

CITY OF FOREST PARK

Yellow Book Report

December 31, 2005



**Auditor of State
Betty Montgomery**

Honorable Mayor and
Members of the City Council
City of Forest Park
1201 West Kemper Road
Forest Park, Ohio 45240

We have reviewed the *Independent Auditor's Report* of the City of Forest Park, Hamilton County, prepared by Plattenburg & Associates, Inc., for the audit period January 1, 2005 through December 31, 2005. 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 Forest Park is responsible for compliance with these laws and regulations.

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

October 9, 2006

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PLATTENBURG & ASSOCIATES, INC./CERTIFIED PUBLIC ACCOUNTANTS

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

June 26, 2006

The Honorable Mayor and Members of the
City Council of the City of Forest Park

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Forest Park, Ohio (the City), as of and for the year ended December 31, 2005, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 26, 2006 in which we noted the City adopted Government Accounting Standards Board (GASB) Statement No. 40, *Deposit and Investment Risk Disclosures*. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Compliance and Other Matters

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

We noted certain matters that we reported to management of the City in a separate letter dated June 26, 2006.

This report is intended solely for the information and use of management, the Auditor of State and the Honorable City Council of the City of Forest Park, Ohio and is not intended to be and should not be used by anyone other than these specified parties.


Plattenburg & Associates, Inc.
Certified Public Accountants

CITY OF FOREST PARK, OHIO

Comprehensive Annual Financial Report



**For the Year Ended
December 31, 2005**

CITY OF FOREST PARK, OHIO

Comprehensive Annual Financial Report

**For The Year Ended
December 31, 2005**

Prepared by:
Department of Finance

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INTRODUCTORY SECTION

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**CITY OF FOREST PARK, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 YEAR ENDED DECEMBER 31, 2005**

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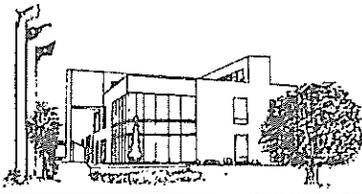
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City of Forest Park

FINANCE/INCOME TAX DEPARTMENT

June 27, 2006

Forest Park Citizens
Forest Park Council Members
Lenders and Other Interested Parties
Forest Park, Ohio 45240

State law requires that the City of Forest Park annually publish a complete set of financial statements for the results of its fiscal operations, presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards. This report meets the state requirements for the auditor's opinion and the minimum basic financial statements, and it goes a step further by providing this Comprehensive Annual Financial Report (CAFR). This CAFR provides the reader additional information regarding the City's finances. The reported information is presented in three major sections:

1. The Introductory Section includes the table of contents, this letter of transmittal which presents the City's organization, operational structure and accomplishments, a list of elected officials and key administrative personnel, an organizational chart, and the Certificate of Achievement for Excellence in Financial Reporting.
2. The Financial Section contains the Report of Independent Auditors, Management's Discussion and Analysis, and the City's basic financial statements, which include explanatory notes thereto. This section also includes additional supplementary information including the combining financial schedules and the individual fund budget versus actual schedules.
3. The Statistical Section presents social, economic, and historical data in a multi-year format which may be used to identify financial trends and data relative to the fiscal capacity of the City.

A complete CAFR is not required to be prepared, but by doing so it represents a commitment by the City of Forest Park (the City) to achieve the highest nationally recognized standards of excellence in financial reporting as established by the Governmental Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA).

Additionally, these financial statements have been prepared using the GASB's new reporting model under *GASB 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and related GASB statements. GASB 34 was developed to provide better, more understandable information about the government's finances. Except for the requirement to retroactively report general infrastructure assets, this report meets all requirements of Statement 34. The City's deadline for retroactively reporting general infrastructure assets is fiscal year 2007, and it is our plan to meet this requirement in our 2006 CAFR. As presented in accordance with GASB 34, this CAFR includes the following information for the reader:

- A Statement of Net Assets and a Statement of Activities represent the entire City as a whole on one page for each statement (pages 15 and 16). The Statement of Net Assets provides all assets, liabilities, and net assets of the City, on a full accrual basis.
- The Statement of Activities provides the cost of providing services to citizens and the sources of revenue that the City uses to pay those costs.
- Expanded disclosure in the Notes to Financial Statements and improved schedules regarding the actual expenditures in comparison with the original and final appropriations are also included.
- A narrative analysis specifically regarding the City's financial statements and financial condition provides greater insight into the City's finances. Readers are encouraged to refer to this report, entitled Management's Discussion and Analysis, beginning on page 3.

This CAFR consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Plattenburg and Associates Inc., Certified Public Accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2005, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and

evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended December 31, 2005, are fairly presented in conformity with GAAP. The independent auditor's opinion is presented as the first component of the financial section of this report.

GAAP requires management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (M D & A). This letter of transmittal is designed to complement the M D & A and should be read in conjunction with it. The City's M D & A is found immediately following the report of the independent auditors.

CITY OVERVIEW

The City is located in the southwestern portion of the State of Ohio between the cities of Cincinnati and Dayton, and is entirely within the County of Hamilton. The City traces its roots to the mid-1950's when the Federal Government encouraged the development of a second greenbelt community in the Cincinnati area. Greenhills was the first greenbelt community, a concept patterned after the famed garden cities of England. In contrast to Greenhills, however, development of Forest Park was handled through private enterprise, specifically the Warner-Kanter Corporation. That was in 1954. Within two years, the first homes were ready for occupancy. Forest Park progressed rapidly with the formation of a civic association in 1958, a volunteer fire department and incorporation as a village in 1961, and city status (population in excess of 5,000) in 1968 with the adoption of a Home Rule Charter that same year.

As of the 2000 U. S. Census Report, Forest Park was the third largest city in Hamilton County, with a population of 19,463. Its 62 miles of streets and 3,800-plus acres are bounded by Hamilton Avenue to the west, Springfield Pike (Route 4) to the east, Sharon Road to the south and the Hamilton County line north of I-275 to the north. Forest Park is 14 miles north of downtown Cincinnati, 35 miles south of Dayton, and within 125 miles of Columbus, Indianapolis, Lexington, and Louisville. Via I-275, the City is only 35 minutes from the Greater Cincinnati International Airport. Because of this ideal location, the City enjoys a reputation as a premier site for both residential and commercial development.

The City operates under the City Manager-Council plan pursuant to its Charter, but is also subject to the general statutes of the State of Ohio governing municipalities. In addition, the City may exercise all powers of local self-government under Article XVIII, Section 3, of the Ohio Constitution. The legislative authority of the City is vested in a seven member Council whose members are elected to four-year overlapping terms with an election of three (or four in alternate council election years) council seats every two years. The Council enacts ordinances and resolutions to provide for city services, to levy taxes, to make appropriations,

to borrow money, to fix salaries of all employees of the City, whether elected or appointed, to adopt a budget and to perform such other duties and exercise such other rights, not inconsistent with the City Charter, as may be granted to the legislative authority of any municipality of Ohio. The presiding officer of the Council is the Mayor, who is chosen by the council every two years under the Charter. All Council members are from the City at large.

The City Manager is the chief executive, administrative, and law enforcement officer of the City. The Manager is charged with responsibility for enforcing the laws and ordinances of the City. The Manager appoints and removes all heads of departments and all subordinate officers and employees of the City, except the City Law Director and Clerk of Council. He exercises control over all departments created by the City Council. The Law Director serves as legal advisor and attorney for the City and performs duties as provided under the Charter and general laws of Ohio pertaining to municipal legal advisors. The Director of Finance is appointed by the City Manager with the concurrence of the City Council to supervise the Department of Finance and performs the powers, duties and functions of the fiscal officer of the City pursuant to the Charter and general laws of Ohio. The City provides numerous services including police, fire and emergency services protection, the construction and maintenance of highways and streets; parks and recreational program services, and stormwater management.

ECONOMIC CONDITIONS AND OUTLOOK

The year 2005 was a good year in Forest Park. Reported construction was valued at about \$21.32 million which included the start of projects such as the new 200,000 square foot Wal-Mart Supercenter and continuation of the Cincinnati Mills renovation. Cincinnati United Contractors completed a significant expansion of Hillman Fasteners in Carillon Business Park. Work began on an expansion at Word of Deliverance Church and on the construction of a new building for Cincinnati Dialysis Clinic. Two vacant office buildings in the Kemper Meadow Business Center were filled, and Forest Park-based GMP Welding built a new 20,000 square foot facility in the Northland Industrial Park. These successes are all strong indicators of our continued success in the area of economic development.

It is also noteworthy that, although significantly down from our height of 1999, our new residential homes were on the larger and more-upscale side of the chart. During 2006, we are likely to see on the local level further evidence that the nation's red-hot housing market has definitely started to cool. There is a growing number of existing homes available during a period when the housing market is growing weaker while mortgage rates and foreclosures are edging higher. In light of our belief that for a community of our size we are becoming over-weighted with older apartment units, it is to our advantage that we did not have any additional multi-family units come on the market last year.

Communities must balance what seems like an unlimited list of demands for service with a limited amount of resources. The jobs and investment brought about by a well organized economic development program help city officials meet this difficult challenge. In 2005, Economic Development facilitated a number of important recruitment or retention projects.

S&S HealthCare Strategies is a third party administrator that specializes in managed care administration. S&S invested \$2.6 million to acquire the 30,000 SF office/warehouse facility located at 1385 Kemper Meadow Drive (formerly Superior Pharmaceutical). The company spent another \$1.58 million to equip and renovate the existing building. S&S brings 65 FT and 15 PT employees to Forest Park. They will create another 15 FT positions over the next three years.

To successfully recruit this company, city staff worked closely with county officials to complete an enterprise zone agreement. This incentive provided the company with a five-year, 75% tax abatement of the personal and real property improvements associated with the project. Consistent with our policies, no existing taxes were abated. S&S also had to reach a separate agreement with Winton Woods City Schools to limit the impact of this incentive on the district.

One of our major business retention projects was completed with the opening of SigmaTEK's new headquarters in the former Ohio Casualty building in the Kemper Meadow Business Center. SigmaTEK is a high technology firm that designs, installs and maintains software products that control the amount of scrap in complex manufacturing processes. The company is a true multi-national corporation. From their worldwide headquarters in Forest Park, they manage satellite operations in the United States and throughout Europe and Asia.

The company invested \$2 million to purchase, renovate and equip the Kemper Meadow building. The project involves the creation or retention of 45 jobs. City staff assisted the company with successful applications for an enterprise zone agreement and Ohio Job Creation Tax Credit. The enterprise zone agreement provides for a 75% exemption of the real and personal property taxes associated with the project for a period of nine years. Both incentives improved the competitive position of our property and ensured that these jobs will remain in Forest Park.

GMP Welding recently completed construction of a 20,000 square foot manufacturing facility in the Northland Industrial Park. As a result, 20 jobs were created or retained as a result of the \$ 1.7 million project.

Cincinnati Dialysis began construction of a new clinic on the east side of Kemper Meadow Drive. Just across the street, a new multi-tenant office/retail building is under construction. Word of Deliverance Church continues to make progress on its new family life services center near Northland Boulevard, and Hayes Concrete recently completed construction of a

new building on Waycross Road.

In 2005, the City's Economic Development Department assisted with the establishment of a tax increment financing district (TIF) for Cobblewood Plaza. Cobblewood had lost several anchor stores over the years, and vacancy had risen dramatically. Were this trend to continue, property values for adjacent properties (both residential and commercial) would decline.

To bring the struggling center back to its highest and best possible use, everyone realized that we had to create a first class retail environment. Revenue from the tax increment financing district will fund approximately \$2 million in public improvements. This expenditure will leverage more than \$13 million in new construction and other private improvements. Together, these investments will create the environment needed for this retail center to succeed.

In 2005, work began on the construction of a new 200,000 square foot Wal-Mart Supercenter at Cobblewood Plaza. The store will combine groceries and general merchandise under one roof, providing families with one-stop shopping convenience. Wal-Mart officials anticipate that 450-500 new jobs will be created as a result of the project. The owners of Cobblewood Plaza have demolished about two thirds of the existing center to make room for the new store, and construction is well underway. The Wal-Mart SuperCenter opened in May of 2006.

We have continued to leverage our limited resources to build on a positive relationship in the business community and create real economic development. Our economic development program helps to generate necessary revenue, save local tax dollars that would otherwise be required for city services, and support the community many years into the future. It is interesting that out of our 14 main business centers, the two highest revenue generators are centers whereby the City has either served as the developer or played a major supporting role through tax incentives.

It should be noted that we are not depending solely on local taxpayers to pay for the development of new economic development opportunities. For example, thanks to a grant of \$5,000 from Cinergy (and a \$15,000 in-kind contribution from the Hamilton County Office of Economic Development), we will complete a full analysis of alternatives to address the old Kmart site on Hamilton Avenue and Waycross Road. Another example are some major redevelopment plans are about to be unveiled for the Promenade Shopping Center that will be a big private investment and boost for the Winton Road corridor.

Business recruitment and retention/expansion are important elements of our economic development program. These projects provide much needed revenue, allowing the City to provide services our residents and businesses have come to expect. For example, Mills officials estimate that close to 3,000 part and full time jobs were created as a result of the mall's renovation (some of these will be in Fairfield). Hundreds of jobs were created or

retained as a result of other projects. The mall's successful revitalization re-established Winton Road as a true retail destination and prompted others to make investments in our community, including the Cobblewood renovation mentioned earlier.

One important incentive program is the city's enterprise zone. Under this program, eligible companies can receive exemptions of the property taxes involved in a specific project. No existing taxes are exempted, and only real property improvements or new personal property investments qualify. Even with the incentive, new revenue is realized from day one of each agreement. To date twenty-eight agreements have been executed, and these companies have invested over \$78 million and created or retained more than 1,570 jobs. During 2005, the City used this incentive to facilitate the retention or recruitment of three companies: S&S Healthcare, Sigmatek and GMP projects.

Building permits reported that construction valuation in 2005 totaled \$21.3 million, approximately \$2.5 million less than in 2004. Of the \$21.3 million, \$18.1 million is attributed to commercial construction and \$3.2 million to residential construction.

Based upon land available for residential development and trends in household sizes, we continue to project our ultimate population growth to be approximately 22,000 by 2010. A zoning change for thirty-five acres of land located north of I-275 and east of Gaylord Drive from R-1, one family residence district, to R-PUD-7, residential planned unit development has been completed. This project will provide for approximately sixty homes. There remains approximately forty-seven acres of land available for single-family residential development (along the south side of Waycross immediately east of Jonquilmeadow). We do not foresee the rezoning of any land to multi-family based on the fact that we have about all of the multi-family housing we can find desirable for a community of our size.

Overall our outlook for the future is very good. We will continue to work with Hamilton County, Springfield Township, and Colerain Township to secure funding for improvements to Hamilton Avenue as it serves as a major entrance to the west side of the City.

CITY INCOME TAX

The 1% locally levied tax applies to gross salaries, wages and other personal service compensation earned by residents, both in and out of the City and upon earnings of non-residents earned in the City. It also applies to net income of business organizations derived from business activities conducted in the City.

The income tax receipts help fund operating expenses in the General Fund as well as provide debt service for the General Obligation Bonds.

Receipts from this tax are directly related to employment levels and the general economic conditions in the Cincinnati area. Collections for the past three years as reported in the General Fund are as follows:

	<u>Revenues</u>
2005	\$6,307,387
2004	6,264,576
2003	5,847,075

CASH MANAGEMENT

The City's cash management program addresses the issues of safety, liquidity and yield while maximizing return on idle cash. The City utilizes the StarOhio program investment pool operated by the Treasurer of the State of Ohio for ready cash; however, City ordinances limit investment in this program to \$100,000. Certificates of deposit, treasury notes, and government agency securities are also utilized for investment purposes.

During 2005, the City made investments pursuant to the investment policy that was enacted during 1996. It is City policy to conform to the regulations established in the Ohio Revised Code so as to ensure the safety of its deposits and investments.

RISK MANAGEMENT

The City is exposed to a variety of accidental losses and has established a risk management strategy that attempts to minimize losses and carrying costs of insurance.

Risk control techniques have been established to reasonably assure that the City's employees are aware of their responsibilities regarding loss exposures related to their duties. Similarly, risk control techniques have been established to reduce possible losses to property owned or under the control of the City. Furthermore, supervisory personnel are held responsible for monitoring risk control techniques on an operational basis.

The primary techniques used for risk financing are the purchase of insurance policies from commercial insurers that include a large deductible amount. The use of a large deductible clause reduces the cost of insurance. However, if losses occur, the portion of the uninsured losses is not expected to be significant with respect to the financial position of the City.

**CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL
REPORTING - 2004**

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 Forest Park for its comprehensive annual financial report for the fiscal year ended December 31, 2004. This was the fifteenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report 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 our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

Preparation of this report could not have been accomplished without the professional, efficient, and dedicated services of the entire staff of the Finance and Tax Department. Additional thanks is also due to the staff of the independent account firm of Plattenburg and Associates Inc., who worked the City staff toward the preparation and independent examination of these statements.

Finally, a special word of thanks is necessary to recognize the efforts of members of City Council and the City Administration – past and present – whose conservative fiscal management and solid decision-making are reflected in the sound financial position of the City. As a result of their hard work, under the GASB 34 new reporting model format, this report presents information in an organized manner to provide greater insight regarding the City's finances.

We hope readers of this financial report will find the report beneficial in understanding the City's financial organization, financial position and condition, net assets, and results of operations.

Respectfully submitted,


Lois M. Reynolds
Director of Finance

**CITY OF FOREST PARK, OHIO
PUBLIC OFFICIALS**

LEGISLATIVE

MAYOR
Jim Lawler

COUNCIL MEMBERS

Wynndel Burns
Sheila Cottle
Diana Herbe

Charles Johnson
David Lives
Clara Pugh

APPOINTED OFFICIALS

City Manager
Building Department Director
Community Development Director
Economic Development Director
Finance Director
Fire Chief
Human Resources Director
Police Chief
Public Works/Stormwater Management Utility Director
Litter Awareness Program Manager
Clerk of Council
Law Director
Prosecutor

Ray H. Hodges
Stanley Beeler
Christopher Anderson
Paul Brehm
Lois Reynolds
Patricia Brooks
Tye Smith
Ken Hughes
David L. Buesking
Wright H. Gwyn
Kathryn Lives
John Wykoff
Ray Groneman

DEPARTMENT OF FINANCE

Lois Reynolds
Dan Burke
Joy H. Vetere
Katherine English

Director
Deputy Director
Assistant to the Finance Director
Business Auditor/Tax Administrator

DIVISION OF ACCOUNTING

Eleanor Church

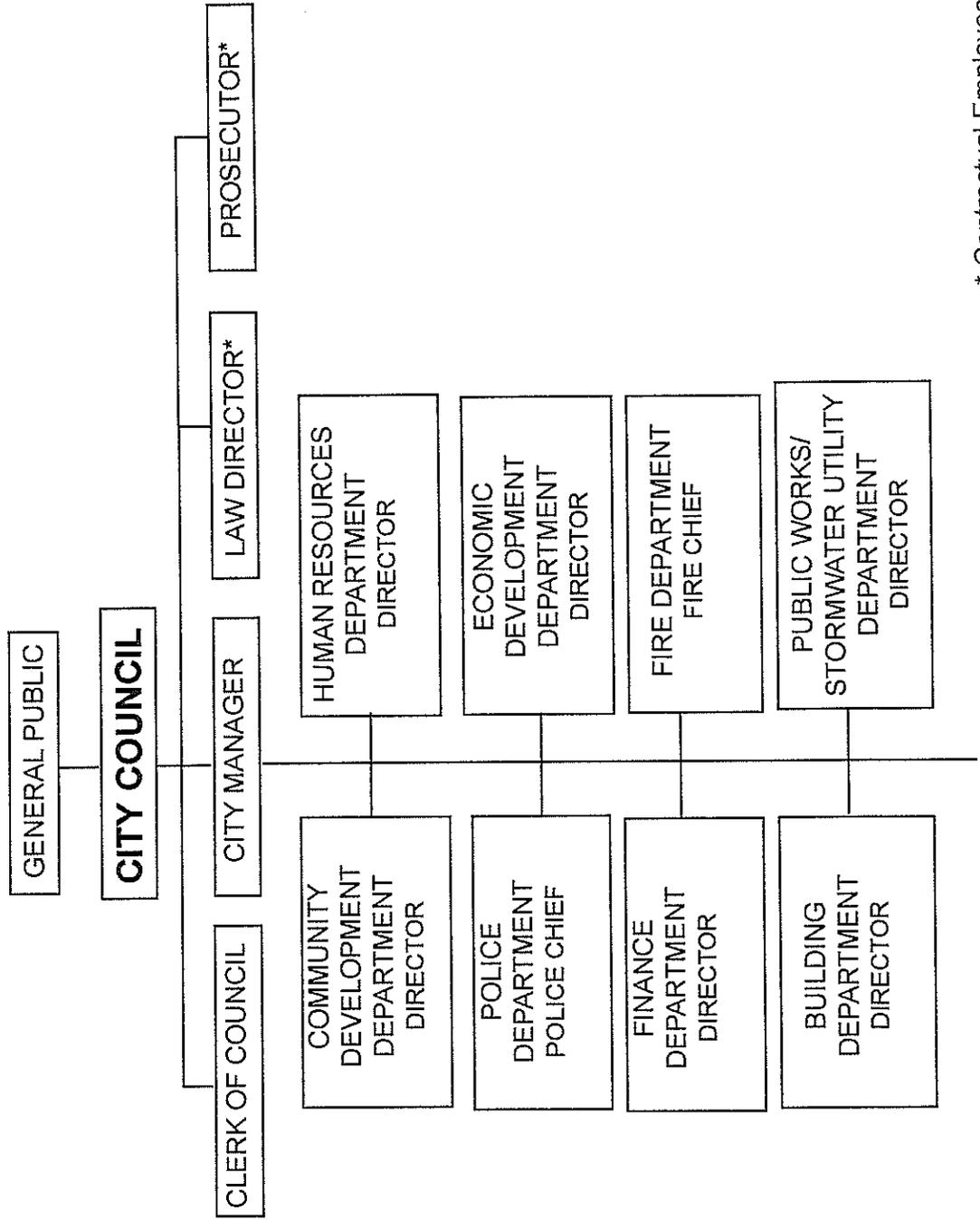
Mary Ellen Klenk

DIVISION OF INCOME TAX

Tricia Dunn
Diane Mathews

Maria Scott
Rhonda Smith

CITY OF FOREST PARK, OHIO ORGANIZATIONAL CHART



* Contractual Employee

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Forest Park
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2004

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



President

Executive Director

FINANCIAL SECTION

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June 26, 2006

REPORT OF INDEPENDENT ACCOUNTANTS

The Honorable Mayor and Members of the
City Council of the City of Forest Park

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Forest Park, Ohio, (the City) as of and for the year ended December 31, 2005, 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, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2005, and the respective changes in financial position, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in the Notes, the City has implemented Government Accounting Standards Board (GASB) Statement No. 40, *Deposit and Investment Risk Disclosures* for the year ended December 31, 2005.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2006, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. 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 statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections 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.


Plattenburg & Associates, Inc.
Certified Public Accountants

**CITY OF FOREST PARK, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**

DECEMBER 31, 2005

The discussion and analysis of the City of Forest Park's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2005. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2005 are as follows:

- In total, net assets decreased \$673,924.
- General revenues accounted for \$12,352,437 in revenue or 87% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$1,838,824 or 13% of total revenues of \$14,191,261.
- The City had \$14,865,185 in expenses related to governmental activities; only \$1,838,824 of these expenses were offset by program specific charges for services, grants, or contributions. General revenues (primarily taxes) of \$12,352,437 provided for 83% of these programs.
- Among major funds, the general fund had \$8,826,998 in revenues and \$9,756,803 in expenditures. The general fund's fund balance declined \$1,344,665 to \$4,784,265.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

These statements are as follows:

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

CITY OF FOREST PARK, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

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

Government-wide Statements

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

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

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

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant funds, not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

Governmental Funds – Most of the City's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that may 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 fewer financial resources that may be spent in the near future to finance services and/or programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**CITY OF FOREST PARK, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**

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

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Forest Park, assets exceeded liabilities by \$24,394,098 as of December 31, 2005.

The largest portion of the City's net assets (50%) reflects its investments in capital assets (e.g., land, building and building improvements, equipment, construction in progress and infrastructure), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide service to citizens; consequently these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Governmental	
	Activities	
	2005	2004
Current and other assets	18,835,981	17,622,160
Capital assets, Net	17,482,334	17,495,880
Total assets	36,318,315	35,118,040
Long-term debt outstanding	4,932,396	6,012,039
Other liabilities	6,991,821	4,623,395
Total liabilities	11,924,217	10,635,434
Net assets		
Invested in capital assets, net of related debt	12,143,338	12,190,880
Restricted	5,369,562	4,814,255
Unrestricted	6,881,198	7,477,471
Total net assets (restated)	24,394,098	24,482,606

**CITY OF FOREST PARK, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**

An additional portion of the City's net assets (22%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets \$6,881,198 may be used to meet the government's ongoing obligations to citizens and creditors.

As of December 31, 2005, the City is able to report positive balances in all three categories of net assets for the government as a whole. The same situation held true for the prior year.

Other liabilities increased by \$2,368,426. This increase is due primarily to the end of the Urban Renewal project which has a short-term bond payable. In addition, to the short-term bond, payroll for a full pay period is now shown as payable since the first pay period of 2006 will be for an entire two-week period.

Changes in Net Assets

The City had a decrease in net assets of \$88,508 during 2005.

The decrease in net assets was attributable to a decrease in grants received during the year which were related to capital projects.

Income tax with 45% of the total revenues was the largest revenue source and Police with 28% of the program expenses was the largest of all of the areas reported.

Public works and streets had the largest increase in expenses of \$339,446, or 11% due to increased maintenance -- mainly sidewalks and stormwater related projects.

Security of Persons and Property -- Fire also increased by \$241,933, or 8%, which was due to increased staffing.

Interest and fiscal charges had a decrease of \$28,302 due to debt issues which were paid in full during 2004.

The following table provides a summary of the City's operations for the year ended December 31, 2005, with comparative totals for the years ended December 31, 2004.

**CITY OF FOREST PARK, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**

	Governmental Activities	
	2005	2004
Revenues		
Program revenues:		
Charges for Services	\$1,628,899	\$1,645,789
Operating Grants and Contributions	209,925	228,426
Capital Grants and Contributions	0	1,208,874
General revenues:		
Municipal Income Taxes	6,315,991	6,466,736
Property Taxes	3,783,041	3,737,716
Other Taxes	1,405,422	1,412,832
Grants and Entitlements not Restricted to Specific Programs	1,109,666	668,797
Investment Earnings	317,085	120,619
Miscellaneous	6,648	60,764
Gain on sale of Capital Assets	0	0
Total revenues	14,776,677	15,550,553
Program Expenses		
Security of Persons and Property		
Police	4,175,468	3,984,030
Fire	3,370,259	3,128,326
Building	314,918	316,249
Public Health and Welfare	21,455	20,792
Community Environment	958,658	746,169
Public Works and Streets	3,413,529	3,074,083
Leisure Time Activities	448,758	419,440
General Government	1,951,871	1,728,474
Interest and Fiscal Charges	210,269	238,571
Total expenses	14,865,185	13,656,134
Total Change in Net Assets	(88,508)	1,894,419
Beginning Net Assets	24,482,606	22,588,187
Ending Net Assets (restated)	\$24,394,098	\$24,482,606

CITY OF FOREST PARK, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Governmental Activities

The City receives an income tax, which is based on 1% of all salaries, wages, commissions, and other compensation and on net profits earned from businesses and residents living within the City.

Property taxes and income taxes made up 25.6% and 42.8% respectively of revenues for governmental activities for the City during 2005. The City's reliance upon tax revenues is demonstrated by the chart below indicating 77.9% of total revenues from municipal income, property and other taxes:

	2005	Percent of Total
Charges for Services	\$1,628,899	11.0%
Operating Grants and Contributions	209,925	1.4%
Municipal Income Taxes	6,315,991	42.8%
Property Taxes	3,783,041	25.6%
Other Taxes	1,405,422	9.5%
Grants and Entitlements not Restricted	1,109,666	7.5%
Investment Earnings	317,085	2.2%
Miscellaneous	6,648	0.0%
Total Revenues	\$14,776,677	100.0%

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$9,989,335, which is a decrease from last year's balance of \$10,943,185. The decrease in available funds reflects an emphasis which was placed in investment in capital assets during the year of 2005 combined with debt repayments. During 2005 Senior Center construction was completed.

The Fire Fund increase was due in part to fewer capital purchases during 2005 than in 2004 when major vehicle replacements were completed.

The schedule below indicates the fund balance and the total change in fund balance by fund type as of December 31, 2005 and 2004:

CITY OF FOREST PARK, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

	Fund Balance December 31, 2005	Fund Balance December 31, 2004	Increase/ (Decrease)
General Fund	\$4,784,265	\$6,128,930	(\$1,344,665)
Fire Fund	1,707,508	1,217,227	490,281
Urban Renewal Fund	988,268	1,111,215	(122,947)
Special Revenue Funds - Nonmajor	1,918,131	1,914,676	3,455
Debt Service Fund - Nonmajor	48,399	0	48,399
Capital Projects Funds - Nonmajor	542,764	571,137	(28,373)
Total	<u>\$9,989,335</u>	<u>\$10,943,185</u>	<u>(\$953,850)</u>

General Fund – The City's General Fund balance decrease is due to many factors. The tables that follow assist in illustrating the financial activities and balance of the General Fund:

	2005 Revenues	2004 Revenues	Increase/ (Decrease)
Municipal Income Taxes	\$6,307,387	\$6,264,576	\$42,811
Property Taxes	964,325	815,912	148,413
Other Local Taxes	620,627	649,358	(28,731)
Intergovernmental Revenues	214,554	645,189	(430,635)
Special Assessments	41,694	10,315	31,379
Charges for Service	11,364	19,280	(7,916)
Fees, Licenses, and Permits	199,583	279,545	(79,962)
Investment Earnings	156,916	57,857	99,059
Fines and Forfeitures	133,697	131,823	1,874
All Other Revenues	176,851	200,292	(23,441)
Total	<u>\$8,826,998</u>	<u>\$9,074,147</u>	<u>(\$247,149)</u>

General fund revenues in 2005 decreased approximately 2.7% compared to revenues in 2004. Municipal Income Taxes were only increased by 0.7% over those of 2004. The Intergovernmental Revenue decrease was due to funds received for Senior Center construction during 2004. Fees, Licenses, and Permits decreased due to the increased activity during 2004 for the Cincinnati Mills mall.

**CITY OF FOREST PARK, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**

	2005 <u>Expenditures</u>	2004 <u>Expenditures</u>	Increase/ <u>(Decrease)</u>
Security of Persons and Property	\$4,305,591	\$4,027,071	\$278,520
Public Health and Welfare	21,455	20,972	483
Community Environment	829,686	612,240	217,446
Public Works and Streets	1,775,925	1,481,654	294,271
Leisure Time Activities	419,185	381,856	37,329
General Government	1,946,313	1,696,500	249,813
Capital Outlay	458,648	1,135,975	(677,327)
 Total	 <u>\$9,756,803</u>	 <u>\$9,356,268</u>	 <u>\$400,535</u>

General Fund expenditures increased by \$400,535 over the prior year mostly due to increases in police staffing costs, attorney costs for the right-of-way negotiations, and increased sidewalk repairs. Expenditures decreased in the Capital Outlay area due to the construction of the Senior Center during 2004.

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

During the course of 2005 the City amended its General Fund budget twice, none significant.

For the General Fund, final budget basis expenditures of \$10,729,169 did not significantly change over the original budget estimates of \$11,281,149. The decrease in the final budget was due to renovations at the activity center and swimming pool not being completed as originally planned. The General Fund had an adequate fund balance to cover expenditures.

Fire Fund – The City's Fire Fund Balance increase is mainly due to delinquent payments on prior years property taxes during 2005 combined with fewer expenditures for capital equipment purchases. The tables that follow illustrate the financial activities of the Fire Fund. Revenues are presented first and then expenditures.

**CITY OF FOREST PARK, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**

	2005 <u>Revenues</u>	2004 <u>Revenues</u>	Increase/ <u>(Decrease)</u>
Property Taxes	\$2,818,716	\$2,326,373	\$492,343
Intergovernmental Revenues	525,144	311,728	213,416
Charges for Service	344,919	470,828	(125,909)
Fees, Licenses, and Permits	8,454	16,483	(8,029)
Investment Earnings	53,790	17,396	36,394
All Other Revenues	<u>34,025</u>	<u>22,680</u>	<u>11,345</u>
 Total	 <u>\$3,785,048</u>	 <u>\$3,165,488</u>	 <u>\$619,560</u>

The increase in Intergovernmental Revenue reflects grants received during 2005. Investment earnings also increased due to a higher fund balance maintained through 2005 combined with higher interest earned.

	2005 <u>Expenditures</u>	2004 <u>Expenditures</u>	Increase/ <u>(Decrease)</u>
Security of Persons and Property	\$3,140,600	\$2,935,856	\$204,744
Capital Outlay	143,357	841,487	(698,130)
Debt Service:			
Principal	9,615	8,462	1,153
Interest	<u>1,195</u>	<u>909</u>	<u>286</u>
 Total	 <u>\$3,294,767</u>	 <u>\$3,786,714</u>	 <u>(\$491,947)</u>

Expenditures decreased year-over-year due to the equipment replaced during 2004. Expenditures for increased staffing were offset by fewer capital purchases during 2005.

Urban Renewal Fund – The City's Urban Renewal Fund Balance increase is mainly due to a decrease in expenditures due to environmental permitting issues with the Wright Farm East detention basin and final payments of debt for two areas of the project during 2004. The permitting issues have slowed down the construction process and have subsequently been resolved. The tables that follow illustrate the financial activities of the Urban Renewal Fund. Revenues are presented first and then expenditures.

**CITY OF FOREST PARK, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**

	2005 Revenues	2004 Revenues	Increase/ (Decrease)
Intergovernmental Revenues	\$43,242	\$42,743	\$499
Special Assessments	364,205	358,016	6,189
Investment Earnings	36,082	17,417	18,665
 Total	 <u>\$443,529</u>	 <u>\$418,176</u>	 <u>\$25,353</u>

The increase in Investment Earnings reflects a higher balance available for investment during 2005 and higher interest rates earned.

	2005 Expenditures	2004 Expenditures	Increase/ (Decrease)
Public Works and Streets	\$64,315	\$94,484	(\$30,169)
Capital Outlay	130,671	543,129	(412,458)
Debt Service:			
Principal	360,584	436,827	(76,243)
Interest	10,906	25,564	(14,658)
 Total	 <u>\$566,476</u>	 <u>\$1,100,004</u>	 <u>(\$533,528)</u>

As previously discussed Capital Outlay and Debt Services expenditures were less during 2005.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2005 the City had \$17,482,334 net of accumulated depreciation invested in land, buildings, vehicles, machinery, and equipment. Infrastructure has been included only for items constructed since January 1, 2003, which were completed through December 31, 2005. The following table shows 2005 and 2004 balances:

**CITY OF FOREST PARK, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**

	2005	2004	Increase/ (Decrease)
Land	\$4,035,406	\$3,985,951	\$49,455
Buildings and Improvements	5,841,560	5,841,560	0
Vehicles, Machinery, and Equipment	5,577,282	5,174,972	402,310
Infrastructure	4,745,356	4,745,356	0
Construction in Progress	2,237,203	2,015,828	221,375
Less: Accumulated Depreciation	<u>(4,954,473)</u>	<u>(4,267,787)</u>	<u>(686,686)</u>
 Total	 <u>\$17,482,334</u>	 <u>\$17,495,880</u>	 <u>(\$13,546)</u>

The primary increase in Vehicles, Machine, and Equipment was due to vehicle purchases for Police and Fire (\$180,235), a loader for Public Works (\$91,228), and lights and fencing for the Central Park tennis courts (\$66,183).

Additional information on the City's capital assets may be found in Note 6.

Debt

At December 31, 2005, the City had \$4,325,000 in general obligation bonds outstanding, \$660,000 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2005, and 2004:

	2005	2004	Increase/ (Decrease)
General Obligation Bonds	\$4,325,000	\$5,305,000	(\$980,000)
Public Works Issue 2 Loans	<u>150,201</u>	<u>190,621</u>	<u>(40,420)</u>
 Total	 <u>\$4,475,201</u>	 <u>\$5,495,621</u>	 <u>(\$1,020,420)</u>

Under current state statutes, the City's general obligation bonded debt issues are subject to a legal limitation based on 10.5% of the total assessed value of real and personal property. At December 31, 2005, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt may be found in Note 8.

**CITY OF FOREST PARK, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**

ECONOMIC FACTORS

The City's budget for 2006 is very conservative. In an effort to control spending, City Council adopted a budget that held expenditure appropriations to a conservative level. The staffing level has remained the same and no increases in services or programs have been anticipated.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the dollars it receives. If you have questions about this report or need additional financial information contact the Director of Finance, City of Forest Park, 1201 West Kemper Road, Forest Park, OH 45240.

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City of Forest Park
Statement of Net Assets
December 31, 2005

	Governmental Activities
ASSETS	
Pooled Cash and Investments	\$11,295,072
Receivables (net of allowance for uncollectibles):	
Municipal Income Tax	2,036,353
Property Tax	4,345,386
Other Taxes	20,637
Interest	33,038
Other Revenue	136,757
Due From Other Governments	926,693
Prepaid Items	35,782
Deferred Charges-Issuance Costs	6,263
Nondepreciable Capital Assets	6,272,609
Depreciable Capital Assets, Net	11,209,725
TOTAL ASSETS	36,318,315
LIABILITIES	
Accounts Payable	196,681
Accrued Wages and Benefits Payable	1,171,545
Accrued Interest Payable	28,209
Bond Payable	1,250,000
Deferred Revenue	4,345,386
Noncurrent liabilities:	
Due within one year	772,422
Due in more than one year	4,159,974
TOTAL LIABILITIES	11,924,217
NET ASSETS	
Invested in capital assets, net of related debt	12,143,338
Restricted for:	
Capital Projects	542,764
Debt Service	48,399
Special Revenue	4,290,934
Unrestricted	7,368,663
TOTAL NET ASSETS	\$24,394,098

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

City of Forest Park
Statement of Activities
For the Year Ended December 31, 2005

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental Activities:				
Security of Persons and Property				
Police	\$4,175,468	\$167,801	\$51,104	(\$3,956,563)
Fire	3,370,259	521,552	1,000	(2,847,707)
Building	314,918	176,010	0	(138,908)
Public Health and Welfare	21,455	0	0	(21,455)
Community Environment	958,658	36,589	131,162	(790,907)
Public Works and Streets	3,413,529	662,585	25,559	(2,725,385)
Leisure Time Activities	448,758	55,242	1,100	(392,416)
General Government	1,951,871	9,120	0	(1,942,751)
Interest and Fiscal Charges	210,269	0	0	(210,269)
Total Functions/Programs	\$14,865,185	\$1,628,899	\$209,925	(\$13,026,361)

General revenues:

Municipal Income Taxes	6,315,991
Property Taxes	3,783,041
Other Taxes	1,405,422
Grants and Entitlements not Restricted to Specific Programs	1,109,666
Investment Earnings	317,085
Miscellaneous	6,648
Total General Revenues	12,937,853
Change in Net Assets	(88,508)
Net Assets - beginning (restated)	24,482,606
Net Assets - ending	\$24,394,098

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

**City of Forest Park
Balance Sheet
Governmental Funds
December 31, 2005**

	General Fund	Fire Fund	Urban Renewal Fund	Other Governmental Funds	Total Governmental Funds
Assets:					
Pooled Cash and Investments	\$4,663,872	\$1,984,991	\$2,237,017	\$2,409,192	\$11,295,072
Receivables (net of allowance for uncollectibles):					
Municipal Income Tax	2,036,353	0	0	0	2,036,353
Property Tax	1,147,084	3,198,302	0	0	4,345,386
Other Taxes	20,637	0	0	0	20,637
Interest	14,352	6,228	6,370	6,088	33,038
Other Revenue	20,766	74,319	0	41,672	136,757
Due From Other Governments	375,394	123,155	0	428,144	926,693
Due From Other Funds	0	0	0	74,252	74,252
Prepaid Items	32,712	2,237	0	833	35,782
Total Assets	<u>8,311,170</u>	<u>5,389,232</u>	<u>2,243,387</u>	<u>2,960,181</u>	<u>18,903,970</u>
Liabilities:					
Accounts Payable	134,695	38,035	2,647	21,304	196,681
Accrued Wages and Benefits Payable	855,156	281,283	0	35,106	1,171,545
Due to Other Funds	0	0	0	74,252	74,252
Bond Payable	0	0	1,250,000	0	1,250,000
Deferred Revenue	2,537,054	3,362,406	2,472	320,225	6,222,157
Total Liabilities	<u>3,526,905</u>	<u>3,681,724</u>	<u>1,255,119</u>	<u>450,887</u>	<u>8,914,635</u>
Fund Balances:					
Reserved for Encumbrances	722,643	137,857	2,681	179,365	1,042,546
Reserved for Prepaid Items	32,712	2,237	0	833	35,782
Unreserved, reported in:					
General fund	4,028,910	0	0	0	4,028,910
Special revenue funds	0	1,567,414	985,587	1,737,933	4,290,934
Debt Service fund	0	0	0	48,399	48,399
Capital projects funds	0	0	0	542,764	542,764
Total Fund Balances	<u>4,784,265</u>	<u>1,707,508</u>	<u>988,268</u>	<u>2,509,294</u>	<u>9,989,335</u>
Total Liabilities and Fund Balances	<u>\$8,311,170</u>	<u>\$5,389,232</u>	<u>\$2,243,387</u>	<u>\$2,960,181</u>	<u>\$18,903,970</u>

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

City of Forest Park
 Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities

December 31, 2005

Amounts reported for governmental activities in the governmental funds balance sheet (page 17) are different because:

Total governmental fund balances	\$9,989,335
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	17,482,334
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:	
Municipal income taxes receivable	1,129,727
Intergovernmental and other receivables	747,044
Bond Issuance Costs	6,263
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
General obligation bonds	(4,325,000)
Public Works Issue 2 Loans	(150,202)
Compensated absences	(457,194)
Accrued interest on long-term debt	(28,209)
	(4,960,605)
Net assets of governmental activities	\$24,394,098

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

City of Forest Park
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2005

	General Fund	Fire Fund	Urban Renewal Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Municipal Income Taxes	\$6,307,387	\$0	\$0	\$0	\$6,307,387
Property Taxes	964,325	2,818,716	0	0	3,783,041
Other Local Taxes	620,627	0	0	785,272	1,405,899
Intergovernmental Revenues	214,554	525,144	43,242	268,032	1,050,972
Special Assessments	41,694	0	364,205	153,122	559,021
Charges for Service	11,364	344,919	0	558,666	914,949
Fees, Licenses, and Permits	199,583	8,454	0	22,933	230,970
Investment Earnings	156,916	53,790	36,082	67,184	313,972
Fines and Forfeitures	133,697	0	0	803	134,500
All Other Revenues	176,851	34,025	0	68,098	278,974
Total Revenue	<u>8,826,998</u>	<u>3,785,048</u>	<u>443,529</u>	<u>1,924,110</u>	<u>14,979,685</u>
Expenditures:					
Current:					
Security of Persons and Property:					
Police Department	3,995,855	0	0	10,374	4,006,229
Fire Department	0	3,140,600	0	0	3,140,600
Building Department	309,736	0	0	0	309,736
Public Health and Welfare	21,455	0	0	0	21,455
Community Environment	829,686	0	0	119,254	948,940
Public Works and Streets	1,775,925	0	64,315	962,112	2,802,352
Leisure Time Activities	419,185	0	0	0	419,185
General Government	1,946,313	0	0	11,791	1,958,104
Capital Outlay	458,648	143,357	130,671	370,517	1,103,193
Debt Service:					
Principal	0	9,615	360,584	650,221	1,020,420
Interest	0	1,195	10,906	192,911	205,012
Total Expenditures	<u>9,756,803</u>	<u>3,294,767</u>	<u>566,476</u>	<u>2,317,180</u>	<u>15,935,226</u>
Excess (Deficiency) of Revenues					
Over Expenditures	(929,805)	490,281	(122,947)	(393,070)	(955,541)
Other Financing Sources (Uses)					
Proceeds from Sale of Capital Assets	1,691	0	0	0	1,691
Transfers In	0	0	0	416,551	416,551
Transfers Out	(416,551)	0	0	0	(416,551)
Total Other Financing Sources (Uses)	<u>(414,860)</u>	<u>0</u>	<u>0</u>	<u>416,551</u>	<u>1,691</u>
Net Change in Fund Balances	(1,344,665)	490,281	(122,947)	23,481	(953,850)
Fund Balances -- Beginning	6,128,930	1,217,227	1,111,215	2,485,813	10,943,185
Fund Balances -- Ending	<u>\$4,784,265</u>	<u>\$1,707,508</u>	<u>\$988,268</u>	<u>\$2,509,294</u>	<u>\$9,989,335</u>

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

City of Forest Park
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities

December 31, 2005

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

Net change in fund balances -- total governmental funds	(\$953,850)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:	
Capital Outlay	688,640
Depreciation expense	(692,985)
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. The amount of the proceeds must be removed and the deduction for the loss on the disposal of capital assets must also be recognized.	
	(9,201)
Revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:	
Municipal income taxes	8,604
Intergovernmental and other revenue	(207,220)
Interest	3,118
Repayment of bond and loan principal is an expenditure in the governmental funds, but the payment reduces long-term liabilities in the statement of net assets.	
	1,020,420
In the statement of activities, interest and bond issuance costs are accrued on outstanding bonds, whereas in the governmental funds, an interest and bond issuance expenditure is reported when paid.	
	(5,257)
Some expenses reported in the statement of activities, such as compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
	<u>59,223</u>
Change in net assets of governmental activities	<u><u>(\$88,508)</u></u>

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

**CITY OF FOREST PARK, OHIO
STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
DECEMBER 31, 2005**

	<u>TOTAL AGENCY FUNDS</u>
ASSETS	
Pooled Cash and Investments	\$719,903
Franchise Fees Receivable	<u>181,931</u>
Total Assets	<u><u>901,834</u></u>
LIABILITIES	
Due to Others	<u>901,834</u>
Total Liabilities	<u><u>\$901,834</u></u>

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

**CITY OF FOREST PARK, OHIO
NOTES TO THE FINANCIAL STATEMENTS**

DECEMBER 31, 2005

NOTE 1 – DESCRIPTION OF THE REPORTING ENTITY

The City traces its roots to the mid-1950's when the Federal Government encouraged development of a second greenbelt community in the Cincinnati area.

The City operates as a Home Rule City in accordance with Article XVIII of the Ohio Constitution under a City Manager-Council form of government. The City provides the following services as authorized by its charter.

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. The City has no component units that meet the above criteria. However, the City is associated with a jointly governed organization. The Waycross Community Programming Board is discussed in Note 13 to the financial statements.

NOTE 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 also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. The most significant of the City's accounting policies are described below.

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.

CITY OF FOREST PARK, OHIO
NOTES TO THE FINANCIAL STATEMENTS

Government-wide Financial Statements

The statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The statement of net assets presents the financial condition of the governmental 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. 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 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 fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. 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 two categories of funds included in the City's CAFR – governmental and fiduciary.

Governmental Funds

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

CITY OF FOREST PARK, OHIO
NOTES TO THE FINANCIAL STATEMENTS

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.

Fire Fund – This special revenue fund accounts for expenditures of property tax revenues and other resources in the operation of the City’s Fire Department.

Urban Renewal Fund – This special revenue fund accounts for the expenditures of revenue in lieu of taxes and interest earned in the project area which was established in 1994.

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

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary funds used by the city are known as agency funds. The agency funds account for building permit fees collected on behalf of the State and performance bonds pledged by contractors as well as Mayor’s court collections that are distributed to the state as well as bonds held for individuals. The Waycross Community Programming Board is also reported as an agency fund. The City’s agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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.

CITY OF FOREST PARK, OHIO
NOTES TO THE FINANCIAL STATEMENTS

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. 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 sixty 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 (See Note 4). 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, fees for service, and rentals.

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 December 31, 2005, but which were levied to finance year 2006 operations, have been recorded as deferred revenue. Special assessments not received within the available period and

CITY OF FOREST PARK, OHIO
NOTES TO THE FINANCIAL STATEMENTS

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.

Equity in Pooled Cash and Investments

To improve cash management, cash received by the City is pooled. Monies for all funds 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.

During the year, the City invested in STAROhio, an investment pool managed by the State Treasurer's Office. STAROhio allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2005.

Following the Charter and Codified Ordinances of the City as well as Ohio statutes, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue during 2005 amounted to \$313,972.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2005, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed.

**CITY OF FOREST PARK, OHIO
NOTES TO THE FINANCIAL STATEMENTS**

Capital Assets

Capital assets, which include property, plant, and equipment are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of \$5,000. The City has not yet included infrastructure with the exception of items constructed on or after January 1, 2003, some of which are included in construction in progress at year-end. 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. Interest incurred during the construction of capital assets is also capitalized.

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>
Buildings and Improvements	20 to 50 years
Infrastructure	20 to 50 years
Vehicles, Machinery, and Equipment	5 to 20 years

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 year end taking into consideration any limits specified in the City's termination policy. The City records a liability for all accumulated unused vacation time when earned for all employees. The City records a liability for accumulated unused sick leave for all employees after twenty years of accumulated service or when otherwise eligible for retirement through a pension system.

CITY OF FOREST PARK, OHIO
NOTES TO THE FINANCIAL STATEMENTS

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

For governmental funds, a liability is recorded for compensated absences only if they have matured, for example, as a result of employee resignations and/or retirements.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide 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 and prepaid items 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.

Interfund Activity

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 the governmental fund statements. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

CITY OF FOREST PARK, OHIO
NOTES TO THE FINANCIAL STATEMENTS

Deferred Charges

Bond issuance costs for the 2003 bond issue have been deferred and are being amortized over the life of the bonds using the straight-line method.

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.

NOTE 3 – POOLED CASH AND INVESTMENTS

The City follows the practice of pooling cash and investments with the exception of the cash of the Mayor's Court Agency Fund. Each fund's portion of total cash and investments is summarized by each fund type in the financial statements as equity in pooled cash and investments.

State statutes classify monies held by the City into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the City treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits the City has identified as not required for use within the current two-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings accounts, including passbook accounts.

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public money deposited with the institution.

Interim monies may be deposited or invested in the following securities:

CITY OF FOREST PARK, OHIO
NOTES TO THE FINANCIAL STATEMENTS

1. Bonds, notes or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest.
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency.
3. No-load money market mutual funds consisting exclusively of obligations described in 1. or 2. above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.
4. Interim deposits in the eligible institutions applying for interim monies to be evidenced by time certificates of deposit maturing not more than one year from date of deposit, or by savings or deposit accounts, including, but limited to, passbook accounts.
5. Bonds and other obligations of the State of Ohio
6. The Ohio State Treasurer's investment pool (STAROhio).
7. Commercial paper and banker's acceptances which meet the requirements established by Ohio Revised Code, Sec. 135.142.
8. Under limited circumstances, corporate debt interests in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public moneys deposited with the institution.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**CITY OF FOREST PARK, OHIO
NOTES TO THE FINANCIAL STATEMENTS**

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's policy for deposits is any balance not covered by depository insurance will be collateralized by the financial institutions with pledged securities. As of December 31, 2005, \$3,900,000 of the City's bank balance of \$4,000,000 was exposed to custodial risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the City's name.

Ohio Revised Code Chapter 135, Uniform Depository Act, authorizes pledging of pooled securities in lieu of specific securities. Specifically, a designated public depository may pledge a single pool of eligible securities to secure repayment of all public monies deposited in the financial institution, provided that at all times the total value of the securities pledged is at least equal to 105% of the total amount of all public deposits secured by the pool, including the portion of such deposits covered by any federal deposit insurance.

Investments

As of December 31, 2005, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Money Market Fund	\$7,628	0.00
STAROhio	95,910	0.00
Repurchase Agreement	3,086,055	0.00
Fannie Mae	577,243	0.64
Federal Home Loan Bank	1,810,797	0.44
Federal Home Loan Bank Discount Note	364,807	0.02
Federal National Mortgage Discount Note	705,687	0.15
Federal Reserve Discount Note	618,929	0.23
Freddie Mac	734,202	0.53
U. S. Treasury Note	388,051	0.46
 Total Fair Value	 \$8,389,309	
 Portfolio Weighted Average Maturity		 0.24

Interest rate risk – In accordance with the investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to two years, unless matched to a specified obligation or debt of the City.

CITY OF FOREST PARK, OHIO
NOTES TO THE FINANCIAL STATEMENTS

Credit Risk – It is the City’s policy to limit its investments that are not obligations of the U. S. Government or obligations explicitly guaranteed by the U. S. Government to investments which have the highest credit quality rating issued by nationally recognized statistical rating organizations. The City’s investments in Agency Notes, Agency Discount Notes, and in Money Market Funds were rated AAA by Standard and Poor’s and Fitch ratings and Aaa by Moody’s Investors Service. The City’s U. S. Treasury Notes and U. S. Treasury Bills held by the City are not rated.

Concentration of credit risk – The City’s investment policy allows investments in Federal Government Securities or Instrumentalities. The City has invested less than 1% in of the City’s investments in Money Market Funds, 1.1% in StarOhio, 36.8% in a repurchase agreement, 6.9% in Fannie Mae, 21.6% in Federal Home Loan Bank, 4.4% in Federal Home Loan Bank Discount Notes, 8.4% in Federal National Mortgage Discount Notes, 7.4% in Federal Reserve Discount Notes, 8.8% in Freddie Mac, and 4.6% in U. S. Treasury Notes.

Custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the City’s securities are either insured and registered in the name of the City or a least registered in the name of the City.

NOTE 4 - RECEIVABLES

Receivables at December 31, 2005, consisted primarily of municipal income taxes, property and other taxes, due from other governments receivables arising from entitlements, shared revenues, special assessments, accrued interest on investments, and other revenues (billings for various services).

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

Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2005 for real and public utility property taxes represents collections of the 2004 taxes. Property tax payments received during 2005 for tangible personal property (other than public utility property) is for 2005 taxes.

2005 real property taxes are levied after October 1, 2005, on the assessed value as of January 1, 2005, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2005 real property taxes are collected in and intended to finance 2006 operations.

CITY OF FOREST PARK, OHIO
NOTES TO THE FINANCIAL STATEMENTS

public utility property taxes became a lien December 31, 2004, are levied after October 1, 2005, and are collected in 2006 with real property taxes.

2005 tangible personal property taxes are levied after October 1, 2004, on the value as of December 31, 2004. Collections are made in 2005. 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 is as follows:

Real Property	\$326,643,200
Public Utility	12,811,280
Tangible Personal Property	<u>34,485,220</u>
 Total Valuation	 <u><u>\$373,939,700</u></u>

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

Tangible personal property taxes paid by multi-county 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 of Forest Park. The County Auditor periodically remits to the City its portion of the taxes collected. Accrued property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2005, and 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 December 31, nor were they levied to finance 2005 operations. The receivable is therefore offset by deferred revenue.

Income Taxes

Income taxes are imposed at the rate of one percent (1%) per annum on salaries, wages, commissions, other compensation, and net profits. When a resident of the City is subject to a municipal income tax in another municipality, township, or county; the resident receives a credit not to exceed one-half of one percent (½%) against the tax imposed on the earnings taxed by such a municipality, township, or county.

CITY OF FOREST PARK, OHIO
NOTES TO THE FINANCIAL STATEMENTS

Each taxpayer is required to file a return on or before April 15th of each year for the prior year. When the return is filed for a fiscal year or other period different from a calendar year, the return shall be filed within four months from the end of such fiscal year or period.

Intergovernmental Receivables

A summary of intergovernmental receivables follows:

<u>Governmental Activities</u>	<u>Amounts</u>
Local Government/Revenue Assistance	\$310,937
Gasoline Tax	294,889
Homestead and Rollback	141,906
Motor Vehicle Registrations	65,260
Special Assessments	64,223
10K Personal Property Tax	16,073
Electric Dereg Kilowatt Hour Tax	18,186
Permissive Fees	<u>15,219</u>
Total	<u><u>\$926,693</u></u>

NOTE 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. The City carries commercial general liability insurance against these risks and all other risks of loss, including workers' compensation and employee health and accident insurance.

There have been no significant reductions in insurance coverage from that of prior years and settlements have not exceeded insurance coverage for any of the past three fiscal years.

NOTE 6 - CAPITAL ASSETS

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

CITY OF FOREST PARK, OHIO
NOTES TO THE FINANCIAL STATEMENTS

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets, not being depreciated				
Land	\$3,985,951	\$49,455	\$0	\$4,035,406
Construction in Progress	2,015,828	221,375	0	2,237,203
Total Capital Assets, not being depreciated	<u>6,001,779</u>	<u>270,830</u>	<u>0</u>	<u>6,272,609</u>
Capital Assets, being depreciated:				
Buildings and Improvements	5,841,560	0	0	5,841,560
Vehicles, Machinery, and Equipment	5,174,972	417,810	(15,500)	5,577,282
Infrastructure	4,745,356	0	0	4,745,356
Total Capital Assets, being depreciated	<u>15,761,888</u>	<u>417,810</u>	<u>(15,500)</u>	<u>16,164,198</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(2,059,096)	(247,644)	0	(2,306,740)
Vehicles, Machinery, and Equipment	(2,115,536)	(271,308)	6,299	(2,380,545)
Infrastructure	(93,155)	(174,033)	0	(267,188)
Total Accumulated Depreciation	<u>(4,267,787)</u>	<u>(692,985)</u>	<u>6,299</u>	<u>(4,954,473)</u>
Total Capital Assets, being depreciated, net	<u>11,494,101</u>	<u>(275,175)</u>	<u>(9,201)</u>	<u>11,209,725</u>
Governmental Activities Capital Assets, net	<u>\$17,495,880</u>	<u>(\$4,345)</u>	<u>(\$9,201)</u>	<u>\$17,482,334</u>

Depreciation expense was charged to governmental functions as follows:

Security of Persons and Property	
Police	\$136,040
Fire	171,991
Building	2,685
Community Environment	3,897
Public Works and Streets	338,548
Leisure Time Activities	34,000
General Government	<u>5,824</u>
Total	<u>\$692,985</u>

NOTE 7 – COMPENSATED ABSENCES

Accumulated Unpaid Vacation

City employees earn vacation leave at varying rates based upon length of service. All employees may accrue a maximum of 25 days. Vacation days may not be carried over from year to the next without the approval of the City Manager. In the event of a termination of employment, death, or retirement, employees (or their estates) are paid for unused vacation leave.

**CITY OF FOREST PARK, OHIO
NOTES TO THE FINANCIAL STATEMENTS**

Accumulated Unpaid Sick Leave

City employees earn sick leave at the rate of 10 hours per complete month of service (12 hours for Fire union employees). A maximum of 1,800 hours may be carried from one year to the next. Any hours over 1,800 accrued and not taken may be paid or used on a one for three basis by the end of the year. In the case of death or retirement, employees (or the employees' estates) are paid for one half of their accumulated leave with 900 hours being the maximum amount paid.

Accumulated Unpaid Compensatory Time

From time to time, employees may need, with prior approval from their supervisors, to work overtime. These overtime hours will usually be paid at the appropriate overtime rate; however, with permission of the supervisor, an employee may have the option of taking the overtime in compensatory time at one and one half times the amount of hours worked.

NOTE 8 - LONG TERM DEBT

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

<u>Governmental Activities</u>	<u>Amount Outstanding 12/31/04</u>	<u>Additions</u>	<u>Deletions</u>	<u>Amount Outstanding 12/31/05</u>	<u>Amounts Due in One Year</u>
<u>Unvoted General Obligation Bonds</u>					
3.25%-4.60% Various Purpose	\$5,235,000	\$0	\$(945,000)	\$4,290,000	\$660,000
3.20% Salt Storage Building	70,000	0	(35,000)	35,000	35,000
Total Unvoted General Obligation Bonds	<u>5,305,000</u>	<u>0</u>	<u>(980,000)</u>	<u>4,325,000</u>	<u>695,000</u>
<u>Public Works Issue 2 Loans</u>					
0.00% Northland Detention Basin	58,598	0	(7,813)	50,785	7,813
3.00% Dewdrop Circle Project	44,104	0	(12,135)	31,969	12,503
3.00% Reliance Road Culvert Project	30,113	0	(8,286)	21,827	8,536
3.00% West Kemper Road Project	57,806	0	(12,185)	45,621	12,553
Total Public Works Issue 2 Loans	<u>190,621</u>	<u>0</u>	<u>(40,419)</u>	<u>150,202</u>	<u>41,405</u>
Compensated Absences	<u>516,418</u>	<u>53,508</u>	<u>(112,732)</u>	<u>457,194</u>	<u>36,017</u>
Total Governmental Activities	<u>\$6,012,039</u>	<u>\$53,508</u>	<u>\$(1,133,151)</u>	<u>\$4,932,396</u>	<u>\$772,422</u>

CITY OF FOREST PARK, OHIO
NOTES TO THE FINANCIAL STATEMENTS

The funds which will be used to pay the Compensated absences are as follows: General Fund - \$393,541, Street Fund - \$4,024, Fire Fund - \$40,972, Stormwater Fund - \$9,085, Environmental Grants Fund - \$1,806, and Health Care Reserve Fund - \$7,767.

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

Year Ending December 31	General Obligation Bonds		Public Works Issue 2 Loans		Total
	Principal	Interest	Principal	Interest	
2006	\$695,000	\$169,462	\$41,405	\$2,732	\$908,599
2007	345,000	147,883	42,420	1,717	537,020
2008	355,000	136,153	32,218	671	524,042
2009	375,000	123,373	14,625	102	513,100
2010	390,000	109,310	7,814	0	507,124
2011-2015	1,100,000	385,780	11,720	0	1,497,500
2016-2019	1,065,000	123,540	0	0	1,188,540
Total	<u>\$4,325,000</u>	<u>\$1,195,501</u>	<u>\$150,202</u>	<u>\$5,222</u>	<u>\$5,675,925</u>

The City is subject to certain constitutional and statutory general obligation debt limitations. As of December 31, 2005, the City has not exceeded the debt limitations.

NOTE 9 - INDUSTRIAL AND ECONOMIC DEVELOPMENT REVENUE BONDS

The City issues industrial and economic development revenue bonds. These bonds are not a liability, nor are the proceeds of the issues assets of the City and, accordingly, they are not reflected on the City's financial records. The City does not guarantee this debt nor is it backed by the full faith and credit of the City. Debt service on these issues is payable solely from the revenues of the Company and/or individual for whom the debt was issued.

As of December 31, 2005, there were three series of Industrial Revenue Bonds outstanding. The aggregate principal amount payable for the three series issued prior to December 31, 1996, could not be determined; however, their original issue amounts totaled \$6,870,000.

CITY OF FOREST PARK, OHIO
NOTES TO THE FINANCIAL STATEMENTS

NOTE 10 - EMPLOYEE BENEFITS

Public Employees Retirement System

All full-time employees, other than non-administrative full-time police officers and firefighters, participate in the Public Employees Retirement System of Ohio (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.

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 members invest both member and employer contributions (employer contributions vest over five years at twenty 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 adjustment 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 current year employer contribution rate was 13.55% of covered payroll; 9.55% was the portion paid for pension. 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, 2005, 2004, and 2003 were \$445,451, \$425,337, and \$405,255, respectively. The full amount has been contributed for 2004 and 2003. Approximately 92% has been contributed for 2005 with the remainder being reported as liabilities within the paying fund.

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. OP&F provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by the Ohio State Legislature

CITY OF FOREST PARK, OHIO
NOTES TO THE FINANCIAL STATEMENTS

and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10% of their annual covered salary and the City is required to contribute 19.5% and 24% respectively for police officers and firefighters. The Ohio Revised Code provides statutory authority for employee and employer contributions. The City's required contributions to the Fund for the years ended December 31, 2005, 2004, and 2003 were \$754,214, \$715,202, and \$665,907, respectively. The full amount has been contributed for 2004 and 2003. Approximately 75% has been contributed for 2005 with the remainder being reported as a liability within the paying fund.

NOTE 11 - POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. 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 (OPEB) 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% of covered payroll; 4% 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, 2004, include a rate of return on investments of 8%, an annual increase in active employee total payroll of 4% compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between 0.5% and 6.3% based on additional annual pay increases.

Health care premiums were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 1% to 6% for the next eight years. In subsequent years (nine and beyond) health care costs were assumed to increase at 4% (the projected wage inflation rate). On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to skyrocketing health care costs. Under the HCPP, retirees eligible for health care coverage will receive a graded monthly allocation based on their years of service at retirement. The Plan incorporates a cafeteria approach, offering a broad range of health care options that allow benefit recipients to use their monthly allocation to purchase health care

CITY OF FOREST PARK, OHIO
NOTES TO THE FINANCIAL STATEMENTS

coverage customized to meet their individual needs. If the monthly allocation exceeds the cost of the options selected, the excess is deposited into a Retiree Medical Account that can be used to fund future health care expenses.

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

At year end 2005, the number of active contributing participants in the Traditional and Combined Plans totaled 376,109. The City's actual contributions for the current year, which were used to fund postemployment benefits were \$131,497. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2004, (the latest information available) were \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.5 billion and \$18.7 billion, respectively.

Ohio Police and Fire Pension Fund

The Ohio and Police Fire Pension Fund (OP&F) provides post-retirement health care coverage to any person who received or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending school 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 Pensions 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 rate is 19.5% of covered payroll and the total firefighter employer contribution rate is 24% of covered payroll, of which 7.75% 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 \$159,642 for police and \$113,727 for fire. The OP&F's total health care expenses for the year ended December 31, 2004, (the latest information available) were \$102,173,796, which was net of member contributions of \$55,665,341. The number of OP&F participants eligible to receive health care benefits as of December 31, 2004, was 13,812 for police and 10,528 for firefighters.

CITY OF FOREST PARK, OHIO
NOTES TO THE FINANCIAL STATEMENTS

NOTE 12 – CONTINGENT LIABILITIES

Litigation

The City management is of the opinion that the ultimate disposition of claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

Federal and State Grants

The City participates in several federally assisted programs. These programs are subject to financial and compliance audits by the grantor or their representative. As of December 31, 2005, the audits of certain of these programs have not been completed. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

NOTE 13 – JOINTLY GOVERNED ORGANIZATION

The Waycross Community Programming Board is a jointly governed organization among the City of Forest Park, Village of Greenhills and Springfield Township that was formed during 1982. The jointly governed organization was formed for the purpose of providing community programming and cable regulatory services for their citizens. The Board of Directors is comprised of a chairman and fifteen individuals drawn from local residents of the three communities. Each community has five members on the Board (the chairman is not a resident of any of the communities). The degree of control exercised by any participating city or township is limited to its representation by their citizens. Elected officials of the three communities appoint individuals to serve on the Community Programming Board of Directors. The Board of Directors responsibilities include establishment and review of programming policies, resolution of policy disputes and questions of equal treatment for access users, fiscal controls and the creation and promotion of the media center and Community Access channels. In addition the Community Programming Board coordinates regulatory efforts for member communities and provides expertise on other matters regarding the local cable system(s) and other forms of electronic communications.

The Community Programming Board is not locked into services for these three entities alone. Communities may leave the joint effort or other communities could join.

The Communities involved have directed Time Warner Cable to pay the Community Programming Board for the use of the streets and other facilities in the operation of the Cable Television System during the life of the franchise a sum equal to five percent of the Gross Revenues for each and every quarter year of the franchise term.

**CITY OF FOREST PARK, OHIO
NOTES TO THE FINANCIAL STATEMENTS**

It should be noted that the franchise costs are paid directly by those who subscribe to the cable service. The fees are collected by Time Warner Cable and they have been directed by the participating communities to pay the franchise fees (which would otherwise go to the participating communities) to the Community Programming Board.

The City serves as the fiscal agent for the Community Programming Board. Their financial statements are presented within the City's Agency Funds.

NOTE 14 – INTERFUND BALANCES AND TRANSFERS

Interfund transfers for the year ended December 31, 2005, consisted of the following:

Transfer To	Transfer From General Fund
Non-major Governmental Funds	\$416,551

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed.

The City had no transfers that either do not occur on a regular basis or were inconsistent with the purpose of the fund making the transfer.

Interfund balances at December 31, 2005, consisted of the following amounts and represented funds paid prior to receipt of funds due from other governments. \$74,252 was temporarily advanced between Non-Major Governmental Funds. The funds are expected to be received shortly after the beginning of 2006.

NOTE 15 – SPECIAL OBLIGATION DEVELOPMENT REVENUE BONDS

During 2004 the City entered into an agreement with Cincinnati Mills L.L.C., the Port of Greater Cincinnati Development Authority, the City of Fairfield, the Winton Woods City School District, the Northwest Local School District, and the Fairfield City School District. The agreement provides for a Tax Increment Financing (TIF) project for the Cincinnati Mills Mall located in both the City of Forest Park and the City of Fairfield. The proceeds will be used for Public Parking and Infrastructure

**CITY OF FOREST PARK, OHIO
NOTES TO THE FINANCIAL STATEMENTS**

improvements on the Cincinnati Mills site. The agreement is for thirty years and bonds were issued in the name of the Port of Greater Cincinnati Development Authority in the amount of \$18,000,000 which is the current balance of the bonds at December 31, 2005. Debt service for the issue will be from the TIF as well as a Special Assessment District which includes the areas benefiting from the improvements. . These bonds are not a liability, nor are the proceeds of the issues assets of the City and, accordingly, they are not reflected on the City's financial records.

NOTE 16 – SHORT-TERM BOND ISSUE

During November of 2005 a six-month bond issue was completed for \$1,250,000 at a rate of 4%. This bond issue was for the construction of the Wright Farm East Detention Basin. Due to statutory requirements, bonds had to be issued in order to be able to spend funds received through the Urban Renewal project. The balance at December 31, 2005, was \$1,250,000. The bond issue was repaid in May, 2006.

NOTE 17 – CHANGE IN ACCOUNTING PRINCIPLE

For fiscal year 2005, the City has implemented GASB Statement No. 40., "Deposit and Investment Risk Disclosures". GASB 40 establishes and modified disclosure requirements related to investment risk: credit risk (including custodial credit risk and concentrations of credit risk) and interest rate risk. This statement also establishes and modifies disclosure requirements for custodial credit risk on deposits. This statement applies to all state and local governments.

NOTE 18 – PRIOR PERIOD ADJUSTMENT

The beginning net asset balance of the Governmental Activities has been adjusted for the correction to the property tax revenue as follows:

	Governmental Activities
Balance previously stated	
December 31, 2004	\$25,068,022
Prior period adjustment	(585,416)
As restated, January 1, 2005	\$24,482,606

**REQUIRED
SUPPLEMENTARY
INFORMATION**

City of Forest Park
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2005

General Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal Income Taxes	\$6,650,000	\$6,300,000	\$6,239,885	(\$60,115)
Property Taxes	959,150	962,800	969,338	6,538
Other Taxes	667,975	668,100	668,110	10
Intergovernmental Revenues	211,375	217,275	218,011	736
Special Assessments	10,000	41,700	41,694	(6)
Charges for Service	10,000	11,700	11,931	231
Fees, Licenses, and Permits	156,000	187,500	191,281	3,781
Investment Earnings	70,000	140,000	144,671	4,671
Fines and Forfeitures	140,000	130,000	134,231	4,231
All Other Revenues	101,425	178,725	183,086	4,361
Total Revenues	<u>8,975,925</u>	<u>8,837,800</u>	<u>8,802,238</u>	<u>(35,562)</u>
Expenditures:				
Security of Persons and Property:				
Police Department:				
Personal Services	3,590,266	3,537,856	3,506,892	30,964
Contractual Services	350,605	350,605	321,232	29,373
Supplies and Materials	84,592	84,592	83,968	624
Capital Outlay	242,197	245,017	232,758	12,259
Total Police Department	<u>4,267,660</u>	<u>4,218,070</u>	<u>4,144,850</u>	<u>73,220</u>
Building Department:				
Personal Services	284,230	284,230	282,103	2,127
Contractual Services	47,325	43,125	42,536	589
Supplies and Materials	5,297	6,497	6,088	409
Capital Outlay	400	3,400	3,297	103
Total Building Department	<u>337,252</u>	<u>337,252</u>	<u>334,024</u>	<u>3,228</u>
Total Security of Persons and Property	<u>4,604,912</u>	<u>4,555,322</u>	<u>4,478,874</u>	<u>76,448</u>
Public Health and Welfare:				
Health Services:				
Contractual Services	21,500	21,500	21,455	45
Total Health Services	<u>21,500</u>	<u>21,500</u>	<u>21,455</u>	<u>45</u>
Total Public Health and Welfare	<u>21,500</u>	<u>21,500</u>	<u>21,455</u>	<u>45</u>
Community Environment:				
Economic Development Department:				
Personal Services	155,675	155,675	110,243	45,432
Contractual Services	15,850	15,850	12,959	2,891
Supplies and Materials	974	974	674	300
Capital Outlay	700	700	700	0
Total Economic Development Department	<u>173,199</u>	<u>173,199</u>	<u>124,576</u>	<u>48,623</u>

Schedule of Revenues, Expenditures and Changes in Fund Balance
Required Supplementary Information
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2005

General Fund (continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Economic Development Commission:				
Contractual Services	23,101	23,101	19,481	3,620
Supplies and Materials	320	320	6	314
Total Economic Development Commission	23,421	23,421	19,487	3,934
Community Development Department:				
Personal Services	272,775	259,525	239,907	19,618
Contractual Services	31,268	43,768	42,839	929
Supplies and Materials	3,693	4,443	4,423	20
Capital Outlay	550	550	550	0
Total Community Development Department	308,286	308,286	287,719	20,567
Beautification:				
Personal Services	5,900	5,900	5,900	0
Contractual Services	45,223	62,223	61,843	380
Supplies and Materials	1,390	1,390	1,013	377
Capital Outlay	11,500	6,000	5,929	71
Total Beautification	64,013	75,513	74,685	828
Community Services:				
Contractual Services	77,638	182,638	181,917	721
Supplies and Materials	5,450	5,450	1,805	3,645
Capital Outlay	102,963	105,463	104,910	553
Total Community Services	186,051	293,551	288,632	4,919
Total Community Environment	754,970	873,970	795,099	78,871
Public Works and Streets:				
Equipment Maintenance:				
Personal Services	189,848	189,848	186,872	2,976
Contractual Services	23,585	23,585	19,321	4,264
Supplies and Materials	154,048	169,048	167,500	1,548
Capital Outlay	6,835	6,835	6,088	747
Total Equipment Maintenance	374,316	389,316	379,781	9,535
Public Works:				
Personal Services	451,145	451,145	430,913	20,232
Contractual Services	752,201	755,201	752,413	2,788
Supplies and Materials	8,400	5,050	1,301	3,749
Capital Outlay	800	1,150	1,124	26
Total Public Works	1,212,546	1,212,546	1,185,751	26,795

City of Forest Park
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2005

General Fund (continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Engineering:				
Personal Services	40,258	40,258	39,692	566
Contractual Services	92,833	57,833	52,363	5,470
Supplies and Materials	600	650	628	22
Total Engineering	<u>133,691</u>	<u>98,741</u>	<u>92,683</u>	<u>6,058</u>
Street Lighting				
Contractual Services	87,857	87,857	80,152	7,705
Capital Outlay	30,067	18,067	17,563	504
Total Street Lighting	<u>117,924</u>	<u>105,924</u>	<u>97,715</u>	<u>8,209</u>
Municipal Building and Grounds:				
Personal Services	44,321	44,321	43,563	758
Contractual Services	234,345	194,345	184,707	9,638
Supplies and Materials	15,182	15,182	12,005	3,177
Capital Outlay	145,146	111,596	100,716	10,880
Total Municipal Building and Grounds	<u>438,994</u>	<u>365,444</u>	<u>340,991</u>	<u>24,453</u>
Total Public Works and Streets	<u>2,277,471</u>	<u>2,171,971</u>	<u>2,096,921</u>	<u>75,050</u>
Leisure Time Activities:				
Activity & Senior Centers				
Contractual Services	67,320	67,320	63,177	4,143
Supplies and Materials	3,379	3,379	2,726	653
Capital Outlay	600,000	50,000	49,914	86
Total Community Center/Swim Pool	<u>670,699</u>	<u>120,699</u>	<u>115,817</u>	<u>4,882</u>
Recreation:				
Personal Services	100,636	100,636	98,708	1,928
Contractual Services	72,339	72,339	56,843	15,496
Supplies and Materials	8,348	8,348	8,044	304
Capital Outlay	475	475	472	3
Total Recreation	<u>181,798</u>	<u>181,798</u>	<u>164,067</u>	<u>17,731</u>
Park Maintenance:				
Personal Services	140,648	132,348	128,958	3,390
Contractual Services	59,239	63,239	62,509	730
Supplies and Materials	15,797	15,797	11,743	4,054
Capital Outlay	72,240	75,240	74,874	366
Total Park Maintenance	<u>287,924</u>	<u>286,624</u>	<u>278,084</u>	<u>8,540</u>
Total Leisure Time Activities	<u>1,140,421</u>	<u>589,121</u>	<u>557,968</u>	<u>31,153</u>

City of Forest Park
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2005

General Fund (continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
General Government:				
City Council:				
Personal Services	114,256	114,256	113,294	962
Contractual Services	77,790	77,790	74,117	3,673
Supplies and Materials	1,900	1,900	1,298	602
Capital Outlay	300	300	286	14
Total City Council	<u>194,246</u>	<u>194,246</u>	<u>188,995</u>	<u>5,251</u>
Mayor's Court:				
Personal Services	129,795	129,795	121,980	7,815
Contractual Services	56,570	56,570	54,411	2,159
Supplies and Materials	2,200	2,200	1,623	577
Capital Outlay	1,000	1,000	812	188
Total Mayor's Court	<u>189,565</u>	<u>189,565</u>	<u>178,826</u>	<u>10,739</u>
City Manager:				
Personal Services	357,039	331,039	330,068	971
Contractual Services	54,499	99,499	99,489	10
Supplies and Materials	5,771	5,771	4,091	1,680
Capital Outlay	2,000	2,000	209	1,791
Total City Manager	<u>419,309</u>	<u>438,309</u>	<u>433,857</u>	<u>4,452</u>
Finance/Tax:				
Personal Services	747,118	747,118	737,427	9,691
Contractual Services	96,416	96,416	79,095	17,321
Supplies and Materials	13,728	13,728	11,214	2,514
Capital Outlay	2,000	2,000	0	2,000
Total City Manager	<u>859,262</u>	<u>859,262</u>	<u>827,736</u>	<u>31,526</u>
Human Resources				
Personal Services	114,738	114,748	114,744	4
Contractual Services	31,681	48,261	47,393	868
Supplies and Materials	555	2,155	2,110	45
Capital Outlay	0	420	420	0
Total Human Resources	<u>146,974</u>	<u>165,584</u>	<u>164,667</u>	<u>917</u>
Elections:				
Contractual Services	3,500	0	0	0
Total Elections	<u>3,500</u>	<u>0</u>	<u>0</u>	<u>0</u>

City of Forest Park
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2005

General Fund (continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Information Services:				
Personal Services	88,563	88,563	87,408	1,155
Contractual Services	85,810	85,810	36,326	49,484
Supplies and Materials	2,414	2,414	793	1,621
Capital Outlay	115,080	115,080	61,286	53,794
Total Information Services	<u>291,867</u>	<u>291,867</u>	<u>185,813</u>	<u>106,054</u>
Other - Unclassified				
Personal Services	56,500	57,800	57,691	109
Contractual Services	220,652	220,652	213,390	7,262
Contingencies	100,000	100,000	0	100,000
Total Other - Unclassified	<u>377,152</u>	<u>378,452</u>	<u>271,081</u>	<u>107,371</u>
Total General Government	<u>2,481,875</u>	<u>2,517,285</u>	<u>2,250,975</u>	<u>266,310</u>
Total Expenditures	<u>11,281,149</u>	<u>10,729,169</u>	<u>10,201,292</u>	<u>527,877</u>
Excess (Deficiency of Revenues) Over (Under) Expenditures	(2,305,224)	(1,891,369)	(1,399,054)	(563,439)
Other Financing Sources (Uses):				
Proceeds from the Sale of Fixed Assets	15,000	1,700	1,691	(9)
Proceeds from Sale of Bonds	600,000	0	0	0
Advances In	0	120,300	120,300	0
Transfers Out	(414,595)	(416,575)	(416,551)	24
Total Other Financing Sources (Uses)	<u>200,405</u>	<u>(294,575)</u>	<u>(294,560)</u>	<u>15</u>
Net Change in Fund Balance	<u>(2,104,819)</u>	<u>(2,185,944)</u>	<u>(1,693,614)</u>	<u>(563,424)</u>
Fund Balance at Beginning of Year	4,698,898	4,698,898	4,698,898	0
Prior Year Encumbrances	665,814	665,814	665,814	0
Fund Balance at End of Year	<u>\$3,259,893</u>	<u>\$3,178,768</u>	<u>\$3,671,098</u>	<u>(\$563,424)</u>

See Notes to Required Supplementary Information

City of Forest Park
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2005

	Fire Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Property Taxes	\$2,741,100	\$2,820,775	\$2,835,122	\$14,347
Intergovernmental Revenues	337,300	376,825	376,799	(26)
Charges for Service	494,500	476,850	507,076	30,226
Fees, Licenses, and Permits	10,000	7,500	7,478	(22)
Investment Earnings	25,000	50,000	47,231	(2,769)
All Other Revenues	22,750	35,825	36,060	235
Total Revenues	<u>3,630,650</u>	<u>3,767,775</u>	<u>3,809,766</u>	<u>41,991</u>
Expenditures:				
Security of Persons and Property:				
Fire Department:				
Personal Services	2,689,465	2,689,465	2,678,119	11,346
Contractual Services	367,724	367,724	358,450	9,274
Supplies and Materials	174,714	181,714	179,607	2,107
Capital Outlay	169,241	162,241	151,707	10,534
Other - Unclassified	12,804	12,804	12,069	735
Debt Service:				
Principal Retirement	9,615	9,615	9,615	0
Interest and Fiscal Charges	1,200	1,200	1,195	5
Total Expenditures	<u>3,424,763</u>	<u>3,424,763</u>	<u>3,390,762</u>	<u>34,001</u>
Excess (Deficiency of Revenues) Over (Under) Expenditures	205,887	343,012	419,004	75,992
Other Financing Sources (Uses):				
Proceeds from the Sale of Fixed Assets	1,000	13,200	0	(13,200)
Total Other Financing Sources (Uses)	<u>1,000</u>	<u>13,200</u>	<u>0</u>	<u>(13,200)</u>
Net Change in Fund Balance	<u>206,887</u>	<u>356,212</u>	<u>419,004</u>	<u>62,792</u>
Fund Balance at Beginning of Year	1,163,675	1,163,675	1,163,675	0
Prior Year Encumbrances	129,618	129,618	129,618	0
Fund Balance at End of Year	<u>\$1,500,180</u>	<u>\$1,649,505</u>	<u>\$1,712,297</u>	<u>\$62,792</u>

See Notes to Required Supplementary Information

City of Forest Park
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2005

Urban Renewal Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$0	\$43,200	\$43,242	\$42
Special Assessments	0	364,250	364,205	(45)
Investment Earnings	10,000	29,200	29,199	(1)
Total Revenues	<u>10,000</u>	<u>436,650</u>	<u>436,646</u>	<u>(4)</u>
Expenditures:				
Public Works and Streets:				
Urban Renewal:				
Contractual Services	31,165	73,165	72,926	239
Capital Outlay	717,405	675,405	130,671	544,734
Debt Service:				
Principal Retirement	360,585	360,585	360,584	1
Interest and Fiscal Charges	10,910	10,910	5,631	5,279
Total Expenditures	<u>1,120,065</u>	<u>1,120,065</u>	<u>569,812</u>	<u>550,253</u>
Excess (Deficiency of Revenues) Over (Under) Expenditures	(1,110,065)	(683,415)	(133,166)	550,249
Other Financing Sources (Uses):				
Proceeds from Sale of Bonds	0	1,255,250	1,250,000	(5,250)
Total Other Financing Sources (Uses)	<u>0</u>	<u>1,255,250</u>	<u>1,250,000</u>	<u>(5,250)</u>
Net Change in Fund Balance	<u>(1,110,065)</u>	<u>571,835</u>	<u>1,116,834</u>	<u>544,999</u>
Fund Balance at Beginning of Year	975,285	975,285	975,285	0
Prior Year Encumbrances	134,812	134,812	134,812	0
Fund Balance at End of Year	<u>\$32</u>	<u>\$1,681,932</u>	<u>\$2,226,931</u>	<u>\$544,999</u>

See Notes to Required Supplementary Information

**CITY OF FOREST PARK, OHIO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2005**

Budgetary Process

The City follows these procedures in establishing and legally adopting the budgetary information for all funds that are legally required to be budgeted and appropriated, however, only governmental funds are required to be reported.

- (1) The Administration prepares the annual budget and submits it to the City Council for adoption. This budget is based upon estimated receipts and expenditures.
- (2) Prior to holding a public hearing on the proposed budget, it is made available for review by the public at the offices of the Clerk of Council.
- (3) City Council holds a public hearing on the proposed budget.
- (4) City Council adopts the budget, by fund, for the following year by ordinance on or before July 15th of each year.
- (5) After adoption, the budget and the ordinance that is approved are certified to the County Budget Commission by July 20th. The Commission conducts another public hearing and determines if the budget fairly represents the needs of the City.
- (6) The City accepts by legislation the County Budget Commission's estimated necessary property tax rate. Their acceptance must be certified to the County Auditor on or before October 1st.
- (7) The Finance Director files a certificate of estimated resources and expenditures for the ensuing year on or about January 1st.
- (8) On or before January 1st, an appropriation measure, by fund, is passed by City Council for the ensuing year. The budgeted amounts by department or expenditure category reflected in the financial statements and supplemental data include this initial appropriation measure and all revisions thereto for the year, as described below.
- (9) The Finance Director prepares ordinances to amend the original appropriations in order to reflect any changes of appropriation in expenditure categories within any fund and these changes must be approved by City Council. In accordance with the City's Administrative Policy, expenditures may not exceed appropriations at the expenditure legal level of control for each fund (activity within a program within a fund).

During 2005, two ordinances were passed to amend or to supplement the budgetary appropriation, resulting in additional appropriations from

CITY OF FOREST PARK, OHIO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2005

unappropriated revenue sources and internal fund transfers from one appropriated expenditure category to another.

(10) At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the fund from which it was appropriated, and is subject to future appropriation. The encumbrances outstanding at year-end represent the estimated amount of the expenditures ultimately to result if unperformed contracts in process at year-end are completed. The encumbrances appropriated balance is carried forward to the succeeding fiscal year and, according to statute need not be reappropriated.

Budgetary Basis of Accounting

While the City is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures/expenses 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. Advances-in and advances-out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund.

CITY OF FOREST PARK, OHIO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2005

Net Change in Fund Balance

	<u>General Fund</u>	<u>Fire Fund</u>	<u>Urban Renewal Fund</u>
GAAP Basis	(\$1,344,665)	\$490,281	\$1,111,215
Net Adjustment for Revenue Accruals	24,760	24,718	6,883
Net Adjustment for Expenditure Accruals	444,489	95,995	3,336
Advances	120,300	0	0
Encumbrances	<u>(938,498)</u>	<u>(191,990)</u>	<u>(4,600)</u>
Budget Basis	<u><u>(\$1,693,614)</u></u>	<u><u>\$419,004</u></u>	<u><u>\$1,116,834</u></u>

Encumbrances

Encumbrances for purchase orders, contracts and other commitments are recorded in the governmental funds to reserve that portion of the applicable appropriation. Encumbrances outstanding at year-end are reported as reserves of the fund balances since they do not constitute expenditures or liabilities.

GENERAL FUND

The General Fund is used to account for all financial resources traditionally associated with governments, except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for revenues from specific sources which are legally restricted to be expended for specific purposes. The City maintained the following Special Revenue funds for 2005:

Major Special Revenue Funds:

Fire Levy Fund - This fund is used to account for revenues received from property taxes specifically earmarked for fire protection by a levy passed by the City's electorate.

Urban Renewal Fund - This fund is used to account for the proceeds of the bonds issued for the Urban Renewal District with related revenue and expenditures.

Non-major Special Revenue Funds:

Street Construction - Maintenance and Repair Fund (Street Fund) - This fund is used to account for 92.5% of the City's share of state gasoline tax revenue and motor vehicle license fees. State law requires that such monies be spent on street construction and maintenance.

State Highway Improvement Fund - This fund is used to account for the remaining 7.5% of the City's share of state gasoline tax revenue and motor vehicle license fees. State law requires that such monies be spent on maintenance and improvement of state highways within the City.

Stormwater Management Utility Fund - This fund is used to account for the operations of the City's Stormwater Management Utility.

Environmental Grants Fund - This fund is used to account for grant proceeds received from the State of Ohio for Litter Prevention activities.

Carillon Business Park TIF Fund - This fund is used to account for the proceeds of the bonds issued for the Tax Increment Financing District with related revenue and expenditures.

Cincinnati Mills TIF Fund - This fund is used to account for the proceeds of the bonds issued for the Tax Increment Financing District with related revenue and expenditures.

Law Enforcement Trust Fund - This fund contains monies derived from the sale of property/automobiles seized by the police in relation to drug investigations.

DARE Special Revenue Fund - This fund reflects the activities of the DARE program along with costs associated with the west-side substation.

Law Enforcement Grants Fund - This fund was used to account for various grants that have been received for law enforcement purposes. During 2003, we had the Cops in Schools Grant and the Terrorism Awareness Grant reflected in this fund.

Health Care Reserve Fund - This fund is established to self-fund a portion of the employee health care costs.

Home Improvement Loan Fund - This fund is established to help eligible Forest Park residents with the home improvement expenditures. The City will be reimbursed by the Hamilton County for advances to residents for such home improvements.

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources and payment of general obligation bonds and principal and interest on bond anticipation notes of General Fund.

CAPITAL PROJECTS FUNDS

Capital Project Funds are established to account for revenues and expenditures related to the acquisition or construction of capital facilities which are not financed by proprietary funds. Capital facilities are defined as major and permanent in nature. Capital Project Funds maintained during 2005 are as follows:

Capital Improvement Projects Fund - This was established pursuant to Section 12.07 of the City Charter. It is to provide for public improvements and/or equipment needed for the use of the Municipality. Such improvements or equipment shall have a minimum useful life expectancy of three years.

Economic Development Fund - This fund has been used to account for the acquisition, construction and debt service for the Kemper Meadow Business Center. It may also be used for the purchase, rehabilitation, and resale of properties.

OPWC – Q-Lube Green Space Acquisition Fund - This fund was established to provide for the accounting required for the grant and matching funds for the Q-Lube Green Space Acquisition project.

AGENCY FUNDS

Agency funds are used to account for assets held in a custodial capacity.

Community Programming Board - This fund is used to account for the activities of the Community Programming Board (CPB), a cable television operation funded in portion by cable franchise fees. The City of Forest Park performs accounting services for CPB, and the employees of CPB are considered employees of the City for purposes of employee benefits.

Mayor's Court Fund - This fund accounts for dollars collected by the Court which must be sent to the state or returned to the individual who has posted a bond.

Refundable Fees - This fund contains deposits for special hearings, performance bonds, recreation deposits, and 7-year returnable fees.

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**City of Forest Park
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2005**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
Assets:				
Pooled Cash and Investments	\$1,893,033	\$48,399	\$467,760	\$2,409,192
Receivables (net of allowance for uncollectibles):				
Interest	4,859	0	1,229	6,088
Other Revenue	41,672	0	0	41,672
Due From Other Funds	0	0	74,252	74,252
Due From Other Governments	428,144	0	0	428,144
Prepaid Items	833	0	0	833
Total Assets	2,368,541	48,399	543,241	2,960,181
Liabilities:				
Accounts Payable	21,304	0	0	21,304
Accrued Wages and Benefits Payable	35,106	0	0	35,106
Due to Other Funds	74,252	0	0	74,252
Deferred Revenue	319,748	0	477	320,225
Total Liabilities	450,410	0	477	450,887
Fund Balances:				
Reserved for Encumbrances	179,365	0	0	179,365
Reserved for Prepaid Items	833	0	0	833
Unreserved/Undesignated	1,737,933	48,399	542,764	2,329,096
Total Fund Balances	1,918,131	48,399	542,764	2,509,294
Total Liabilities and Fund Balances	\$2,368,541	\$48,399	\$543,241	\$2,960,181

City of Forest Park
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2005

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
Revenues:				
Other Local Taxes	\$785,272	\$0	\$0	\$785,272
Intergovernmental Revenues	268,032	0	0	268,032
Special Assessments	153,122	0	0	153,122
Charges for Service	558,666	0	0	558,666
Fees, Licenses, and Permits	22,933	0	0	22,933
Investment Earnings	52,140	0	15,044	67,184
Fines and Forfeitures	803	0	0	803
All Other Revenues	68,098	0	0	68,098
Total Revenue	<u>1,909,066</u>	<u>0</u>	<u>15,044</u>	<u>1,924,110</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Police Department	10,374	0	0	10,374
Community Environment	119,254	0	0	119,254
Public Works and Streets:	962,112	0	0	962,112
General Government	11,791	0	0	11,791
Capital Outlay	370,003	0	514	370,517
Debt Service				
Principal	309,132	213,986	127,103	650,221
Interest	147,849	29,262	15,800	192,911
Total Expenditures	<u>1,930,515</u>	<u>243,248</u>	<u>143,417</u>	<u>2,317,180</u>
Excess (Deficiency) of Revenues Over Expenditures	(21,449)	(243,248)	(128,373)	(393,070)
Other Financing Sources (Uses)				
Transfers In	24,904	291,647	100,000	416,551
Total Other Financing Sources (Uses)	<u>24,904</u>	<u>291,647</u>	<u>100,000</u>	<u>416,551</u>
Net Change in Fund Balances	3,455	48,399	(28,373)	23,481
Fund Balances -- Beginning	1,914,676	0	571,137	2,485,813
Fund Balances -- Ending	<u>\$1,918,131</u>	<u>\$48,399</u>	<u>\$542,764</u>	<u>\$2,509,294</u>

City of Forest Park
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2005

	Street Fund	State Highway Fund	Stormwater Management Utility Fund	Environmental Grants Fund	Carillon Business Park TIF Fund
Assets:					
Pooled Cash and Investments	\$676,555	\$179,087	\$568,234	\$324,646	\$0
Receivables (net of allowance for uncollectibles):					
Interest	1,751	484	1,484	811	0
Other Revenue	0	0	41,672	0	0
Due From Other Governments	347,216	28,153	52,775	0	0
Prepaid Items	833	0	0	0	0
Total Assets	<u>1,026,355</u>	<u>207,724</u>	<u>664,165</u>	<u>325,457</u>	<u>0</u>
Liabilities:					
Accounts Payable	4,858	4,885	3,077	149	0
Accrued Wages and Benefits Payable	21,176	96	7,516	6,318	0
Due to Other Funds	0	0	0	0	74,252
Deferred Revenue	211,931	17,316	90,058	315	0
Total Liabilities	<u>237,965</u>	<u>22,297</u>	<u>100,651</u>	<u>6,782</u>	<u>74,252</u>
Fund Balances:					
Reserved for Encumbrances	163,004	2,731	9,646	3,984	0
Reserved for Prepaid Items	833	0	0	0	0
Unreserved/Undesignated	624,553	182,696	553,868	314,691	(74,252)
Total Fund Balances	<u>788,390</u>	<u>185,427</u>	<u>563,514</u>	<u>318,675</u>	<u>(74,252)</u>
Total Liabilities and Fund Balances	<u>\$1,026,355</u>	<u>\$207,724</u>	<u>\$664,165</u>	<u>\$325,457</u>	<u>\$0</u>

Cincinnati Mills TIF Fund	Law Enforcement Trust Fund	DARE Special Revenue Fund	Law Enforcement Grant Fund	Health Care Reserve Fund	Home Improvement Loan Fund	Total Non-Major Special Revenue Funds
\$0	\$5,492	\$20,801	\$463	\$105,169	\$12,586	\$1,893,033
0	0	0	0	293	36	4,859
0	0	0	0	0	0	41,672
0	0	0	0	0	0	428,144
0	0	0	0	0	0	833
<u>0</u>	<u>5,492</u>	<u>20,801</u>	<u>463</u>	<u>105,462</u>	<u>12,622</u>	<u>2,368,541</u>
0	0	69	0	7,766	500	21,304
0	0	0	0	0	0	35,106
0	0	0	0	0	0	74,252
0	0	0	0	114	14	319,748
<u>0</u>	<u>0</u>	<u>69</u>	<u>0</u>	<u>7,880</u>	<u>514</u>	<u>450,410</u>
0	0	0	0	0	0	179,365
0	0	0	0	0	0	833
0	5,492	20,732	463	97,582	12,108	1,737,933
<u>0</u>	<u>5,492</u>	<u>20,732</u>	<u>463</u>	<u>97,582</u>	<u>12,108</u>	<u>1,918,131</u>
<u>\$0</u>	<u>\$5,492</u>	<u>\$20,801</u>	<u>\$463</u>	<u>\$105,462</u>	<u>\$12,622</u>	<u>\$2,368,541</u>

City of Forest Park
Combining Balance Sheet
Nonmajor Capital Project Funds
December 31, 2005

	Capital Improvement Projects Fund	Economic Development Fund	OPWC Q Lube Acquisition Fund	Total Non-Major Capital Project Funds
Assets:				
Pooled Cash and Investments	\$334,467	\$133,293	\$0	\$467,760
Receivables (net of allowance for uncollectibles):				
Interest	861	368	0	1,229
Due From Other Funds	0	74,252	0	74,252
Due From Other Governments	0	0	0	0
Total Assets	<u>335,328</u>	<u>207,913</u>	<u>0</u>	<u>543,241</u>
Liabilities:				
Due to Other Funds	0	0	0	0
Deferred Revenue	334	143	0	477
Total Liabilities	<u>334</u>	<u>143</u>	<u>0</u>	<u>477</u>
Fund Balances:				
Reserved for Encumbrances	0	0	0	0
Unreserved/Undesignated	334,994	207,770	0	542,764
Total Fund Balances	<u>334,994</u>	<u>207,770</u>	<u>0</u>	<u>542,764</u>
Total Liabilities and Fund Balances	<u>\$335,328</u>	<u>\$207,913</u>	<u>\$0</u>	<u>\$543,241</u>

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City of Forest Park
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005

	Street Fund	State Highway Fund	Stormwater Management Utility Fund	Environmental Grants Fund	Carillon Business Park TIF Fund
Revenues:					
Other Local Taxes	\$726,377	\$58,895	\$0	\$0	\$0
Intergovernmental Revenues	130,122	10,550	0	70,043	26,783
Special Assessments	0	0	0	0	151,249
Charges for Service	0	0	558,666	0	0
Fees, Licenses, and Permits	0	0	22,833	100	0
Investment Earnings	16,584	4,646	17,340	8,272	2,099
Fines and Forfeitures	0	0	0	0	0
All Other Revenues	34,100	559	18	32,343	0
Total Revenue	<u>907,183</u>	<u>74,650</u>	<u>598,857</u>	<u>110,758</u>	<u>180,131</u>
Expenditures:					
Current:					
Security of Persons and Property:					
Police Department	0	0	0	0	0
Community Environment					
Environmental Grants	0	0	0	119,254	0
Public Works and Streets:					
Streets	618,147	42,303	0	0	0
Stormwater Management	0	0	301,662	0	0
General Government	0	0	0	0	0
Capital Outlay	96,641	0	261,188	398	0
Debt Service					
Principal	55,033	0	89,099	0	165,000
Interest	6,565	0	9,294	0	131,990
Total Expenditures	<u>776,386</u>	<u>42,303</u>	<u>661,243</u>	<u>119,652</u>	<u>296,990</u>
Excess (Deficiency) of Revenues Over Expenditures	130,797	32,347	(62,386)	(8,894)	(116,859)
Other Financing Sources (Uses)					
Transfers In	0	0	0	22,926	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>22,926</u>	<u>0</u>
Net Change in Fund Balances	130,797	32,347	(62,386)	14,032	(116,859)
Fund Balances -- Beginning	657,593	153,080	625,900	304,643	42,607
Fund Balances -- Ending	<u>\$788,390</u>	<u>\$185,427</u>	<u>\$563,514</u>	<u>\$318,675</u>	<u>(\$74,252)</u>

Cincinnati Mills TIF Fund	Law Enforcement Trust Fund	DARE Special Revenue Fund	Law Enforcement Grant Fund	Health Care Reserve Fund	Home Improvement Loan Fund	Total Non-Major Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$0	\$785,272
204	0	16,693	13,637	0	0	268,032
1,873	0	0	0	0	0	153,122
0	0	0	0	0	0	558,666
0	0	0	0	0	0	22,933
0	0	0	0	2,831	368	52,140
0	803	0	0	0	0	803
0	250	729	0	0	99	68,098
<u>2,077</u>	<u>1,053</u>	<u>17,422</u>	<u>13,637</u>	<u>2,831</u>	<u>467</u>	<u>1,909,066</u>
0	671	4,961	4,742	0	0	10,374
0	0	0	0	0	0	119,254
0	0	0	0	0	0	660,450
0	0	0	0	0	0	301,662
2,077	0	0	0	7,766	1,948	11,791
0	870	496	10,410	0	0	370,003
0	0	0	0	0	0	309,132
0	0	0	0	0	0	147,849
<u>2,077</u>	<u>1,541</u>	<u>5,457</u>	<u>15,152</u>	<u>7,766</u>	<u>1,948</u>	<u>1,930,515</u>
0	(488)	11,965	(1,515)	(4,935)	(1,481)	(21,449)
0	0	0	1,978	0	0	24,904
0	0	0	1,978	0	0	24,904
0	(488)	11,965	463	(4,935)	(1,481)	3,455
0	5,980	8,767	0	102,517	13,589	1,914,676
<u>\$0</u>	<u>\$5,492</u>	<u>\$20,732</u>	<u>\$463</u>	<u>\$97,582</u>	<u>\$12,108</u>	<u>\$1,918,131</u>

City of Forest Park
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Capital Project Funds
For the Year Ended December 31, 2005

	Capital Improvement Projects Fund	Economic Development Fund	OPWC Q Lube Acquisition Fund	Total Non-Major Capital Project Funds
Revenues:				
Intergovernmental Revenues	\$0	\$0	\$0	\$0
Investment Earnings	8,291	6,753	0	15,044
All Other Revenues	0	0	0	0
Total Revenue	<u>8,291</u>	<u>6,753</u>	<u>0</u>	<u>15,044</u>
Expenditures:				
Capital Outlay	0	0	514	514
Debt Service				
Principal	0	127,103	0	127,103
Interest	0	15,800	0	15,800
Total Expenditures	<u>0</u>	<u>142,903</u>	<u>514</u>	<u>143,417</u>
Excess (Deficiency) of Revenues Over Expenditures	8,291	(136,150)	(514)	(128,373)
Other Financing Sources (Uses)				
Transfers In	25,000	75,000	0	100,000
Total Other Financing Sources (Uses)	<u>25,000</u>	<u>75,000</u>	<u>0</u>	<u>100,000</u>
Net Change in Fund Balances	33,291	(61,150)	(514)	(28,373)
Fund Balances -- Beginning	301,703	268,920	514	571,137
Fund Balances -- Ending	<u>\$334,994</u>	<u>\$207,770</u>	<u>\$0</u>	<u>\$542,764</u>

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City of Forest Park
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2005

	Street Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Other Local Taxes	\$746,000	\$701,500	\$708,533	\$7,033
Intergovernmental Revenues	125,000	125,000	128,375	3,375
Investment Earnings	6,500	14,000	14,853	853
All Other Revenues	0	34,300	34,349	49
Total Revenues	<u>877,500</u>	<u>874,800</u>	<u>886,110</u>	<u>11,310</u>
Expenditures:				
Public Works and Streets:				
Streets:				
Personal Services	315,203	315,203	313,221	1,982
Contractual Services	259,752	239,752	232,991	6,761
Supplies and Materials	57,010	102,010	96,294	5,716
Capital Outlay	279,000	254,000	238,337	15,663
Debt Service:				
Principal Retirement	55,035	55,035	55,033	2
Interest and Fiscal Charges	6,570	6,570	6,565	5
Total Expenditures	<u>972,570</u>	<u>972,570</u>	<u>942,441</u>	<u>30,129</u>
Net Change in Fund Balance	<u>(95,070)</u>	<u>(97,770)</u>	<u>(56,331)</u>	<u>41,439</u>
Fund Balance at Beginning of Year	345,561	345,561	345,561	0
Prior Year Encumbrances	214,108	214,108	214,108	0
Fund Balance at End of Year	<u>\$464,599</u>	<u>\$461,899</u>	<u>\$503,338</u>	<u>\$41,439</u>

City of Forest Park
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2005

State Highway Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Other Local Taxes	\$60,700	\$56,550	\$57,448	\$898
Intergovernmental Revenues	10,500	10,200	10,409	209
Investment Earnings	1,500	4,000	4,152	152
All Other Revenues	0	550	559	9
Total Revenues	<u>72,700</u>	<u>71,300</u>	<u>72,568</u>	<u>1,268</u>
Expenditures:				
Public Works and Streets:				
State Highway:				
Personal Services	6,050	6,050	6,050	0
Contractual Services	68,417	68,417	29,014	39,403
Supplies and Materials	13,600	13,600	10,309	3,291
Capital Outlay	1,000	1,000	0	1,000
Total State Highway	<u>89,067</u>	<u>89,067</u>	<u>45,373</u>	<u>43,694</u>
Total Expenditures	<u>89,067</u>	<u>89,067</u>	<u>45,373</u>	<u>43,694</u>
Net Change in Fund Balance	<u>(16,367)</u>	<u>(17,767)</u>	<u>27,195</u>	<u>44,962</u>
Fund Balance at Beginning of Year	143,477	143,477	143,477	0
Prior Year Encumbrances	517	517	517	0
Fund Balance at End of Year	<u>\$127,627</u>	<u>\$126,227</u>	<u>\$171,189</u>	<u>\$44,962</u>

City of Forest Park
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2005

Stormwater Management Utility Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Service	\$547,000	\$547,000	\$559,826	\$12,826
Fees, Licenses, and Permits	14,200	14,200	22,833	8,633
Investment Earnings	9,000	9,000	16,209	7,209
All Other Revenues	0	0	241	241
Total Revenues	<u>570,200</u>	<u>570,200</u>	<u>599,109</u>	<u>28,909</u>
Expenditures:				
Public Works and Streets:				
Stormwater Management:				
Personal Services	130,966	130,966	128,082	2,884
Contractual Services	128,494	188,494	182,541	5,953
Supplies and Materials	2,050	2,050	722	1,328
Capital Outlay	365,408	305,408	298,814	6,594
Other - Unclassified	5,000	5,000	450	4,550
Debt Service:				
Principal Retirement	89,100	89,100	89,099	1
Interest and Fiscal Charges	9,295	9,295	9,294	1
Total Expenditures	<u>730,313</u>	<u>730,313</u>	<u>709,002</u>	<u>21,311</u>
Net Change in Fund Balance	<u>(160,113)</u>	<u>(160,113)</u>	<u>(109,893)</u>	<u>50,220</u>
Fund Balance at Beginning of Year	591,273	591,273	591,273	0
Prior Year Encumbrances	71,578	71,578	71,578	0
Fund Balance at End of Year	<u>\$502,738</u>	<u>\$502,738</u>	<u>\$552,958</u>	<u>\$50,220</u>

City of Forest Park
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2005

Environmental Grants Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$65,000	\$69,700	\$70,043	\$343
Fees, Licenses, and Permits	400	100	100	0
Investment Earnings	4,000	7,000	7,487	487
All Other Revenues	31,450	32,600	32,666	66
Total Revenues	<u>100,850</u>	<u>109,400</u>	<u>110,296</u>	<u>896</u>
Expenditures:				
Community Environment:				
Environmental Grants:				
Personal Services	107,699	107,699	99,255	8,444
Contractual Services	26,550	26,550	25,717	833
Supplies and Materials	1,850	1,850	1,725	125
Capital Outlay	1,000	1,000	398	602
Total Expenditures	<u>137,099</u>	<u>137,099</u>	<u>127,095</u>	<u>10,004</u>
Excess (Deficiency of Revenues) Over (Under) Expenditures	(36,249)	(27,699)	(16,799)	10,900
Other Financing Sources (Uses):				
Transfers In	22,926	22,926	22,926	0
Total Other Financing Sources (Uses)	<u>22,926</u>	<u>22,926</u>	<u>22,926</u>	<u>0</u>
Net Change in Fund Balance	<u>(13,323)</u>	<u>(4,773)</u>	<u>6,127</u>	<u>10,900</u>
Fund Balance at Beginning of Year	309,033	309,033	309,033	0
Prior Year Encumbrances	3,258	3,258	3,258	0
Fund Balance at End of Year	<u>\$298,968</u>	<u>\$307,518</u>	<u>\$318,418</u>	<u>\$10,900</u>

City of Forest Park
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2005

Carillon Business Park TIF Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$26,700	\$26,700	\$26,783	\$83
Special Assessments	238,040	151,300	151,249	(51)
Investment Earnings	1,000	2,400	2,409	9
Total Revenues	<u>265,740</u>	<u>180,400</u>	<u>180,441</u>	<u>41</u>
Expenditures:				
Public Works and Streets:				
Carillon Business Park:				
Debt Service:				
Principal Retirement	165,000	165,000	165,000	0
Interest and Fiscal Charges	131,990	131,990	131,990	0
Total Expenditures	<u>296,990</u>	<u>296,990</u>	<u>296,990</u>	<u>0</u>
Excess (Deficiency of Revenues)				
Over (Under) Expenditures	(31,250)	(116,590)	(116,549)	41
Other Financing Sources (Uses):				
Advances In	0	74,300	74,252	(48)
Total Other Financing Sources (Uses)	<u>0</u>	<u>74,300</u>	<u>74,252</u>	<u>(48)</u>
Net Change in Fund Balance	<u>(31,250)</u>	<u>(42,290)</u>	<u>(42,297)</u>	<u>(7)</u>
Fund Balance at Beginning of Year	42,297	42,297	42,297	0
Prior Year Encumbrances	0	0	0	0
Fund Balance at End of Year	<u>\$11,047</u>	<u>\$7</u>	<u>\$0</u>	<u>(\$7)</u>

City of Forest Park
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2005

Cincinnati Mills TIF Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$0	\$200	\$204	\$4
Special Assessments	0	1,900	1,873	(27)
Total Revenues	<u>0</u>	<u>2,100</u>	<u>2,077</u>	<u>(23)</u>
Expenditures:				
Public Works and Streets:				
Cincinnati Mills:				
Other - Unclassified	0	2,100	2,077	23
Total Expenditures	<u>0</u>	<u>2,100</u>	<u>2,077</u>	<u>23</u>
Net Change in Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances	0	0	0	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

City of Forest Park
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2005

Law Enforcement Trust Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$200	\$800	\$803	\$3
All Other Revenues	100	250	250	0
Total Revenues	<u>300</u>	<u>1,050</u>	<u>1,053</u>	<u>3</u>
Expenditures:				
Security of Persons and Property:				
Police Department:				
Contractual Services	4,500	3,600	671	2,929
Supplies and Materials	1,168	1,168	0	1,168
Capital Outlay	0	900	870	30
Total Expenditures	<u>5,668</u>	<u>5,668</u>	<u>1,541</u>	<u>4,127</u>
Net Change in Fund Balance	<u>(5,368)</u>	<u>(4,618)</u>	<u>(488)</u>	<u>4,130</u>
Fund Balance at Beginning of Year	5,980	5,980	5,980	0
Prior Year Encumbrances	0	0	0	0
Fund Balance at End of Year	<u>\$612</u>	<u>\$1,362</u>	<u>\$5,492</u>	<u>\$4,130</u>

City of Forest Park
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2005

DARE Special Revenue Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$0	\$16,700	\$16,693	(\$7)
All Other Revenues	500	700	729	29
Total Revenues	<u>500</u>	<u>17,400</u>	<u>17,422</u>	<u>22</u>
Expenditures:				
Security of Persons and Property:				
Police Department:				
Contractual Services	4,875	4,375	1,951	2,424
Supplies and Materials	3,889	3,889	3,012	877
Capital Outlay	0	500	496	4
Total Expenditures	<u>8,764</u>	<u>8,764</u>	<u>5,459</u>	<u>3,305</u>
Net Change in Fund Balance	<u>(8,264)</u>	<u>8,636</u>	<u>11,963</u>	<u>3,327</u>
Fund Balance at Beginning of Year	8,800	8,800	8,800	0
Prior Year Encumbrances	0	0	0	0
Fund Balance at End of Year	<u>\$536</u>	<u>\$17,436</u>	<u>\$20,763</u>	<u>\$3,327</u>

City of Forest Park
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2005

Law Enforcement Grants Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$0	\$17,803	\$13,637	(\$4,166)
Total Revenues	<u>0</u>	<u>17,803</u>	<u>13,637</u>	<u>(4,166)</u>
Expenditures:				
Security of Persons and Property:				
Police Department:				
Personal Services	0	8,089	4,742	3,347
Contractual Services	0	1,192	0	1,192
Supplies and Materials	0	0	0	0
Capital Outlay	0	10,500	10,410	90
Total Expenditures	<u>0</u>	<u>19,781</u>	<u>15,152</u>	<u>4,629</u>
Excess (Deficiency of Revenues) Over (Under) Expenditures	0	(1,978)	(1,515)	463
Other Financing Sources (Uses):				
Transfers In	0	1,978	1,978	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>1,978</u>	<u>1,978</u>	<u>0</u>
Net Change in Fund Balance	<u>0</u>	<u>0</u>	<u>463</u>	<u>463</u>
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances	0	0	0	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$463</u>	<u>\$463</u>

City of Forest Park
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2005

Health Care Reserve Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment Earnings	1,500	2,550	2,557	7
Total Revenues	<u>1,500</u>	<u>2,550</u>	<u>2,557</u>	<u>7</u>
Expenditures:				
General Government				
Personal Services	10,858	17,858	13,624	4,234
Total Expenditures	<u>10,858</u>	<u>17,858</u>	<u>13,624</u>	<u>4,234</u>
Net Change in Fund Balance	<u>(9,358)</u>	<u>(15,308)</u>	<u>(11,067)</u>	<u>4,241</u>
Fund Balance at Beginning of Year	102,393	102,393	102,393	0
Prior Year Encumbrances	5,858	5,858	5,858	0
Fund Balance at End of Year	<u>\$98,893</u>	<u>\$92,943</u>	<u>\$97,184</u>	<u>\$4,241</u>

City of Forest Park
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2005

Home Improvement Loan Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$0	\$0	\$0	\$0
Investment Earnings	200	300	335	35
All Other Revenues	100	100	99	(1)
Total Revenues	<u>300</u>	<u>400</u>	<u>434</u>	<u>34</u>
Expenditures:				
Community Environment:				
Environmental Grants:				
Contractual Services	12,000	12,000	1,448	10,552
Total Expenditures	<u>12,000</u>	<u>12,000</u>	<u>1,448</u>	<u>10,552</u>
Net Change in Fund Balance	<u>(11,700)</u>	<u>(11,600)</u>	<u>(1,014)</u>	<u>10,586</u>
Fund Balance at Beginning of Year	13,573	13,573	13,573	0
Prior Year Encumbrances	0	0	0	0
Fund Balance at End of Year	<u>\$1,873</u>	<u>\$1,973</u>	<u>\$12,559</u>	<u>\$10,586</u>

City of Forest Park
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2005

Debt Service Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$0	\$0	\$0	\$0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:				
Debt Service:				
Principal Retirement	213,986	213,986	213,986	0
Interest and Fiscal Charges	29,264	29,264	29,262	2
Total Expenditures	<u>243,250</u>	<u>243,250</u>	<u>243,248</u>	<u>2</u>
Excess (Deficiency of Revenues) Over (Under) Expenditures	(243,250)	(243,250)	(243,248)	(2)
Other Financing Sources (Uses):				
Transfers In	291,650	291,650	291,647	3
Total Other Financing Sources (Uses)	<u>291,650</u>	<u>291,650</u>	<u>291,647</u>	<u>3</u>
Net Change in Fund Balance	<u>48,400</u>	<u>48,400</u>	<u>48,399</u>	<u>1</u>
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances	0	0	0	0
Fund Balance at End of Year	<u><u>\$48,400</u></u>	<u><u>\$48,400</u></u>	<u><u>\$48,399</u></u>	<u><u>\$1</u></u>

City of Forest Park
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2005

Capital Improvement Projects Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment Earnings	\$3,500	\$7,400	\$7,435	\$35
Total Revenues	<u>3,500</u>	<u>7,400</u>	<u>7,435</u>	<u>35</u>
Expenditures:				
Public Works and Streets:				
Municipal Building and Grounds:				
Capital Outlay	5,000	5,000	0	5,000
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>0</u>	<u>5,000</u>
Excess (Deficiency of Revenues) Over (Under) Expenditures	(1,500)	2,400	7,435	(4,965)
Other Financing Sources (Uses):				
Transfers In	25,000	25,000	25,000	0
Total Other Financing Sources (Uses)	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>0</u>
Net Change in Fund Balance	<u>23,500</u>	<u>27,400</u>	<u>32,435</u>	<u>(4,965)</u>
Fund Balance at Beginning of Year	301,388	301,388	301,388	0
Prior Year Encumbrances	0	0	0	0
Fund Balance at End of Year	<u><u>\$324,888</u></u>	<u><u>\$328,788</u></u>	<u><u>\$333,823</u></u>	<u><u>(\$4,965)</u></u>

City of Forest Park
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2005

Economic Development Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment Earnings	\$3,500	\$6,500	\$6,567	\$67
Total Revenues	<u>3,500</u>	<u>6,500</u>	<u>6,567</u>	<u>67</u>
Expenditures:				
Public Works and Streets:				
Municipal Building and Grounds:				
Debt Service:				
Principal Retirement	127,105	127,105	127,103	2
Interest and Fiscal Charges	15,800	15,800	15,800	0
Total Expenditures	<u>142,905</u>	<u>142,905</u>	<u>142,903</u>	<u>2</u>
Excess (Deficiency of Revenues) Over (Under) Expenditures	(139,405)	(136,405)	(136,336)	69
Other Financing Sources (Uses):				
Transfers In	75,000	75,000	75,000	0
Advances Out	0	(74,255)	(74,252)	3
Total Other Financing Sources (Uses)	<u>75,000</u>	<u>745</u>	<u>748</u>	<u>3</u>
Net Change in Fund Balance	<u>(64,405)</u>	<u>(135,660)</u>	<u>(135,588)</u>	<u>72</u>
Fund Balance at Beginning of Year	268,607	268,607	268,607	0
Prior Year Encumbrances	0	0	0	0
Fund Balance at End of Year	<u>\$204,202</u>	<u>\$132,947</u>	<u>\$133,019</u>	<u>\$72</u>

City of Forest Park
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2005

OPWC - Q Lube Green Space Acquisition

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$0	\$120,814	\$120,814	\$0
All Other Revenues	0	0	0	0
Total Revenues	<u>0</u>	<u>120,814</u>	<u>120,814</u>	<u>0</u>
Expenditures:				
Leisure Time Activities:				
Park Maintenance:				
Capital Outlay	0	514	514	0
Total Expenditures	<u>0</u>	<u>514</u>	<u>514</u>	<u>0</u>
Excess (Deficiency of Revenues) Over (Under) Expenditures	0	120,300	120,300	0
Other Financing Sources (Uses):				
Advance Out	0	(120,300)	(120,300)	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>(120,300)</u>	<u>(120,300)</u>	<u>0</u>
Net Change in Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances	0	0	0	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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CITY OF FOREST PARK, OHIO
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
DECEMBER 31, 2005

	COMMUNITY PROGRAMMING <u>BOARD</u>
ASSETS	
Pooled Cash and investments	\$569,916
Franchise Fees Receivable	<u>181,931</u>
Total Assets	<u><u>751,847</u></u>
 LIABILITIES	
Due to Others	<u>751,847</u>
Total Liabilities	<u><u>\$751,847</u></u>

<u>MAYOR'S COURT</u>	<u>REFUNDABLE FEES</u>	<u>TOTAL AGENCY FUNDS</u>
\$28,850	\$121,137	\$719,903
0	0	181,931
<u>28,850</u>	<u>121,137</u>	<u>901,834</u>
<u>28,850</u>	<u>121,137</u>	<u>901,834</u>
<u>\$28,850</u>	<u>\$121,137</u>	<u>\$901,834</u>

CITY OF FOREST PARK, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	BALANCE 01/01/05	ADDITIONS	DEDUCTIONS	BALANCE 12/31/05
<u>COMMUNITY PROGRAMMING BOARD</u>				
ASSETS				
Pooled Cash and investments	\$455,318	\$228,148	\$113,550	\$569,916
Franchise Fees Receivable	208,330	526,736	553,135	181,931
Total Assets	663,648	754,884	666,685	751,847
LIABILITIES				
Due to Other Entities	663,648	754,884	666,685	751,847
<u>MAYOR'S COURT FUND</u>				
ASSETS				
Pooled Cash and investments	29,187	60,010	60,347	28,850
LIABILITIES				
Due to Others	29,187	60,010	60,347	28,850
<u>REFUNDABLE FEES FUND</u>				
ASSETS				
Pooled Cash and investments	120,682	16,823	16,368	121,137
LIABILITIES				
Due to Others	120,682	16,823	16,368	121,137
<u>TOTAL - ALL AGENCY FUNDS</u>				
ASSETS				
Pooled Cash and investments	605,187	304,981	190,265	719,903
Franchise Fees Receivable	208,330	526,736	553,135	181,931
Total Assets	813,517	831,717	743,400	901,834
LIABILITIES				
Due to Others	813,517	831,717	743,400	901,834
Total Liabilities	\$813,517	\$831,717	\$743,400	\$901,834

STATISTICAL SECTION

Table 1

CITY OF FOREST PARK, OHIO
 GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
 LAST TEN FISCAL YEARS (1996-2005)

<u>Year</u>	<u>General Government</u>	<u>Security of Persons and Property</u>	<u>Public Works and Streets</u>	<u>Public Health and Welfare</u>	<u>Community Environment</u>
1996	2,002,164	3,749,296	1,012,807	87,741	1,542,636
1997	1,756,355	3,873,448	1,143,593	95,270	1,400,926
1998	1,757,640	3,969,681	886,969	101,337	1,347,262
1999	1,748,990	4,319,177	916,864	113,651	1,266,272
2000	2,021,704	4,741,973	905,888	117,145	1,357,089
2001	2,202,795	4,924,905	789,302	125,253	1,300,006
2002	2,424,442	5,743,913	772,318	132,065	1,331,915
2003	1,717,723	6,391,827	2,704,639	19,804	765,532
2004	1,703,358	6,987,134	2,468,037	20,792	740,860
2005	1,958,104	7,456,565	2,802,352	21,455	948,940

SOURCE: City of Forest Park Finance Department

NOTE: Includes all Governmental Funds

<u>Leisure Time Activities</u>	<u>Capital Outlay</u>	<u>Debt Service</u>	<u>Total</u>
280,849	1,545,809	941,367	11,162,669
272,456	1,279,238	957,630	10,778,916
285,911	891,992	965,667	10,206,459
419,100	1,188,006	1,030,572	11,002,632
345,063	1,739,692	944,383	12,172,937
347,401	2,906,366	3,095,253	15,691,281
394,996	1,281,128	2,996,739	15,077,516
440,998	3,327,027	1,407,479	16,775,029
381,856	3,686,401	1,356,401	17,344,839
419,185	1,103,193	1,225,432	15,935,226

Table 2

CITY OF FOREST PARK, OHIO
 GENERAL GOVERNMENTAL REVENUES BY SOURCE
 LAST TEN FISCAL YEARS (1996-2005)

<u>Year</u>	<u>Income Taxes</u>	<u>Property & Other Taxes</u>	<u>Fees, Licenses and Permits</u>	<u>Intergovernmental Revenues</u>	<u>Charges for Services</u>
1996	\$4,720,872	\$2,717,184	\$283,591	\$1,134,927	\$861,262
1997	4,835,740	2,904,074	273,653	800,491	851,118
1998	5,150,144	3,598,207	222,366	798,759	898,974
1999	5,668,142	3,459,631	261,853	925,065	925,696
2000	5,660,056	3,436,221	176,089	894,962	928,100
2001	5,822,226	3,681,826	222,152	1,179,019	939,334
2002	5,898,127	4,934,793	175,314	1,210,748	955,756
2003	5,847,075	5,856,085	223,031	1,648,577	981,194
2004	6,264,576	4,523,310	305,782	1,742,815	1,046,504
2005	6,307,387	5,188,940	230,970	1,050,972	914,949

SOURCE: City of Forest Park Finance Department

NOTE: Includes all Governmental Funds

<u>Fines and Forfeitures</u>	<u>Investment Earnings</u>	<u>Special Assessments & Miscellaneous</u>	<u>Total</u>
\$158,350	\$281,370	\$424,865	\$10,582,421
151,952	283,205	499,954	10,600,187
159,113	304,384	813,780	11,945,727
147,910	358,997	587,344	12,334,638
132,027	598,704	629,707	12,455,866
102,260	559,236	752,347	13,258,400
109,729	268,752	783,276	14,336,495
134,865	154,272	736,250	15,581,349
132,132	118,278	1,017,052	15,150,449
134,500	313,972	837,995	14,979,685

Table 3

CITY OF FOREST PARK, OHIO
 BILLING AND COLLECTION OF SPECIAL ASSESSMENTS
 LAST TEN FISCAL YEARS (1996-2005)

<u>Year of Collection</u>	<u>Assessments Billed</u>	<u>Assessments Collected</u>	<u>Uncollected Amount</u>	<u>Percentage Collected</u>
1996	\$20,018	\$16,672	\$3,346	83.28%
1997	18,948	14,471	4,477	76.37%
1998	33,196	27,266	5,930	82.14%
1999	30,958	21,867	9,091	70.63%
2000	30,580	22,525	8,055	73.66%
2001	29,125	23,461	5,664	80.55%
2002	65,584	36,785	28,799	56.09%
2003	72,235	33,406	38,714	46.25%
2004	81,149	32,758	48,391	40.37%
2005	122,295	68,740	53,555	56.21%

SOURCE: County Auditor's Office, Hamilton County.

Table 4

CITY OF FOREST PARK, OHIO
BILLING AND COLLECTION OF PROPERTY TAXES
REAL AND PUBLIC UTILITY PROPERTY TAXES ONLY
LAST TEN FISCAL YEARS (1996-2005)

<u>Year of Collection</u>	<u>Current Taxes Due</u>	<u>Current Taxes Collected</u>	<u>Percentage of Collections To Amt Due</u>	<u>Delinquent Taxes Collected</u>	<u>Total Taxes Collected</u>	<u>Percentage Collected</u>
1996	\$1,604,627	\$1,498,120	93.4%	\$35,478	\$1,533,598	95.6%
1997	1,648,707	1,581,352	95.9%	40,870	1,622,222	98.4%
1998	1,998,202	1,911,945	95.7%	71,187	1,983,132	99.2%
1999	2,009,258	1,947,215	96.9%	65,283	2,012,498	100.2%
2000	2,151,771	2,057,476	95.6%	71,245	2,128,721	98.9%
2001	2,176,698	2,073,094	95.2%	91,623	2,164,717	99.4%
2002	3,636,467	3,430,409	94.3%	168,722	3,599,131	99.0%
2003	3,784,932	3,571,425	94.4%	178,863	3,750,288	99.1%
2004	3,772,235	3,568,046	94.6%	191,536	3,759,582	99.7%
2005	3,800,650	3,561,477	93.7%	166,021	3,727,498	98.1%

SOURCE: County Auditor's Office, Hamilton County.

Table 5

CITY OF FOREST PARK, OHIO
BILLING AND COLLECTION OF PROPERTY TAXES
TANGIBLE PERSONAL PROPERTY ONLY
LAST TEN FISCAL YEARS (1996-2005)

<u>Year of Collection</u>	<u>Current Taxes Due</u>	<u>Current Taxes Collected</u>	<u>Percentage of Collections To Amt Due</u>	<u>Delinquent Taxes Collected</u>	<u>Total Taxes Collected</u>	<u>Percentage Collected</u>
1996	\$226,776	\$214,836	94.7%	\$12,798	\$227,634	100.4%
1997	254,523	232,333	91.3%	29,390	261,723	102.8%
1998	261,529	256,116	97.9%	32,899	289,015	110.5%
1999	270,185	258,944	95.8%	33,100	292,044	108.1%
2000	210,818	202,541	96.1%	24,142	226,683	107.5%
2001	268,960	257,718	95.8%	33,130	290,848	108.1%
2002	403,202	385,045	95.5%	14,906	399,951	99.2%
2003	435,726	396,483	91.0%	57,628	454,111	104.2%
2004	455,825	427,151	93.7%	30,732	457,883	100.5%
2005	447,352	413,597	92.5%	65,096	478,693	107.0%

SOURCE: County Auditor's Office, Hamilton County.

Table 6

CITY OF FOREST PARK, OHIO
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS (1996-2005)

Year of Collection	Real Property		Public Utility		Personal Property		Total	
	Assessed	Estimated Actual	Assessed	Estimated Actual	Assessed	Estimated Actual	Assessed	Estimated Actual
1996	\$232,188,610	\$663,396,029	\$15,743,300	\$44,980,857	\$29,583,200	\$118,332,800	\$277,515,110	\$826,709,686
1997	236,823,950	676,639,857	16,934,550	48,384,429	33,297,410	133,189,640	287,055,910	858,213,926
1998	239,803,920	685,154,057	15,948,050	45,565,857	34,438,240	137,752,960	290,190,210	868,472,874
1999	241,316,780	689,476,514	15,950,020	45,571,486	35,756,110	143,024,440	293,022,910	878,072,440
2000	286,005,520	817,158,629	15,888,470	45,395,629	27,597,910	110,391,640	329,491,900	972,945,897
2001	286,827,510	819,507,171	14,599,450	41,712,714	32,150,790	128,603,160	333,577,750	989,823,046
2002	292,037,950	834,394,143	12,119,770	34,627,914	32,673,910	130,695,640	336,831,630	999,717,697
2003	331,058,100	945,880,286	12,859,910	36,742,600	33,371,070	133,484,280	377,289,080	1,116,107,166
2004	328,784,280	939,383,657	12,724,170	36,354,771	34,948,040	139,792,160	376,456,490	1,115,530,589
2005	326,643,200	933,266,286	12,811,280	36,603,657	34,485,220	137,940,880	373,939,700	1,107,810,823

SOURCE: County Auditor's Office, Hamilton County.

NOTES: Real property taxes collected in a calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year.

Public utility property taxes collected in a calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year.

Tangible personal property collected in a calendar year are levied in the same calendar year, on assessed values during and at the close of the most recent fiscal year of the taxpayer (ending on or before March 31 of said calendar year) at tax rates determined in the preceding year.

Table 7

CITY OF FOREST PARK, OHIO
 PROPERTY TAX RATES-DIRECT AND OVERLAPPING GOVERNMENTS
 LAST TEN FISCAL YEARS (1996-2005)

<u>Year of Collection</u>	<u>County Levy</u>	<u>School Levy</u>	<u>Vocational School Levy</u>	<u>City Levy</u>	<u>Total</u>
<u>Tax Rates Per \$1,000 of Assessed Valuation</u>					
1996	18.30	62.12	2.70	8.01	91.13
1997	19.44	62.12	2.70	8.01	92.27
1998	19.01	62.13	2.70	8.01	91.85
1999	19.54	70.08	2.70	8.01	100.33
2000	20.83	70.08	2.70	8.01	101.62
2001	19.92	70.08	2.70	8.01	100.71
2002	21.47	70.08	2.70	12.76	107.01
2003	21.87	70.08	2.70	12.76	107.41
2004	21.51	70.08	2.70	12.76	107.05
2005	21.06	78.03	2.70	12.76	114.55

SOURCE: County Auditor's Office, Hamilton County.

Table 8

CITY OF FOREST PARK, OHIO
 RATIO OF NET GENERAL OBLIGATION DEBT
 TO ASSESSED VALUE AND NET GENERAL OBLIGATION DEBT PER CAPITA
 LAST TEN FISCAL YEARS (1996-2005)

<u>Year of Debt</u>	<u>Population (c)</u>	<u>Assessed Value (b)</u>	<u>Net G.O. Debt (a)</u>	<u>Ratio of G.O. Debt to Assessed Value</u>	<u>G.O. Debt Per Capita</u>
1996	18,609	\$277,515,110	\$3,113,662	1.12%	\$167.32
1997	18,609	287,055,910	2,860,018	1.00%	153.69
1998	18,609	290,190,210	2,586,755	0.89%	139.01
1999	18,609	293,022,910	2,303,493	0.79%	123.78
2000	19,463	329,491,900	2,003,613	0.61%	102.94
2001	19,463	333,577,750	1,719,825	0.52%	88.36
2002	19,463	336,831,630	1,419,000	0.42%	72.91
2003	19,463	377,289,080	1,234,000	0.33%	63.40
2004	19,463	376,456,490	986,000	0.26%	50.66
2005	19,463	373,939,700	679,000	0.18%	34.89

NOTE: (a) General Obligation Debt, Bonds and Notes which are being repaid through general property taxes.

(b) Assessed Value from County Auditor's Office, Hamilton County.

(c) Population figures obtained from the U. S. Census

Table 9

CITY OF FOREST PARK, OHIO
 COMPUTATION OF DIRECT AND OVERLAPPING DEBT
 DECEMBER 31, 2005

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to City of Forest Park</u>	<u>Amount Applicable to City of Forest Park</u>
City of Forest Park	\$679,000 (a)	100.00%	\$679,000 (c)
Hamilton County	137,230,000	2.22% (b)	<u>3,042,814</u>
		TOTAL	<u><u>\$3,721,814</u></u>

SOURCE: County Auditor's Office, Hamilton County.

NOTES: (a) The Winton Woods School District is not included as it has no debt applicable to the City of Forest Park.

(b) The percentage of indebtedness of the City's overlapping political subdivisions was determined by dividing the City's assessed valuation by the total assessed valuation of the overlapping subdivision.

(c) Only general obligation debts which are being repaid through general property taxes are included.

Table 10

CITY OF FOREST PARK, OHIO
 RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL
 OBLIGATION DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
 LAST TEN FISCAL YEARS (1996-2005)

Fiscal Year Ended	General Obligation Debt (a)		Total	Total Expenditures	Ratio of Debt Service to Total General Expenditures
	Principal	Interest			
1996	\$174,334	\$228,976	\$403,310	\$11,162,669	4%
1997	253,645	211,832	465,477	10,778,916	4%
1998	273,262	193,616	466,878	10,206,459	5%
1999	283,262	173,969	457,231	11,002,632	4%
2000	299,880	153,457	453,337	12,172,937	4%
2001	1,269,497	133,814	1,403,311	15,691,281	9%
2002	870,825	94,665	965,490	15,077,516	6%
2003	285,000	52,458	337,458	16,775,029	2%
2004	248,000	42,542	290,542	17,344,839	2%
2005	213,986	29,262	243,248	15,935,226	2%

SOURCE: City of Forest Park Finance Department

NOTES: (a) For General Obligation Debt, Unvoted Bonds and Notes payable from general property taxes.

Table 11

CITY OF FOREST PARK, OHIO
COMPUTATION OF LEGAL DEBT MARGIN
DECEMBER 31, 2005

Total of all City Debt Outstanding	<u><u>\$4,475,201</u></u>
Assessed Valuation of the City-December 31, 2005 (b)	<u><u>\$373,939,700</u></u>
10.5% of Assessed Valuation (Maximum Voted Debt Allowed)	\$39,263,669
Total Debt Outstanding subject to 10.5% Debt Limitation	<u>679,000</u>
Legal 10.5% Margin	<u><u>\$38,584,669</u></u>
5.5% of Assessed Valuation (Maximum Unvoted Debt Allowed)	\$20,566,684
Total Debt Outstanding Subject to 5.5% Debt Limitation	<u>679,000</u>
Legal 5.5% Margin	<u><u>\$19,887,684</u></u>

NOTE: (a) Direct Debt Limitation Based on Section 133, the Uniform Bond Act of the Ohio Revised Code.

(b) Assessed Value from the County Auditor's Office, Hamilton County.

Table 12

CITY OF FOREST PARK, OHIO
 PROPERTY VALUES, FINANCIAL INSTITUTION DEPOSITS
 AND BUILDING PERMIT VALUES
 LAST TEN FISCAL YEARS (1996-2005)

Fiscal Year End	IN MILLIONS		
	Property Values (a)	Financial Institution Deposits(b)	Building Permit Value(c)
1996	\$277.5	\$15,777	\$13.30
1997	287.1	16,732	18.40
1998	290.2	17,485	17.20
1999	293.0	18,350	18.40
2000	329.5	21,394	19.80
2001	333.6	28,358	18.90
2002	336.8	27,212	10.70
2003	337.3	34,503	26.30
2004	368.0	28,830	23.76
2005	373.9	24,011	21.32

SOURCE: (a) County Auditor's Office, Hamilton County

(b) Total deposits of all banks headquartered in Hamilton County, Ohio. Data was not available for the City only.

(c) City of Forest Park Building Inspection Division.

Table 13

CITY OF FOREST PARK, OHIO
 TEN LARGEST TAXPAYERS
 DECEMBER 31, 2005

	<u>Taxpayer</u>	<u>Type of Property</u>	<u>Assessed Valuation</u>	<u>%</u>
1.	Cincinnati Gas & Electric Company	Electric & Gas Utility	\$7,797,710	2.09%
2.	Union Central Life Insurance Company	Insurance	7,063,540	1.89%
3.	Kensington Park Apartments LLC	Apartments	6,055,000	1.62%
4.	Cincinnati Mills LLC	Regional Mall	5,731,640	1.53%
5.	Forest Park Associates LLC	Apartments	4,360,170	1.17%
6.	Aerc Remington Place Inc.	Apartments	3,952,410	1.06%
7.	All State Associates of Huntington LLC	Apartments	3,559,500	0.95%
8.	Cincinnati Bell Telephone Company	Telephone Utility	2,975,410	0.80%
9.	RREEF America REIT II Corp VVV	Retail Center	2,870,000	0.77%
10.	Forest Park Station LLC	Retail Center	<u>2,821,500</u>	<u>0.75%</u>
	Total		<u>\$47,186,880</u>	<u>12.62%</u>
	Total Assessed Value		<u>\$373,939,700</u>	<u>100.00%</u>
	Ten Largest Taxpayers as a % of Total Assessed Value		<u>12.62%</u>	

SOURCE: County Auditor's Office, Hamilton County

Table 14

CITY OF FOREST PARK, OHIO
 DEMOGRAPHIC STATISTICS
 DECEMBER 31, 2005

<u>Year</u>	<u>Forest Park Population</u>	<u>% Change During the Period</u>	<u>Hamilton County Population</u>	<u>% Change During the Period</u>
1996	18,609 (a)	N/A	866,228 (a)	N/A
1997	18,609 (a)	N/A	866,228 (a)	N/A
1998	18,609 (a)	N/A	866,228 (a)	N/A
1999	18,609 (a)	N/A	866,228 (a)	N/A
2000	19,463 (b)	N/A	845,303 (b)	-2.4%
2001	19,463 (b)	0.0%	845,303 (b)	N/A
2002	19,463 (b)	N/A	845,303 (b)	N/A
2003	19,463 (b)	N/A	845,303 (b)	N/A
2004	19,463 (b)	N/A	845,303 (b)	N/A
2005	19,463 (b)	N/A	845,303 (b)	N/A

SOURCE: (a) 1990 population figure taken from the Federal Census Data.

(b) 2000 population figure is taken from the 2000 Federal Census Data.

Table 15

CITY OF FOREST PARK, OHIO
MISCELLANEOUS STATISTICS

Date of Incorporation	-----	1961
Form of Government	-----	Council/City Manager
Area	-----	6 square miles
Lane Miles of Streets	-----	153 lane miles
Number of Street Lights	-----	740
Number of Traffic Lights	-----	23
Fire Protection:		
Number of Stations	-----	2
Number of Firemen and Officers	-----	28
Number of Part-Time Firemen	-----	24
Police Protection:		
Number of Stations	-----	3
Number of Police Officers	-----	32
Education:		
Attendance Centers	-----	8
Number of Classrooms	-----	246
Number of Employees	-----	560
Number of Teachers	-----	295
Number of Students	-----	3,968
Recreation and Cultural:		
Number of Parks	-----	11
Number of Libraries	-----	1
Number of Volumes	-----	60,000
Employees:		
Classified Service	-----	90
Non-Classified Service	-----	52



**Auditor of State
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CITY OF FOREST PARK

HAMILTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
OCTOBER 19, 2006**