$9,583,455 in unvoted general obligation bonds for constructing and installing a municipal golf course within the City. The bond issue included current interest bonds and capital appreciation bonds in the amount of \$5,425,000 and \$4,158,455, respectively. These bonds were issued for a twenty-five year period, with final maturity occurring in 2023.

The capital appreciation bonds do not bear current interest, but will accrete in value from their date of issuance. These bonds will accrete in value at the yield to maturity as established. The capital appreciation bonds will mature in 2011 thru 2023. The maturity amount of the bonds is \$10,985,000. For 2003, \$282,047 was accreted for a cumulative appreciation of \$1,272,714 and a total bond value of \$5,431,169.

Principal and interest requirements to retire the City's long-term obligations outstanding at year end are as follows:

<u>Year Ending</u> <u>December 31</u>	<u>General</u> <u>Obligation Bonds</u>		<u>Special</u> <u>Assessment Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2004	\$947,513	\$496,474	\$315,000	\$255,905
2005	1,038,831	468,334	335,000	220,329
2006	1,134,382	436,589	345,000	203,329
2007	1,235,747	401,209	305,000	185,631
2008	1,353,265	360,884	300,000	168,953
2009-2013	5,109,897	1,175,351	1,500,000	591,343
2014-2018	3,219,117	651,295	835,000	207,750
2019-2023	<u>1,992,417</u>	<u>201,183</u>	<u>500,000</u>	<u>64,264</u>
Total	<u>\$16,031,169</u>	<u>\$4,191,319</u>	<u>\$4,435,000</u>	<u>\$1,897,504</u>

## 11. PENSION PLANS

### Ohio Public Employees Retirement System

All full-time employees, other than non-administrative full-time police officers and firefighters, participate in the Ohio Public Employees Retirement System (OPERS), a cost-sharing multiple-employer public employee retirement system administered by the Public Employees Retirement Board. OPERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report which may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

Members have a choice of three separate pension plans, a Traditional Pension Plan (TP), a Member-Directed Plan (MD) and a Combined Plan (CO). The TP Plan is a cost-sharing multiple-employer defined benefit pension plan. The MD Plan is a defined contribution plan in which member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the MD Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon. The CO Plan is a cost-sharing multiple-employer defined benefit pension plan. Under the CO Plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the TP Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the MD Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the TP and CO Plans. Members of the MD Plan do not qualify for the ancillary benefits.

Plan members are required to contribute 8.5 percent of their annual covered salary to fund pension obligations. The employer pension contribution rate for the City is 13.55 percent of covered payroll. Contributions are authorized by State statute. The contribution rates are determined actuarially. The City's required contributions to OPERS for the years ended December 31, 2003, 2002 and 2001 were \$482,394, \$508,923, and \$475,828, respectively. The full amount has been contributed for 2002 and 2001 and 72 percent has been contributed for 2003.

### **Ohio Police and Fire Pension Fund**

The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple employer defined benefit pension plan administered by the OP&F's Board of Trustees. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and by Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Police and firefighters are required to contribute 10 percent of their annual covered salary to fund pension obligations and the City is required to contribute 19.5 percent for police and 24.0 percent for firefighters. Contributions are authorized by State statute. The City's contributions to the OP&F for the years ending December 31, 2003, 2002 and 2001 were \$537,425, \$531,069 and \$510,243, respectively. The full amount has been contributed for 2002 and 2001 and 74 percent has been contributed for 2003.

## **12. POST EMPLOYMENT BENEFITS**

### **Ohio Public Employees Retirement System**

The Ohio Public Employees Retirement System (OPERS) provides retirement, disability, survivor, and postretirement health care benefits to qualifying members of both the Traditional and the Combined Plans; however, health care benefits are not statutorily guaranteed. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. In order to qualify for postretirement health care coverage, age and service retirees must have ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12. A portion of each employer's contribution to OPERS is set aside for the funding of postretirement health care based on authority granted by State statute. The current year employer contribution rate was 13.55 percent of covered payroll; 5.00 percent was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal 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 percent, an annual increase in active employee total payroll of 4.75 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .54 percent and 5.1 percent based on additional annual pay increases. Health care premiums were assumed to increase 4.75 percent annually.

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

At year end 2003, the number of active contributing participants in the Traditional and Combined Plans totaled 364,881. The City's actual contributions for the current year, which were used to fund postemployment benefits were \$178,005. 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.

### **Ohio Police and Fire Pension Fund**

The Ohio Police and Fire Pension Fund (OP&F) 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 person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending school full-time or on a 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 Ohio Police and Fire Pension Fund shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution 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 the current year. 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.

The City's actual contributions for the current year that were used to fund postemployment benefits were \$213,592 for police officers. The OP&F's total health care expenses for the year ended December 31, 2002, (the latest information available) were \$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.

### 13. CONSTRUCTION COMMITMENTS

The City had the following outstanding commitments at year end:

Projects	Amount
Municipal Maintenance Facility	\$423,951
Colonel Glenn Highway Resurfacing	9,786
Grange Hall Road Improvement	290,681
Arlington East Curb Replacements	39,287
Indian Ripple at Woodcroft	25,000
Street Lighting Projects	421,000
Kemp Road Storm Sewer Improvement	80,000
Municipal Service Center – Tank Removal	35,000
Municipal Service Center – Building Demolition	60,000
Storm Sewer Improvements	35,347
Kemp/Grange Hall Road R/W Agreement	7,000
Grange Hall Road Creekside Trail Parking Lot	34,195
Municipal Maintenance Facility Blanket	<u>545,179</u>
Total	<u>\$2,006,426</u>

### 14. COMPLIANCE AND ACCOUNTABILITY

#### Fund Deficits and Deficits in Net Assets:

The following individual funds had deficit fund balances/net assets at December 31, 2003:

<u>Fund</u>	<u>Deficit</u>
Debt Service	\$67,777
Special Revenue Funds:	
Community Development Block Grant	46,193
Law Enforcement	7,295
Miscellaneous Special Revenue	175,787
Capital Projects Funds:	
Parks & Recreation	40,098
Enterprise Fund:	
Golf Course	2,477,412

The Debt Service fund deficit resulted from the City's policy to utilize short-term bond anticipation notes. The City has obtained reduced interest expense and additional flexibility through the use of short-term debt. However, fund deficits have resulted since short-term debt is reported within the associated fund rather than in the Governmental Activities long-term liabilities.

At December 31, 2003, the golf course fund had a cash deficit fund balance of \$191,654. The golf course was started with an operating program that gave the course a heavy debt load. It was expected that golf course deficit retained earnings would occur in the first few years of operations. Officials have budgeted for a transfer from the General Fund in future years to help cover the deficit. The City is aware of the deficit and is trying to provide for the deficit through future revenues.

The remaining deficits occurred as a result of certain expenditures being incurred in anticipation of the receipt of revenues early in the next fiscal year. These deficits are expected to be provided for through future revenues.

#### **Non-Compliance:**

Ohio Revised Code Section 5705.39, states the total appropriation from each fund should not exceed the total estimated revenue.

At December 31, 2003, the following City funds had a deficit fund balance (original budget basis) in the following amounts: Special Revenue Community Development Block Grant Fund (\$7,000), Special Revenue Law Enforcement Fund (\$9,000), Miscellaneous Special Revenue Fund (\$19,089), Capital Projects OPWC Capital Projects Fund (\$240,193), and Capital Projects Minor S.A.D. Projects Fund (\$1,051,695).

At December 31, 2003, the following City funds had a deficit fund balance (final budget basis) in the following amounts: Special Revenue Cable Television Fund (\$134,110), Special Revenue Community Development Block Grant Fund (\$15,350), Special Revenue Law Enforcement Fund (\$79,117), Special Revenue Miscellaneous Special Revenue Fund (\$90,330), Debt Service Voted Debt Service Fund (\$135,992), Capital Projects OPWC Capital Projects Fund (\$240,193), Capital Projects Minor S.A.D. Project Fund (\$394,295).

At December 31, 2003, the following City funds had a deficit fund balance (actual budget basis) in the following amounts: Special Revenue Community Development Block Grant Fund (\$29,058), Special Revenue Miscellaneous Special Revenue Fund (\$150,095), Debt Service Voted Debt Service Fund (\$137,763), Capital Projects OPWC Capital Projects Fund (\$198,094), and Capital Projects Minor S.A.D. Projects Fund (\$298,280).

At December 31, 2003, the following City fund had expenditures exceeding appropriations at the fund level: Debt Service Voted Debt Service Fund (\$1,771).

## **15. 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-omnibus" and GASB Statement No. 38 "Certain Financial Statement Note Disclosures".

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

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

The governmental activities capital assets were restated as of December 31, 2002 based on an appraisal that was conducted for the City.

## Restatement of Fund Balance

The implementation of these statements had the following effects on fund balance of the major and non-major funds of the City as they were previously reported. The transition from governmental fund balances to net assets of the governmental activities is also presented.

	General	Police Levy	Street Levy	Street Maintenance	Debt Service	Service Facility Site	Nonmajor	Total
Fund Balances, December 31, 2002	\$2,652,856	\$1,764,698	\$1,512,691	\$665,508	(\$219,308)	\$4,175,190	\$932,071	\$11,483,706
Fund Reclassification	288,185	0	0	0	121	0	47,208	335,514
Adjusted Fund Balances, December 31, 2002	<u>\$2,941,041</u>	<u>\$1,764,698</u>	<u>\$1,512,691</u>	<u>\$665,508</u>	<u>(\$219,187)</u>	<u>\$4,175,190</u>	<u>\$979,279</u>	\$11,819,220
GASB 34 / Capital Assets Adjustments:								
Capital Assets								191,546,434
Compensated Absences Payable								(869,098)
Accrued Wages and Benefits								(294,214)
Deferred Revenue								6,653,181
Interest Payable								(64,448)
Long Term Liabilities								(9,905,000)
Governmental Activities Net Assets, December 31, 2002								<u>\$198,886,075</u>

At December 31, 2002, capital assets were restated in the Enterprise Funds. This restatement had the following effect on fund equity as it was previously reported:

	Golf Course
Fund Equity, December 31, 2002	(\$4,145,039)
Capital Assets	<u>2,379,048</u>
Adjusted Net Assets, December 31, 2002	<u>(\$1,765,991)</u>

## 16. SPECIAL ITEM

The City canceled the golf course management contract with Vintage Golf Corporation and transferred the operation back to the City on December 31, 2003.

As a result, the City of Beavercreek issued a judgment note for \$1,150,000 to cancel the management contract with Vintage Golf Corporation. The City owed Vintage Golf Corporation \$1,156,610 for management services due at December 31, 2003. The gain of \$6,610 on cancellation of the contract was recorded as a special item.

## 17. SUBSEQUENT EVENT

In February 2004, the City authorized the issuance of \$500,000 in improvement bonds for renovations to the Senior Center.

**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

City of Beavercreek, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2003

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$1,081,270	\$1,036,075	\$1,007,971	(\$28,104)
Fines, Licenses & Permits	143,964	100,000	134,205	34,205
Intergovernmental	1,993,680	1,794,200	1,858,528	64,328
Special Assessments	113,354	110,000	105,670	(4,330)
Charges for Services	70,604	69,700	65,818	(3,882)
Investment Earnings	147,344	225,000	137,356	(87,644)
Other Revenues	74,084	78,500	69,062	(9,438)
<b>Total Revenues</b>	<b>3,624,300</b>	<b>3,413,475</b>	<b>3,378,610</b>	<b>(34,865)</b>
Expenditures:				
Current:				
General Government	2,169,029	2,369,562	1,795,386	574,176
Public Safety	129,473	95,000	107,170	(12,170)
Leisure Time Activities	887,864	767,637	734,918	32,719
Community Development	556,696	493,831	460,798	33,033
Basic Utility Service	83,425	75,000	69,054	5,946
Public Health and Welfare	213,382	95,475	176,624	(81,149)
Capital Outlay	195,319	156,834	161,673	(4,839)
<b>Total Expenditures</b>	<b>4,235,188</b>	<b>4,053,339</b>	<b>3,505,623</b>	<b>547,716</b>
Excess of Revenues Over (Under) Expenditures	(610,888)	(639,864)	(127,013)	512,851
Other financing sources (uses):				
Proceeds from Sale of Capital Assets	23,992	10,000	22,366	12,366
Transfers (Out)	(63,811)	(52,819)	(52,819)	0
<b>Total Other Financing Sources (Uses)</b>	<b>(39,819)</b>	<b>(42,819)</b>	<b>(30,453)</b>	<b>12,366</b>
<b>Net Change in Fund Balance</b>	<b>(650,707)</b>	<b>(682,683)</b>	<b>(157,466)</b>	<b>525,217</b>
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,645,022	2,645,022	2,645,022	0
<b>Fund Balance End of Year</b>	<b>\$1,994,315</b>	<b>\$1,962,339</b>	<b>\$2,487,556</b>	<b>\$525,217</b>

See accompanying notes to the required supplementary information.

City of Beavercreek, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2003

	Police Levy Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$5,183,563	\$5,489,320	\$5,134,041	(\$355,279)
Fines, Licenses & Permits	83,167	135,100	82,372	(52,728)
Intergovernmental	633,426	487,000	627,374	140,374
Charges for Services	148,236	217,000	146,820	(70,180)
Other Revenues	107,548	44,800	106,521	61,721
<b>Total Revenues</b>	<b>6,155,940</b>	<b>6,373,220</b>	<b>6,097,128</b>	<b>(276,092)</b>
Expenditures:				
Current:				
General Government	379,660	303,432	344,050	(40,618)
Public Safety	6,106,616	6,414,429	5,533,844	880,585
Public Health and Welfare	164,510	160,900	149,080	11,820
Capital Outlay	220,319	187,788	199,654	(11,866)
<b>Total Expenditures</b>	<b>6,871,105</b>	<b>7,066,549</b>	<b>6,226,628</b>	<b>839,921</b>
Excess of Revenues Over (Under) Expenditures	(715,165)	(693,329)	(129,500)	563,829
Other financing sources (uses):				
Proceeds from Sale of Capital Assets	0	12,000	0	(12,000)
Transfers (Out)	(132,895)	(120,430)	(120,430)	0
<b>Total Other Financing Sources (Uses)</b>	<b>(132,895)</b>	<b>(108,430)</b>	<b>(120,430)</b>	<b>(12,000)</b>
Net Change in Fund Balance	(848,060)	(801,759)	(249,930)	551,829
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,970,266	1,970,266	1,970,266	0
<b>Fund Balance End of Year</b>	<b>\$1,122,206</b>	<b>\$1,168,507</b>	<b>\$1,720,336</b>	<b>\$551,829</b>

See accompanying notes to the required supplementary information.

City of Beavercreek, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2003

	Street Levy Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
<b>Revenues:</b>				
Taxes	\$2,336,236	\$2,359,200	\$2,395,988	\$36,788
Fines, Licenses & Permits	0	1,000	0	(1,000)
Intergovernmental	282,348	253,000	289,569	36,569
Charges for Services	0	24,300	0	(24,300)
Other Revenues	29,485	12,600	30,239	17,639
<b>Total Revenues</b>	<b>2,648,069</b>	<b>2,650,100</b>	<b>2,715,796</b>	<b>65,696</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government	89,844	163,102	87,264	75,838
Transportation & Street Repair	2,191,195	2,539,438	2,128,269	411,169
Capital Outlay	688,189	644,346	668,426	(24,080)
<b>Total Expenditures</b>	<b>2,969,228</b>	<b>3,346,886</b>	<b>2,883,959</b>	<b>462,927</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(321,159)</b>	<b>(696,786)</b>	<b>(168,163)</b>	<b>528,623</b>
<b>Other financing sources (uses):</b>				
Transfers (Out)	(78,772)	(76,510)	(76,510)	0
<b>Total Other Financing Sources (Uses)</b>	<b>(78,772)</b>	<b>(76,510)</b>	<b>(76,510)</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>(399,931)</b>	<b>(773,296)</b>	<b>(244,673)</b>	<b>528,623</b>
<b>Fund Balance Beginning of Year (includes prior year encumbrances appropriated)</b>	<b>1,549,934</b>	<b>1,549,934</b>	<b>1,549,934</b>	<b>0</b>
<b>Fund Balance End of Year</b>	<b>\$1,150,003</b>	<b>\$776,638</b>	<b>\$1,305,261</b>	<b>\$528,623</b>

See accompanying notes to the required supplementary information.

City of Beavercreek, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2003

	Street Maintenance Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$1,193,848	\$1,709,000	\$1,333,015	(\$375,985)
Investment Earnings	10,152	16,000	11,335	(4,665)
<b>Total Revenues</b>	<b>1,204,000</b>	<b>1,725,000</b>	<b>1,344,350</b>	<b>(380,650)</b>
Expenditures:				
Current:				
Transportation & Street Repair	1,386,166	2,089,110	2,004,258	84,852
Capital Outlay	333,753	751,747	482,574	269,173
<b>Total Expenditures</b>	<b>1,719,919</b>	<b>2,840,857</b>	<b>2,486,832</b>	<b>354,025</b>
Excess of Revenues Over (Under) Expenditures	(515,919)	(1,115,857)	(1,142,482)	(26,625)
Other financing sources (uses):				
Transfers (Out)	(41,080)	0	(59,398)	(59,398)
<b>Total Other Financing Sources (Uses)</b>	<b>(41,080)</b>	<b>0</b>	<b>(59,398)</b>	<b>(59,398)</b>
<b>Net Change in Fund Balance</b>	<b>(556,999)</b>	<b>(1,115,857)</b>	<b>(1,201,880)</b>	<b>(86,023)</b>
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,258,190	1,258,190	1,258,190	0
<b>Fund Balance End of Year</b>	<b>\$701,191</b>	<b>\$142,333</b>	<b>\$56,310</b>	<b>(\$86,023)</b>

See accompanying notes to the required supplementary information.

**THIS PAGE INTENTIONALLY LEFT BLANK**

## 1. BUDGETARY PROCESS

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution 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 Council at the fund level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the City. 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 final amended certificate of estimated resources issued during the year.

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including 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.

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 a basis of cash receipts, disbursements and encumbrances. The Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual presented for the general fund, police levy, street levy and street maintenance fund are 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 as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).
4. Unreported cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statement.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund, police levy, street levy and street maintenance fund.

Net Change in Fund Balance

	<u>General</u>	<u>Police Levy</u>	<u>Street Levy</u>	<u>Street Maintenance</u>
GAAP Basis	(\$239,741)	(\$511,268)	(\$60,313)	(\$129,459)
Net Adjustment for Revenue Accruals	(445,642)	11,412	763	(1,687,922)
Net Adjustment for Expenditure Accruals	690,980	317,309	81,427	1,575,979
Encumbrances	<u>(163,063)</u>	<u>(67,383)</u>	<u>(266,550)</u>	<u>(960,478)</u>
Budget Basis	<u>(\$157,466)</u>	<u>(\$249,930)</u>	<u>(\$244,673)</u>	<u>(\$1,201,880)</u>

**COMBINING STATEMENTS  
AND INDIVIDUAL  
FUND SCHEDULES**

## **NONMAJOR GOVERNMENTAL FUNDS**

### **Special Revenue Funds**

**State Highway - Required by the Ohio Revised Code to account for that portion of the state gasoline tax and motor vehicle registration fees designated for maintenance of state highways within the City.**

**Cable Television - To account for cable television franchise fees.**

**Beautification - To account for marriage donations and other monies designated for community beautification activities.**

**Community Development Block Grant - To account for community development block grant funds.**

**Recreational Activities - To account for monies received through charges for services for recreational and cultural events provided for public enjoyment.**

**Law Enforcement - To account for monies designated to be used for law enforcement.**

**Drug Law Enforcement - To account for monies designated to be used for drug law enforcement.**

**DUI Enforcement and Education - To account for special court fines designated for programs to deter driving under the influence of alcohol.**

**Drug Offenses Forfeiture - To account for monies acquired through seizures in conjunction with violation of Ohio statutes and designated for law enforcement purposes.**

**Federal Forfeitures - To account for monies acquired through seizures under federal statute and designated for specified law enforcement purposes.**

**Youth Activities - To account for monies designated for youth activities.**

**Crime Prevention - To account for monies designated for special crime prevention programs.**

**Miscellaneous Special Revenue - To account for incidental or occasional special revenue categories.**

**Debt Service Fund**

**Voted Debt Service - To account for voted outstanding debt obligations.**

**Capital Projects Funds**

**Street Capital Improvement - To account for receipts of the municipal vehicle license tax designated for the improvement of arterial streets.**

**Parks and Recreation Capital Improvement - To account for various park development projects financed by governmental funds.**

**OPWC Capital Projects - To account for capital projects financed by state grants administered by the Ohio Public Works Commission (OPWC).**

**Minor Special Assessment District Projects - To account for various infrastructure projects estimated to be less than one million dollars each that are required to be paid by new private developments upon petition to the City.**

**Municipal Facilities - To account for the municipal facility improvements financed by governmental funds.**

**Permanent Fund**

**Cemetery Bequest - To account for amounts distributed by court order in the division of former township assets having the restriction that the donor desired the principal amount to remain intact with the interest revenue to be used for the general care and maintenance of the cemetery.**

**Agency Funds**

**Miscellaneous - To account for incidental and occasional restricted gifts and donations intended for specified activities.**

**Cash Bonds - To account for cash deposits held in lieu of performance bonds from bidders, contractors or developers.**

City of Beavercreek, Ohio  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 December 31, 2003

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$499,327	\$119,300	\$971,883	\$0
Restricted Cash and Investments	0	0	0	15,717
<b>Receivables:</b>				
Taxes	0	365,668	0	0
Accounts	196,200	0	0	0
Intergovernmental	95,901	23,028	149,462	0
Inventory	200	0	0	0
<b>Total Assets</b>	<b>791,628</b>	<b>507,996</b>	<b>1,121,345</b>	<b>15,717</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts Payable	17,233	0	2,336	0
Accrued Wages and Benefits	10,222	0	0	0
Compensated Absences	711	0	0	0
Deferred Revenue	88,477	388,696	127,458	0
Due to Other Funds	224,194	0	40,098	0
<b>Total Liabilities</b>	<b>340,837</b>	<b>388,696</b>	<b>169,892</b>	<b>0</b>
<b>Fund Balances:</b>				
Reserved for Encumbrances	61,262	0	690,824	0
Reserved for Inventory	200	0	0	0
Reserved for Cemetery Bequest	0	0	0	15,201
<b>Unreserved, Undesignated, Reported in:</b>				
Special Revenue Funds	389,329	0	0	0
Debt Service Funds	0	119,300	0	0
Capital Projects Funds	0	0	260,629	0
Permanent Funds	0	0	0	516
<b>Total Fund Balances</b>	<b>450,791</b>	<b>119,300</b>	<b>951,453</b>	<b>15,717</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$791,628</b>	<b>\$507,996</b>	<b>\$1,121,345</b>	<b>\$15,717</b>

---

---

Total  
Nonmajor  
Governmental  
Funds

---

\$1,590,510  
15,717

365,668  
196,200  
268,391  
200

---

2,436,686

19,569  
10,222  
711  
604,631  
264,292

---

899,425

752,086  
200  
15,201

389,329  
119,300  
260,629  
516

---

1,537,261

\$2,436,686

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

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund
Revenues:				
Taxes	\$0	\$229,077	\$195,636	\$0
Fines, Licenses & Permits	387,965	0	0	0
Charges for Services	138,348	0	0	0
Investment Earnings	1,497	0	3,623	169
Intergovernmental	325,071	27,986	165,295	0
Other Revenues	43,661	0	29,527	0
Total Revenues	896,542	257,063	394,081	169
Expenditures:				
Current:				
General Government	220,878	0	222,485	0
Public Safety	16,843	0	0	0
Leisure Time Activities	251,553	0	0	0
Capital Outlay	226,670	0	109,567	0
Debt Service:				
Principal Retirement	0	190,000	0	0
Interest and Fiscal Charges	0	259,293	106,695	0
Total Expenditures	715,944	449,293	438,747	0
Excess of Revenues Over (Under) Expenditures	180,598	(192,230)	(44,666)	169
Other Financing Sources (Uses):				
Proceeds of Long-Term Capital-Related Debt	0	0	1,290,000	0
Transfers (Out)	(566,994)	0	(108,795)	0
Total Other Financing Sources (Uses)	(566,994)	0	1,181,205	0
Net Change in Fund Balance	(386,396)	(192,230)	1,136,539	169
Fund Balance Beginning of Year (Restated)	837,287	311,530	(185,086)	15,548
Change in Reserve for Inventory	(100)	0	0	0
Fund Balance End of Year	\$450,791	\$119,300	\$951,453	\$15,717



City of Beavercreek, Ohio  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2003

	Street Highway	Cable Television	Beautification	Community Development Block Grant
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$193,948	\$57,482	\$6,295	\$0
<b>Receivables:</b>				
Accounts	0	196,200	0	0
Intergovernmental	44,720	0	0	51,181
Inventory	0	200	0	0
<b>Total Assets</b>	<b>238,668</b>	<b>253,882</b>	<b>6,295</b>	<b>51,181</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts Payable	0	13,564	0	825
Accrued Wages and Benefits	0	8,313	0	0
Compensated Absences	0	711	0	0
Deferred Revenue	37,296	0	0	51,181
Due to Other Funds	0	0	0	45,368
<b>Total Liabilities</b>	<b>37,296</b>	<b>22,588</b>	<b>0</b>	<b>97,374</b>
<b>Fund Balances:</b>				
Reserved for Encumbrances	0	6,762	0	0
Reserved for Inventory	0	200	0	0
Unreserved, Undesignated, Reported in: Special Revenue Funds	201,372	224,332	6,295	(46,193)
<b>Total Fund Balances</b>	<b>201,372</b>	<b>231,294</b>	<b>6,295</b>	<b>(46,193)</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$238,668</b>	<b>\$253,882</b>	<b>\$6,295</b>	<b>\$51,181</b>

Recreational Activities	Law Enforcement	Drug Law Enforcement	DUI Enforcement and Education	Drug Offenses Forfeiture	Federal Forfeiture	Youth Activities
\$130,728	\$0	\$43,544	\$39,343	\$13,601	\$6,920	\$5,235
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>130,728</u>	<u>0</u>	<u>43,544</u>	<u>39,343</u>	<u>13,601</u>	<u>6,920</u>	<u>5,235</u>
310	1,650	0	0	0	0	0
187	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	5,645	0	0	0	0	0
<u>497</u>	<u>7,295</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	54,500	0	0	0	0	0
0	0	0	0	0	0	0
<u>130,231</u>	<u>(61,795)</u>	<u>43,544</u>	<u>39,343</u>	<u>13,601</u>	<u>6,920</u>	<u>5,235</u>
<u>130,231</u>	<u>(7,295)</u>	<u>43,544</u>	<u>39,343</u>	<u>13,601</u>	<u>6,920</u>	<u>5,235</u>
<u>\$130,728</u>	<u>\$0</u>	<u>\$43,544</u>	<u>\$39,343</u>	<u>\$13,601</u>	<u>\$6,920</u>	<u>\$5,235</u>

Continued

City of Beavercreek, Ohio  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2003

	Crime Prevention	Miscellaneous Special Revenue	Total Nonmajor Special Revenue Funds
<b>Assets:</b>			
Equity in Pooled Cash and Investments	\$2,231	\$0	\$499,327
<b>Receivables:</b>			
Accounts	0	0	196,200
Intergovernmental	0	0	95,901
Inventory	0	0	200
<b>Total Assets</b>	<u>2,231</u>	<u>0</u>	<u>791,628</u>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts Payable	0	884	17,233
Accrued Wages and Benefits	0	1,722	10,222
Compensated Absences	0	0	711
Deferred Revenue	0	0	88,477
Due to Other Funds	0	173,181	224,194
<b>Total Liabilities</b>	<u>0</u>	<u>175,787</u>	<u>340,837</u>
<b>Fund Balances:</b>			
Reserved for Encumbrances	0	0	61,262
Reserved for Inventory	0	0	200
Unreserved, Undesignated, Reported in: Special Revenue Funds	<u>2,231</u>	<u>(175,787)</u>	<u>389,329</u>
<b>Total Fund Balances</b>	<u>2,231</u>	<u>(175,787)</u>	<u>450,791</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$2,231</u>	<u>\$0</u>	<u>\$791,628</u>

**THIS PAGE INTENTIONALLY LEFT BLANK**

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

	Street Highway	Cable Television	Beautification	Community Development Block Grant
Revenues:				
Fines, Licenses & Permits	\$0	\$383,146	\$0	\$0
Charges for Services	0	0	0	0
Investment Earnings	1,497	0	0	0
Intergovernmental	88,171	0	0	19,940
Other Revenues	0	112	0	0
<b>Total Revenues</b>	<b>89,668</b>	<b>383,258</b>	<b>0</b>	<b>19,940</b>
Expenditures:				
Current:				
General Government	0	214,019	0	4,950
Public Safety	0	0	0	0
Leisure Time Activities	0	0	0	0
Capital Outlay	0	27,541	0	37,451
<b>Total Expenditures</b>	<b>0</b>	<b>241,560</b>	<b>0</b>	<b>42,401</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>89,668</b>	<b>141,698</b>	<b>0</b>	<b>(22,461)</b>
Other Financing Sources (Uses):				
Transfers (Out)	0	(565,989)	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>(565,989)</b>	<b>0</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>89,668</b>	<b>(424,291)</b>	<b>0</b>	<b>(22,461)</b>
<b>Fund Balance Beginning of Year (Restated)</b>	<b>111,704</b>	<b>655,685</b>	<b>6,295</b>	<b>(23,732)</b>
<b>Change in Reserve for Inventory</b>	<b>0</b>	<b>(100)</b>	<b>0</b>	<b>0</b>
<b>Fund Balance End of Year</b>	<b>\$201,372</b>	<b>\$231,294</b>	<b>\$6,295</b>	<b>(\$46,193)</b>

Recreational Activities	Law Enforcement	Drug Law Enforcement	DUI Enforcement and Education	Drug Offenses Forfeiture	Federal Forfeiture	Youth Activities
\$0	\$0	\$1,428	\$2,363	\$0	\$1,028	\$0
138,348	0	0	0	0	0	0
0	0	0	0	0	0	0
0	92,137	14,410	0	0	0	0
39,245	0	0	0	0	0	450
177,593	92,137	15,838	2,363	0	1,028	450
187	0	0	0	0	0	0
0	4,451	12,392	0	0	0	0
169,330	0	0	0	0	0	0
34,069	10,439	0	0	0	0	0
203,586	14,890	12,392	0	0	0	0
(25,993)	77,247	3,446	2,363	0	1,028	450
(90)	0	0	0	0	0	0
(90)	0	0	0	0	0	0
(26,083)	77,247	3,446	2,363	0	1,028	450
156,314	(84,542)	40,098	36,980	13,601	5,892	4,785
0	0	0	0	0	0	0
\$130,231	(\$7,295)	\$43,544	\$39,343	\$13,601	\$6,920	\$5,235

Continued

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

	Crime Prevention	Miscellaneous Special Revenue	Total Nonmajor Special Revenue Funds
Revenues:			
Fines, Licenses & Permits	\$0	\$0	\$387,965
Charges for Services	0	0	138,348
Investment Earnings	0	0	1,497
Intergovernmental	1,191	109,222	325,071
Other Revenues	0	3,854	43,661
Total Revenues	1,191	113,076	896,542
Expenditures:			
Current:			
General Government	0	1,722	220,878
Public Safety	0	0	16,843
Leisure Time Activities	0	82,223	251,553
Capital Outlay	37	117,133	226,670
Total Expenditures	37	201,078	715,944
Excess of Revenues Over (Under) Expenditures	1,154	(88,002)	180,598
Other Financing Sources (Uses):			
Transfers (Out)	0	(915)	(566,994)
Total Other Financing Sources (Uses)	0	(915)	(566,994)
Net Change in Fund Balance	1,154	(88,917)	(386,396)
Fund Balance Beginning of Year (Restated)	1,077	(86,870)	837,287
Change in Reserve for Inventory	0	0	(100)
Fund Balance End of Year	\$2,231	(\$175,787)	\$450,791

**THIS PAGE INTENTIONALLY LEFT BLANK**

City of Beavercreek, Ohio  
Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2003

	Street Capital Improvement	Parks and Recreation Capital Improvement	OPWC Capital Projects	Minor Special Assessment District Projects
Assets:				
Equity in Pooled Cash and Investments	\$772,173	\$0	\$31,807	\$164,981
Receivables:				
Intergovernmental	149,462	0	0	0
<b>Total Assets</b>	<b>921,635</b>	<b>0</b>	<b>31,807</b>	<b>164,981</b>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	0	0	0	2,336
Deferred Revenue	127,458	0	0	0
Due to Other Funds	0	40,098	0	0
<b>Total Liabilities</b>	<b>127,458</b>	<b>40,098</b>	<b>0</b>	<b>2,336</b>
Fund Balances:				
Reserved for Encumbrances	0	0	229,901	460,923
Unreserved, Undesignated, Reported in: Capital Projects Funds	794,177	(40,098)	(198,094)	(298,278)
<b>Total Fund Balances</b>	<b>794,177</b>	<b>(40,098)</b>	<b>31,807</b>	<b>162,645</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$921,635</b>	<b>\$0</b>	<b>\$31,807</b>	<b>\$164,981</b>

Municipal Facilities	Total Nonmajor Capital Projects Funds
\$2,922	\$971,883
0	149,462
<u>2,922</u>	<u>1,121,345</u>
0	2,336
0	127,458
0	40,098
0	169,892
0	690,824
2,922	260,629
2,922	951,453
<u>\$2,922</u>	<u>\$1,121,345</u>

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

	Street Capital Improvement	Parks and Recreation Capital Improvement	OPWC Capital Projects	Minor Special Assessment District Projects
Revenues:				
Taxes	\$195,636	\$0	\$0	\$0
Investment Earnings	0	0	0	3,623
Intergovernmental	149,358	15,937	0	0
Other Revenues	0	0	0	29,527
<b>Total Revenues</b>	<b>344,994</b>	<b>15,937</b>	<b>0</b>	<b>33,150</b>
Expenditures:				
Current:				
General Government	0	0	0	222,485
Capital Outlay	0	0	0	109,567
Debt Service:				
Interest and Fiscal Charges	0	0	0	106,695
<b>Total Expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>438,747</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>344,994</b>	<b>15,937</b>	<b>0</b>	<b>(405,597)</b>
Other Financing Sources (Uses):				
Proceeds of Long-Term Capital-Related Debt	0	0	0	1,290,000
Transfers (Out)	(108,795)	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>(108,795)</b>	<b>0</b>	<b>0</b>	<b>1,290,000</b>
<b>Net Change in Fund Balance</b>	<b>236,199</b>	<b>15,937</b>	<b>0</b>	<b>884,403</b>
<b>Fund Balance Beginning of Year (Restated)</b>	<b>557,978</b>	<b>(56,035)</b>	<b>31,807</b>	<b>(721,758)</b>
<b>Fund Balance End of Year</b>	<b>\$794,177</b>	<b>(\$40,098)</b>	<b>\$31,807</b>	<b>\$162,645</b>

Municipal Facilities	Total Nonmajor Capital Projects Funds
\$0	\$195,636
0	3,623
0	165,295
0	29,527
0	394,081
0	222,485
0	109,567
0	106,695
0	438,747
0	(44,666)
0	1,290,000
0	(108,795)
0	1,181,205
0	1,136,539
2,922	(185,086)
<u>\$2,922</u>	<u>\$951,453</u>

City of Beavercreek, Ohio  
Statement of Changes In Assets and Liabilities  
Agency Funds  
For the Fiscal Year Ended December 31, 2003

	Miscellaneous			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$267,521	\$122,829	\$294,124	\$96,226
Total Assets	<u>267,521</u>	<u>122,829</u>	<u>294,124</u>	<u>96,226</u>
Liabilities:				
Accounts Payable	122,829	0	122,829	0
Other Liabilities	144,692	122,829	171,295	96,226
Total Liabilities	<u>\$267,521</u>	<u>\$122,829</u>	<u>\$294,124</u>	<u>\$96,226</u>

	Cash Bonds			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$219,634	\$31,257	\$0	\$250,891
Total Assets	<u>219,634</u>	<u>31,257</u>	<u>0</u>	<u>250,891</u>
Liabilities:				
Other Liabilities	219,634	31,257	0	250,891
Total Liabilities	<u>\$219,634</u>	<u>\$31,257</u>	<u>\$0</u>	<u>\$250,891</u>

	Total All Agency Funds			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$487,155	\$154,086	\$294,124	\$347,117
Total Assets	<u>487,155</u>	<u>154,086</u>	<u>294,124</u>	<u>347,117</u>
Liabilities:				
Accounts Payable	122,829	0	122,829	0
Other Liabilities	364,326	154,086	171,295	347,117
Total Liabilities	<u>\$487,155</u>	<u>\$154,086</u>	<u>\$294,124</u>	<u>\$347,117</u>

City of Beavercreek, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2003

	Street Highway Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$82,909	\$83,000	\$86,946	\$3,946
Investment Earnings	1,591	1,500	1,668	168
<b>Total Revenues</b>	<b>84,500</b>	<b>84,500</b>	<b>88,614</b>	<b>4,114</b>
Expenditures:				
Current:				
Capital Outlay	22,000	22,000	0	22,000
<b>Total Expenditures</b>	<b>22,000</b>	<b>22,000</b>	<b>0</b>	<b>22,000</b>
<b>Net Change in Fund Balance</b>	<b>62,500</b>	<b>62,500</b>	<b>88,614</b>	<b>26,114</b>
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	105,334	105,334	105,334	0
<b>Fund Balance End of Year</b>	<b>\$167,834</b>	<b>\$167,834</b>	<b>\$193,948</b>	<b>\$26,114</b>

City of Beavercreek, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2003

	Cable Television Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
<b>Revenues:</b>				
Fines, Licenses & Permits	\$305,604	\$305,000	\$355,785	\$50,785
Other Revenues	96	700	112	(588)
<b>Total Revenues</b>	<b>305,700</b>	<b>305,700</b>	<b>355,897</b>	<b>50,197</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government	23,449	314,761	204,725	110,036
Capital Outlay	5,025	52,500	43,868	8,632
<b>Total Expenditures</b>	<b>28,474</b>	<b>367,261</b>	<b>248,593</b>	<b>118,668</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>277,226</b>	<b>(61,561)</b>	<b>107,304</b>	<b>168,865</b>
<b>Other financing sources (uses):</b>				
Transfers (Out)	(64,827)	(565,989)	(565,989)	0
<b>Total Other Financing Sources (Uses)</b>	<b>(64,827)</b>	<b>(565,989)</b>	<b>(565,989)</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>212,399</b>	<b>(627,550)</b>	<b>(458,685)</b>	<b>168,865</b>
<b>Fund Balance Beginning of Year (includes prior year encumbrances appropriated)</b>	<b>493,440</b>	<b>493,440</b>	<b>493,440</b>	<b>0</b>
<b>Fund Balance End of Year</b>	<b>\$705,839</b>	<b>(\$134,110)</b>	<b>\$34,755</b>	<b>\$168,865</b>

City of Beavercreek, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2003

	Beautification Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$0	\$0	\$0	\$0
Total Revenues	0	0	0	0
Expenditures:				
Current:				
General Government	0	0	0	0
Total Expenditures	0	0	0	0
Net Change in Fund Balance	0	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	6,295	6,295	6,295	0
Fund Balance End of Year	\$6,295	\$6,295	\$6,295	\$0

City of Beavercreek, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2003

	Community Development Block Grant Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$66,000	\$66,000	\$19,940	(\$46,060)
Total Revenues	66,000	66,000	19,940	(46,060)
Expenditures:				
Current:				
General Government	7,375	74,650	4,950	69,700
Capital Outlay	65,625	6,700	44,048	(37,348)
Total Expenditures	73,000	81,350	48,998	32,352
Net Change in Fund Balance	(7,000)	(15,350)	(29,058)	(13,708)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0	0
Fund Balance End of Year	(\$7,000)	(\$15,350)	(\$29,058)	(\$13,708)

City of Beavercreek, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2003

	Recreational Activities Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Charges for Services	\$159,581	\$141,230	\$138,348	(\$2,882)
Other Revenues	45,268	63,619	39,245	(24,374)
Total Revenues	204,849	204,849	177,593	(27,256)
Expenditures:				
Current:				
Leisure Time Activities	200,482	213,890	169,020	44,870
Capital Outlay	40,411	30,000	34,069	(4,069)
Total Expenditures	240,893	243,890	203,089	40,801
Excess of Revenues Over (Under) Expenditures	(36,044)	(39,041)	(25,496)	13,545
Other financing sources (uses):				
Transfers (Out)	(107)	(90)	(90)	0
Total Other Financing Sources (Uses)	(107)	(90)	(90)	0
Net Change in Fund Balance	(36,151)	(39,131)	(25,586)	13,545
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	156,314	156,314	156,314	0
Fund Balance End of Year	\$120,163	\$117,183	\$130,728	\$13,545

City of Beavercreek, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2003

	Law Enforcement Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$0	\$0	\$92,137	\$92,137
Total Revenues	0	0	92,137	92,137
Expenditures:				
Current:				
Public Safety	2,912	22,873	22,600	273
Capital Outlay	6,088	56,244	47,245	8,999
Total Expenditures	9,000	79,117	69,845	9,272
Net Change in Fund Balance	(9,000)	(79,117)	22,292	101,409
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0	0
Fund Balance End of Year	(\$9,000)	(\$79,117)	\$22,292	\$101,409

City of Beavercreek, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2003

	Drug Law Enforcement Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Fines, Licenses & Permits	\$1,235	\$0	\$1,428	\$1,428
Intergovernmental	12,465	13,700	14,410	710
<b>Total Revenues</b>	<b>13,700</b>	<b>13,700</b>	<b>15,838</b>	<b>2,138</b>
Expenditures:				
Current:				
Public Safety	18,000	20,721	15,064	5,657
<b>Total Expenditures</b>	<b>18,000</b>	<b>20,721</b>	<b>15,064</b>	<b>5,657</b>
<b>Net Change in Fund Balance</b>	<b>(4,300)</b>	<b>(7,021)</b>	<b>774</b>	<b>7,795</b>
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	42,771	42,771	42,771	0
<b>Fund Balance End of Year</b>	<b>\$38,471</b>	<b>\$35,750</b>	<b>\$43,545</b>	<b>\$7,795</b>

City of Beavercreek, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2003

	DUI Enforcement and Education Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Fines, Licenses & Permits	\$0	\$0	\$2,363	\$2,363
Total Revenues	0	0	2,363	2,363
Expenditures:				
Current:				
General Government	0	0	0	0
Total Expenditures	0	0	0	0
Net Change in Fund Balance	0	0	2,363	2,363
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	36,980	36,980	36,980	0
Fund Balance End of Year	<u>\$36,980</u>	<u>\$36,980</u>	<u>\$39,343</u>	<u>\$2,363</u>

City of Beavercreek, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2003

	Drug Offenses Forfeiture Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$0	\$0	\$0	\$0
Total Revenues	0	0	0	0
Expenditures:				
Current:				
General Government	0	0	0	0
Total Expenditures	0	0	0	0
Net Change in Fund Balance	0	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	13,601	13,601	13,601	0
Fund Balance End of Year	<u>\$13,601</u>	<u>\$13,601</u>	<u>\$13,601</u>	<u>\$0</u>

City of Beavercreek, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2003

	Federal Forfeiture Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Fines, Licenses & Permits	\$0	\$0	\$1,028	\$1,028
Total Revenues	0	0	1,028	1,028
Expenditures:				
Current:				
General Government	0	0	0	0
Total Expenditures	0	0	0	0
Net Change in Fund Balance	0	0	1,028	1,028
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	5,893	5,893	5,893	0
Fund Balance End of Year	<u>\$5,893</u>	<u>\$5,893</u>	<u>\$6,921</u>	<u>\$1,028</u>

City of Beavercreek, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2003

	Youth Activities Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Other Revenues	\$0	\$0	\$450	\$450
Total Revenues	0	0	450	450
Expenditures:				
Current:				
General Government	0	0	0	0
Total Expenditures	0	0	0	0
Net Change in Fund Balance	0	0	450	450
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	4,785	4,785	4,785	0
Fund Balance End of Year	<u>\$4,785</u>	<u>\$4,785</u>	<u>\$5,235</u>	<u>\$450</u>

City of Beavercreek, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2003

	Crime Prevention Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$0	\$0	\$1,191	\$1,191
Total Revenues	0	0	1,191	1,191
Expenditures:				
Current:				
Capital Outlay	0	42	37	5
Total Expenditures	0	42	37	5
Net Change in Fund Balance	0	(42)	1,154	1,196
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,077	1,077	1,077	0
Fund Balance End of Year	<u>\$1,077</u>	<u>\$1,035</u>	<u>\$2,231</u>	<u>\$1,196</u>

City of Beavercreek, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2003

	Miscellaneous Special Revenue Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$90,710	\$190,811	\$109,222	(\$81,589)
Other Revenues	3,201	4,100	3,854	(246)
<b>Total Revenues</b>	<b>93,911</b>	<b>194,911</b>	<b>113,076</b>	<b>(81,835)</b>
Expenditures:				
Current:				
Leisure Time Activities	42,510	113,470	99,004	14,466
Transportation & Street Repair	19,803	52,776	46,119	6,657
Capital Outlay	50,294	118,080	117,133	947
<b>Total Expenditures</b>	<b>112,607</b>	<b>284,326</b>	<b>262,256</b>	<b>22,070</b>
Excess of Revenues Over (Under) Expenditures	(18,696)	(89,415)	(149,180)	(59,765)
Other financing sources (uses):				
Transfers (Out)	(393)	(915)	(915)	0
<b>Total Other Financing Sources (Uses)</b>	<b>(393)</b>	<b>(915)</b>	<b>(915)</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>(19,089)</b>	<b>(90,330)</b>	<b>(150,095)</b>	<b>(59,765)</b>
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0	0
<b>Fund Balance End of Year</b>	<b>(\$19,089)</b>	<b>(\$90,330)</b>	<b>(\$150,095)</b>	<b>(\$59,765)</b>

City of Beavercreek, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2003

	Debt Service Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$257,970	\$400,000	\$229,084	(\$170,916)
Intergovernmental	31,515	0	27,986	27,986
Special Assessments	549,811	487,022	488,246	1,224
Total Revenues	839,296	887,022	745,316	(141,706)
Expenditures:				
Current:				
Debt Service:				
Principal Retirement	1,063,000	1,063,000	1,063,000	0
Interest and Fiscal Charges	818,000	475,478	473,250	2,228
Total Expenditures	1,881,000	1,538,478	1,536,250	2,228
Excess of Revenues Over (Under) Expenditures	(1,041,704)	(651,456)	(790,934)	(139,478)
Other financing sources (uses):				
Debt Proceeds	260,206	231,000	231,069	69
Transfers In	919,274	816,338	816,338	0
Total Other Financing Sources (Uses)	1,179,480	1,047,338	1,047,407	69
Net Change in Fund Balance	137,776	395,882	256,473	(139,409)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	163,813	163,813	163,813	0
Fund Balance End of Year	\$301,589	\$559,695	\$420,286	(\$139,409)

City of Beavercreek, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2003

	Voted Debt Service Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$444,346	\$0	\$0	\$0
Total Revenues	444,346	0	0	0
Expenditures:				
Current:				
Debt Service:				
Principal Retirement	0	190,000	190,000	0
Interest and Fiscal Charges	0	257,522	259,293	(1,771)
Total Expenditures	0	447,522	449,293	(1,771)
Net Change in Fund Balance	444,346	(447,522)	(449,293)	(1,771)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	311,530	311,530	311,530	0
Fund Balance End of Year	<u>\$755,876</u>	<u>(\$135,992)</u>	<u>(\$137,763)</u>	<u>(\$1,771)</u>

City of Beavercreek, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2003

	Street Capital Improvement Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$218,866	\$190,000	\$195,636	\$5,636
Intergovernmental	165,334	194,200	147,786	(46,414)
<b>Total Revenues</b>	<b>384,200</b>	<b>384,200</b>	<b>343,422</b>	<b>(40,778)</b>
Expenditures:				
Current:				
General Government	0	0	0	0
<b>Total Expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Excess of Revenues Over (Under) Expenditures	384,200	384,200	343,422	(40,778)
Other financing sources (uses):				
Transfers (Out)	(144,000)	(237,000)	(234,014)	2,986
<b>Total Other Financing Sources (Uses)</b>	<b>(144,000)</b>	<b>(237,000)</b>	<b>(234,014)</b>	<b>2,986</b>
<b>Net Change in Fund Balance</b>	<b>240,200</b>	<b>147,200</b>	<b>109,408</b>	<b>(37,792)</b>
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	537,546	537,546	537,546	0
<b>Fund Balance End of Year</b>	<b>\$777,746</b>	<b>\$684,746</b>	<b>\$646,954</b>	<b>(\$37,792)</b>

City of Beavercreek, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2003

	Parks and Recreation Capital Improvement Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$0	\$0	\$15,937	\$15,937
Total Revenues	0	0	15,937	15,937
Expenditures:				
Current:				
General Government	0	0	0	0
Total Expenditures	0	0	0	0
Net Change in Fund Balance	0	0	15,937	15,937
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0	0
Fund Balance End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$15,937</u>	<u>\$15,937</u>

City of Beavercreek, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2003

	OPWC Capital Projects Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$0	\$0	\$0	\$0
Total Revenues	0	0	0	0
Expenditures:				
Current:				
Capital Outlay	272,000	272,000	229,901	42,099
Total Expenditures	272,000	272,000	229,901	42,099
Net Change in Fund Balance	(272,000)	(272,000)	(229,901)	42,099
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	31,807	31,807	31,807	0
Fund Balance End of Year	(\$240,193)	(\$240,193)	(\$198,094)	\$42,099

City of Beavercreek, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2003

	Service Facility Site Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$0	\$0	\$0	\$0
<b>Total Revenues</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Expenditures:				
Current:				
Capital Outlay	0	4,406,794	4,406,794	0
<b>Total Expenditures</b>	<b>0</b>	<b>4,406,794</b>	<b>4,406,794</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>0</b>	<b>(4,406,794)</b>	<b>(4,406,794)</b>	<b>0</b>
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	4,418,055	4,418,055	4,418,055	0
<b>Fund Balance End of Year</b>	<b>\$4,418,055</b>	<b>\$11,261</b>	<b>\$11,261</b>	<b>\$0</b>

City of Beavercreek, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2003

	Minor Special Assessment District Projects Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Investment Earnings	\$0	\$0	\$4,237	\$4,237
Other Revenues	0	0	29,527	29,527
<b>Total Revenues</b>	<b>0</b>	<b>0</b>	<b>33,764</b>	<b>33,764</b>
Expenditures:				
Current:				
Capital Outlay	73,430	580,052	613,653	(33,601)
Debt Service:				
Principal Retirement	1,212,000	1,212,000	1,212,000	0
Interest and Fiscal Charges	76,570	150,000	108,750	41,250
<b>Total Expenditures</b>	<b>1,362,000</b>	<b>1,942,052</b>	<b>1,934,403</b>	<b>7,649</b>
Excess of Revenues Over (Under) Expenditures	(1,362,000)	(1,942,052)	(1,900,639)	41,413
Other financing sources (uses):				
Debt Proceeds	0	1,237,452	1,292,054	54,602
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>1,237,452</b>	<b>1,292,054</b>	<b>54,602</b>
<b>Net Change in Fund Balance</b>	<b>(1,362,000)</b>	<b>(704,600)</b>	<b>(608,585)</b>	<b>96,015</b>
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	310,305	310,305	310,305	0
<b>Fund Balance End of Year</b>	<b>(\$1,051,695)</b>	<b>(\$394,295)</b>	<b>(\$298,280)</b>	<b>\$96,015</b>

City of Beavercreek, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2003

	Municipal Facilities Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$0	\$0	\$0	\$0
Total Revenues	0	0	0	0
Expenditures:				
Current:				
General Government	0	0	0	0
Total Expenditures	0	0	0	0
Net Change in Fund Balance	0	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,921	2,921	2,921	0
Fund Balance End of Year	<u>\$2,921</u>	<u>\$2,921</u>	<u>\$2,921</u>	<u>\$0</u>

**THIS PAGE INTENTIONALLY LEFT BLANK**

**STATISTICAL  
SECTION**

City of Beavercreek, Ohio

Table 1

General Governmental Revenues By Source (A)  
Last Ten Fiscal Years

Year	Local Taxes (B)	Intergovernmental Revenue	Charges for Services	Fines, Licenses and Permits	Interest Revenue	Special Assessments	Other Revenue	Total
1994	\$5,358,119	\$3,490,428	\$491,937	\$412,422	\$296,884	\$105,557	\$238,084	\$10,393,431
1995	5,866,488	3,112,558	487,527	295,486	509,188	324,403	261,519	10,857,169
1996	6,246,656	3,384,304	497,774	422,444	449,412	631,616	260,198	11,892,404
1997	6,684,658	3,826,326	527,602	459,182	439,765	682,213	286,772	12,906,518
1998	6,680,646	3,934,912	564,509	389,585	518,400	666,541	600,920	13,355,513
1999	7,098,375	4,886,314	982,553	482,916	534,684	704,155	175,853	14,864,850
2000	7,179,628	4,590,486	1,042,793	615,581	722,293	649,988	292,684	15,093,453
2001	7,507,036	4,591,757	1,097,721	475,486	436,302	629,868	282,523	15,020,693
2002	8,108,130	4,340,996	1,102,439	500,231	279,340	639,148	323,441	15,293,725
2003	8,957,014	6,317,645	346,942	669,384	136,016	593,923	563,247	17,584,171

Source: Department of Finance, City of Beavercreek, Ohio

A. Includes all governmental funds.

B. Includes property and permissive local motor vehicle taxes.

City of Beavercreek, Ohio  
 Table 2  
 General Governmental Expenditures By Function (A)  
 Last Ten Fiscal Years

Year	Public Safety	Public Health and Welfare	Leisure Time Activities	Community Development	Transportation and Street Repair			Basic Utility Services	General Government	Capital Outlay	Debt Service	Total
					Community Development	Repair	Repair					
1994	\$3,407,852	\$181,575	\$530,180	\$247,852	\$2,143,158	\$42,359	\$1,548,801	\$2,908,327	\$338,323	\$11,348,427		
1995	3,734,458	198,783	542,774	257,414	2,251,250	46,518	1,611,622	828,127	547,840	10,018,786		
1996	3,758,111	211,705	612,462	236,400	2,388,949	51,587	1,827,029	2,119,081	727,829	11,933,153		
1997	3,873,430	203,751	578,244	259,295	2,186,524	42,753	1,578,757	2,487,194	684,766	11,894,714		
1998	4,364,172	194,895	620,536	305,768	2,325,849	52,425	1,811,355	1,369,579	723,527	11,768,106		
1999	4,789,730	211,338	650,287	352,098	2,601,751	83,509	2,144,706	3,205,199	673,316	14,711,934		
2000	5,021,273	233,023	733,534	426,337	2,666,588	53,153	2,182,289	2,836,745	698,635	14,851,577		
2001	5,109,186	267,456	872,415	467,783	3,038,704	52,900	2,648,743	2,188,868	636,585	15,282,640		
2002	5,605,614	290,982	955,974	446,584	3,144,927	60,914	2,367,549	3,607,624	1,054,760	17,534,928		
2003	5,916,895	365,334	972,064	474,058	5,087,897	69,719	2,757,961	5,093,391	1,354,169	22,091,488		

Source: Department of Finance, City of Beavercreek, Ohio

A. Includes all governmental funds.

City of Beavercreek, Ohio

Table 3

Assessed And Estimated Actual Value Of Taxable Property  
Last Ten Fiscal Years

Tax Year/ Collection Year	Real Property			Personal Property Assessed Value	Public Utilities Assessed Value	Total Assessed Value
	Assessed Value	Estimated Actual Value (A)				
1993/1994	\$546,277,340	\$1,560,792,400		\$18,660,411	\$28,172,820	\$593,110,571
1994/1995	596,393,530	1,703,981,514		26,420,247	30,422,180	653,235,957
1995/1996	635,281,020	1,815,088,628		36,873,527	29,118,390	701,272,937
1996/1997	740,960,490	2,117,029,971		49,521,322	29,671,370	820,153,182
1997/1998	748,454,730	2,138,442,086		52,442,922	29,782,510	830,680,162
1998/1999	768,980,770	2,197,087,914		52,874,218	30,668,410	852,523,398
1999/2000	803,994,870	2,297,128,200		53,593,427	32,020,120	889,608,417
2000/2001	832,352,760	2,378,150,742		55,581,445	27,153,730	915,087,935
2001/2002	861,375,820	2,461,073,771		51,001,469	21,501,990	933,879,279
2002/2003	963,710,820	2,753,459,000		47,103,324	22,553,160	1,033,367,304

Source: Greene County Auditor

A. Estimated actual value based on assessment level of 35 percent.

City of Beavercreek, Ohio

Table 4

Property Tax Rates - Direct And Overlapping Governments  
Per \$1,000 Of Assessed Valuation  
Last Ten Fiscal Years

Tax Year/ Collection Year	City	Beavercreek		Greene Joint Vocational	Greene County	Total
		Township	City School District			
1993/1994	12.70	8.25	40.10	3.45	9.08	73.58
1994/1995	12.70	8.25	42.50	3.45	9.08	75.98
1995/1996	12.70	8.25	42.50	3.45	9.08	75.98
1996/1997	12.00	8.25	43.00	3.45	9.08	75.78
1997/1998	12.00	8.25	42.90	3.45	9.08	75.68
1998/1999	12.00	8.25	42.00	3.45	9.08	74.78
1999/2000	12.00	8.25	42.60	3.45	9.38	75.68
2000/2001	12.00	8.25	42.12	3.45	10.63	76.45
2001/2002	12.50	8.25	45.40	3.45	10.63	80.23
2002/2003	12.95	8.25	43.50	3.45	10.83	78.98

Source: Greene County Auditor

City of Beavercreek, Ohio  
 Table 5  
 Property Tax Levies And Collection  
 Real And Public Utility  
 Last Ten Fiscal Years

Tax Year/ Collection Year	Current Levy	Collection Including Delinquencies	Total Collections	
			As Percent of Current Year	Accumulated Delinquencies
1993/1994	\$5,418,559	\$5,478,957	101.11%	\$187,516
1994/1995	5,859,515	5,859,515	100.00%	199,160
1995/1996	6,729,072	6,746,938	100.27%	188,200
1996/1997	7,280,080	7,257,508	99.69%	169,949
1997/1998	7,510,590	7,255,612	96.61%	287,561
1998/1999	7,712,620	7,703,942	99.89%	287,561
1999/2000	7,871,157	7,817,275	99.32%	387,966
2000/2001	8,075,161	8,134,860	100.74%	373,693
2001/2002	8,179,561	8,214,148	100.42%	215,916
2002/2003	9,199,386	9,149,864	99.46%	277,200

Source: Greene County Auditor

City of Beavercreek, Ohio  
 Table 6  
 Special Assessments Collections  
 Last Ten Fiscal Years

Tax Year/ Collection Year	Current Assessments Due	Collection Including Delinquencies	Total Collections As Percent of Current Assessments	Accumulated Delinquencies
1993/1994	\$110,028	\$111,135	101.01%	\$2,958
1994/1995	342,660	341,629	99.70%	1,112
1995/1996	673,192	664,921	98.77%	8,270
1996/1997	664,950	676,334	101.71%	1,416
1997/1998	712,942	701,683	98.42%	18,286
1998/1999	650,887	634,645	97.50%	16,961
1999/2000	646,010	638,851	98.89%	49,204
2000/2001	618,808	665,630	107.57%	5,787
2001/2002	624,944	672,831	107.66%	28,641
2002/2003	629,917	625,341	99.27%	8,154

Source: Greene County Auditor

City of Beavercreek, Ohio  
 Table 7  
 Computation Of Legal Debt Margin  
 December 31, 2003

	Debt Outstanding	10 1/2% of Assessed Valuation	5 1/2% of Assessed Valuation
Overall Debt Limitations		\$108,503,567	\$56,835,202
Gross Indebtedness	20,466,169		
Less: Debt Outside Limitations (A)	4,435,000		
Net Debt Within Limitations		<u>16,031,169</u>	<u>16,031,169</u>
Legal Debt Margin Within Limitations		<u>\$92,472,398</u>	<u>\$40,804,033</u>

Source: Department of Finance, City of Beavercreek, Ohio

A. Special assessment debt with government commitment has been excluded.

City of Beaver Creek, Ohio  
 Table 8  
 Computation Of Direct And Overlapping Debt  
 December 31, 2003

Jurisdiction	Net Debt Outstanding	Percentage Applicable to City of Beaver Creek	Amount Applicable to City of Beaver Creek
Direct:			
City of Beaver Creek	\$14,204,455	100.00%	\$14,204,455
Overlapping:			
Beaver Creek City School District	34,408,082	80.27%	27,619,367
Greene County	13,365,000	33.72%	4,506,678
Total Overlapping	47,773,082		32,126,045
Total Direct and Overlapping	\$61,977,537		\$46,330,500

Source: Direct- Department of Finance, City of Beaver Creek, Ohio  
 Overlapping- Ohio Municipal Advisory Council

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 Beavercreek, Ohio

Table 9

Ratio Of Annual Debt Service Expenditures For  
General Bonded Debt To General Government Expenditures (A)  
Last Ten Fiscal Years

Year	Principal	Interest (B)	Total Debt Service	General Governmental Expenditures (C)	Ratio of Debt Service to General Governmental Expenditures
1994	\$0	\$0	\$0	\$11,348,427	0.00%
1995	0	0	0	10,018,786	0.00%
1996	0	0	0	11,933,153	0.00%
1997	0	37,587	37,587	11,894,714	0.32%
1998	35,000	56,380	91,380	11,768,106	0.78%
1999	35,000	54,875	89,875	14,711,934	0.61%
2000	35,000	53,265	88,265	14,851,557	0.59%
2001	35,000	51,585	86,585	15,282,640	0.57%
2002	40,000	49,870	89,870	17,534,928	0.51%
2003	230,000	305,392	535,392	22,091,488	2.42%

Source: Department of Finance, City of Beavercreek, Ohio

A. General obligation bonds reported in the enterprise funds and special assessment debt with government commitment have been excluded.

B. Excludes bond issuance and other cost.

C. Includes all governmental funds.

City of Beavercreek, Ohio

Table 10

Ratio Of Net General Bonded Debt To Assessed  
Valuation And Net Bonded Debt Per Capita

Last Ten Fiscal Years

Year	Population (A)	Total Assessed Value (B)	Gross General Bonded Debt	Less: Balance in Debt Service Fund (C)	Bonded Debt (C)	Ratio of Net	
						Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1994	33,626	\$593,110,571	\$0	\$0	\$0	0.00%	\$0
1995	33,626	653,235,957	0	0	0	0.00%	0
1996	33,626	701,272,937	0	0	0	0.00%	0
1997	33,626	820,153,182	10,588,455	0 *	10,588,455	1.29%	315
1998	33,626	830,680,162	10,553,455	0 *	10,553,455	1.27%	314
1999	33,626	852,523,398	10,493,455	0 *	10,493,455	1.23%	312
2000	37,984	889,608,417	10,318,455	0 *	10,318,455	1.16%	272
2001	37,984	915,087,935	10,756,722	0 *	10,756,722	1.18%	283
2002	37,984	933,879,279	16,334,122	92,222	16,241,900	1.74%	428
2003	37,984	1,033,367,304	16,031,169	51,523	15,979,646	1.55%	421

Source:

A. Federal Census

B. Greene County Auditor

C. Department of Finance, City of Beavercreek, Ohio

\* Debt Service Fund has a negative fund balance.

City of Beavercreek, Ohio  
 Table 11  
 Demographic Statistics  
 December 31, 2003

	1980 Census	1990 Census	2000 Census
Population	31,589	33,626	37,984
Per Capita Income	\$9,312	\$18,362	n/a
Number of Housing Units	10,190	12,148	14,769
Person(s) Per Household	3.15	2.84	2.66
Median Age	31.9	36.6	40.5
Percentage Owner Occupied Units	88.60%	82.90%	84.50%
Median Family Income	\$28,434	\$52,531	n/a
Family Income Distribution			
\$0-14,999	1,457	371	n/a
15,000-24,999	2,438	754	n/a
25,000-34,999	3,037	1,036	n/a
35,000-49,999	2,182	2,311	n/a
50,000-74,999	610	3,457	n/a
75,000 and Over	154	1,940	n/a
Education Distribution:			
Grades/Years Completed			
0-11	2,767	2,440	n/a
12	7,271	5,642	n/a
13-15	3,160	5,831	n/a
16 or More	5,679	8,245	n/a

Source: U.S. Census of Population and Housing

City of Beavercreek, Ohio  
 Table 12  
 Construction And Bank Deposits  
 Last Ten Fiscal Years

Year	Commercial Construction (1)		Residential Construction (1)			Bank Deposits in Thousands (2)
	Number of Permits	Value	New 1-2-3 Family Permits	Other Residential Permits	Total Permits	
1994	762	\$56,272,284	249	1,996	2,245	\$37,344,776
1995	707	22,915,500	142	1,412	1,554	22,686,985
1996	435	45,489,690	106	1,226	1,332	19,038,274
1997	664	74,966,303	106	1,193	1,299	18,164,842
1998	979	78,383,628	157	1,153	1,310	26,729,847
1999	696	20,141,625	135	1,202	2,033	24,140,468
2000	555	36,764,503	159	1,240	1,954	27,441,324
2001	602	37,393,873	159	1,149	1,910	29,858,181
2002	605	33,964,456	199	1,338	2,142	40,181,610
2003	644	36,230,298	208	1,289	2,141	42,147,796

Source:

1. Greene County Department of Public Works, Office of Building Regulations.

2. Federal Reserve Bank of Cleveland - Amounts are for Greene County (Note: County bank deposits measures total deposits for those banks deemed "domiciled" within a given county.)

City of Beavercreek, Ohio  
 Table 13  
 Principal Taxpayers  
 December 31, 2003

Taxpayer	Type of Business	Real Property Assessed Valuation	Personal Property Assessed Valuation	Public Utilities Assessed Valuation	Total Assessed Valuation	Percentage
MFC Beavercreek, LLC	Shopping Center	\$36,161,530	\$0	\$0	\$36,161,530	3.50%
Dayton Power and Light	Utility	0	0	12,516,960	12,516,960	1.21%
MV-RG II	Shopping Center	8,357,250	0	0	8,357,250	0.81%
Meijer Stores Limited Partners	Department Store	3,671,440	1,929,220	1,826,070	7,426,730	0.72%
Ohio Bell Telephone	Utility	0	0	6,525,840	6,525,840	0.63%
Continental 44 Fund	Shopping Center	6,395,270	0	0	6,395,270	0.62%
Hills Real Estate Group	Rental Apartments	5,849,230	0	0	5,849,230	0.57%
E L Apartments, LLC	Rental Apartments	5,713,030	0	0	5,713,030	0.55%
Wares Delaware Corporation	Shopping Center	5,540,500	0	0	5,540,500	0.54%
Walmart Stores	Department Store	0	2,751,310	2,759,590	5,510,900	0.53%
Total by Principal Taxpayer		\$71,688,250	\$4,680,530	\$23,628,460	\$99,997,240	9.68%
Total Valuation of City		\$963,710,820	\$47,103,324	\$22,553,160	\$1,033,367,304	100.00%

Source: Greene County Auditor

City of Beavercreek, Ohio  
 Table 14  
 Other Statistics  
 December 31, 2003

Year of Incorporation	1980
Form of Government	Council/Manager
Area	27.515 Square Miles
Miles of Streets	236.8
Police Protection:	
Number of Stations	1
Number of Sworn Officers	47
Parks and Recreation:	
Number of Parks	23
Number of Acres	318.64
Number of Golf Courses	1
Miles of Dedicated Bike Trail	4.9
Employees (Full-Time)	128
Bond Rating	A1 (Moody's)

Source: City of Beavercreek, Ohio





**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**CITY OF BEAVERCREEK**

**GREENE 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  
MAY 10, 2005**