



**Auditor of State  
Betty Montgomery**



CITY OF MADEIRA  
HAMILTON COUNTY

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**Auditor of State  
Betty Montgomery**

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

City of Madeira  
Hamilton County  
7141 Miami Avenue  
Madeira, Ohio 45243

To the City Council:

We have audited the financial statements of the City of Madeira, Hamilton County, Ohio (the City), as of and for the year ended December 31, 2003, and have issued our report thereon dated June 28, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of noncompliance that do not require inclusion in this report, that we have reported to the management of the City in a separate letter dated June 28, 2004.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to the management of the City in a separate letter dated June 28, 2004.

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

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

**Betty Montgomery**  
Auditor of State

June 28, 2004

THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

**CITY OF MADEIRA**

**STATE OF OHIO**

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







THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

**CITY OF MADEIRA**

**STATE OF OHIO**

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

**PREPARED BY THE TREASURER'S OFFICE  
OF THE CITY OF MADEIRA**

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

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## **INTRODUCTORY SECTION**

June 28, 2004

TO THE CITIZENS OF THE CITY OF MADEIRA, OHIO:

The Comprehensive Annual Financial Report (CAFR) of the City of Madeira, Ohio, (the City) for the year ended December 31, 2003, is hereby submitted. While there is no legal requirement for the preparation of this report, it represents a commitment by the City of Madeira to conform to nationally recognized standards of excellence in financial reporting. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City of Madeira. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have also been included.

The CAFR is presented in three sections as follows:

1. The Introductory Section includes this transmittal letter, which addresses the organization, accomplishments, and operational structure of the City, the City's organizational chart, and a list of principal officials.
2. The Financial Section begins with the Independent Accountants' Report and includes the General Purpose Financial Statements and Notes which provide an overview of the City's financial position and operating results, and the Financial Statements and Schedules of Individual Funds and Account Groups which provide detailed information relative to the General Purpose Financial Statements.
3. The Statistical Section presents social and economic data and financial trend information, and data relative to the fiscal capacity of the City.

## **REPORTING ENTITY**

For financial purposes, the City includes in this report all funds and account groups of the government. Two other local government jurisdictions which overlap the City boundaries--Hamilton County and the Madeira Board of Education--are separate legal entities which do not meet the reporting entity criteria and therefore are not included in the City's financial report.

## **INTRODUCTION**

Madeira was incorporated as a village in 1910 as a municipal form of government. In 1959 a charter form of government, adopting the council-manager plan, was approved and, after the 1960 census, Madeira officially became a city under Ohio Law.

In 1994 and then again in 2000, *Cincinnati Magazine* identified Madeira as one of the most livable communities in Southwestern Ohio. The City offers a broad range of housing, a vibrant business district, an excellent public and private school system, comprehensive public services and easy accessibility to the shopping, business and residential districts of the Greater Cincinnati area. Furthermore, its residents are dedicated to maintaining a safe, comfortable and welcoming community with high ideals. Hundreds of active volunteers dedicate thousands of hours each year in active support of community projects and goals.

The following pages further describe the structure of Madeira's government and some of the outstanding accomplishments made in the past year by its many dedicated employees, citizens, business people, and especially volunteers. Without their commitment to excellence, we would not have our high quality of living standards in Madeira and for this commitment and participation we thank them.

## ***MADEIRA CITY COUNCIL***

Madeira's City Council is comprised of seven Madeira residents who are elected by their fellow residents to serve staggered four-year terms. All members of Council are elected at large from the City. The Madeira Home Rule Charter specifies term limits of three consecutive terms.

City Council positions are classified as part-time and council members receive nominal compensation for their community service. City Council's responsibilities include reviewing, deliberating and passing legislation as prescribed by the City Charter and the laws of the State of Ohio applicable to municipalities. Council also establishes long-range policies for our community.

The Madeira City Council elects a Mayor and Vice-Mayor from within its ranks. The Mayor and Vice-Mayor each serve a two-year term. The Mayor's primary duties include presiding over City Council meetings, performing ceremonial civic duties and overseeing the proceedings of Mayor's Court. The Vice-Mayor assumes the duties of the Mayor in his or her absence.

## ***BOARDS AND COMMISSIONS***

The City Council established various boards and commissions to help in its development and evaluation of the numerous projects carried out each year. The following is a brief description of the goals of those boards and commissions.

### **Madeira Planning Commission**

Reviews zoning and building variance requests, subdivision plats and development plans. Also, submits an annual Capital Improvement Program to the City Council and advises City Council on

all land use planning issues and proposed zoning code amendments. Membership includes eight volunteer residents appointed by City Council to three-year staggered terms. The ninth member of the Commission is a City Council member appointed by the City Council. On December 31, 2003, those members were:

Council Member Rob Steier  
Chairman Jeff Evans  
Vice-Chairman Daniel Bascom  
Norbert Menke  
Richard Riedel

Rick Brasington  
Steve Karoly  
Richard Staubach  
Piyush Swami

### **Recreation and Parks Board**

This Board performs administrative functions on matters related to the City's parks and recreational facilities, programs and activities. They also review proposals and makes recommendations to City Council. Membership includes eleven residents appointed by City Council to two-year staggered terms. The twelfth member is a City Council member appointed by the City Council. The City employs a part-time recreation director. On December 31, 2003, those members were:

Council Member Sara Evans  
Recreation Director Richard Hartmann  
Chairperson Julie Rule  
James Erion  
Chris Carr  
Jill Tuke  
Matt Finke

Shirley Seeger  
Jim Benjamin  
Kathy Bechtold  
Anna Carter  
Melinda Reckers

### **Civil Service Commission**

This Commission conducts and reviews examinations for hiring and promotions within the classified service of the City. They also hear appeals filed by city employees regarding personnel decisions made by the administration dealing with the City's Personnel Policies and Procedures. Membership includes three residents of the City appointed by City Council for six-year overlapping terms. On December 31, 2003, those members were:

Timothy Quinn, Chair

Robert Gehring

Earle Maiman

### **Tax Board of Review**

This Board hears and rules on appeals from any ruling or decision made by the City Tax Commissioner. Membership includes three residents appointed to two-year concurrent terms. At December 31, 2003, those members were:

Sally Kirby

Council Member George Suckarich

Linda Gill

## **Administration**

The administration of the City of Madeira is carried out by several departments which have their offices in the Municipal Building located at the corner of Euclid and Miami Avenues.

The City Manager is the chief executive and administrative officer of the City and is charged with the responsibility for the proper administration of all municipal affairs and enforcement of its laws and ordinances as empowered by the City Charter. The City Manager is appointed by Council. The Chief of Police, the Tax Commissioner, Assistant to the City Manager, and Recreation Director report directly to the City Manager.

The Clerk of Council attends all meetings of Council and keeps its records. The Treasurer serves as fiscal and accounting officer of the City. These positions are part-time.

The Law Director is an attorney-at-law and is the legal advisor of and attorney and counsel for the City. The Law Director's time is billed at an hourly rate by the Law Director's legal firm.

## **Services Provided**

The City provides many services to the community. Some of these services are:

### Police Department

Preserve and Protect Madeira Property and Residents  
Law Enforcement of City, State and Federal Laws  
Training of Residents in Safety Procedures  
Drug Education Program for Residents

### Public Works

Street Cleaning  
Snow Removal  
Leaf and Limb Collection  
Replacement of Street Signs  
Storm Sewer Maintenance  
Solid Waste Disposal and Recycling  
Minor Road Repairs and Inspection of Right-of-way  
Maintenance of the City Parks  
Maintenance of Public Properties

### Madeira/Indian Hill Joint Fire District

Fire Protection  
Emergency Medical Services  
Educational Programs Concerning Fire Prevention and Protection, and Medical Assistance



## Recreation Department

Planning and Conducting Special Events  
Coordination of Athletic Programs  
Assistance to Public Works in Park Maintenance  
Street Lining

## Earnings Tax

Administration and Enforcement of Earnings Tax Code for the City  
Maintenance and Monitoring of approximately 4,700 Individual and Business Tax Accounts for the City  
Updating Property Plats for Changes in Property Ownership

## Finance Department

Maintenance of All Accounting and Payroll Functions  
Investment Management  
Analysis and Proposals for Operating and Cost Efficiencies  
Computer Hardware and Software Maintenance and Upgrades for All Departments Except Police

## Planning, Zoning, Building and Development

Inspection of All Construction  
Review of Property Boundary Changes  
Zoning Enforcement  
Sign Code Enforcement  
All Code Variance Requests

## **FINANCIAL INFORMATION**

The City's financial condition continued to improve as it has over the past several years. Expenditures have remained within budget, while revenue has continued to increase. In 2003, grants from the state have allowed us to continue on an aggressive street repair program, as well as, fund other important capital improvements. Service levels provided by the individual departments have remained constant over this year; no cuts in services were made or are anticipated in the future. General Fund receipts and expenditures remained very stable through 2003. The City's Five Year Budget was updated in November and will continue to be used by Council and the Administration so that financial planning takes place at an optimum level.

### **Major Initiatives**

A number of significant programs and projects were implemented in 2003:

1. **2003 Street Repair Program.** This year's program included improvements of approximately \$342,000. The streets repaired under this program were Mar Del Drive,

Fowler Avenue, and Old Barn Court. The project entailed the installation of new curbs, base pavement repairs, and a complete resurfacing of the streets. The work was completed in July of 2003.

2. **2003 Stormwater Repairs.** Several small pipe and catch basin repairs were completed around the community. Included in this were projects on Mapleridge Drive, Miami Avenue, Railroad Avenue, and Fox Chase Lane. Cost of these repairs totaled approximately \$20,000.
3. **Dawson Road Landscaping Project.** The City installed 30+ trees and shrubs along the south side of Dawson Road (west of Maple Avenue) to replace the vegetation which was removed during the installation of the Camargo Road Sanitary Sewer Main. Cost of the project was \$8,000.
4. **Salt Barn Replacement.** The previous salt barn was both undersized and structurally unsound. City Council approved a \$105,000 contract to demolish and replace the existing barn with a new Salt Dome. This new dome has a capacity of 800 tons which would hold a sufficient quantity of salt to handle an average winter.
5. **Lightning Protection System.** In an effort to make the City's parks as safe as possible for users, the city contracted to install two lightning detection warning devices at McDonald Commons and Sellman Park. The Madeira Board of Education contributed toward the cost of this installation.
6. **Emergency Operations Plan Update.** The City Administration, Police Department and Madeira\Indian Hill Joint Fire District completely overhauled the Emergency Operations Plan (EOP). The new EOP will be used in the event of any natural or man-made disaster which would require significant coordination with City services and personnel. The new EOP went into effect in the summer of 2003.

#### Internal Control

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure was designed to provide reasonable assurance that these objectives are met through evaluation of the following criteria:

- (a) the cost of a control should not exceed the benefits likely to be derived; and
- (b) the valuation of costs and benefits required involves estimates and judgments made by management.

The City receives state and county financial assistance for certain projects and is responsible for having an adequate internal control structure in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by the management of the City.

In addition to the above, the City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriation budget approved by the City Council. Activities of all funds are included in that annual appropriation budget. The level of budgetary control (that

is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the function level for all budgeted funds.

In 1994, City Council voted to change its budgeting method from the cash basis to the modified accrual/accrual basis of accounting. The purpose of this change was to make the statements more directly comparable, inasmuch as reporting is done on the modified accrual basis for governmental funds and the accrual basis for enterprise funds. This method of accounting is preferred under generally accepted accounting principles (GAAP).

The City also maintains an encumbrance accounting system as a technique of maintaining budgetary control. The City Manager must approve all expenditures and, in addition, the following controls must be followed:

1. All expenditures of \$10,000 or more are approved by Council. Ordinances are prepared and approved to authorize these expenditures.
2. Expenditures of \$1,000 or more must have a purchase order prepared and certified by the City Treasurer that funds are available to cover those expenditures. All purchase orders are sent to the vendor as the vendor's authorization for the approved expenditure. Periodically, reminders are sent to vendors of the requirements to authorize the purchase of a product or service.
3. Expenditures of less than \$1,000 must have a then and now certificate.

Through municipal fund accounting software, amounts approved by Ordinance or purchase order are encumbered in the designated fund; invoices entered for the approved product or service relieve the encumbrance and invoiced amounts exceeding the encumbrances evoke warning messages in the computer system. Encumbered amounts lapse at year end and are re-encumbered in the following year.

## GENERAL GOVERNMENT FUNCTIONS

The following schedule compares revenues and expenditures for all governmental fund types (i.e., general, special revenue, debt service and capital projects) for 2003 with those of 2002.

Combined Statement of Revenues and Expenditures  
**All Governmental Fund Types**  
 For the Year Ended December 31, 2003

	2003		2002		Inc/(Dec) 2003 vs. 2002	
	Amount	% of Total	Amount	% of Total	Amount	Percent
<b>Revenues</b>						
Taxes	\$3,346,381	71.4%	\$3,108,302	63.1%	\$238,079	7.7%
Licenses & Permits	95,474	2.0%	55,012	1.1%	40,462	73.6%
Intergovernmental Revenue	997,437	21.3%	1,476,324	30.0%	(478,887)	-32.4%
Charges for Services	71,565	1.5%	63,573	1.3%	7,992	12.6%
Investment Earnings	22,642	.5%	51,002	1.0%	(28,360)	-55.6%
Fines & Forfeitures	65,642	1.4%	48,905	1.0%	16,737	34.2%
All Other Revenues	90,078	1.9%	123,736	2.5%	(33,658)	-27.2%
<b>TOTAL REVENUES</b>	<b>\$4,689,219</b>	<b>100.0%</b>	<b>\$4,926,854</b>	<b>100.0%</b>	<b>(\$237,635)</b>	<b>-4.8%</b>
<b>Expenditures</b>						
Security of Persons and Property	2,138,544	41.6%	2,146,004	37.9%	(7,460)	-0.3%
Leisure Time Activity	199,148	3.9%	145,453	2.6%	53,695	36.9%
Community Environment	64,174	1.2%	128,920	2.3%	(64,746)	-50.2%
Transportation	1,293,657	25.2%	1,472,638	26.0%	(178,981)	-12.2%
General Government	887,493	17.3%	828,094	14.6%	59,399	7.2%
Capital Outlay	265,831	5.2%	650,978	11.5%	(385,147)	-59.2%
Debt Service						
Principal Retirement	205,000	4.0%	200,000	3.5%	5,000	2.5%
Interest and Fiscal Charges	86,671	1.7%	94,368	1.7%	(7,697)	-8.2%
<b>TOTAL EXPENDITURES</b>	<b>\$5,140,518</b>	<b>100.0%</b>	<b>\$5,666,455</b>	<b>100.0%</b>	<b>\$ 525,937</b>	<b>-9.3%</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>(\$451,299)</u>		<u>(\$739,601)</u>		<u>\$288,302</u>	

Revenues for general governmental functions (excluding interfund transfers) totaled \$4,689,219 in 2003, representing a decrease of (\$237,635) from 2002 or -4.8%. The increase in taxes was due primarily to higher real estate tax collections resulting from higher assessed values. A decrease in investment earnings was due to a decrease in interest rates. The decrease in intergovernmental revenues was due primarily to a decrease of state grants for road work and park improvements.

Expenditures for general governmental purposes totaled \$5,140,518, a decrease of \$525,937 over 2002 or -9.3%. A decrease in capital outlay of \$385,147 was due to completion of park

improvements in 2002 and a decrease in major road resurfacing projects. A decrease in community environment is due to storm water projects completed in 2002. A decrease in transportation reflects the decrease in road construction projects.

### Fund Balances

The General Fund balance decreased by (\$418,395); Special Revenue funds decreased by (\$30,320); the Debt Service fund increased by \$8,350; and the Capital Projects fund decreased by (\$10,934). The General Fund balance decreased due to transfers to other funds. The Special Revenue fund balance decreased due to transfers in excess of road work expenditures. Debt Service fund increase is due to amounts transferred in excess of debt service costs. The Capital Projects funds decreased due to expenditures exceeding amounts transferred in.

### Proprietary Operations

The City's proprietary fund is an enterprise fund established to report on the activities of rental property owned by the City. This fund had net income of \$283 in 2003, compared to a net income of \$3,730 in 2002. Rental income increased slightly, but there was an increase in professional services of \$1,743. On a cash basis (which excludes depreciation) the rental properties earned \$13,947 in 2003 and earned \$17,394 in 2002.

### Fiduciary Functions

The City's fiduciary responsibilities are comprised of one fund: Mayor's Court. The Mayor's Court had collections in 2003 of \$80,118. A minimal balance is maintained in the Mayor's Court account; all other proceeds are distributed as required by law to either the City or the State.

### Debt Administration

On April 1, 1999, the city issued bonds in the amount of \$2,750,000. Proceeds were used to pay off outstanding notes as they matured during 1999 and bonds that were callable on December 1, 1999. The balance of the proceeds were used to fund improvements. At December 31, 2003 the City had outstanding general obligation bonds in the amount of \$1,970,000.

### Cash Management

Cash temporarily idle during the year was invested in an interest-bearing demand deposit account or in the State Treasurer's investment pool--Star Ohio. Funds which were determined to be available for longer term investment (\$299,704 at December 31, 2003) were invested in Certificates of Deposit and other allowable investments. The City's investment policy is to minimize credit and market risks while obtaining the highest yield possible on its investments. Accordingly, all depository funds are either insured by federal depository insurance or collateralized. All investments meet the State of Ohio's requirements on allowable investments.

### Risk Management

The City of Madeira tries to minimize its exposure to risk through employee training and insurance protection plans. The City participated in an insurance pool operated by Miami Valley Risk Management Association (MVRMA) for the purpose of obtaining lower insurance rates.

MVRMA is a joint insurance pool for municipalities which has been operational since December 1, 1988, and was formed according to Section 2744.081 of the Ohio Revised Code. This pool covers all property, crime, liability, machinery and public official liability for the City.

Workers' Compensation insurance is provided by the State of Ohio, but rates are pooled with other members of the Ohio Municipal League to obtain a lower rate than the City would obtain on its own.

### Independent Audit

The general purpose financial statements of the City of Madeira were audited by the Auditor of State of Ohio. The Independent Accountants' Report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

## **ECONOMIC OUTLOOK**

The City relies heavily on the success of the business district for its tax revenue base. In that regard, the City continues to aggressively develop, improve and market the business district so that tax revenues continue to increase. Several private development projects were initiated in 2002 and 2003, including the expansion of Kroger's and Camargo Rental. The City also continues to work closely with businesses and the Madeira Chamber of Commerce to improve the aesthetics of the business district in order to increase its vitality and attractiveness for shoppers from around the area. The aesthetics and maintenance of the entire community is essential to supporting both commercial and residential property values, which also improves the tax base. Economic growth continues to be a high priority for the City so that it will continue to be a high quality place to live, work and play.

At the same time, many of the City's streets were repaved and, in some instances, new curbs were installed. The City's capital improvement programs continue to be handled in a systematic and cost-effective manner.

## **CERTIFICATE OF ACHIEVEMENT**

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

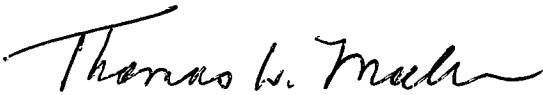
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal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

A Certificate of Achievement is valid for a period of one year only. The City of Madeira has received a Certificate of Achievement for the last nine consecutive years (fiscal years ended 1994-2002.) We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

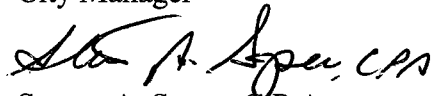
### ACKNOWLEDGMENTS

We would like to express our sincere appreciation for the support and assistance we have received in the preparation of the CAFR from City Council and, in particular, Council's Finance Committee. Special thanks also to the members of City Council and all City employees and volunteers in their support of our efforts to maintain sound fiscal practices.

Sincerely,



Thomas W. Moeller  
City Manager



Steven A. Soper, C.P.A.  
Treasurer

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Madeira,  
Ohio

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

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



President

Executive Director



**City of Madeira, Ohio**

**LIST OF OFFICIALS**

***ELECTED OFFICIALS***  
***as of 12/31/03:***

**MAYOR, Sharon Mattes, Term on Council: 12/1/95-11/30/07**

**VICE MAYOR, David Sams, Term on Council: 12/1/99-11/30/07**

**MEMBERS OF COUNCIL:**

**John Dobbs, Term on Council: 12/1/03-11/30/07**

**Steven Shaw, Term on Council: 03/97-11/30/05**

**Robert Steier, Term on Council: 01/01-11/30/05**

**Sarah Evans, Term on Council: 12/1/01-11/30/05**

**George Suckarieh, Term on Council: 06/03-11/30/07**

***APPOINTED OFFICIALS:***

**ARCHITECTURAL REVIEW OFFICER,**

**David H. Ballweg, Term of Office: 7/1/94-1/1/04**

**CITY MANAGER,**

**Thomas W. Moeller, M.P.A., Hired 3/6/89 for Indefinite Term**

**TREASURER,**

**Steven A. Soper, C.P.A., Term of Office: 12/1/97-11/30/04**

**PROSECUTOR,**

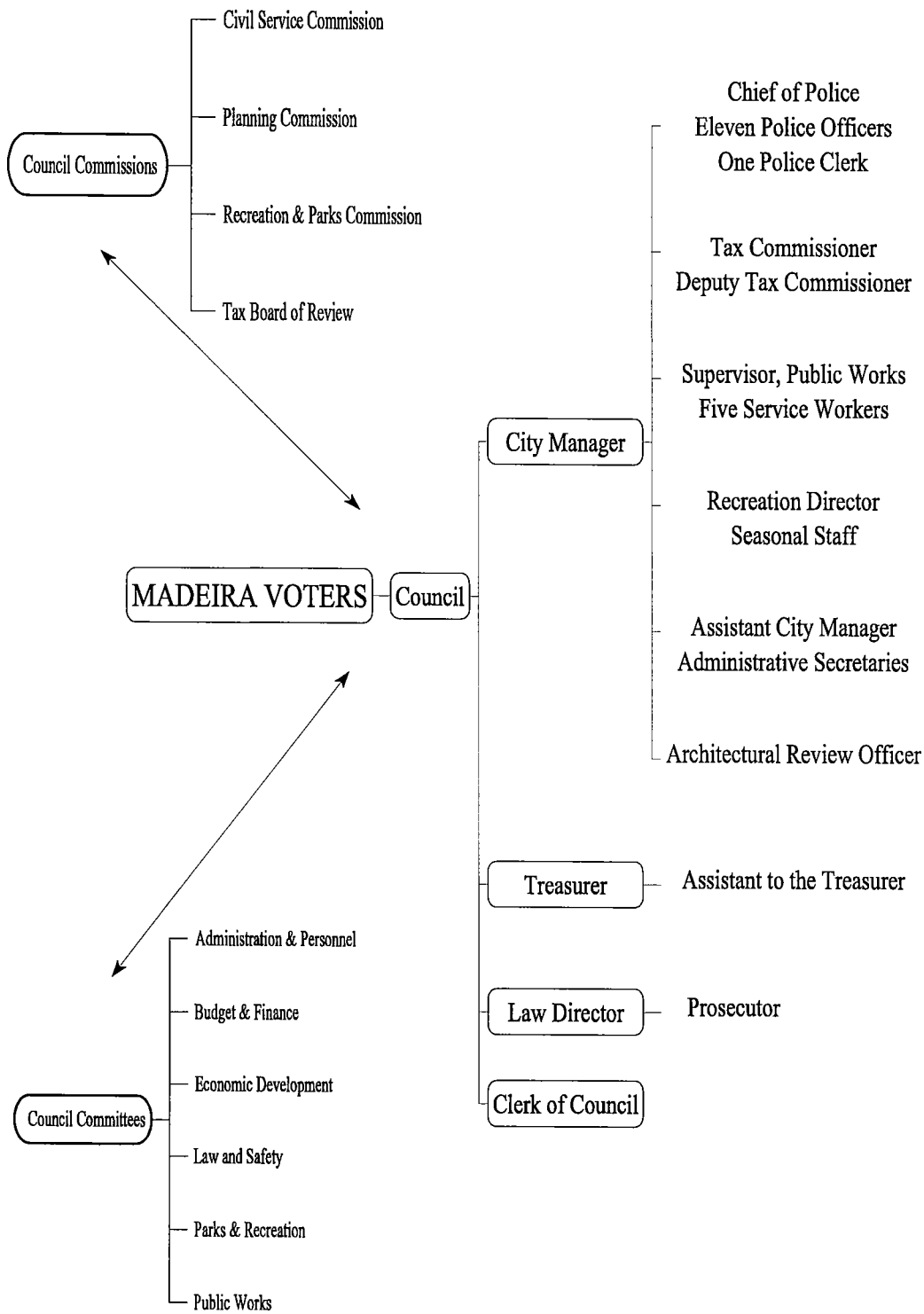
**Bradley Greenberg, Term of Office: 3/1/98-11/30/04**

**LAW DIRECTOR,**

**Robert Malloy, L.L.P., Term of Office: 12/1/89-3/20/95, 12/1/95-11/30/04**

# City of Madeira

## Organization Chart December 31, 2003



## **FINANCIAL SECTION**





**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

City of Madeira  
Hamilton County  
7141 Miami Avenue  
Madeira, Ohio 45243

To the City Council:

We have audited the accompanying general purpose financial statements of the City of Madeira, Hamilton County, Ohio (the City), as of and for the year ended December 31, 2003, as listed in the table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Madeira, Hamilton County, Ohio, as of December 31, 2003, and the results of its operations and the cash flows of its proprietary fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated June 28, 2004, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

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

We did not audit the data included in the introductory and statistical sections of this report and therefore express no opinion thereon.

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

**BETTY MONTGOMERY**  
Auditor of State

June 28, 2004

**CITY OF MADEIRA, OHIO**  
 Combined Balance Sheet - All Fund Types and Account Groups  
 December 31, 2003

	Governmental Fund Types					Proprietary Enterprise	Fiduciary Agency	Account Groups		Total 2003 (Memorandum Only)	Total 2002 (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Fixed Assets			General L-T			
								Obligations	Assets		
<b>ASSETS AND OTHER DEBITS</b>											
<b>ASSETS:</b>											
Cash and Cash Equivalents	\$938,957	\$162,706	\$13,759	\$77,000		\$58,217	\$0	\$0	\$1,250,639	\$1,408,370	
Investments	299,704	0	0	0		0	0	0	299,704	586,406	
Cash with Fiscal Agent	0	0	0	0		0	4,075	0	4,075	4,447	
Receivables Net of Allowance for Uncollectible Accounts:											
Taxes Receivable	2,163,173	0	106,925	0		0	0	0	2,270,098	2,212,275	
Intergovernmental Receivable	227,845	136,722	6,704	0		0	0	0	371,271	569,050	
Accounts Receivables	39,676	190	0	0		1,180	0	0	41,046	29,521	
Interfund Receivables	0	0	0	0		0	0	0	0	76,296	
Inventory of Supplies	16,538	0	0	0		0	0	0	16,538	6,382	
Fixed Assets, Net of Depreciation	0	0	0	0		378,918	0	4,100,355	4,479,273	4,360,432	
<b>OTHER DEBITS:</b>											
Amount Available in Debt Service Fund	0	0	0	0		0	0	16,382	16,382	8,032	
Amount to be Provided for Retirement of General Long-Term Debt	0	0	0	0		0	0	0	0	0	
<b>TOTAL ASSETS</b>	<b>\$3,685,893</b>	<b>\$299,618</b>	<b>\$127,388</b>	<b>\$77,000</b>		<b>\$438,315</b>	<b>\$4,075</b>	<b>\$2,151,587</b>	<b>\$10,900,613</b>	<b>\$11,613,610</b>	
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>											
<b>LIABILITIES:</b>											
Accounts Payable	95,770	28,012	0	1,087		2,347	0	0	127,216	253,691	
Interfund Payable	0	0	0	0		0	0	0	0	76,296	
Accrued Payroll	99,947	0	0	0		0	0	0	99,947	143,994	
Compensated Absences Payable	8,684	0	0	0		0	0	197,969	206,653	192,718	
Deferred Revenues	1,962,468	108,414	111,006	0		0	0	0	2,181,888	2,137,382	
Due to Other Governments	0	0	0	0		0	4,075	0	4,075	4,447	
General Obligation:											
Notes Payable	0	0	0	0		0	0	0	0	737	
Bonds Payable	0	0	0	0		0	0	1,970,000	1,970,000	2,175,000	
<b>TOTAL LIABILITIES</b>	<b>2,166,869</b>	<b>136,426</b>	<b>111,006</b>	<b>1,087</b>		<b>2,347</b>	<b>4,075</b>	<b>2,167,969</b>	<b>4,589,779</b>	<b>4,984,265</b>	
<b>EQUITY AND OTHER CREDITS:</b>											
Investment in Fixed Assets	0	0	0	0		0	0	0	4,100,355	3,967,850	
Contributed Capital	0	0	0	0		467,677	0	0	467,677	467,677	
Retained Earnings - Unreserved/Accumulated Deficit	0	0	0	0		(31,709)	0	0	(31,709)	(31,992)	
<b>FUND BALANCE:</b>											
Reserve-Inventory of Supplies	16,538	0	0	0		0	0	0	16,538	6,382	
Unreserved:											
Designated for Debt Service	0	0	16,382	0		0	0	0	16,382	8,032	
Undesignated	1,502,486	163,192	0	75,913		0	0	0	1,741,591	2,211,396	
<b>TOTAL FUND EQUITY AND OTHER CREDITS</b>	<b>1,519,024</b>	<b>163,192</b>	<b>16,382</b>	<b>75,913</b>		<b>435,968</b>	<b>0</b>	<b>0</b>	<b>6,310,834</b>	<b>6,629,345</b>	
<b>TOTAL LIABILITIES, EQUITY AND OTHER CREDITS</b>	<b>\$3,685,893</b>	<b>\$299,618</b>	<b>\$127,388</b>	<b>\$77,000</b>		<b>\$438,315</b>	<b>\$4,075</b>	<b>\$2,167,969</b>	<b>\$10,900,613</b>	<b>\$11,613,610</b>	

The Notes to the Financial Statements are an integral part of this statement.

**CITY OF MADEIRA, OHIO**

Combined Statement of Revenues, Expenditures  
and Changes in Fund Balances

**All Governmental Fund Types**  
For the Year Ended December 31, 2003

	General Fund	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
<b>REVENUES</b>					
Taxes	\$3,248,254	\$0	\$98,127	\$0	\$3,346,381
Licenses & Permits	95,474	0	0	0	95,474
Intergovernmental Revenue	622,821	361,440	13,176	0	997,437
Charges for Services	54,454	17,111	0	0	71,565
Investment Earnings	22,642	0	0	0	22,642
Fines & Forfeitures	64,395	1,247	0	0	65,642
All Other Revenues	89,898	0	0	180	90,078
<b>TOTAL REVENUES</b>	<b>4,197,938</b>	<b>379,798</b>	<b>111,303</b>	<b>180</b>	<b>4,689,219</b>
<b>EXPENDITURES</b>					
Current					
Security of Persons and Property					
	2,137,394	1,150	0	0	2,138,544
Leisure Time Activity					
	163,652	35,496	0	0	199,148
Community Environment					
	38,891	0	0	25,283	64,174
Transportation					
	950,866	342,791	0	0	1,293,657
General Government					
	885,524	687	1,282	0	887,493
Capital Outlay					
	0	0	0	265,831	265,831
Debt Service					
Principal Retirement					
	0	0	205,000	0	205,000
Interest and Fiscal Charges					
	0	0	86,671	0	86,671
<b>TOTAL EXPENDITURES</b>	<b>4,176,327</b>	<b>380,124</b>	<b>292,953</b>	<b>291,114</b>	<b>5,140,518</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures					
	21,611	(326)	(181,650)	(290,934)	(451,299)
<b>OTHER FINANCING SOURCES/(USES)</b>					
Operating Transfers In					
	0	10,006	190,000	280,000	480,006
Operating Transfers Out					
	(440,006)	(40,000)	0	0	(480,006)
<b>TOTAL OTHER FINANCING SOURCES/(USES)</b>	<b>(440,006)</b>	<b>(29,994)</b>	<b>190,000</b>	<b>280,000</b>	<b>0</b>
Excess/(Deficiency) of Revenues and Financing Sources Over/(Under) Expenditures and Other Uses					
	(418,395)	(30,320)	8,350	(10,934)	(451,299)
Fund Balance - Beginning					
	1,937,419	193,512	8,032	86,847	2,225,810
Fund Balance - Ending					
	\$1,519,024	\$163,192	\$16,382	\$75,913	\$1,774,511

The Notes to the Financial Statements are an integral part of this statement.



**CITY OF MADEIRA, OHIO**

*All Governmental Fund Types*

*Page 1 of 5*

Combined Statement of Revenues, Expenditures  
and Changes in Fund Balances

Budget and Actual

**General Fund**

For the Year Ended December 31, 2003

	Budget	Actual	Variance Fav/(Unfav)
<b>REVENUES</b>			
Taxes	\$3,077,000	\$3,248,254	\$171,254
Licenses & Permits	54,100	95,474	41,374
Intergovernmental Revenue	653,200	622,821	(30,379)
Charges for Services	50,700	54,454	3,754
Investment Earnings	60,000	22,642	(37,358)
Fines & Forfeitures	71,000	64,395	(6,605)
All Other Revenues	81,700	89,898	8,198
<b>TOTAL REVENUES</b>	<b>4,047,700</b>	<b>4,197,938</b>	<b>150,238</b>
<b>EXPENDITURES</b>			
Current:			
Security of Persons and Property	2,156,600	2,137,394	19,206
Leisure Time Activity	167,850	163,652	4,198
Community Environment	50,500	38,891	11,609
Transportation	992,100	950,866	41,234
General Government	900,825	885,524	15,301
<b>TOTAL EXPENDITURES</b>	<b>4,267,875</b>	<b>4,176,327</b>	<b>91,548</b>
Excess of Revenues Over Expenditures	(220,175)	21,611	241,786
<b>OTHER FINANCING SOURCES/(USES)</b>			
Operating Transfers Out	(441,000)	(440,006)	(994)
<b>TOTAL OTHER FINANCING SOURCES/(USES)</b>	<b>(441,000)</b>	<b>(440,006)</b>	<b>(994)</b>
Excess/(Deficiency) of Revenues and Financing Sources Over/(Under) Expenditures and Other Uses	(661,175)	(418,395)	240,792
Fund Balance - Beginning	1,937,419	1,937,419	0
Fund Balance - Ending	\$1,276,244	\$1,519,024	\$242,780

(Continued)

**CITY OF MADEIRA, OHIO**

*All Governmental Fund Types*

*Page 2 of 5*

Combined Statement of Revenues, Expenditures  
and Changes in Fund Balances

(Continued)

Budget and Actual

**Special Revenue Funds**

For the Year Ended December 31, 2003

	Budget	Actual	Variance Fav/(Unfav)
<b>REVENUES</b>			
Intergovernmental Revenue	\$328,900	\$361,440	\$32,540
Charges for Services	13,000	17,111	4,111
Investment Earnings	10,000	0	(10,000)
Fines & Forfeitures	3,000	1,247	(1,753)
All Other Revenues	0	0	0
<b>TOTAL REVENUES</b>	<b>354,900</b>	<b>379,798</b>	<b>24,898</b>
<b>EXPENDITURES</b>			
Current			
Security of Persons and Property	3,200	1,150	2,050
Leisure Time Activity	34,700	35,496	(796)
Transportation	346,500	342,791	3,709
General Government	12,900	687	12,213
<b>TOTAL EXPENDITURES</b>	<b>397,300</b>	<b>380,124</b>	<b>17,176</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(42,400)	(326)	42,074
<b>OTHER FINANCING SOURCES/(USES)</b>			
Operating Transfers In	10,006	10,006	0
Operating Transfers Out	(40,000)	(40,000)	0
<b>TOTAL OTHER FINANCING SOURCES/(USES)</b>	<b>(29,994)</b>	<b>(29,994)</b>	<b>0</b>
Excess/(Deficiency) of Revenues and Financing Sources Over/(Under) Expenditures and Other Uses	(72,394)	(30,320)	42,074
Fund Balance - Beginning	193,512	193,512	0
Fund Balance - Ending	<b>\$121,118</b>	<b>\$163,192</b>	<b>\$42,074</b>

(Continued)

**CITY OF MADEIRA, OHIO**

*All Governmental Fund Types*

*Page 3 of 5*

Combined Statement of Revenues, Expenditures  
and Changes in Fund Balance

(Continued)

Budget and Actual

**Debt Service Fund**

For the Year Ended December 31, 2003

	Budget	Actual	Variance Fav/(Unfav)
<b>REVENUES</b>			
Taxes	\$87,600	\$98,127	\$10,527
Intergovernmental Revenue	11,000	13,176	2,176
<b>TOTAL REVENUES</b>	<b>98,600</b>	<b>111,303</b>	<b>12,703</b>
<b>EXPENDITURES</b>			
Current:			
General Government	1,300	1,282	18
Debt Service			
Principal Retirement	205,000	205,000	0
Interest and Fiscal Charges	86,671	86,671	0
<b>TOTAL EXPENDITURES</b>	<b>292,971</b>	<b>292,953</b>	<b>18</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(194,371)	(181,650)	12,721
<b>OTHER FINANCING SOURCES/(USES)</b>			
Operating Transfers In	190,000	190,000	0
<b>TOTAL OTHER FINANCING SOURCES/(USES)</b>	<b>190,000</b>	<b>190,000</b>	<b>0</b>
Excess/(Deficiency) of Revenues and Financing Sources Over Expenditures and Other Uses	(4,371)	8,350	12,721
Fund Balance - Beginning	8,032	8,032	0
Fund Balance - Ending	\$3,661	\$16,382	\$12,721

(Continued)

**CITY OF MADEIRA, OHIO**

*All Governmental Fund Types*

*Page 4 of 5*

Combined Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Budget and Actual

(Continued)

**Capital Projects Funds**

For the Year Ended December 31, 2003

	Budget	Actual	Variance Fav/(Unfav)
<b>REVENUES</b>			
Intergovernmental Revenue	\$0	\$0	\$0
All Other Revenues	5,000	180	(4,820)
<b>TOTAL REVENUES</b>	<b>5,000</b>	<b>180</b>	<b>(4,820)</b>
<b>EXPENDITURES</b>			
Current:			
Community Environment	49,800	25,283	24,517
Capital Improvements	301,000	265,831	35,169
<b>TOTAL EXPENDITURES</b>	<b>350,800</b>	<b>291,114</b>	<b>59,686</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(345,800)	(290,934)	54,866
<b>OTHER FINANCING SOURCES</b>			
Operating Transfers In	400,000	280,000	(120,000)
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>400,000</b>	<b>280,000</b>	<b>(120,000)</b>
Excess/(Deficiency) of Revenues and Financing Sources Over/(Under) Expenditures and Other Uses	54,200	(10,934)	(65,134)
Fund Balance - Beginning	86,847	86,847	0
Fund Balance - Ending	<b>\$141,047</b>	<b>\$75,913</b>	<b>(\$65,134)</b>

(Continued)

## CITY OF MADEIRA, OHIO

All Governmental Fund Types

Page 5 of 5

Combined Statement of Revenues, Expenditures  
and Changes in Fund Balances

(Continued)

Budget and Actual

**Totals (Memorandum Only)**

For the Year Ended December 31, 2003

	Budget	Actual	Variance Fav/(Unfav)
<b>REVENUES</b>			
Taxes	\$3,164,600	\$3,346,381	\$181,781
Licenses & Permits	54,100	95,474	41,374
Intergovernmental Revenue	993,100	997,437	4,337
Charges for Services	63,700	71,565	7,865
Investment Earnings	70,000	22,642	(47,358)
Fines & Forfeitures	74,000	65,642	(8,358)
All Other Revenues	86,700	90,078	3,378
<b>TOTAL REVENUES</b>	<b>4,506,200</b>	<b>4,689,219</b>	<b>183,019</b>
<b>EXPENDITURES</b>			
Current			
Security of Persons and Property	2,159,800	2,138,544	21,256
Leisure Time Activity	202,550	199,148	3,402
Community Environment	100,300	64,174	36,126
Transportation	1,338,600	1,293,657	44,943
General Government	915,025	887,493	27,532
Capital Outlay	301,000	265,831	35,169
Debt Service			
Principal Retirement	205,000	205,000	0
Interest and Fiscal Charges	86,671	86,671	0
<b>TOTAL EXPENDITURES</b>	<b>5,308,946</b>	<b>5,140,518</b>	<b>168,428</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(802,746)	(451,299)	351,447
<b>OTHER FINANCING SOURCES/(USES)</b>			
Operating Transfers In	600,006	480,006	120,000
Operating Transfers Out	(481,000)	(480,006)	(994)
<b>TOTAL OTHER FINANCING SOURCES/(USES)</b>	<b>119,006</b>	<b>0</b>	<b>(119,006)</b>
Excess/(Deficiency) of Revenues and Financing Sources Over/(Under) Expenditures and Other Uses	(683,740)	(451,299)	232,441
Fund Balance - Beginning	2,225,810	2,225,810	0
Fund Balance - Ending	<b>\$1,542,070</b>	<b>\$1,774,511</b>	<b>\$232,441</b>

The Notes to the Financial Statements are an integral part of this statement.

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## CITY OF MADEIRA, OHIO

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

	<u>Enterprise Fund</u>
OPERATING REVENUES:	
Rental Revenue	\$27,944
Total Operating Revenues	<u>27,944</u>
OPERATING EXPENSES:	
General Operating Supplies	0
Insurance	4,178
Professional Services	1,743
Repairs & Maintenance	3,981
Depreciation	13,664
Property Taxes	4,095
Total Operating Expenses	<u>27,661</u>
Operating Income	283
NET INCOME	283
Accumulated Deficit, Beginning of Year	<u>(31,992)</u>
Accumulated Deficit, End of Year	<u><u>(\$31,709)</u></u>

The Notes to the Financial Statements are an integral part of this statement.

## CITY OF MADEIRA, OHIO

### Statement of Cash Flows

#### Proprietary Fund

For the Year Ended December 31, 2003

	<u>Enterprise Fund</u>
Cash Flows from Operating Activities:	
Cash Received from Renters and Others	\$27,000
Cash Paid to Suppliers	<u>(14,703)</u>
<b>Net cash provided by operating activities</b>	<u>12,297</u>
Net Increase in Cash and Cash Equivalents	12,297
<b>Cash and Cash Equivalents, January 1</b>	<u>45,920</u>
<b>Cash and Cash Equivalents, December 31</b>	<u><u>\$58,217</u></u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>	
Operating Income	283
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	13,664
Change in Assets and Liabilities:	
Increase in Receivables	(1,180)
Decrease in Deferred Revenue	(814)
Increase in Accounts Payable	<u>344</u>
Total Adjustments	<u>(1,650)</u>
<b>Net Cash Provided by Operating Activities</b>	<u><u>\$12,297</u></u>

The Notes to the Financial Statements are an integral part of this statement.



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CITY OF MADEIRA, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003

NOTE 1. REPORTING ENTITY AND BASIS OF PRESENTATION

Reporting Entity

The City of Madeira (the City) is a home rule municipal corporation organized under the laws of the State of Ohio. The City operates under its own charter, which provides for a council/manager form of government and was adopted in 1959. The seven-member council is elected to four-year terms. Every two years council selects one of its members to serve as mayor and one of its members to serve as vice-mayor. Council also appoints the city manager, treasurer, law director and clerk of council.

The City provides various services including police protection, parks and recreation, planning, street maintenance and repair, and community development. The City also provides refuse collection and fire protection through annual contracts with outside contractors.

For financial reporting purposes, the City's financial statements include all funds and account groups for which the City is financially accountable based upon criteria set forth in Governmental Accounting Standards Board (GASB) Statement 14. The City reviewed certain legally separate organizations to determine if the elected officials of the City were financially accountable. No such organizations were identified.

Basis of Presentation

The financial statements of the City are prepared in accordance with standards promulgated by the Governmental Accounting Standards Board (GASB). These standards include the effective pronouncements of the National Council on Governmental Accounting (NCGA) and the American Institute of Certified Public Accountants (AICPA) which are considered to be generally accepted accounting principles for the state and local entities, until they are altered, amended, supplemented, revoked or superseded by a subsequent GASB pronouncement. The City applies all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board of Opinions, and Accounting Research Bulletins issued on or before November 30, 1989 unless they conflict with GASB pronouncements.

The accounts of the City are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures/expenses. The individual funds account for the governmental resources allocated to them for the purpose of carrying on specific activities in accordance with laws, regulations or other restrictions. The various funds are summarized by type in the combined financial statements. The following fund types and account groups are used by the City:

**Governmental Fund Types**

Governmental funds are those through which most governmental functions typically are financed. Governmental funds are segregations of financial resources where the measurement focus is upon

determination of financial position and changes in that financial position. Annual appropriations are made by Council action. The City maintains records showing revenues, actual and accrued expenditures, and encumbrances to assure that budgetary authority is not exceeded.

*General Fund.* This fund is established to account for resources devoted to financing the general services that the City performs for its citizens. General tax revenues and other sources of revenue used to finance the fundamental operations of the City are included in this fund. The fund is charged with all costs of operating the government for which a separate fund has not been established.

*Special Revenue Funds.* Special revenue funds are used to account for proceeds of specific revenue sources other than amounts relating to special assessments or major capital projects that are legally restricted to disbursements for specified purposes.

*Debt Service Fund.* A debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. According to governmental accounting principles, the debt service fund accounts for the payment of long-term debt for governmental funds only. Under Ohio law, the debt service fund might also be used to account for the payment of the short-term debt of governmental funds.

*Capital Projects Funds.* Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

### **Proprietary Fund Type**

These funds account for operations that are organized to be self-supporting through user charges. The City's proprietary fund type consists of only one Enterprise Fund.

*Enterprise Fund.* An enterprise fund accounts for operations that are financed and operated in a manner similar to private business enterprises, i.e., where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis should be recovered primarily through user charges, or in the alternative, where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

### **Fiduciary Fund Type**

A fiduciary fund accounts for assets held by the government in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the government under the terms of a formal trust agreement.

*Agency Fund.* The agency fund is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. This fund is used to account for assets that the government holds for others in an agency capacity.

## Account Groups

Account groups are used to establish accounting control and accountability for the City's general fixed assets and general long-term obligations. Because these assets and obligations are long-term, they are neither spendable resources nor require current appropriation.

*General Long-Term Obligations Account Group.* This account group accounts for long-term obligations of the City, except those accounted for in the proprietary fund type.

*General Fixed Asset Account Group.* This account group accounts for all fixed assets required for general City purposes, excluding fixed assets of the proprietary fund type.

## Total Columns on Financial Statements

Total columns on the general purpose financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis and do not reflect consolidated financial information. Data in these columns do not present financial position, operating results, or cash flows in conformity with generally accepted accounting principles (GAAP). Interfund eliminations have not been made in the aggregation of this data.

## NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net current assets. All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary funds' operating statements present increases ( e.g., revenues) and decreases (e.g., expenses) in net total assets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made. The modified accrual basis of accounting is followed for the governmental and the agency funds. The full accrual basis of accounting is followed for the proprietary fund types.

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.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year 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 non-exchange 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 fiscal year-end: income taxes, interest, and intergovernmental 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, 2003, but which were levied to finance fiscal year 2004 operations, have been recorded as deferred revenue. Grants and entitlements received before eligibility requirements are met are also recorded as deferred revenue. On a modified accrual basis, receivables that will not be collected within the available period have also been reported as deferred revenue.

Under the modified accrual basis, expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt, which is recognized when due, and certain compensated absences which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Allocations of cost, such as depreciation and amortization, are not recognized for governmental fund types.

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

### NOTE 3. BUDGETARY BASIS OF ACCOUNTING

In 1994 the City, being a home rule municipal corporation, adopted, through ordinance, GAAP (generally accepted accounting principle) as its budgetary basis. This change was thought necessary in order to provide more comparable budget and actual revenue and expenditure analysis. Therefore, the revenue and expenditure statements contained herein for comparative purposes are presented on the basis of generally accepted accounting principles. The City is reporting at the legal level of budgetary control which requires the governing body to approve any over budget expenditures of appropriations or transfers of appropriated amounts at the function level.

#### Budgetary Process

Annual budgets are adopted for all governmental funds. The City adopts an annual budget for the proprietary fund; however, budgetary data is not presented for the proprietary fund due to the nature of the fund. There is no legal requirement to report on such budget. The budgetary process is prescribed

by provisions of the Ohio Revised Code. The legal level of budgetary control under Ohio law is the level at which the appropriation measure is passed by the legislative authority of a local government. For the City, the legal level of control is the function level within each fund. Management may not amend the budget without council approval. Budgetary modifications may only be made by resolution of the City council. The major documents prepared are:

*Tax Budget.* A tax budget of estimated cash revenues and expenditures for all budgeted funds, for the period January 1 to December 31 of the following year, is submitted to the County Auditor by July 20 of each year. The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The commission certifies its actions to the City by October 1. As part of this certification, the City receives the official certificate of estimated resources, which states the projected revenues of each fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation ordinance. On or about January 1, the certificate of estimated resources is amended to include unencumbered fund balances at December 31 of the preceding year. The certificate may be further amended during the year if the fiscal officer determines that the revenue collected is greater or less than the current estimates. Because the tax budget prepared for the County Auditor is on a cash basis, those numbers do not match the GAAP-basis budget shown in this report as required by ordinance.

*Appropriations.* A temporary appropriation measure to control expenditures may be passed on or about January 1 of each year for the period from January 1 to March 31. The annual appropriation ordinance must be passed by April 1 of each year for the period January 1 to December 31. The appropriation ordinance may be amended during the year as new information becomes available provided that total fund appropriations do not exceed current estimated resources, as certified. The appropriations may be modified during the year only by an ordinance of council. During the year, one supplemental appropriation measure was passed. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all amendments and modifications.

*Encumbrances.* As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. Unencumbered and unexpended appropriations lapse at year end. Encumbrances are closed to unreserved fund balance/retained earnings at year end and are re-encumbered and re-appropriated at the start of the following year.

#### NOTE 4. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

The City follows the practice of pooling cash and investments with the Treasurer, except for the cash and cash equivalents in Agency Fund. Each fund's portion of total cash and investments is summarized by fund type in the Combined Balance Sheet as either "Cash and Cash Equivalents" and/or "Investments."

Investment and deposit procedures are restricted by the provisions of the Ohio Revised Code. In accordance with these provisions, only banks located in Ohio and domestic building and loan associations are eligible to hold public funds. Interest earned is recognized and recorded when earned.

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

Protection of City cash and investments is provided by the Federal Deposit Insurance Corporation as well as qualified securities pledged by the institution holding the assets. By law, financial institutions may establish a collateral pool to cover all public deposits. The face value of the pooled collateral must equal at least 105 percent of public funds deposited. Collateral is held by trustees, including the Federal Reserve Bank and designated third party trustees of the financial institutions, but not in the name of the City.

For purposes of the statement of cash flows and for presentation on the combined balance sheet, investments with original maturities of three months or less are considered to be cash and cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

GASB Statement No. 3 requires that the City's investments be classified in categories of credit risk. Category 1 includes investments that are insured or registered or securities held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments with securities held by the counter party's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments with the securities held by the counter party's trust department or agent but not in the City's name.

Deposits. At year-end, the carrying amount of the City's deposits per the City's records was \$440,255, which \$136,476 is the cash balance, \$4,075 represents the Mayor's Court book balance with a bank balance of \$4,095 fully covered by FDIC, and \$299,704 is the certificates of deposit, and the bank balance was \$177,879. (The City also included \$400 in change funds and a petty cash fund in the balance sheet presentation.) The bank balance up to \$100,000 is covered by the Federal Depository Insurance Corporation and above \$100,000 is covered by pooled collateral and considered uninsured and uncollateralized. The City had purchased Certificates of Deposit and at year-end, consisted of two outstanding certificates classified as follows:

	<u>Due</u>	<u>Rate</u>	<u>Category I</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Certificates of Deposit 3/01/04		1.07%	\$200,704	\$200,704	\$200,704
Certificates of Deposit 3/01/04		1.30%	\$ 99,000	\$ 99,000	<u>99,000</u>
				Total	\$299,704

These funds are covered by the Federal Depository Insurance Corporation. All deposits in excess of Federal Depository Insurance limits would be covered by pooled collateral and considered uninsured and uncollateralized.

Investments. The State of Ohio statutes authorize the City to invest in obligations of the U.S. Treasury, agencies, instrumentalities and bonds of the State of Ohio and its political subdivisions. The City also may, but has not, entered into repurchase agreements. Investments in Star Ohio are not categorized since they are not evidenced by securities that exist in physical or book entry form.

	<u>Carrying Amount</u>	<u>Fair Value</u>
Star Ohio	\$1,113,763	\$1,113,763

The classification of cash and cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. A reconciliation between the classifications of cash and investments on the combined financial statements and the classifications per GASB Statement No. 3 is as follows:

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
GASB Statement 9	\$ 1,254,714	\$ 299,704
Investments:		
Certificates of Deposit	299,704	(299,704)
Star Ohio	<u>(1,113,763)</u>	<u>1,113,763</u>
GASB Statement 3	\$ 440,655	\$ 1,113,763

#### NOTE 5. INVENTORY OF SUPPLIES

Inventory of supplies consists of salt purchased for road use and is recorded at cost using the first-in-first-out (FIFO) method of identification. At December 31, 2003, the City had 504 tons of salt at a cost of \$16,538. The cost of governmental fund type inventories are recorded as expenditures when used rather than when purchased.

#### NOTE 6. ENCUMBRANCES

Encumbrance accounting is employed in all City funds during the normal course of operations for purchase orders and contract-related expenditures/expenses. There were no outstanding encumbrances at year end.

#### NOTE 7. RECEIVABLES

As reported earlier, revenues are recognized in the accounting period in which they become measurable and available. "Measurable" means that the amount of the transaction can be determined; "available"



means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City uses 60 days after year-end to define its available period. Allowances for uncollectible amounts are based upon evaluating the actual aging of accounts receivable and determining those accounts which, due to collection efforts results, are likely to be uncollectible.

In the General Fund, franchise fees due of \$27,600 are from Warner Cable for the last six months of 2003. The sidewalk receivables account, in the amount of \$1,245 represents assessments for sidewalk repairs made in 1995. Other receivables due of \$10,831 are for Shawnee Hills Landscaping project and other miscellaneous amounts.

All accounts receivable are considered collectible at December 31, 2003, and the allowance for uncollectible accounts receivable is zero.

The City has adopted GASB 33 with regards to recognizing receivables and deferred revenue and follows the modified accrual rules for revenue recognition.

NOTE 8. FIXED ASSETS

Fixed assets include land and land improvements, vehicles, buildings, equipment and software owned by the City. Estimated useful lives of the various classes of fixed assets are 27 years for buildings and 3 to 10 years for equipment. Software is estimated to have a life of 3 years. When purchased, fixed assets used in governmental fund type operations are recorded as expenditures in the Governmental Funds and are accounted for in the General Fixed Assets Account Group. No depreciation is recorded for general fixed assets.

Infrastructure fixed assets such as streets, sidewalks, curbs and gutters and drainage systems are not capitalized along with other general fixed assets.

All fixed assets are capitalized only if the cost is \$1,000 or more and are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair market value on the date donated.

Changes in fixed assets in the General Fixed Asset Account Group during the year ended December 31, 2003 were as follows:

<u>Asset Category</u>	<u>Balance at 1/1/03</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at 12/31/03</u>
Land	\$ 645,000	\$ -0-	\$ -0-	\$645,000
Bldg. & Land Improvements	2,595,838	113,722	(15,000)	2,694,560
Vehicles	454,968	24,168	(20,992)	458,144
Furniture, Equipment and Software	<u>272,044</u>	<u>64,325</u>	<u>(33,718)</u>	<u>302,651</u>
	<u>\$3,967,850</u>	<u>\$202,215</u>	<u>(\$69,710)</u>	<u>\$4,100,355</u>

Fixed assets used in Proprietary operations are recorded in the Proprietary Fund. Estimated useful lives of the various classes of fixed assets are 27 years for buildings and 5 years for land improvements. The straight-line method of calculating depreciation is used for depreciable assets. A summary of the Proprietary Fund fixed assets as of December 31, 2003 follows:

<u>Proprietary Fund</u>	Balance at <u>12/31/03</u>
Land	\$134,008
Land Improvements	54,320
Buildings	<u>304,489</u>
Subtotal	\$492,817
Less Accum. Depreciation	<u>(113,899)</u>
Net Fixed Assets	<u>\$378,918</u> =====

NOTE 9. COMPENSATED ABSENCES

The City's police officers and public works employees are employed under the terms of union contracts. Consequently, vacation, sick leave, holiday pay, overtime and personal time benefits are determined by the union contract in effect at the time.

In accordance with GASB Statement No. 16 which requires state and local governments to recognize the liabilities associated with employees' compensated absences, compensated absences are accrued as they are earned if the following conditions are met:

1. The employer's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered.
2. The obligation relates to rights that vest or accumulate.
3. Payment of the compensation is probable.
4. The amount can be reasonably estimated.

For Governmental Funds, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources, i.e., within sixty days of the end of the year. This amount is recorded as a fund liability while the balance of the liability is recorded under general long-term obligations. (There are no compensated absences for the Proprietary Fund because there are no employees whose salaries are charged to this fund.)

City policy generally requires that vacation time not be accumulated for more than 2½ years (1½ years for Public Works employees). At separation from employment, employees are paid for the vacation they have accrued up to those limits. Sick time not taken may be accumulated until retirement up to 1560 hours (unlimited for Police officers). Employees eligible to retire under a City recognized retirement plan, with a minimum of ten years of service, or five years if retirement is due to disability, are paid 40% up to 480 hours (25% up to 360 hours for public works employees) of accumulated sick time upon retirement.

Changes in Long-Term Compensated Absences

Comp. Absences, 1/1/03	\$ 184,694
Increase in Accrued Comp. Absences	<u>13,275</u>
Comp. Absences, 12/31/03	<u>\$197,969</u>
	=====

NOTE 10. DEFINED BENEFIT PENSION PLANS

Public Employees Retirement System

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

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

The Ohio Revised Code provides statutory authority for employee and employer contributions. Plan members are required to contribute at an actuarially determined rate of 8.5% of covered salary. The 2003 employer pension contribution rate for the City was 13.55% of covered payroll. The City's required contributions for pension obligations for the years ending December 31, 2003, 2002 and 2001 were \$87,089, \$81,406, and \$78,610, respectively, equal to the required contributions each year.

Ohio Police and Fire Pension Fund

The City of Madeira 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. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. The 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 to fund pension obligations while employers are required to contribute 19.5% for police officers. Contributions are authorized by state statute. The City's contributions to OP&F for the years ended December 31, 2003, 2002, and 2001 were \$127,097, \$129,842, and \$121,923, respectively, equal to the required contributions for each year.

#### NOTE 11. POSTEMPLOYMENT BENEFITS

##### Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of post retirement health care based on authority granted by State statute. The 2003 local government employer contribution rate was 13.55% of covered payroll; of that amount 5.0% was the portion that was used to fund health care for 2003.

Benefits are advance-funded using the entry age normal cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2002, include a rate of return on investments of 8.0%, an annual increase in active employee total payroll of 4.0% compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50% and 6.3% based on additional annual pay increases. Health care premiums were assumed to increase 4.0% annually.

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

The number of active contributing participants was 364,881. The City's actual contributions for 2003 which were used to fund postemployment benefits were \$32,135. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2002, (the latest information available) were \$10 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$18.7 billion and \$8.7 billion, respectively.

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

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

Ohio Police and Fire Pension Fund

The Ohio Police and 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 two-thirds 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 742 provides the authority allowing the Ohio Police and Fire Pension Fund’s board of trustees to provide health care coverage and states that health care costs paid from the Ohio Police and Fire Pension Fund shall be included in the employer’s contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution rate is 19.5% of covered payroll, of which 7.75% of covered payroll was applied to the postemployment health care program during 2003. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The City’s actual contributions for 2003 that were used to fund postemployment benefits were \$50,457. The OP&F’s total health care expenses for the year ended December 31, 2002, (the latest information available) were \$141,028,006, which was net of member contributions of \$12,623,875. The total number of participants eligible to receive health care benefits as of December 31, 2002 were 13,527 for police.

NOTE 12. LONG-TERM DEBT

Section 133.03, Revised Code, provides that the net debt of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total taxable value of property. The statutory limitations on debt are measured by a direct ratio of net debt to tax valuation and expressed in terms of percentage.

Overall Debt Limitation: 10.5% of Assessed Valuation	\$23,394,982
Net Debt Within Limitations	<u>1,953,618</u>
Legal Debt Margin Within 10.5% Limitation	<u>\$21,441,364</u>
	=====
Un-voted Debt Limitation: 5.5% of Assessed Valuation	\$12,254,514
Net Debt Within Limitations	<u>1,953,618</u>
Legal Debt Margin Within 5.5% Limitation	<u>\$10,300,896</u>
	=====

Description of Issues

Debt transactions for the year ended December 31, 2003 consisted of the following:

1. In April 1, 1999, the City issued bonds in the amount of \$2,750,000 with interest rates ranging from 3.5% to 4.5% and maturing April 1, 2001 through April 1, 2011. Proceeds were used to pay off \$625,000 of outstanding notes as they matured during 1999, as well as, \$1,500,000 of bonds that were callable on December 1, 1999. The balance of the proceeds were used to fund improvements throughout the City.

Changes in Long-Term Debt

Bonds, 1/1/03	\$2,175,000
Bonds Issued	0
Bonds Retired	<u>(205,000)</u>
Bonds, 12/31/03	<u>\$ 1,970,000</u>

Debt Service Requirements to Maturity

<u>Year End</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	215,000	78,532	293,532
2005	220,000	69,940	289,940
2006	230,000	60,882	290,882
2007	240,000	51,305	291,305
2008	250,000	41,135	291,135
2009-2011	<u>815,000</u>	<u>55,473</u>	<u>870,473</u>
Total	<u>\$1,970,000</u>	<u>\$357,267</u>	<u>\$2,327,267</u>

NOTE 13. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

COMPLIANCE

At December 31, 2003, the City had deficit fund balance/retained earnings in the following funds:

Enterprise Fund Property Rentals	(\$31,709)
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NOTE 14. EARNINGS TAX

The City levies a municipal income tax of 1% on substantially all income earned within the City. In addition, the residents of the City are required to pay income tax on income earned outside of the City; however, the City allows a credit for income taxes paid to another municipality up to 100% of the City's current tax rate.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. Actual collections in cash for 2003 were \$1,737,772.

NOTE 15. PROPERTY TAX

Real property taxes are levied on assessed values which equal 35% of appraised value. The county auditor reappraises all real property every six years with a triennial update. The last update was completed for tax year 2001.

Real property taxes collected in any calendar year are generally levied on assessed values as of January 1 of the preceding year according to the following calendar:

Property Tax Calendar - 2003 Collections

Lien Date	January 1, 2002
Levy Date	October 31, 2002
First Installment Payment Due	January 31, 2003
Second Installment Payment Due	June 20, 2003

The full tax rate applied to real property for the fiscal year ended December 31, 2003, was \$7.50 per \$1,000 of assessed valuation. Real property owners' tax bills are further reduced by homestead and rollback deductions, when applicable. The amount of these homestead and rollback reductions is reimbursed to the City by the State of Ohio.

The Hamilton County Treasurer collects property tax on behalf of all taxing districts within the County. The Hamilton County Auditor periodically remits to the taxing districts their portions of the taxes collected. The assessed valuations for tax year 2002 collected in 2003, were:

Real Property	\$241,898,190
Tangible Personal Property	4,702,060
Public Utility Personal Property	<u>4,358,670</u>
	\$250,958,920
	=====

Tangible personal property used in business, other than public utilities, is currently assessed for ad valorem taxation purposes at 25% of its true value. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment

is due April 30; if paid semiannually, the first payment is due April 30 with the remainder payable by September 20.

Public utilities real and tangible personal property taxes collected in any calendar year are those levied on assessed values as of December 31 of the preceding year. Certain tangible personal property of public utilities is currently assessed at 100% of its true value. Real property of public utilities is currently assessed at 35% of true value. Property taxes on public utilities are subject to the same calendar as real property taxes, which is described above.

Property taxes that are measurable but not available at fiscal year end are recorded as a receivable with the corresponding revenue deferred until available. Delinquent property tax amounts, net of allowance for uncollectibles, are recorded if material in amount.

#### NOTE 16. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; injuries to employees and natural disasters. During 2003, the City contracted with Miami Valley Risk Management Association for vehicle, property and general liability insurance. The City provided medical insurance through Humana Health Insurance, dental insurance through Dental Care Plus and life insurance through Humana Health Insurance.

#### Insurance Pool

Miami Valley Risk Management Association, Inc. (MVRMA, Inc.) is a consortium of municipalities located in southwest Ohio which, beginning in 1988, formed an Association under Section 2744.081 of the Ohio Revised Code (ORC) to act collectively in addressing its members' risk management and risk financing needs. At December 31, 2003, Madeira's participation was limited to coverage for all property, crime liability, boiler and machinery and public official liability up to the limits stated below. MVRMA provides broad-based coverage, through self-insurance and commercial reinsurance, up to the limits stated below, with increased emphasis on safety and loss prevention and to create an opportunity for other local governments to participate.

MVRMA, Inc. is a corporation governed by a board of trustees, consisting of a representative appointed by each of the member cities. The board of trustees elects the officers of the corporation, with each trustee having a single vote. The board is responsible for its own financial matters and the corporation maintains its own books of account. Budgeting and financing of MVRMA, Inc. is subject to the approval of the board. The City of Madeira does not hold an equity interest in MVRMA, Inc.

The following is a summary of insurance coverage at year end:

1. General Liability	\$12,000,000/occurrence
Automobile Liability	\$12,000,000/occurrence
	\$1 million/occurrence self insured retention (SIR)
	\$11 million/occurrence excess SIR - Government Entities Mutual (GEM)/Endurance Specialty Insurance Limited



2. Employment Practices Liability	\$1 million/occurrence SIR \$11 million/occurrence and aggregate per member excess SIR - GEM/Endurance Specialty Insurance Limited
3. Public Officials Liability	\$1 million/occurrence SIR \$11 million/occurrence and aggregate per member excess SIR - GEM/Endurance Specialty Insurance Limited
4. Property	\$100,000,000 per occurrence \$250,000/occurrence SIR \$100 million/occurrence excess SIR - Chubb/Federal Insurance
5. Boiler & Machinery (included in Property Policy)	\$100,000,000 per occurrence \$5,000/occurrence SIR except all waste water treatment/sewage, water treatment/pumping stations and any electrical substations, which would be \$10,000/occurrence \$100 million occurrence excess SIR - Chubb/Federal Insurance
6 Flood (included in property policy)	\$25 million/occurrence and annual aggregate (Excludes Zone A) excess property SIR \$1 million/occurrence and annual aggregate (Zone B & Shaded X) excess property SIR
7. Earthquake (included in property policy)	\$25,000,000/occurrence and annual aggregate excess property SIR

The deductible per occurrence for all types is \$2,500. Settlements have not exceeded insurance coverage in any of the past three years.

MVRMA prepares annual financial statements. Additional information can be obtained from their Comprehensive Annual Financial Report for 2003 by writing MVRMA, 4625 Presidential Way, Kettering, OH 45429.

The City pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. In order to lower rates charged to the City, the City has joined a group rating program through Ohio Municipal League.

NOTE 17. CONTINGENT LIABILITIES

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

#### NOTE 18. RENTER RELATIONSHIP

The City entered three rental agreements for properties owned: 7010 Miami Avenue (Muchmore House), 7014 Miami Avenue (Hosbrook House) and the railroad depot at 7701 Railroad Avenue. These rental agreements for Muchmore House and the railroad depot were for three-year terms. The Muchmore House lease expires May 31, 2006, and the railroad depot lease expires April 30, 2006. A rental agreement for 7014 Miami Avenue (Hosbrook House) was entered into for a one-year period commencing October 1, 2003. The rent received in 2003 for 7010 Miami Avenue was \$12,600, for 7014 Miami Avenue was \$3,300 and the rent received for the railroad depot was \$12,000.

All three properties are accounted for in SR-70 Rental Properties, an enterprise fund.

#### NOTE 19. CONTRACTUAL COMMITMENTS

The City contracts with the Madeira/Indian Hill Joint Fire District for fire protection and emergency medical services. The contract fee for 2003 was \$1,034,500.

The City also contracts with CSI for solid waste collection. The contract fee for 2003 was \$365,769.

Health Department services are provided through Hamilton County. The cost of \$13,934 was deducted from property tax receipts collected by the County.

#### NOTE 20. SUBSEQUENT EVENTS

In January 2004, the City authorized the issuance of \$2,050,000 in Economic Development Revenue Refunding Bonds, the proceeds of which were loaned to The Kroger Company to finance the construction of a new supermarket. The City is not liable or responsible in any manner for the bonds, nor does the City have any liability if there is a default on the bonds.

#### NOTE 21. RESOLUTION OF LEGAL CLAIM

In March 1992, an employee of the City suffered a fatal accident while working on City business. In February of 1993, Council approved Resolution 10-93 which approved an agreement concerning a settlement with the employee's widow. The settlement provided for a guaranteed amount of \$88,400, payable to the widow (or her estate) in monthly installments of \$737 from February of 1993 through February of 2003. The guaranteed amount was paid off in February of 2003 and no liability exists at December 31, 2003 relative to the guaranteed settlement.

In addition, the agreement provided for monthly payments of \$650 to the widow after February of 2003, contingent upon death or remarriage. The City made all such required payments to the widow from March through December 2003.

#### NOTE 22. MAYOR'S COURT

The financial transactions of the City's Mayor's Court are included in the City's financial statements as an Agency Fund. The breakdown of collections, distributions, and undistributed collections of the Mayor's Court for 2003 is as follows:

Mayor's Court

Cash Balance 1/1/03		\$ 4,447
Collections:		
Fines & Forfeitures	\$62,218	
City Cost	1,118	
State Cost	16,648	
Seat Belt Enforcement	120	
Interest	<u>14</u>	
		<u>80,118</u>
Disbursements:		
Paid to the City	\$63,470	
Paid to the State	16,934	
Bonds Outstanding	81	
Paid to Others	<u>5</u>	
		<u>(80,490)</u>
Cash Balance 12/31/03		\$4,075 =====

NOTE 23. CONTRIBUTED CAPITAL

Contributed capital represents assets provided to the Enterprise Fund from the General Fund and from private sources prior to January 1, 2001, which are not subject to repayment. These assets are recorded at their fair market value on the date contributed. Depreciation expense on the assets is closed against Retained Earnings. The amount of capital contributed by the City was \$397,677 and the amount from Hamilton County was \$70,000. Contributed capital received after January 1, 2001, was recorded as non operating revenue in the Proprietary Fund.

NOTE 24. IMPLEMENTATION OF GASB STATEMENT NO. 34

Beginning in 2004, the City will implement the provisions of GASB Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments." The implementation of GASB 34 will affect future financial statement presentation.

**COMBINING, INDIVIDUAL FUND AND ACCOUNT  
GROUP STATEMENTS AND SCHEDULES**

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## GENERAL FUND

Accounts for all City operations which are supported by taxes and fees that have unrestricted use and are not required to be accounted for in a separate fund.

**CITY OF MADEIRA, OHIO**

Comparative Balance Sheet  
**General Fund**  
 December 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
<b>ASSETS:</b>		
Cash and Cash Equivalents	\$938,957	\$1,146,641
Investments	299,704	586,406
Receivables Net of Allowance for Uncollectible Accounts:		
Taxes Receivable	2,163,173	2,109,033
Intergovernmental Receivable	227,845	275,660
Accounts Receivable	39,676	29,321
Interfund Receivables	0	76,296
Inventory of Supplies	<u>16,538</u>	<u>6,382</u>
<b>TOTAL ASSETS</b>	<u><u>\$3,685,893</u></u>	<u><u>\$4,229,739</u></u>
 <b>LIABILITIES AND FUND BALANCE:</b>		
<b>LIABILITIES:</b>		
Accounts Payable	95,770	217,608
Accrued Payroll	99,947	143,994
Compensated Absences Payable	8,684	8,024
Deferred Revenues	<u>1,962,468</u>	<u>1,922,694</u>
<b>TOTAL LIABILITIES</b>	<u><u>2,166,869</u></u>	<u><u>2,292,320</u></u>
 <b>FUND BALANCE:</b>		
Reserve for Inventories	16,538	6,382
Unreserved and Undesignated	<u>1,502,486</u>	<u>1,931,037</u>
<b>TOTAL FUND BALANCE</b>	<u><u>1,519,024</u></u>	<u><u>1,937,419</u></u>
 <b>TOTAL LIABILITIES AND FUND BALANCE</b>	 <u><u>\$3,685,893</u></u>	 <u><u>\$4,229,739</u></u>

**CITY OF MADEIRA, OHIO**

Comparative Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Budget and Actual

**General Fund**

For the Years Ended December 31, 2003 and 2002

	2003			2002		
	Budget	Actual	Variance Fav/(Unfav)	Budget	Actual	Variance Fav/(Unfav)
<b>REVENUES</b>						
Taxes	\$3,077,000	\$3,248,254	\$171,254	\$2,952,700	\$3,019,423	\$66,723
Licenses & Permits	54,100	95,474	41,374	46,100	55,012	8,912
Intergovernmental Revenue	653,200	622,821	(30,379)	634,200	892,464	258,264
Charges for Services	50,700	54,454	3,754	46,700	51,095	4,395
Investment Earnings	60,000	22,642	(37,358)	65,000	51,002	(13,998)
Fines & Forfeitures	71,000	64,395	(6,605)	51,000	47,024	(3,976)
All Other Revenues	81,700	89,898	8,198	73,500	115,192	41,692
<b>TOTAL REVENUES</b>	<b>4,047,700</b>	<b>4,197,938</b>	<b>150,238</b>	<b>3,869,200</b>	<b>4,231,212</b>	<b>362,012</b>
<b>EXPENDITURES</b>						
Current:						
Security of Persons and Property	2,156,600	2,137,394	19,206	2,154,000	2,145,082	8,918
Leisure Time Activity	167,850	163,652	4,198	117,150	112,969	4,181
Community Environment	50,500	38,891	11,609	24,900	24,623	277
Transportation	992,100	950,866	41,234	895,100	886,230	8,870
General Government	900,825	885,524	15,301	820,890	811,542	9,348
<b>TOTAL EXPENDITURES</b>	<b>4,267,875</b>	<b>4,176,327</b>	<b>91,548</b>	<b>4,012,040</b>	<b>3,980,446</b>	<b>31,594</b>
Excess of Revenues Over Expenditures	(220,175)	21,611	241,786	(142,840)	250,766	393,606
<b>OTHER FINANCING SOURCES/(USES)</b>						
Operating Transfers Out	(441,000)	(440,006)	(994)	(688,000)	(688,000)	0
<b>TOTAL OTHER FINANCING SOURCES/(USES)</b>	<b>(441,000)</b>	<b>(440,006)</b>	<b>(994)</b>	<b>(688,000)</b>	<b>(688,000)</b>	<b>0</b>
Excess/(Deficiency) of Revenues and Financing Sources Over/(Under) Expenditures and Other Uses	(661,175)	(418,395)	240,792	(830,840)	(437,234)	393,606
Fund Balance - Beginning	1,937,419	1,937,419	0	2,374,653	2,374,653	0
Fund Balance - Ending	\$1,276,244	\$1,519,024	\$242,780	\$1,543,813	\$1,937,419	\$393,606



**CITY OF MADEIRA, OHIO**

Schedule of Expenditures  
by Department  
Budget and Actual  
General Fund  
For the Year Ended December 31, 2003

	Legislative	Treasurer	Clerk	Mayor's Court	Solicitor	Planning	Civil Service	Police	Fire	Public Works	Recreation	Building	Admin.	Tax	Total
<b>BUDGETED EXPENDITURES:</b>															
Security of Persons and Property															
Personal Service								950,000							\$950,000
All Other								166,600	1,040,000						\$1,206,600
Leisure Time Activity															
Personal Service											61,700				\$61,700
All Other											106,150				\$106,150
Community Environment															
All Other						50,500									\$50,500
Transportation															
Personal Service										306,500					\$306,500
All Other										685,600					\$685,600
General Government															
Personal Service	10,600	59,200	6,600	11,300	500							78,700	245,000	102,100	\$435,300
All Other	21,700	55,100	1,475	2,000	33,000		600						253,900	19,050	\$465,525
<b>TOTAL EXPENDITURES</b>	<b>\$32,300</b>	<b>\$114,300</b>	<b>\$8,075</b>	<b>\$13,300</b>	<b>\$33,500</b>	<b>\$50,500</b>	<b>\$600</b>	<b>\$1,116,600</b>	<b>\$1,040,000</b>	<b>\$992,100</b>	<b>\$167,850</b>	<b>\$78,700</b>	<b>\$498,900</b>	<b>\$121,150</b>	<b>\$4,267,875</b>

<b>ACTUAL EXPENDITURES:</b>															
Security of Persons and Property															
Personal Service								938,598							\$938,598
All Other								159,917	1,038,879						\$1,198,796
Leisure Time Activity															
Personal Service											57,555				\$57,555
All Other											106,097				\$106,097
Community Environment															
All Other						38,892									\$38,892
Transportation															
Personal Service										296,365					\$296,365
All Other										654,501					\$654,501
General Government															
Personal Service	9,667	58,562	6,550	9,999								241,300	99,920	99,920	\$425,998
All Other	21,438	55,034	1,025	1,785	31,972		0					78,475	252,770	17,026	\$459,525
<b>TOTAL EXPENDITURES</b>	<b>\$31,105</b>	<b>\$113,596</b>	<b>\$7,575</b>	<b>\$11,784</b>	<b>\$31,972</b>	<b>\$38,892</b>	<b>\$0</b>	<b>\$1,098,515</b>	<b>\$1,038,879</b>	<b>\$950,866</b>	<b>\$163,652</b>	<b>\$78,475</b>	<b>\$494,070</b>	<b>\$116,946</b>	<b>\$4,176,327</b>
Fav/(Unfav) Actual vs. Budget	\$1,195	\$704	\$500	\$1,516	\$1,528	\$11,608	\$600	\$18,085	\$1,121	\$41,234	\$4,198	\$225	\$4,830	\$4,204	\$91,548

## SPECIAL REVENUE FUNDS

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

Recycle Ohio Grant: Receives grant funds generated from the Recycle Ohio Grant program to account for the expenditure of the Saturday cardboard drop off program.

Recreation and Parks: Accounts for the City's operation of recreation programs and improvements to the City's two parks, Sellman and McDonald Commons. Revenues are derived from recreation fees.

Street Dance: Accounts for the annual Street Dance held in August by the Recreation and Parks Commission. Revenues are proceeds from the sale of beer at the function.

Police Trust: Receives proceeds from the sale of confiscated properties (vehicles, weapons, etc.) other than from drug cases. Disbursements may be made from the fund only to pay the costs of investigations, technical training, matching funds for federal grants or other appropriate law enforcement purposes.

Police Forfeitures: Receives proceeds from the sale of confiscated properties and equipment from drug related cases. Expenditures may only be made for drug enforcement programs.

DUI: Receives fines imposed upon DUI offenders. Under state law, disbursements may be made from this fund for law enforcement purposes related to informing the public of laws governing the operation of a motor vehicle while under the influence of alcohol, and other information relating to the operation of a motor vehicle and the consumption of alcoholic beverages.

**CITY OF MADEIRA, OHIO**

Combining Balance Sheet

**Special Revenue Funds**

December 31, 2003

(with comparative totals for December 31, 2002)

	Recreation							Total 2002
	Street Repair	Recycle Ohio	Parks	Street Dance	Police Trust	Police Forfeitures	DUI	
Cash and Cash Equivalents	\$138,968	\$3,855	\$4,688	\$1,192	\$1,811	\$4,111	\$8,081	\$183,990
Receivables Net of Allowance for Uncollectible Accounts:								
Intergovernmental Receivable	136,722	0	0	0	0	0	0	148,734
Accounts Receivable	190	0	0	0	0	0	0	200
<b>TOTAL ASSETS</b>	<b>\$275,880</b>	<b>\$3,855</b>	<b>\$4,688</b>	<b>\$1,192</b>	<b>\$1,811</b>	<b>\$4,111</b>	<b>\$8,081</b>	<b>\$299,618</b>
<b>LIABILITIES AND FUND BALANCE:</b>								
<b>LIABILITIES:</b>								
Accounts Payable	24,131	3,855	0	0	0	0	26	31,612
Deferred Revenue	108,414	0	0	0	0	0	0	107,800
<b>TOTAL LIABILITIES</b>	<b>132,545</b>	<b>3,855</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>26</b>	<b>136,426</b>
<b>FUND BALANCE:</b>								
Unreserved and Undesignated	143,335	0	4,688	1,192	1,811	4,111	8,055	163,192
<b>TOTAL FUND BALANCE</b>	<b>143,335</b>	<b>0</b>	<b>4,688</b>	<b>1,192</b>	<b>1,811</b>	<b>4,111</b>	<b>8,055</b>	<b>163,192</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$275,880</b>	<b>\$3,855</b>	<b>\$4,688</b>	<b>\$1,192</b>	<b>\$1,811</b>	<b>\$4,111</b>	<b>\$8,081</b>	<b>\$332,924</b>

CITY OF MADEIRA, OHIO

Comparative Combining Statement of Revenues,  
Expenditures and Changes in Fund Balances  
Budget and Actual

Special Revenue Funds

For the Years Ended December 31, 2003 and 2002

	2003 Street Repair			2002 Street Repair			2003 Recycle Ohio Grant			2002 Recycle Ohio Grant		
	Budget	Actual	Variance Fav/(Unfav)	Budget	Actual	Variance Fav/(Unfav)	Budget	Actual	Variance Fav/(Unfav)	Budget	Actual	Variance Fav/(Unfav)
<b>REVENUES</b>												
Intergovernmental Revenue	\$320,000	\$365,824	\$45,824	\$249,694	\$326,711	\$77,017	\$8,900	(\$4,384)	(\$13,284)	\$0	\$0	\$0
Charges for Services	0	0	0	0	0	0	0	0	0	0	0	0
Investment Earnings	10,000	0	(10,000)	10,000	0	(10,000)	0	0	0	0	0	0
Fines & Forfeitures	0	0	0	0	0	0	0	0	0	0	0	0
All Other Revenues	0	0	0	0	(2,880)	(2,880)	0	0	0	0	0	0
<b>TOTAL REVENUES</b>	<b>330,000</b>	<b>365,824</b>	<b>35,824</b>	<b>259,694</b>	<b>323,831</b>	<b>64,137</b>	<b>8,900</b>	<b>(4,384)</b>	<b>0</b>	<b>8,900</b>	<b>10,554</b>	<b>1,654</b>
<b>EXPENDITURES</b>												
Current												
Security of Persons and Property	0	0	0	0	0	0	0	0	0	0	0	0
Leisure Time Activity	0	0	0	0	0	0	0	0	0	0	0	0
Transportation	346,500	342,791	3,709	620,000	586,408	33,592	12,900	687	12,213	15,900	15,379	521
General Government	0	0	0	0	0	0	12,900	687	12,213	15,900	15,379	521
<b>TOTAL EXPENDITURES</b>	<b>346,500</b>	<b>342,791</b>	<b>3,709</b>	<b>620,000</b>	<b>586,408</b>	<b>33,592</b>	<b>12,900</b>	<b>687</b>	<b>12,213</b>	<b>15,900</b>	<b>15,379</b>	<b>521</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(16,500)	23,033	39,533	(360,306)	(262,577)	97,729	(4,000)	(5,071)	(1,071)	(7,000)	(4,825)	2,175
<b>OTHER FINANCING SOURCES/(USES)</b>												
Operating Transfers In	0	0	0	285,000	285,000	0	5,006	5,006	0	3,000	0	(3,000)
Operating Transfers Out	(40,000)	(40,000)	0	(40,000)	0	40,000	0	0	0	0	0	0
<b>TOTAL OTHER FINANCING SOURCES/(USES)</b>	<b>(40,000)</b>	<b>(40,000)</b>	<b>0</b>	<b>245,000</b>	<b>285,000</b>	<b>40,000</b>	<b>5,006</b>	<b>5,006</b>	<b>0</b>	<b>3,000</b>	<b>0</b>	<b>(3,000)</b>
Excess/(Deficiency) of Revenues and Financing Sources Over/(Under) Expenditures and Other Uses	(56,500)	(16,967)	39,533	(115,306)	22,423	137,729	1,006	(65)	(1,071)	(4,000)	(4,825)	(825)
Fund Balance - Beginning	160,302	160,302	0	137,879	137,879	0	65	65	0	4,890	4,890	0
Fund Balance - Ending	\$103,802	\$143,335	\$39,533	\$22,573	\$160,302	\$137,729	\$1,071	\$0	(\$1,071)	\$890	\$65	(\$825)

CITY OF MADEIRA, OHIO

Comparative Combining Statement of Revenues,  
Expenditures and Changes in Fund Balances  
Budget and Actual  
Special Revenue Funds  
For the Years Ended December 31, 2003 and 2002

	2003 Recreation and Parks			2002 Recreation and Parks			2003 Street Dance			2002 Street Dance		
	Budget	Actual	Variance Fav/(Unfav)	Budget	Actual	Variance Fav/(Unfav)	Budget	Actual	Variance Fav/(Unfav)	Budget	Actual	Variance Fav/(Unfav)
<b>REVENUES</b>												
Intergovernmental Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Charges for Services	9,000	14,762	5,762	15,498	9,290	(6,208)	4,000	2,349	(1,651)	4,000	3,188	(812)
Investment Earnings	0	0	0	0	0	0	0	0	0	0	0	0
Fines & Forfeitures	0	0	0	0	0	0	0	0	0	0	0	0
All Other Revenues	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL REVENUES</b>	<b>9,000</b>	<b>14,762</b>	<b>5,762</b>	<b>15,498</b>	<b>9,290</b>	<b>(6,208)</b>	<b>4,000</b>	<b>2,349</b>	<b>(1,651)</b>	<b>4,000</b>	<b>3,188</b>	<b>(812)</b>
<b>EXPENDITURES</b>												
Current												
Security of Persons and Property	0	0	0	0	0	0	0	0	0	0	0	0
Leisure Time Activity	30,100	28,862	1,238	25,200	24,149	1,051	8,000	6,634	1,366	9,500	8,335	1,165
Transportation	0	0	0	0	0	0	0	0	0	0	0	0
General Government	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL EXPENDITURES</b>	<b>30,100</b>	<b>28,862</b>	<b>1,238</b>	<b>25,200</b>	<b>24,149</b>	<b>1,051</b>	<b>8,000</b>	<b>6,634</b>	<b>1,366</b>	<b>9,500</b>	<b>8,335</b>	<b>1,165</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(21,100)	(14,100)	7,000	(9,702)	(14,859)	(5,157)	(4,000)	(4,285)	(285)	(5,500)	(5,147)	353
<b>OTHER FINANCING SOURCES/(USES)</b>												
Operating Transfers In	0	5,000	5,000	10,000	10,000	0	5,000	0	(5,000)	8,000	8,000	0
Operating Transfers Out	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL OTHER FINANCING SOURCES/(USES)</b>	<b>0</b>	<b>5,000</b>	<b>5,000</b>	<b>10,000</b>	<b>10,000</b>	<b>0</b>	<b>5,000</b>	<b>0</b>	<b>(5,000)</b>	<b>8,000</b>	<b>8,000</b>	<b>0</b>
Excess/(Deficiency) of Revenues and Financing Sources Over/(Under) Expenditures and Other Uses	(21,100)	(9,100)	12,000	298	(4,859)	(5,157)	1,000	(4,285)	(5,285)	2,500	2,853	353
Fund Balance - Beginning	13,789	13,789	0	18,648	18,648	0	5,476	5,476	0	2,623	2,623	0
Fund Balance - Ending	(\$7,311)	\$4,689	\$12,000	\$18,946	\$13,789	(\$5,157)	\$6,476	\$1,191	(\$5,285)	\$5,123	\$5,476	\$353

CITY OF MADEIRA, OHIO

Comparative Combining Statement of Revenues,  
Expenditures and Changes in Fund Balances  
Budget and Actual

Special Revenue Funds

For the Years Ended December 31, 2003 and 2002

	2003 Police Trust Fund			2002 Police Trust Fund			2003 Police Forfeitures			2002 Police Forfeitures		
	Budget	Actual	Variance Fav/(Unfav)	Budget	Actual	Variance Fav/(Unfav)	Budget	Actual	Variance Fav/(Unfav)	Budget	Actual	Variance Fav/(Unfav)
<b>REVENUES</b>												
Intergovernmental Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Charges for Services	0	0	0	0	0	0	0	0	0	0	0	0
Investment Earnings	0	0	0	0	0	0	0	0	0	0	0	0
Fines & Forfeitures	1,000	0	(1,000)	1,000	0	(1,000)	1,000	412	(588)	1,000	921	(79)
All Other Revenues	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL REVENUES</b>	<b>1,000</b>	<b>0</b>	<b>(1,000)</b>	<b>1,000</b>	<b>0</b>	<b>(1,000)</b>	<b>1,000</b>	<b>412</b>	<b>(588)</b>	<b>1,000</b>	<b>921</b>	<b>(79)</b>
<b>EXPENDITURES</b>												
Current												
Security of Persons and Property	1,000	0	1,000	1,000	0	1,000	1,000	325	675	1,200	617	583
Leisure Time Activity	0	0	0	0	0	0	0	0	0	0	0	0
Transportation	0	0	0	0	0	0	0	0	0	0	0	0
General Government	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL EXPENDITURES</b>	<b>1,000</b>	<b>0</b>	<b>1,000</b>	<b>1,000</b>	<b>0</b>	<b>1,000</b>	<b>1,000</b>	<b>325</b>	<b>675</b>	<b>1,200</b>	<b>617</b>	<b>583</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	0	0	0	0	0	0	0	87	87	(200)	304	504
<b>OTHER FINANCING SOURCES/(USES)</b>												
Operating Transfers In	0	0	0	0	0	0	0	0	0	0	0	0
Operating Transfers Out	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL OTHER FINANCING SOURCES/(USES)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Excess/(Deficiency) of Revenues and Financing Sources Over/(Under) Expenditures and Other Uses	0	0	0	0	0	0	0	87	87	(200)	304	504
Fund Balance - Beginning	1,811	1,811	0	1,811	1,811	0	4,024	4,024	0	3,720	3,720	0
Fund Balance - Ending	\$1,811	\$1,811	\$0	\$1,811	\$1,811	\$0	\$4,024	\$4,111	\$87	\$3,520	\$4,024	\$504

CITY OF MADEIRA, OHIO

Comparative Combining Statement of Revenues,  
Expenditures and Changes in Fund Balances  
Budget and Actual

Special Revenue Funds

For the Years Ended December 31, 2003 and 2002

	2003 DUI			2002 DUI			2003 Total Special Revenue			2002 Total Special Revenue		
	Budget	Actual	Variance Fav/(Unfav)	Budget	Actual	Variance Fav/(Unfav)	Budget	Actual	Variance Fav/(Unfav)	Budget	Actual	Variance Fav/(Unfav)
<b>REVENUES</b>												
Intergovernmental Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$328,900	\$361,440	\$32,540	\$249,694	\$326,711	\$77,017
Charges for Services	0	0	0	0	0	0	13,000	17,111	4,111	19,498	12,478	(7,020)
Investment Earnings	0	0	0	0	0	0	10,000	0	(10,000)	10,000	0	(10,000)
Fines & Forfeitures	1,000	835	(165)	1,000	960	(40)	3,000	1,247	(1,753)	3,000	1,881	(1,119)
All Other Revenues	0	0	0	0	0	0	0	0	0	8,900	7,674	(1,226)
<b>TOTAL REVENUES</b>	<b>1,000</b>	<b>835</b>	<b>(165)</b>	<b>1,000</b>	<b>960</b>	<b>(40)</b>	<b>354,900</b>	<b>379,798</b>	<b>24,898</b>	<b>291,092</b>	<b>348,744</b>	<b>57,652</b>
<b>EXPENDITURES</b>												
Current												
Security of Persons and Property	1,000	825	175	1,000	305	695	3,200	1,150	2,050	3,200	922	2,278
Leisure Time Activity	0	0	0	0	0	0	34,700	35,496	(796)	34,700	32,484	2,216
Transportation	0	0	0	0	0	0	346,500	342,791	3,709	620,000	586,408	33,592
General Government	0	0	0	0	0	0	12,900	687	12,213	15,900	15,379	521
<b>TOTAL EXPENDITURES</b>	<b>1,000</b>	<b>825</b>	<b>175</b>	<b>1,000</b>	<b>305</b>	<b>695</b>	<b>397,300</b>	<b>380,124</b>	<b>17,176</b>	<b>673,800</b>	<b>635,193</b>	<b>38,607</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	0	10	10	0	655	655	(42,400)	(326)	42,074	(382,708)	(286,449)	96,259
<b>OTHER FINANCING SOURCES/(USES)</b>												
Operating Transfers In	0	0	0	0	0	0	10,006	10,006	0	306,000	303,000	(3,000)
Operating Transfers Out	0	0	0	0	0	0	(40,000)	(40,000)	0	(40,000)	0	40,000
<b>TOTAL OTHER FINANCING SOURCES/(USES)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(29,994)</b>	<b>(29,994)</b>	<b>0</b>	<b>266,000</b>	<b>303,000</b>	<b>37,000</b>
Excess/(Deficiency) of Revenues and Financing Sources Over/(Under) Expenditures and Other Uses	0	10	10	0	655	655	(72,394)	(30,320)	42,074	(116,708)	16,551	133,259
Fund Balance - Beginning	8,045	8,045	0	7,390	7,390	0	193,512	193,512	0	176,961	176,961	0
Fund Balance - Ending	\$8,045	\$8,055	\$10	\$7,390	\$8,045	\$655	\$121,118	\$163,192	\$42,074	\$60,253	\$193,512	\$133,259

## DEBT SERVICE FUND

General Obligation Bond Retirement Fund: Accounts for payments of principal and interest on the City's general obligation bonds which are recorded in the general long-term debt account group.



**CITY OF MADEIRA, OHIO**

Comparative Balance Sheet  
**Debt Service Fund**  
December 31, 2003

	<u>2003</u>	<u>2002</u>
ASSETS:		
Cash and Cash Equivalents	\$13,759	\$4,282
Receivables Net of Allowance for Uncollectible Accounts:		
Taxes Receivable	106,925	103,242
Intergovernmental Receivable	<u>6,704</u>	<u>6,582</u>
<b>TOTAL ASSETS</b>	<u><u>\$127,388</u></u>	<u><u>\$114,106</u></u>
LIABILITIES AND FUND BALANCE:		
LIABILITIES:		
Deferred Revenues	<u>111,006</u>	<u>106,074</u>
<b>TOTAL LIABILITIES</b>	111,006	106,074
FUND BALANCE:		
Unreserved:		
Designated for Debt Service	<u>16,382</u>	<u>8,032</u>
<b>TOTAL FUND BALANCE</b>	<u>16,382</u>	<u>8,032</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u><u>\$127,388</u></u>	<u><u>\$114,106</u></u>

**CITY OF MADEIRA, OHIO**

Combined Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Budget and Actual  
**Debt Service Fund**  
For the Year Ended December 31, 2003

	2003			2002		
	Budget	Actual	Variance Fav/(Unfav)	Budget	Actual	Variance Fav/(Unfav)
<b>REVENUES</b>						
Taxes	\$87,600	\$98,127	\$10,527	\$85,500	\$88,879	\$3,379
Intergovernmental Revenue	11,000	13,176	2,176	11,000	11,575	575
<b>TOTAL REVENUES</b>	<b>98,600</b>	<b>111,303</b>	<b>12,703</b>	<b>96,500</b>	<b>100,454</b>	<b>3,954</b>
<b>EXPENDITURES</b>						
Current:						
General Government	1,300	1,282	18	1,200	1,173	27
Debt Service						
Principal Retirement	205,000	205,000	0	200,000	200,000	0
Interest and Fiscal Charges	86,671	86,671	0	94,368	94,368	0
<b>TOTAL EXPENDITURES</b>	<b>292,971</b>	<b>292,953</b>	<b>18</b>	<b>295,568</b>	<b>295,541</b>	<b>27</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(194,371)	(181,650)	12,721	(199,068)	(195,087)	3,981
<b>OTHER FINANCING SOURCES/(USES)</b>						
Operating Transfers In	190,000	190,000	0	200,000	200,000	0
<b>TOTAL OTHER FINANCING SOURCES/(USES)</b>	<b>190,000</b>	<b>190,000</b>	<b>0</b>	<b>200,000</b>	<b>200,000</b>	<b>0</b>
Excess/(Deficiency) of Revenues and Financing Sources Over Expenditures and Other Uses	(4,371)	8,350	12,721	932	4,913	3,981
Fund Balance - Beginning	8,032	8,032	0	3,119	3,119	0
Fund Balance - Ending	\$3,661	\$16,382	\$12,721	\$4,051	\$8,032	\$3,981

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## CAPITAL PROJECTS FUNDS

OPWC: Accounts for expenditures for road improvements reimbursed by the State of Ohio.

Stormwater: Accounts for expenditures made to repair and replace parts of the City's stormwater system.

Central Business District: Accounts for expenditures made for the repair and improvement of Madeira's central business district.

CI&R: Accounts for capital expenditures made for all general improvement projects not funded elsewhere.

**CITY OF MADEIRA, OHIO**

Combining Balance Sheet

**Capital Projects Funds**

December 31, 2003

(with comparative totals for December 31, 2002)

	OPWC	Stormwater	Central Business District	Capital Improvement & Reserve	Total 2003	Total 2002
<b>ASSETS:</b>						
Cash and Cash Equivalents	\$0	\$12,542	\$14,608	\$49,850	\$77,000	\$27,537
Receivables Net of Allowance for Uncollectible Accounts:						
Intergovernmental Receivable	0	0	0	0	0	138,074
<b>TOTAL ASSETS</b>	<b>\$0</b>	<b>\$12,542</b>	<b>\$14,608</b>	<b>\$49,850</b>	<b>\$77,000</b>	<b>\$165,611</b>
<b>LIABILITIES AND FUND BALANCE:</b>						
<b>LIABILITIES:</b>						
Accounts Payable	0	0	362	725	1,087	2,468
Interfund Payable	0	0	0	0	0	76,296
<b>TOTAL LIABILITIES</b>	<b>0</b>	<b>0</b>	<b>362</b>	<b>725</b>	<b>1,087</b>	<b>78,764</b>
<b>FUND BALANCE:</b>						
Unreserved and Undesignated	0	12,542	14,246	49,125	75,913	86,847
<b>TOTAL FUND BALANCE</b>	<b>0</b>	<b>12,542</b>	<b>14,246</b>	<b>49,125</b>	<b>75,913</b>	<b>86,847</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$0</b>	<b>\$12,542</b>	<b>\$14,608</b>	<b>\$49,850</b>	<b>\$77,000</b>	<b>\$165,611</b>

CITY OF MADEIRA, OHIO

Comparative Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Budget and Actual

Capital Projects Funds

For the Years Ended December 31, 2003 and 2002

	2003 OPWC			2002 OPWC			2003 Stormwater			2002 Stormwater		
	Budget	Actual	Variance Fav/(Unfav)	Budget	Actual	Variance Fav/(Unfav)	Budget	Actual	Variance Fav/(Unfav)	Budget	Actual	Variance Fav/(Unfav)
<b>REVENUES</b>												
Intergovernmental Revenue	\$0	\$0	\$0	\$107,500	\$107,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0
All Other Revenues	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL REVENUES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>107,500</b>	<b>107,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>EXPENDITURES</b>												
Current:												
Community Environment	0	0	0	0	0	0	0	0	0	102,000	88,811	13,189
Capital Improvements	0	0	0	107,500	107,500	0	21,000	5,358	15,642	0	0	0
<b>TOTAL EXPENDITURES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>107,500</b>	<b>107,500</b>	<b>0</b>	<b>21,000</b>	<b>5,358</b>	<b>15,642</b>	<b>102,000</b>	<b>88,811</b>	<b>13,189</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	0	0	0	0	0	0	(21,000)	(5,358)	15,642	(102,000)	(88,811)	13,189
<b>OTHER FINANCING SOURCES</b>												
Operating Transfers In	0	0	0	0	0	0	20,000	0	(20,000)	85,000	85,000	0
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>20,000</b>	<b>0</b>	<b>(20,000)</b>	<b>85,000</b>	<b>85,000</b>	<b>0</b>
Excess/(Deficiency) of Revenues and Financing Sources Over/(Under) Expenditures and Other Uses	0	0	0	0	0	0	(1,000)	(5,358)	(4,358)	(17,000)	(3,811)	13,189
Fund Balance - Beginning	0	0	0	0	0	0	17,900	17,900	0	21,711	21,711	0
Fund Balance - Ending	\$0	\$0	\$0	\$0	\$0	\$0	\$16,900	\$12,542	(\$4,358)	\$4,711	\$17,900	\$13,189

	2003 Central Business District			2002 Central Business District			2003 Capital Improvement & Reserve			2002 Capital Improvement & Reserve		
	Budget	Actual	Variance Fav/(Unfav)	Budget	Actual	Variance Fav/(Unfav)	Budget	Actual	Variance Fav/(Unfav)	Budget	Actual	Variance Fav/(Unfav)
<b>REVENUES</b>												
Intergovernmental Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$138,074	\$138,074	0
All Other Revenues	5,000	180	(4,820)	21,700	870	(20,830)	0	0	0	0	0	0
<b>TOTAL REVENUES</b>	<b>5,000</b>	<b>180</b>	<b>(4,820)</b>	<b>21,700</b>	<b>870</b>	<b>(20,830)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>138,074</b>	<b>138,074</b>	<b>0</b>
<b>EXPENDITURES</b>												
Current:												
Community Environment	49,800	25,283	24,517	13,000	15,486	(2,486)	0	0	0	0	0	0
Capital Improvements	0	0	0	0	0	0	280,000	260,473	19,527	555,000	543,478	11,522
<b>TOTAL EXPENDITURES</b>	<b>49,800</b>	<b>25,283</b>	<b>24,517</b>	<b>13,000</b>	<b>15,486</b>	<b>(2,486)</b>	<b>280,000</b>	<b>260,473</b>	<b>19,527</b>	<b>555,000</b>	<b>543,478</b>	<b>11,522</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(44,800)	(25,103)	19,697	8,700	(14,616)	(23,316)	(280,000)	(260,473)	19,527	(555,000)	(405,404)	149,596
<b>OTHER FINANCING SOURCES</b>												
Operating Transfers In	130,000	30,000	100,000	0	0	0	250,000	250,000	0	100,000	100,000	0
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>130,000</b>	<b>30,000</b>	<b>100,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>250,000</b>	<b>250,000</b>	<b>0</b>	<b>100,000</b>	<b>100,000</b>	<b>0</b>
Excess/(Deficiency) of Revenues and Financing Sources Over/(Under) Expenditures and Other Uses	85,200	4,897	(80,303)	8,700	(14,616)	(23,316)	(30,000)	(10,473)	19,527	(455,000)	(305,404)	149,596
Fund Balance - Beginning	9,349	9,349	0	23,965	23,965	0	59,598	59,598	0	365,002	365,002	0
<b>Fund Balance - Ending</b>	<b>\$94,549</b>	<b>\$14,246</b>	<b>(\$80,303)</b>	<b>\$32,665</b>	<b>\$9,349</b>	<b>(\$23,316)</b>	<b>\$29,598</b>	<b>\$49,125</b>	<b>\$19,527</b>	<b>(\$89,998)</b>	<b>\$59,598</b>	<b>\$149,596</b>

**CITY OF MADEIRA, OHIO**

*Capital Projects Funds*

*Page 3 of 3*

Comparative Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Budget and Actual

**Capital Projects Funds**

For the Years Ended December 31, 2003 and 2002

	2003 Total Capital Projects			2002 Total Capital Projects		
	Budget	Actual	Variance Fav/(Unfav)	Budget	Actual	Variance Fav/(Unfav)
<b>REVENUES</b>						
Intergovernmental Revenue	\$0	\$0	\$0	\$107,500	\$245,574	\$138,074
All Other Revenues	5,000	180	(4,820)	21,700	870	(20,830)
<b>TOTAL REVENUES</b>	<b>5,000</b>	<b>180</b>	<b>(4,820)</b>	<b>129,200</b>	<b>246,444</b>	<b>117,244</b>
<b>EXPENDITURES</b>						
Current:						
Community Environment	49,800	25,283	24,517	115,000	104,297	10,703
Capital Improvements	301,000	265,831	35,169	662,500	650,978	11,522
<b>TOTAL EXPENDITURES</b>	<b>350,800</b>	<b>291,114</b>	<b>59,686</b>	<b>777,500</b>	<b>755,275</b>	<b>22,225</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(345,800)	(290,934)	54,866	(648,300)	(508,831)	139,469
<b>OTHER FINANCING SOURCES</b>						
Operating Transfers In	400,000	280,000	(120,000)	185,000	185,000	0
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>400,000</b>	<b>280,000</b>	<b>(120,000)</b>	<b>185,000</b>	<b>185,000</b>	<b>0</b>
Excess/(Deficiency) of Revenues and Financing Sources Over/(Under) Expenditures and Other Uses	54,200	(10,934)	(65,134)	(463,300)	(323,831)	139,469
Fund Balance - Beginning	86,847	86,847	0	410,678	410,678	0
Fund Balance - Ending	\$141,047	\$75,913	(\$65,134)	(\$52,622)	\$86,847	\$139,469



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## ENTERPRISE FUND

The Enterprise Fund accounts for the activities of the rental properties owned by Madeira in the central business district. The properties are located at 7701 Railroad Avenue, 7010 Miami Avenue and 7014 Miami Avenue. They are maintained for historical purposes and are rented to businesses.

## CITY OF MADEIRA, OHIO

Comparative Balance Sheet

### Enterprise Fund

December 31, 2003

	2003 Rental Property	2002 Rental Property
	<u>          </u>	<u>          </u>
ASSETS:		
Cash and Cash Equivalents	\$58,217	\$45,920
Receivables Net of Allowance for Uncollectible Accounts:		
Accounts Receivable	1,180	0
Fixed Assets, (Net of Depreciation)	<u>378,918</u>	<u>392,582</u>
TOTAL ASSETS	<u>438,315</u>	<u>438,502</u>
LIABILITIES AND EQUITY		
Current Liabilities:		
Accounts Payable	2,347	2,003
Deferred Revenue	<u>0</u>	<u>814</u>
Total Current Liabilities	<u>2,347</u>	<u>2,817</u>
Equity:		
Contributed Capital	467,677	467,677
Retained Earnings - Unreserved/Accumulated Deficit	<u>(31,709)</u>	<u>(31,992)</u>
Total Equity	<u>435,968</u>	<u>435,685</u>
TOTAL LIABILITIES AND EQUITY	<u>\$438,315</u>	<u>\$438,502</u>

**CITY OF MADEIRA, OHIO**

Comparative Statement of Revenues, Expenses  
and Changes in Accumulated Deficit

**Enterprise Fund**

For the Years Ended December 31, 2003 and 2002

	2003 Rental Property	2002 Rental Property
	<u>          </u>	<u>          </u>
OPERATING REVENUES:		
Rental Revenue	\$27,944	\$27,304
Total Operating Revenues	<u>27,944</u>	<u>27,304</u>
OPERATING EXPENSES:		
General Operating Supplies	0	27
Insurance	4,178	4,178
Professional Services	1,743	0
Repairs & Maintenance	3,981	1,699
Depreciation	13,664	13,664
Property Taxes	4,095	4,006
Total Operating Expenses	<u>27,661</u>	<u>23,574</u>
Operating Income	283	3,730
NET INCOME	283	3,730
Accumulated Deficit, Beginning of Year	<u>(31,992)</u>	<u>(35,722)</u>
Accumulated Deficit, End of Year	<u><u>(\$31,709)</u></u>	<u><u>(\$31,992)</u></u>

**CITY OF MADEIRA, OHIO**

Comparative Statement of Cash Flows

**Enterprise Fund**

For the Years Ended December 31, 2003 and 2002

	2003 Rental Property	2002 Rental Property
	<u>Property</u>	<u>Property</u>
Cash Flows from Operating Activities:		
Cash Received from Renters and Others	\$27,000	\$27,200
Cash Paid to Suppliers	(14,703)	(9,910)
<b>Net cash provided by operating activities</b>	<u>12,297</u>	<u>17,290</u>
Net Increase in Cash and Cash Equivalents	12,297	17,290
<b>Cash and Cash Equivalents, January 1</b>	<u>45,920</u>	<u>28,630</u>
<b>Cash and Cash Equivalents, December 31</b>	<u><u>\$58,217</u></u>	<u><u>\$45,920</u></u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>		
Operating Income	283	3,730
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	13,664	13,664
Change in Assets and Liabilities:		
Increase in Receivables	(1,180)	0
Decrease in Deferred Revenue	(814)	(104)
Increase in Accounts Payable	344	0
Total Adjustments	<u>(1,650)</u>	<u>(104)</u>
<b>Net Cash Provided by Operating Activities</b>	<u><u>\$12,297</u></u>	<u><u>\$17,290</u></u>

## AGENCY FUND

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

**CITY OF MADEIRA, OHIO**

Comparative Balance Sheet  
**Agency Fund**  
December 31, 2003 and 2002

	<u>Mayor's Court</u>	
	<u>2003</u>	<u>2002</u>
ASSETS:		
Cash with Fiscal Agent	<u>\$4,075</u>	<u>\$4,447</u>
TOTAL ASSETS	<u>4,075</u>	<u>4,447</u>
LIABILITIES:		
Due to Other Governments	<u>4,075</u>	<u>4,447</u>
TOTAL LIABILITIES	<u>\$4,075</u>	<u>\$4,447</u>

**CITY OF MADEIRA, OHIO**

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

<u>Mayor's Court</u>	<u>Balance 12/31/02</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance 12/31/03</u>
<b>ASSETS:</b>				
Cash with Fiscal Agent	<u>\$4,447</u>	<u>\$80,118</u>	<u>(\$80,490)</u>	<u>\$4,075</u>
<b>TOTAL ASSETS</b>	<u><u>4,447</u></u>	<u><u>80,118</u></u>	<u><u>(80,490)</u></u>	<u><u>4,075</u></u>
<b>LIABILITIES:</b>				
Due to Other Governments	<u>4,447</u>	<u>80,118</u>	<u>(80,490)</u>	<u>4,075</u>
<b>TOTAL LIABILITIES</b>	<u><u>\$4,447</u></u>	<u><u>\$80,118</u></u>	<u><u>(\$80,490)</u></u>	<u><u>\$4,075</u></u>



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## ACCOUNT GROUPS

General Fixed Assets Account Group: The general fixed assets account group accounts for all general fixed assets of the City with a cost or estimated value of \$1,000 or more.

General Long-term Debt Account Group: The General Long-Term Debt Account Group accounts for all long-term bond and note debt which the City has and the value of compensated absences which is estimated to be taken after March 1<sup>st</sup>, 2004.

**CITY OF MADEIRA, OHIO**

Schedule of General Fixed Assets  
by Function and Source  
December 31, 2003

By Function:	Land	Building & Land Improvements	Furniture	Equipment	Software	Vehicles	Total
Security of Persons and Property	\$0	\$0	\$5,418	\$62,001	\$0	\$137,275	\$204,694
Community Environment	0	202,900	0	63,918	0	332,444	599,262
Leisure Time Activity	460,000	718,678	3,565	260,496	0	1,865	1,444,604
General Government	185,000	1,581,787	5,610	62,953	16,445	0	1,851,795
<b>Total General Fixed Assets</b>	<b>\$645,000</b>	<b>\$2,503,365</b>	<b>\$14,593</b>	<b>\$449,368</b>	<b>\$16,445</b>	<b>\$471,584</b>	<b>\$4,100,355</b>
Investments in General Fixed Assets							
By Source:							
General Fund	\$645,000	\$2,503,365	\$14,593	\$449,368	\$16,445	\$471,584	\$4,100,355

**CITY OF MADEIRA, OHIO**

Schedule of Changes of General Fixed Assets  
For the Year Ended December 31, 2003

<u>Function</u>	<u>Assets as of 12/31/02</u>	<u>Additions</u>	<u>Transfers</u>	<u>Deletions</u>	<u>Assets as of 12/31/03</u>
Security of Persons and Property	\$201,518	\$24,168	\$0	(\$20,992)	\$204,694
Community Environment	501,152	116,110	0	(18,000)	599,262
Leisure Time Activity	1,421,097	25,443	0	(1,936)	1,444,604
General Government	1,844,083	36,494	0	(28,782)	1,851,795
Total Governmental Funds	<u>\$3,967,850</u>	<u>\$202,215</u>	<u>\$0</u>	<u>(\$69,710)</u>	<u>\$4,100,355</u>

**CITY OF MADEIRA, OHIO**

Account Groups  
 Comparative Schedule of Asset, Liabilities  
 and Fund Balance  
 December 31, 2003 and 2002

	<u>General Long-Term Obligations</u>		<u>General Fixed Assets</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
<b>ASSETS:</b>				
Fixed Assets, Net of Depreciation	\$0	\$0	\$4,100,355	\$3,967,850
Amount Available in Debt Service	16,382	8,032	0	0
Amount to be Provided for Retirement of General Long-Term Debt	<u>2,151,587</u>	<u>2,352,399</u>	<u>0</u>	<u>0</u>
<b>TOTAL ASSETS</b>	<u><b>\$2,167,969</b></u>	<u><b>\$2,360,431</b></u>	<u><b>\$4,100,355</b></u>	<u><b>\$3,967,850</b></u>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES:</b>				
Compensated Absences Payable	197,969	184,694	0	0
Notes Payable	0	737	0	0
Bonds Payable	<u>1,970,000</u>	<u>2,175,000</u>	<u>0</u>	<u>0</u>
<b>TOTAL LIABILITIES</b>	<u><b>2,167,969</b></u>	<u><b>2,360,431</b></u>	<u><b>0</b></u>	<u><b>0</b></u>
<b>EQUITY:</b>				
Investment in Fixed Assets	<u>0</u>	<u>0</u>	<u>4,100,355</u>	<u>3,967,850</u>
<b>TOTAL EQUITY</b>	<u><b>0</b></u>	<u><b>0</b></u>	<u><b>4,100,355</b></u>	<u><b>3,967,850</b></u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u><b>\$2,167,969</b></u>	<u><b>\$2,360,431</b></u>	<u><b>\$4,100,355</b></u>	<u><b>\$3,967,850</b></u>

## STATISTICAL SECTION

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

Table 1

## CITY OF MADEIRA, OHIO

General Fund Revenues by Source  
(Last Ten Fiscal Years)

Year	Taxes	Licenses and Permits	Inter- governmental Revenues	Charges for Services	Investment Earnings	Fines and Forfeitures	Other Revenues	Total
1994	3,020,341	71,983	147,060	3,675	29,506	24,590	60,040	3,357,195
1995	2,602,630 *	58,233	182,523 *	26,927	51,615	26,796	55,138	3,003,862
1996	2,955,502	46,223	173,317	35,092	66,709	30,401	57,622	3,364,866
1997	3,143,389	63,713	207,681	45,112	30,285	32,245	74,119	3,596,544
1998	3,482,731	96,778	215,890	41,706	38,891	36,255	105,321	4,017,572
1999	3,343,069	91,100	209,628	44,079	92,517	38,921	76,678	3,895,992
2000	2,787,080	42,141	1,591,624	46,395	122,535	56,370	60,065	4,706,210
2001	2,882,095	56,523	950,860	48,571	120,323	57,390	66,647	4,182,409
2002	3,019,423	55,012	892,464	51,095	51,002	47,024	115,192	4,231,212
2003	3,248,254	95,474	622,821	54,454	22,642	64,395	89,898	4,197,938

\* Restatement of Taxes and Intergovernmental Revenues for 1995 due to changes in reporting requirements by State Auditor .

Source: Treasurer's Office, City of Madeira, Ohio

Table 2

## CITY OF MADEIRA, OHIO

General Fund Expenditures by Function  
(Last Ten Fiscal Years)

Year	Security of Persons and Property	Leisure Time Activity	Community Environment	Transportation	General Government	Debt Retirement	Interest & Fiscal Charges	Total
1994	1,273,527	73,313	8,673	570,544	590,038	8,712	1,591	2,526,398
1995	1,374,660	84,788	8,526	751,187	548,249	26,409	4,395	2,798,214
1996	1,437,220	95,639	19,181	770,620	576,983	55,350	8,751	2,963,744
1997	1,585,175	92,492	17,154	720,105	654,628	58,145	6,502	3,134,201
1998	1,636,990	140,229	19,661	738,078	649,021	52,813	3,464	3,240,256
1999	1,779,869	78,125	9,970	839,699	615,594	37,056	897	3,361,210
2000	1,913,927	98,731	16,806	920,558	680,279	0	0	3,630,301
2001	1,930,067	97,034	19,637	951,894	714,361	0	0	3,712,993
2002	2,145,082	112,969	24,623	886,230	811,542	0	0	3,980,446
2003	2,137,394	163,652	38,891	950,866	885,524	0	0	4,176,327

Source: Treasurer's Office, City of Madeira, Ohio



**CITY OF MADEIRA, OHIO**

Table 3

Assessed and Estimated Actual Value of Real Property  
(Last Ten Fiscal Years)

Tax Year/ Collection Year	Real Property		Personal Property Assessed Value	Public Utilities Assessed Value	Total Assessed Value
	Assessed Value	Estimated Actual Value (a)			
1993/1994	147,871,640	422,490,400	3,529,530	5,677,570	157,078,740
1994/1995	148,722,350	424,921,000	3,752,180	5,846,060	158,320,590
1995/1996	150,604,480	430,299,000	4,366,080	5,790,480	160,761,040
1996/1997	170,437,910	486,965,000	4,696,210	5,854,900	180,989,020
1997/1998	170,491,690	487,119,114	4,809,140	5,564,880	180,865,710
1998/1999	171,589,780	490,526,510	5,588,720	5,581,030	182,759,530
1999/2000	203,624,260	581,783,600	6,393,780	5,625,350	215,643,390
2000/2001	207,726,660	593,504,743	6,233,650	5,378,630	219,338,940
2001/2002	212,432,810	606,950,886	6,112,850	4,263,690	222,809,350
2002/2003	241,898,190	691,137,686	4,702,060	4,358,670	250,958,920

(a) Estimated actual value based on assessment level of 35%.

Source: Hamilton County Auditor

**CITY OF MADEIRA, OHIO**

Table 4

**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**  
 (Per \$1,000 of Assessed Valuation)  
 (Last Ten Fiscal Years)

Tax Year/ Collection Year	City of Madeira	Madeira City School District	Hamilton County	Cincinnati City School District	Great Oaks Joint Vocational School District	Indian Hill City School District
1993/1994	7.50	68.97	18.33	48.75	2.70	44.69
1994/1995	7.50	68.97	18.30	48.58	2.70	44.63
1995/1996	7.50	68.97	18.30	53.52	2.70	44.58
1996/1997	7.50	72.13	19.44	53.19	2.70	44.48
1997/1998	7.50	72.13	19.01	53.13	2.70	44.51
1998/1999	7.50	72.13	19.54	53.13	2.70	42.92
1999/2000	7.50	71.71	20.83	51.94	2.70	42.92
2000/2001	7.50	80.22	19.92	56.93	2.70	47.10
2001/2002	7.50	80.04	21.47	57.15	2.70	47.10
2002/2003	7.50	79.47	21.87	56.25	2.70	47.10

Source: Hamilton County Auditor

CITY OF MADEIRA, OHIO

Table 5

Property Tax Levies and Collection  
 Real and Public Utility  
 (Last Ten Fiscal Years)

<u>Tax Year/ Collection Year</u>	<u>Current Levy</u>	<u>Collection Including Delinquencies</u>	<u>Total Collections As Percent of Current Year</u>	<u>Accumulated Delinquency</u>
1993/1994	1,150,569	1,152,334	100.15%	11,413
1994/1995	1,157,232	1,160,360	100.27%	34,340 (a)
1995/1996	1,173,097	1,169,884	99.73%	39,707
1996/1997	1,318,765	1,318,439	99.98%	37,914
1997/1998	1,324,589	1,316,182	99.37%	48,769
1998/1999	1,327,229	1,330,445	100.24%	50,487
1999/2000	1,562,538	1,557,263	99.66%	64,440
2000/2001	1,595,833	1,597,438	100.10%	44,811
2001/2002	1,624,168	1,625,522	100.08%	46,932
2002/2003	1,845,045	1,837,098	99.57%	57,875

(a) In 1995 the Hamilton County Auditor revised its method of calculating delinquencies.

Source: Hamilton County Auditor  
 Hamilton County is responsible for billing and collecting  
 property taxes under Ohio law.

**CITY OF MADEIRA, OHIO**

Table 6

Computation of Legal Debt Margin  
December 31, 2003

	<u>Debt Outstanding</u>	<u>10.5% of Assessed Valuation</u>	<u>5.5% of Assessed Valuation</u>
Overall Debt Limitations		\$26,350,687	\$13,802,741
Gross Indebtedness	\$1,970,000		
Less: Bond Retirement Fund Balance	<u>(16,382)</u>		
Net Debt Within Limitations		<u>1,953,618</u>	<u>1,953,618</u>
Legal Debt Margin Within Limitations		<u>\$24,397,069</u>	<u>\$11,849,123</u>

Source: Treasurer's Office, City of Madeira, Ohio

**CITY OF MADEIRA, OHIO**

Table 7

Computation of Direct and Overlapping Debt  
December 31, 2003

	<u>Debt Outstanding</u>	<u>Percentage Applicable to City of Madeira</u>	<u>Amount Applicable to City of Madeira</u>
<b>Direct Debt</b>			
<b>City of Madeira</b>	\$1,970,000	100.00%	\$1,970,000
<b>Overlapping Debt</b>			
Hamilton County	121,095,000	1.33%	1,610,564
Madeira City School District	3,532,359	98.00%	3,461,712
Cincinnati City School District	<u>742,460,000</u>	0.01%	<u>74,246</u>
Subtotal	<u>867,087,359</u>		<u>5,146,521</u>
<b>TOTAL</b>	<u><u>\$869,057,359</u></u>		<u><u>\$7,116,521</u></u>

Source: Ohio Municipal Advisory Council

Ratio of Annual Debt Service Expenditures for General  
Bonded Debt to Total General Fund Expenditures  
(Last Ten Fiscal Years)

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>General Fund Expenditures</u>	<u>Ratio of Debt Service to General Fund Expenditures</u>
1994	135,000	155,225	290,225	2,526,398	0.1149
1995	135,000	145,731	280,731	2,798,214	0.1003
1996	140,000	136,238	276,238	2,963,744	0.0932
1997	135,000	126,450	261,450	3,134,201	0.0834
1998	135,000	116,956	251,956	3,240,256	0.0778
1999	10,000	125,407	135,407	3,361,210	0.0403
2000	185,000	108,385	293,385	3,630,301	0.0808
2001	190,000	101,632	291,632	3,712,993	0.0785
2002	200,000	94,368	294,368	3,980,446	0.0740
2003	205,000	86,671	291,671	4,176,327	0.0698

Source: Treasurer's Office, City of Madeira, Ohio

Table 9

## CITY OF MADEIRA, OHIO

Ratio of Net General Bonded Debt to Assessed  
Valuation and Net Bonded Debt Per Capita  
(Last Ten Fiscal Years)

Year	Population (a)	Assessed Value (b)	Gross General Bonded Debt (c)	Less		Net General Bonded Debt (c)	Ratio of Net Bonded Debt To Assessed Value	Net Bonded Debt Per Capita
				In General Obligation Bond Retirement Fund (c)	Net Bonded Debt			
1994	9,141	147,871,640	2,055,000	118,627	1,936,373	0.0131	211.83	
1995	9,141	148,722,350	1,920,000	90,412	1,829,588	0.0123	200.15	
1996	9,141	150,604,480	1,780,000	(3,113)	1,783,113	0.0118	195.07	
1997	9,141	170,437,910	1,645,000	8,829	1,636,171	0.0096	178.99	
1998	9,141	170,491,690	1,510,000	13,282	1,496,718	0.0088	163.74	
1999	9,141	171,589,780	2,750,000	139,900	2,610,100	0.0152	285.54	
2000	8,923	203,624,260	2,565,000	21,063	2,543,937	0.0125	285.10	
2001	8,923	207,726,660	2,375,000	3,119	2,371,881	0.0114	265.82	
2002	8,923	212,432,810	2,175,000	8,032	2,166,968	0.0102	242.85	
2003	8,923	241,898,190	1,970,000	16,382	1,953,618	0.0081	218.94	

(a) Source: Federal Census

(b) Source: Hamilton County Auditor

(c) Source: Treasurer's Office, City of Madeira, Ohio

2000 U.S. Census  
Demographic Statistics

Population (2000)	8,923		
Per Capita Income (1989)	\$18,095		
Median Household Income (1989)	\$41,833		<u>Age Distribution (2000):</u>
Median Family Income (1989)	\$48,614		Under 5 Years 542
Number of Housing Units (2000)	3,484		5 to 14 Years 1,379
Persons Per Household (2000)	3		15 to 19 Years 622
Land Area (1990)	3.4 Sq. Miles		20 to 24 Years 226
Persons Per Square Mile (2000)	2,624		25 to 44 Years 2,230
			45 to 54 Years 1,392
			55 to 59 Years 431
			60 to 64 Years 372
			65 to 74 Years 772
			75 to 84 Years 707
			85 Years and Over 250
Family Income Distribution (1990):			
Less than \$50,000	85		
\$50,000-\$99,999	1,351	Median Age	41.6
\$100,000-\$149,999	873		
\$150,000-\$199,999	290		
\$200,000-\$299,999	140		
\$300,000 or More	39		

Source: U.S. Census of Population and Housing



**CITY OF MADEIRA, OHIO**

Table 11

Construction in Madeira  
(Last Ten Fiscal Years)

Year	Residential Construction		Commercial Construction	
	Number of Permits	Value	Number of Permits	Value
1994	334	4,000,715	32	\$2,490,019
1995	411	4,546,372	47	1,659,726
1996	272	2,617,317	36	1,442,354
1997	274	3,271,230	38	2,784,255
1998	303	8,696,187	40	5,706,873
1999	271	7,058,757	57	7,636,090
2000	250	3,631,317	47	1,612,650
2001	264	6,511,502	33	1,353,816
2002	293	5,171,657	43	2,989,930
2003	290	5,824,790	48	2,164,605

NA: Not available

Source: Treasurer's Office, City of Madeira, Ohio

**CITY OF MADEIRA, OHIO**

Table 12

Principal Real Estate Taxpayers

<u>Real Estate Taxpayer</u>	<u>Assessed Valuation (a)</u>	<u>% of Total</u>
Kenwood Country Club	\$4,079,370	1.7%
Kenwood Galleria Corp.	3,329,240	1.4%
Cinergy	3,301,190	1.4%
Ivyfarm Investment LLC	1,923,670	0.8%
Edgewood Investment Co.	1,511,690	0.6%
Burnett Square	1,328,780	0.5%
Steigler Realty	1,220,360	0.5%
Americana Health Care	1,212,410	0.5%
Anchor Highland Heights	1,110,690	0.5%
Cincinnati Bell Telephone	920,880	0.4%
Camargo Manor Realty Co.	907,950	0.4%
Park Place Partnership	743,860	0.3%
Total	<u>\$21,590,090</u>	8.9%
All Other Assessed Properties	<u>220,308,100</u>	91.1%
Total Assessed Value as of 12/31/03	<u><u>\$241,898,190</u></u>	100.0%

(a) Property is assessed 35 percent of estimated actual value.

Source: Hamilton County Auditor  
as of 12/03

CITY OF MADEIRA, OHIO

Table 13

2003 Real Estate Tax Valuations by Class

Classification	Land	Improvements	Total	Assessed	Class	% of Total Assessed
Total Agricultural	\$0	\$0	\$0	\$0	100-199	0.00%
Total Industrial	883,857	4,296,029	5,179,886	1,812,960	300-399	0.75%
Total Commercial	31,107,743	52,560,000	83,667,743	29,283,710	400-499	12.10%
Total Residential	150,421,000	451,597,714	602,018,714	210,706,550	500-599	87.09%
Total Public	51,086	220,257	271,343	94,970	600-699	0.04%
* Total Abated for Improvement and Renewal	0	126,600	126,600	44,310	700-799	0.02%
<b>Total All Valued Property</b>	<b>\$182,463,686</b>	<b>\$508,800,600</b>	<b>\$691,264,286</b>	<b>\$241,942,500</b>		<b>100.0%</b>

\* Non-taxpaying property owners

Source: Hamilton County Auditor  
as of 12/03

**CITY OF MADEIRA, OHIO**

Table 14

General Information  
December 31, 2003

Year of Incorporation	1910
Adopted Charter Form of Government	1959
Year Achieved City Status	1960
Form of Government	Council/Manager
Area	3.4 Square Miles
Miles of Streets	47
City Parks	Sellman and McDonald Commons
Residential Property Values	\$54,200 to \$900,000
Percent of Land Zoned for Business	15%
Full-Time Employees	23
Services Provided by Other Organizations/Agencies:	
Fire	Madeira/Indian Hill Joint Fire District
Library	Hamilton County Public Library
Recreational Facilities	Madeira Swim and Tennis Kenwood Hills Swim Club Kenwood Country Club
Sewer	Metropolitan Sewer District
Schools	Madeira Public Schools St. Gertrude Elementary School
Water	Indian Hill Cincinnati

Source: Treasurer's Office, City of Madeira, Ohio



**Auditor of State  
Betty Montgomery**

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

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**CITY OF MADEIRA**

**HAMILTON COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
AUGUST 10, 2004**