

Hamilton County, Ohio



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2005



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2005

Prepared by the Auditor's Office

Mark Piepmeier
City Auditor

and

Amy Moore
Deputy Auditor and Budget Director



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HAMILTON COUNTY, OHIO

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INTRODUCTORY SECTION





CITY OF SHARONVILLE

10900 Reading Road • Sharonville, Ohio 45241

phone (513) 563-1144

fax (513)-563-0617

June 19, 2006

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

We are pleased to submit the fifth Comprehensive Annual Financial Report for the City of Sharonville for the fiscal year ended December 31, 2005. This report has been prepared in conformity with generally accepted accounting principles (GAAP) and guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

Introduction

While there is no legal requirement for the preparation of this report, it represents a commitment by the City of Sharonville (the "City") to conform to nationally recognized standards of excellence in financial reporting and to provide significantly enhanced financial information and accountability to its citizens. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

This letter should be read in conjunction with the Management Discussion and Analysis (MD&A) that can be found immediately following the Independent Accountants' Report.

The Report

This Comprehensive Annual Financial Report (CAFR) is designed to assist and guide the reader in understanding its contents. The report is comprised of the following three major sections:

1. The Introductory Section includes this letter of transmittal, which presents the City's organization, operational structure and accomplishments; an organizational chart; a list of principal elected officials; and the GFOA Certificate of Achievement.
2. The Financial Section contains the Independent Accountants' Report, Management's Discussion and Analysis, Basic Financial Statements, which include explanatory notes and provide an overview of the City's financial position and operating results, and the Combining Financial Statements of the individual funds that provide detailed information to the Basic Financial Statements;
3. The Statistical Section presents social, economic and historical data in a multi-year format which can be used to identify financial trends and data relative to the fiscal capacity of the City.

***Letter of Transmittal
For the Year Ended December 31, 2005***

The Reporting Entity

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (the "GASB") Statement No. 14, "The Financial Reporting Entity," in that the financial statements include all organizations, activities, functions and component units for which the City (the reporting entity) is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board and either (1) the City's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide financial benefit to or impose a financial burden on the City.

The City provides the following services to its residents and businesses: police and fire protection, emergency medical response, parks and recreational activities, planning, zoning, street maintenance, solid waste collection, income tax collection and other governmental services. In addition, the City owns and operates a convention center and a senior apartment complex, which are reported as enterprise funds.

The Community Improvement Corporation of Sharonville is reported as a discretely presented component unit in a separate column in the combined financial statements.

The City of Sharonville

The City of Sharonville is located in Hamilton County in southwestern Ohio. The City is situated east of Interstate 75 and south of Interstate 275, approximately 15 miles north of downtown Cincinnati. Sharonville was originally settled in 1788 and was incorporated as a City in 1962. It is a Statutory City with a Mayor-Council form of government.

The legislative body of Sharonville consists of a seven-member Council whose members are elected to serve two-year terms. The chief executive and administrative officer of the City is the Mayor who is elected to a four-year term. The Law Director is elected to a four-year term and heads the Department of Law. The City Auditor, who is elected to a four-year term, supervises the Department of Finance and performs the powers, duties and functions of the fiscal officer of the City pursuant to the general laws of Ohio. In addition, the City Auditor is responsible for the administration, control, funding and payment of the City's debt. As the City's chief fiscal officer, the City Auditor maintains the City's accounting records. The City Treasurer is responsible for receiving and investing all funds of the City and is elected to a four-year term.

The Police Department consists of 48 full-time officers and non-sworn administrative personnel. It responds to approximately 2,000 service calls per month. It is committed to offering a wide variety of crime prevention services while providing a community orientation program for all area businesses and residents. Other programs of the Department include D.A.R.E., Anti-Drug Prevention, Neighborhood Watch, Crime Prevention, and Operation Identification. The Department also teaches safety programs in the City's schools.

The Fire Department is staffed 24 hours a day by 42 full-time and 29 part-time fire personnel and officers. Services offered by the Department include fire suppression, paramedic level emergency medical services, fire prevention and public education for children in kindergarten through eighth grade. The Department operates from three stations, which are located in the City.

***Letter of Transmittal
For the Year Ended December 31, 2005***

The Health Department provides environmental health and public nursing services to the community. The environmental division performs food service and vending location licensing inspections, manufactured home park licensing, retail food establishment inspections, household sewage system monitoring and community education services. In addition, the division issues swimming pool and retail food establishment permits. The nursing division provides continuity of care following hospital discharge, teaches home caregivers, educates the community on immunizations and communicable diseases, conducts health screenings, offers dietary counseling and provides school health services. The nursing division gave approximately 820 flu shots in 2005.

The Parks and Recreation Department offers a variety of facilities and a broad range of activities for all groups. The main community center is a 51,000 square foot facility that houses a fitness center, indoor running/walking track, a double gymnasium, a single gymnasium/multipurpose rental facility, locker rooms, pre-school nursery, aerobics and dance room, craft room, lounge and game area, and a family game area. Additionally, the Crescentville Recreation Center is a satellite center that provides quality programs, as well as leadership and community service opportunities for pre-teens and teens. The Parks Division maintains three active parks and one undeveloped park, which the City plans to develop as a green belt. These parks contain 35 acres of green space and provide facilities for hiking, biking and picnicking as well as athletic facilities for baseball, football, soccer, tennis, basketball, horseshoes and volleyball. The City also maintains two public swimming pools.

Some of the street services provided by the Public Works Department include brush pick-up, landscaping, parking lot maintenance, pot hole repair, roadside and facility mowing, snow removal, street name and directional signage, street painting, street sweeping and tree trimming. The Department also oversees the operation of Golden View Acres, a City-owned and operated 52-unit apartment complex for senior citizens.

The Sharonville Convention Center is a 28,000 square foot multi-level facility. The meeting room level has an 8,245 square foot ballroom that can accommodate groups of up to 1,000 people for meetings or 550 people for banquets. There are three additional meeting rooms that give this level a combined 10,729 square feet of meeting space. The exhibition hall level has 16,554 square feet of column free space. This room can accommodate over 100 exhibit booths, 2,000 people for meetings or 1,100 people for banquets. The exhibition hall is equipped with electrical power, compressed air, water, drainage and 100 telephone lines.

Economic Conditions and Outlook

The City of Sharonville is one of the few cities in the State of Ohio which does not levy property taxes. The City primarily relies upon income tax revenue. The City's earnings tax revenue remained stable compared to 2004 collections while the lodging tax showed improvement in 2005. With the recent remodel of a large hotel and the construction of another large hotel, the City will experience additional income from lodging tax in the future.

Rates of return on investments have improved. The City plans to exercise sound investment procedures to maximize the rates of the return. The City will continue the policy to issue short term debt for construction projects when the rates of return on investments exceed the interest on borrowed funds.

***Letter of Transmittal
For the Year Ended December 31, 2005***

Major Initiatives

Plans for the new fire station were complete in 2005 and the project broke ground in early 2006. The new station will be located on East Kemper.

Several street and drainage improvement projects are currently underway in the City.

A Tax Increment Financing (TIF) Ordinance was passed by City Council in 2005 for the “Northern Lights” project. The project is aimed at boosting the City’s economy with the redevelopment of Chester Road.

Financial Information

Internal Control, Budgetary Control and the Accounting System

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within this framework. It is the belief of the City’s administrative and financial management that the City’s financial controls adequately safeguard existing assets and provide reasonable assurance of the proper recording of financial transactions.

The City utilizes a fully-automated accounting system as well as automated systems of control for fixed assets and payroll. The system, coupled with the manual auditing of each voucher prior to payment by the Auditor’s Office, ensure that the financial information generated is both accurate and reliable.

In addition, the City maintains extensive budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by City Council.

All funds other than the Community Improvement Corporation of Sharonville (CIC) and agency funds are included in the annual appropriated budget. The level of budgetary control (*i.e.*, the level at which expenditures can not legally exceed the appropriated amount) is at the fund level. Budgetary control is maintained by encumbering the estimated purchase amounts prior to the release of purchase orders to vendors. Purchase orders that result in overruns of budgeted balances are not released until additional appropriations are made available. Unencumbered amounts lapse at year-end. Appropriations, initial and supplemental, must be authorized by City Council.

As demonstrated by the statements and schedules included in the financial section of this Comprehensive Annual Financial Report, the City continues to meet its responsibility for sound fiscal management.

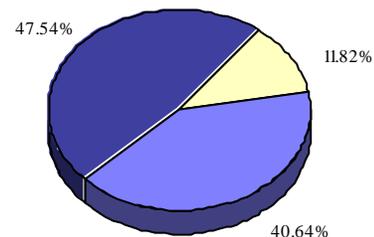
CITY OF SHARONVILLE, OHIO

Letter of Transmittal For the Year Ended December 31, 2005

Cash Management

Cash that was temporarily idle during the year was invested in interest-bearing demand deposit accounts or in the State Treasurer's investment pool, STAR Ohio. The City's investment policy is to minimize credit and market risks, while obtaining the highest yield possible on its investments. Accordingly, the City purchases investments only through member banks of the Federal Reserve System or broker-dealers registered with the Securities and Exchange Commission. Investments are diversified to avoid incurring unreasonable risks relating to a specific type of security or to a particular individual financial institution. Portfolio investments remain sufficiently liquid to ensure that all operating requirements are satisfied in a timely manner. All investments meet the State of Ohio's requirements on allowable investments and the City's official investment policy. The City earned \$567,701 of investment income during 2005. As of December 31, 2005, the City's cash resources were divided between cash and investments as follows:

Cash Resources	2005	%
Cash	\$6,336,678	40.64
Federal Government Securities	7,412,780	47.54
STAR Ohio	1,842,208	11.82
Total Resources	<u>\$15,591,666</u>	<u>100.00</u>



At December 31, 2005, the City had deposits of \$6,621,778 collateralized by pooled collateral. The Ohio Revised Code provides for the establishment of collateral pools by local financial institutions designed to safeguard public deposits. The face value of the pooled collateral must equal at least 105 percent of the public funds on deposit. Since the collateral is held as a pool in the financial institution's name, deposits protected by the pool are classified as uninsured and uncollateralized. (See Note 4 of the Basic Financial Statements.)

Risk Management

The proactive approach that the administration employs in addressing its ongoing operations is reflected in the composition of the City's insurance protection package and its very favorable loss experience.

The City reduces exposure to risk through several initiatives. Arch Insurance Company provides the following coverages: General Liability, Public Officials Liability, Law Enforcement Liability, Governmental Medical Liability, Employee Benefits Liability, Fleet Liability, Property, Earthquake, Flood, Electronic Data Processing, Crime Coverage and Equipment Breakdown Coverage.

*Letter of Transmittal
For the Year Ended December 31, 2005*

Other Information

Independent Audit

State statutes require an annual audit by independent certified public accountants. The basic financial statements of the City of Sharonville were audited by the Auditor of the State of Ohio. Generally accepted auditing standards and the standards set forth in the General Accounting Office's Government Auditing Standards were used by the auditors in conducting the audit. The independent accountants' unqualified opinion has been included in the financial section of this report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Sharonville for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2004. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards in state and local government financial reporting. To be awarded a Certificate of Achievement, a governmental unit must prepare an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. The report must satisfy both generally accepted accounting principles and applicable legal requirements respective to the reporting entity.

A Certificate of Achievement is valid for a period of one year only. We believe this current report continues to conform to the high standards set by the GFOA for a Certificate of Achievement for Excellence in Financial Reporting and we are submitting it to GFOA.

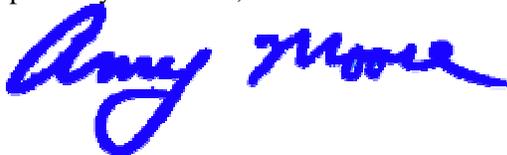
Acknowledgments

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the finance and administration department. Sincere appreciation is extended to all members of the department who assisted and contributed to the preparation of this report.

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

Finally, a special thanks to the Mayor and City Council for their interest and support in planning and conducting the government in a responsible and progressive manner.

Respectfully submitted,



Amy Moore
Deputy Auditor and Budget Director



Mark Piepmeier
City Auditor

CITY OF SHARONVILLE, OHIO

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

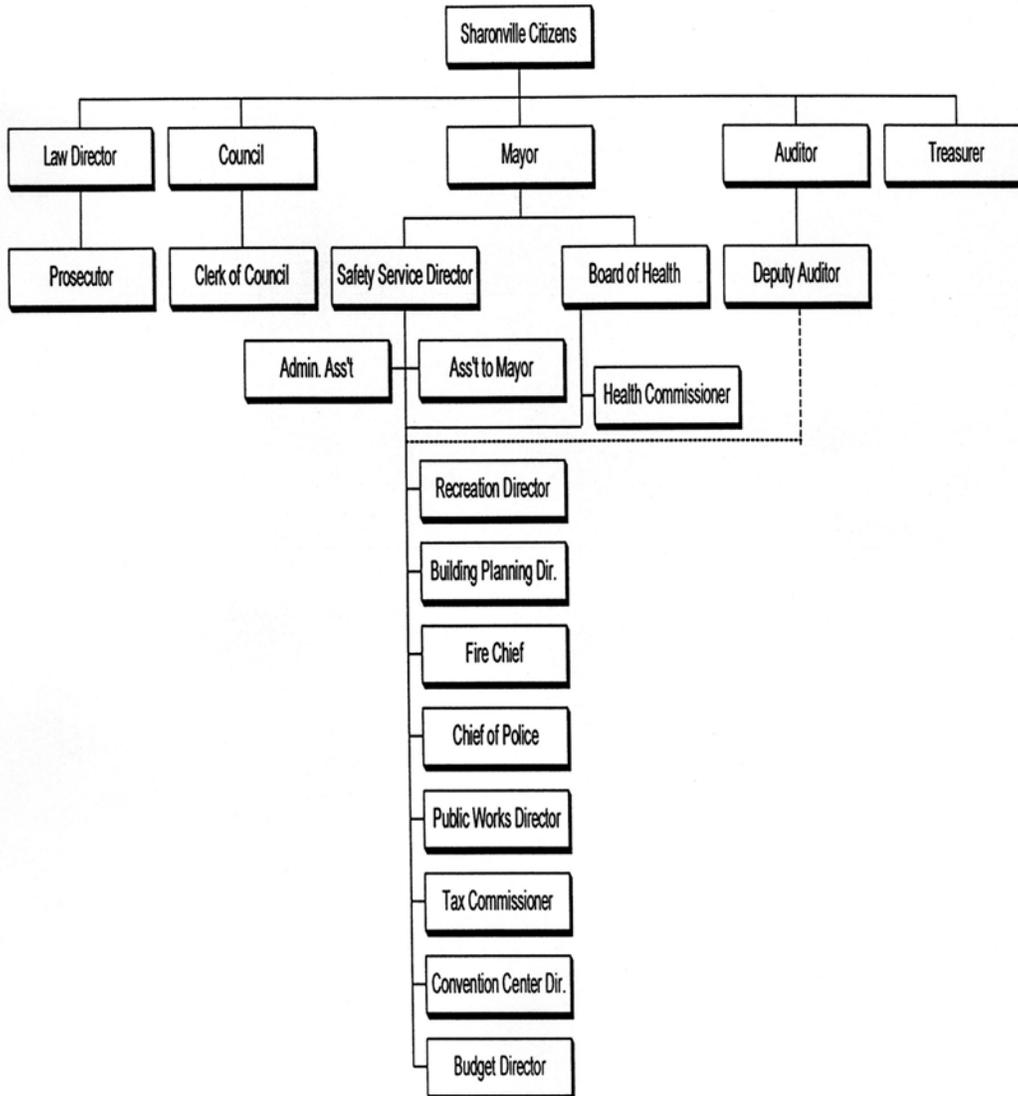
<u>Office</u>	<u>Elected Official</u>	<u>Term Expires</u>
Mayor	Virgil Lovitt II	12/31/2007
President of Council	Kevin Hardman	12/31/2005
Council Ward 1	Jim Dygert	12/31/2005
Council Ward 2	William Breyer	12/31/2005
Council Ward 3	Kerry Rabe	12/31/2005
Council Ward 4	Robert Tankersley	12/31/2005
Council at Large	Janey Kattleman	12/31/2005
Council at Large	Bill Lewis	12/31/2005
Council at Large	Robert Taylor	12/31/2005
Treasurer	Mark Piepmeier	12/31/2005
Auditor	Janet L. North	12/31/2007
Law Director	Thomas Keating	12/31/2007

City Address:

Sharonville City Hall
10900 Reading Road
Sharonville, Ohio 45241

CITY OF SHARONVILLE, OHIO

**City Organizational Chart
For the Year Ended December 31, 2005**



Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Sharonville,
Ohio

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

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



Carla E. Fudge

President

Jeffrey R. Emer

Executive Director



FINANCIAL SECTION





**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

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

To the City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the City of Sharonville, Hamilton County, Ohio (the City), as of and for the year ended December 31, 2005, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the City of Sharonville, Hamilton County, Ohio, as of December 31, 2005, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General and Fire Department Funds 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 19, 2006, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

The Management Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining non-major fund statements and schedules and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining non-major fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical sections to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

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

Betty Montgomery
Auditor of State

June 19, 2006

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

FINANCIAL HIGHLIGHTS

Key financial highlights for 2005 are as follows:

- ❑ In total, net assets increased by \$2,710,007. Net assets of governmental activities increased by \$1,857,743, which represents an 8.3% increase from 2004. Net assets of business-type activities increased by \$852,264, or 37% from 2004.
- ❑ General revenues accounted for \$21,905,924 in revenue, or 79.4% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$5,669,261, or 20.6% of total revenues of \$27,575,185.
- ❑ The City had \$23,022,696 in expenses related to governmental activities; only \$3,358,751 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily income taxes) of \$21,521,688 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$16,037,691 in revenues and \$11,982,591 in expenditures. The general fund's fund balance increased \$635,274.
- ❑ Net assets for enterprise funds increased \$852,264 from 2004 to 2005.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

These statements are as follows:

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

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

Government-Wide Financial Statements

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

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

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

The government-wide financial statements of the City are divided into two categories:

- *Governmental Activities* – Most of the City's programs and services are reported here including security of persons and property, public health and welfare services, leisure time activities, community environment, transportation and general government.
- *Business-Type Activities* – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The City's convention center and senior citizen housing complex are reported as business activities.

Fund Financial Statements

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

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

CITY OF SHARONVILLE, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2005**

Unaudited

Proprietary Funds – Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

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

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following table is a comparison of the City's Net Assets for the years ended December 31, 2004 and 2005:

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Current and other assets	\$21,275,447	\$21,156,371	\$1,258,130	\$843,036	\$22,533,577	\$21,999,407
Capital assets, Net	25,660,792	25,251,004	9,042,635	9,057,551	34,703,427	34,308,555
Total assets	46,936,239	46,407,375	10,300,765	9,900,587	57,237,004	56,307,962
Long-term debt outstanding	19,212,350	20,101,832	6,854,632	7,366,324	26,066,982	27,468,156
Other liabilities	3,637,993	4,077,390	292,652	233,046	3,930,645	4,310,436
Total liabilities	22,850,343	24,179,222	7,147,284	7,599,370	29,997,627	31,778,592
Net assets						
Invested in capital assets, net of related debt	7,565,792	6,034,135	1,960,040	1,840,939	9,525,832	7,875,074
Restricted	10,551,263	9,779,977	0	0	10,551,263	9,779,977
Unrestricted	5,968,841	6,414,041	1,193,441	460,278	7,162,282	6,874,319
Total net assets	\$24,085,896	\$22,228,153	\$3,153,481	\$2,301,217	\$27,239,377	\$24,529,370

CITY OF SHARONVILLE, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2005**

Unaudited

Changes in Net Assets – The following table shows the changes in net assets for the fiscal years 2004 and 2005:

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Revenues						
Program revenues:						
Charges for Services and Sales	\$1,530,293	\$1,740,318	\$1,571,526	\$1,199,295	\$3,101,819	\$2,939,613
Operating Grants and Contributions	1,794,027	2,474,915	738,984	398,644	2,533,011	2,873,559
Capital Grants and Contributions	34,431	2,081	0	0	34,431	2,081
General revenues:						
Income Taxes	19,488,300	20,601,078	0	0	19,488,300	20,601,078
Other Local Taxes	268,487	0	0	0	268,487	0
Grants and Entitlements not Restricted to Specific Programs	1,135,536	445,519	0	0	1,135,536	445,519
Investment Earnings	446,000	330,352	0	0	446,000	330,352
Miscellaneous	567,601	328,662	0	0	567,601	328,662
Total revenues	25,264,675	25,922,925	2,310,510	1,597,939	27,575,185	27,520,864
Program Expenses						
Security of Persons and Property	11,726,212	11,398,938	0	0	11,726,212	11,398,938
Public Health and Welfare Services	361,002	350,553	0	0	361,002	350,553
Leisure Time Activities	3,313,120	2,962,009	0	0	3,313,120	2,962,009
Community Environment	561,985	585,562	0	0	561,985	585,562
Basic Utility Services	577,944	431,204	0	0	577,944	431,204
Transportation	1,655,934	1,824,387	0	0	1,655,934	1,824,387
General Government	4,068,570	5,661,511	0	0	4,068,570	5,661,511
Interest and Fiscal Charges	757,929	759,495	0	0	757,929	759,495
Convention Center	0	0	1,616,476	1,782,608	1,616,476	1,782,608
Senior Citizen Housing	0	0	226,006	185,300	226,006	185,300
Total expenses	23,022,696	23,973,659	1,842,482	1,967,908	24,865,178	25,941,567
Change in Net Assets before Transfers	2,241,979	1,949,266	468,028	(369,969)	2,710,007	1,579,297
Transfers	(384,236)	0	384,236	0	0	0
Total Change in Net Assets	1,857,743	1,949,266	852,264	(369,969)	2,710,007	1,579,297
Beginning Net Assets, Restated	22,228,153	20,278,887	2,301,217	2,671,186	24,529,370	22,950,073
Ending Net Assets	\$24,085,896	\$22,228,153	\$3,153,481	\$2,301,217	\$27,239,377	\$24,529,370

Governmental Activities

Net assets of the City's governmental activities increased by \$1,857,743. This was due to increases in municipal income tax collections, operating and general grants, and investment income.

CITY OF SHARONVILLE, OHIO

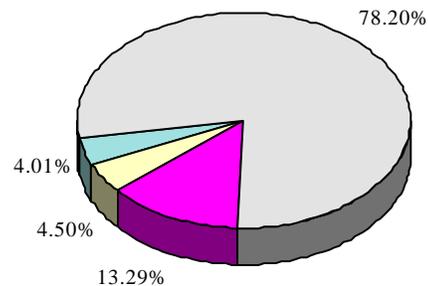
**Management's Discussion and Analysis
For the Year Ended December 31, 2005**

Unaudited

The City receives an income tax based on 1.5% of all salaries, wages, commissions and other compensation and on net profits earned within the City as well as on income of residents earned outside the City.

Taxes made up 78.20% of revenues for governmental activities for the City in fiscal year 2005. The City's reliance upon tax revenues is demonstrated by the following graph:

<u>Revenue Sources</u>	<u>2005</u>	<u>Percent of Total</u>
Taxes	\$19,756,787	78.20%
Program Revenues	3,358,751	13.29%
Shared Revenues	1,135,536	4.50%
General Other	1,013,601	4.01%
Total Revenue	\$25,264,675	100.00%



Business-Type Activities

The net assets of the business-type activities did increase by \$852,264 during 2005. This increase in net assets was due to the Convention Center receiving an exemption from property taxes. A large receivable/revenue was accrued for the pending refund.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$15,711,775, which is an increase from last year's balance of \$14,121,336. The schedule below indicates the fund balance and the total change in fund balance by fund type as of December 31, 2005 and 2004:

	<u>Fund Balance December 31, 2005</u>	<u>Fund Balance December 31, 2004</u>	<u>Increase (Decrease)</u>
General	\$5,313,666	\$4,678,392	\$635,274
Fire Department	2,034,820	1,070,262	964,558
Capital Improvement	(391,188)	(866,472)	475,284
Fire Capital Improvement	5,517,565	6,041,556	(523,991)
Other Governmental	3,236,912	3,197,598	39,314
Total	\$15,711,775	\$14,121,336	\$1,590,439

CITY OF SHARONVILLE, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2005**

Unaudited

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

	2005 Revenues	2004 Revenues	Increase (Decrease)
Taxes	\$13,237,650	\$14,363,887	(\$1,126,237)
Intergovernmental Revenues	940,856	569,426	371,430
Charges for Services	416,411	433,186	(16,775)
Licenses and Permits	478,054	334,397	143,657
Investment Earnings	408,432	307,479	100,953
Fines and Forfeitures	372,107	333,319	38,788
All Other Revenue	184,181	127,155	57,026
Total	<u>\$16,037,691</u>	<u>\$16,468,849</u>	<u>(\$431,158)</u>

General Fund revenues in 2005 decreased by 2.6% compared to revenues in fiscal year 2004. The most significant factor contributing to this decrease was a decrease income tax receivable/revenue.

	2005 Expenditures	2004 Expenditures	Increase (Decrease)
Security of Persons and Property	\$5,008,581	\$4,952,858	\$55,723
Public Health and Welfare Services	12	331,976	(331,964)
Leisure Time Activities	2,940,080	2,854,058	86,022
Community Environment	520,869	560,735	(39,866)
Basic Utility Services	577,944	431,204	146,740
General Government	2,935,105	3,421,751	(486,646)
Debt Service:			
Interest and Fiscal Charges	0	197	(197)
Total	<u>\$11,982,591</u>	<u>\$12,552,779</u>	<u>(\$570,188)</u>

General Fund expenditures decreased by \$570,188, or 4.5% over the prior year due to a significant decrease in legal fees and other contractual services.

Fire Department Fund – The fund balance increased by \$964,558 dollars during 2005. The increase in fund balance was mainly due to an increase in income tax receivable/revenue.

Capital Improvement Fund – The fund balance increased from (\$866,472) to (\$391,188). During the year the fund received large transfer amounts from the General Fund to help subsidize the acquisition of new capital assets.

Fire Capital Improvement Fund – The fund balance decreased by 8.6% during the year. The decrease is attributable to costs associated with the beginning of construction on the new fire station.

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

During the course of fiscal year 2005 the City amended its General Fund budget several times, none were significant.

For the General Fund, final budget basis revenue of \$15.5 million did not significantly change when compared to the original budget estimates of \$14.8 million. The General Fund had an adequate fund balance to cover expenditures.

The original 2005 budget included firehouse construction costs of \$6,040,000 in the Fire Department Fund. The City later amended the budget to move the appropriations to the separate Fire Capital Improvement Fund.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2005 the City had \$34,703,427 net of accumulated depreciation invested in land, land improvements, buildings, machinery and equipment and vehicles. Of this total, \$25,660,792 was related to governmental activities and \$9,042,635 to the business-type activities. The following table shows fiscal year 2005 and 2004 balances:

	Governmental		Increase (Decrease)
	Activities		
	2005	2004	
Land	\$5,871,002	\$5,871,002	\$0
Construction in Progress	731,231	4,093,753	(3,362,522)
Land Improvements	8,270,673	3,444,723	4,825,950
Buildings and Improvements	11,416,084	11,409,484	6,600
Infrastructure	13,230,777	13,177,672	53,105
Machinery and Equipment	1,672,972	1,635,032	37,940
Vehicles	3,122,010	2,953,963	168,047
Less: Accumulated Depreciation	(18,653,957)	(17,334,625)	(1,319,332)
Totals	\$25,660,792	\$25,251,004	\$409,788

CITY OF SHARONVILLE, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2005**

Unaudited

	Business-Type Activities		Increase (Decrease)
	2005	2004	
Land	\$3,350,000	\$3,350,000	\$0
Land Improvements	125,892	125,892	0
Buildings and Improvements	8,074,861	7,919,793	155,068
Infrastructure	41,680	41,680	0
Machinery and Equipment	268,575	259,775	8,800
Vehicles	25,000	25,000	0
Less: Accumulated Depreciation	(2,843,373)	(2,664,589)	(178,784)
Totals	<u>\$9,042,635</u>	<u>\$9,057,551</u>	<u>(\$14,916)</u>

The primary increases in governmental activities' capital assets occurred in land improvements. During 2005 the City completed construction of the new municipal pool. Additional information on the City's capital assets can be found in Note 8.

As of December 31, 2005, the City had contractual commitments of \$5,302,645 related to the Fire Station Construction, and the Chester Road Skate Connector. Additional information on the City's contractual commitments can be found in Note 16.

Debt

At December 31, 2005, the City had \$23,128,779 in general obligation bonds outstanding, \$1,622,064 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2005 and 2004:

	2005	2004
Governmental Activities:		
General Obligation Bonds	\$16,445,892	\$17,534,231
Special Assessment Bonds	300,000	360,000
Compensated Absences	2,434,631	2,113,371
Capital Leases	0	61,869
Police and Firemen's Accrued Pension	31,827	32,361
Total Governmental Activities	<u>19,212,350</u>	<u>20,101,832</u>
Business-Type Activities:		
General Obligation Bonds	6,682,887	7,216,612
Compensated Absences	171,475	149,712
Total Business-Type Activities	<u>6,854,362</u>	<u>7,366,324</u>
Totals	<u>\$26,066,712</u>	<u>\$27,468,156</u>

Under current state statutes, the City's general obligation bonded debt issues are subject to a legal limitation based on 10.50% of the total assessed value of real and personal property. At December 31, 2005, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 12.

ECONOMIC FACTORS

The City's financial position will be significantly affected by the redevelopment of Chester Road. The redevelopment will spur business opportunities including restaurants, hotels, and entertainment. The plans also include infrastructure improvements to give the road a boulevard appearance while maintaining the anticipated increased flow of traffic. Additionally, the City is constructing a new firehouse.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information contact Amy Moore, Budget Director of the City of Sharonville.



CITY OF SHARONVILLE, OHIO

**Statement of Net Assets
December 31, 2005**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Community Improvement Corporation of Sharonville
Assets:				
Cash and Cash Equivalents	\$ 7,299,670	\$ 401,846	\$ 7,701,516	\$ 55,303
Investments	7,412,780	0	7,412,780	0
Receivables:				
Taxes	4,176,134	0	4,176,134	0
Accounts	486,184	419,554	905,738	0
Intergovernmental	1,254,342	0	1,254,342	0
Interest	50,853	0	50,853	0
Special Assessments	233,216	0	233,216	0
Inventory of Supplies at Cost	119,745	0	119,745	0
Prepaid Items	23,075	1,480	24,555	0
Unamortized Bond Issuance Costs	219,448	93,293	312,741	0
Deferred Loss on Early Retirement of Debt	0	324,186	324,186	0
Restricted Assets:				
Cash and Cash Equivalents	0	17,771	17,771	0
Capital Assets:				
Capital Assets Not Being Depreciated	6,602,233	3,350,000	9,952,233	260,919
Capital Assets Being Depreciated, Net	19,058,559	5,692,635	24,751,194	57,938
Total Assets	46,936,239	10,300,765	57,237,004	374,160
Liabilities:				
Accounts Payable	658,007	55,503	713,510	0
Accrued Wages and Benefits	271,805	11,775	283,580	0
Intergovernmental Payable	665,792	19,007	684,799	0
Accrued Real Estate Taxes	0	0	0	2,440
Customer Deposits	0	20,141	20,141	950
Unearned Revenue	0	178,095	178,095	0
Accrued Interest Payable	67,389	8,131	75,520	0
General Obligation Notes Payable	1,975,000	0	1,975,000	0
Noncurrent liabilities:				
Due within one year	1,236,622	548,258	1,784,880	0
Due in more than one year	17,975,728	6,306,374	24,282,102	0
Total Liabilities	22,850,343	7,147,284	29,997,627	3,390
Net Assets:				
Invested in Capital Assets, Net of Related Debt	7,565,792	1,960,040	9,525,832	318,857
Restricted For:				
Capital Projects	5,750,434	0	5,750,434	0
Debt Service	688,371	0	688,371	0
Streets and Highways	1,895,747	0	1,895,747	0
Security of Persons and Property	1,896,716	0	1,896,716	0
Other Purposes	319,995	0	319,995	0
Unrestricted	5,968,841	1,193,441	7,162,282	51,913
Total Net Assets	\$ 24,085,896	\$ 3,153,481	\$ 27,239,377	\$ 370,770

See accompanying notes to the basic financial statements

CITY OF SHARONVILLE, OHIO

**Statement of Activities
For the Year Ended December 31, 2005**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Security of Persons and Property	\$ 11,726,212	\$ 772,124	\$ 186,787	\$ 0
Public Health and Welfare Services	361,002	78,229	10,601	0
Leisure Time Activities	3,313,120	371,937	0	0
Community Environment	561,985	307,639	0	0
Basic Utility Services	577,944	0	0	0
Transportation	1,655,934	315	1,596,639	34,431
General Government	4,068,570	49	0	0
Interest and Fiscal Charges	757,929	0	0	0
Total Governmental Activities	23,022,696	1,530,293	1,794,027	34,431
Business-Type Activities:				
Convention Center	1,616,476	1,365,959	583,917	0
Senior Citizen Housing	226,006	205,567	155,067	0
Total Business-Type Activities	1,842,482	1,571,526	738,984	0
Totals	\$ 24,865,178	\$ 3,101,819	\$ 2,533,011	\$ 34,431
Component Unit:				
Community Improvement Corporation of Sharonville	\$ 30,507	\$ 44,755	\$ 0	\$ 0

General Revenues

Income Taxes
Other Local
Taxes
Grants and Entitlements not Restricted to Specific Programs
Investment Earnings
Miscellaneous
Transfers
Total General Revenues and Transfers
Change in Net Assets
Net Assets Beginning of Year - Restated
Net Assets End of Year

See accompanying notes to the basic financial statements

CITY OF SHARONVILLE, OHIO

Net (Expense) Revenue and Changes in Net Assets			Component Unit
Primary Government			
Governmental Activities	Business-Type Activities	Total	Community Improvement Corporation of Sharonville
\$ (10,767,301)	\$ 0	\$ (10,767,301)	
(272,172)	0	(272,172)	
(2,941,183)	0	(2,941,183)	
(254,346)	0	(254,346)	
(577,944)	0	(577,944)	
(24,549)	0	(24,549)	
(4,068,570)	0	(4,068,570)	
(757,929)	0	(757,929)	
<u>(19,663,945)</u>	<u>0</u>	<u>(19,663,945)</u>	
0	333,400	333,400	
<u>0</u>	<u>134,628</u>	<u>134,628</u>	
<u>0</u>	<u>468,028</u>	<u>468,028</u>	
<u>\$ (19,663,945)</u>	<u>\$ 468,028</u>	<u>\$ (19,195,917)</u>	
			\$ 14,248
19,488,300	0	19,488,300	0
268,487	0	268,487	0
1,135,536	0	1,135,536	0
446,000	0	446,000	0
567,601	0	567,601	0
(384,236)	384,236	0	0
<u>21,521,688</u>	<u>384,236</u>	<u>21,905,924</u>	<u>0</u>
1,857,743	852,264	2,710,007	14,248
<u>22,228,153</u>	<u>2,301,217</u>	<u>24,529,370</u>	<u>356,522</u>
<u>\$ 24,085,896</u>	<u>\$ 3,153,481</u>	<u>\$ 27,239,377</u>	<u>\$ 370,770</u>

CITY OF SHARONVILLE, OHIO

**Balance Sheet
Governmental Funds
December 31, 2005**

	General	Fire Department	Capital Improvement
Assets:			
Cash and Cash Equivalents	\$ 1,351,852	\$ 612,839	\$ 724,956
Investments	1,639,531	762,376	939,386
Receivables:			
Income Taxes	3,107,631	1,068,503	0
Accounts	417,802	43,884	20,502
Intergovernmental	399,911	0	0
Interest	50,853	0	0
Special Assessments	0	0	0
Interfund Loans Receivables	0	0	0
Inventory of Supplies, at Cost	0	0	0
Prepaid Items	8,121	8,672	5,678
Total Assets	\$ 6,975,701	\$ 2,496,274	\$ 1,690,522
Liabilities:			
Accounts Payable	\$ 219,326	\$ 77,186	\$ 71,263
Accrued Wages and Benefits Payable	136,202	116,133	0
Intergovernmental Payable	363,916	268,135	0
Interfund Loans Payable	10,000	0	0
Deferred Revenue	932,591	0	0
Accrued Interest Payable	0	0	35,447
General Obligation Notes Payable	0	0	1,975,000
Total Liabilities	1,662,035	461,454	2,081,710
Fund Balances:			
Reserved for Encumbrances	167,801	49,453	612,912
Reserved for Prepaid Items	8,121	8,672	5,678
Reserved for Supplies Inventory	0	0	0
Reserved for Debt Service	0	0	0
Undesignated and Unreserved in:			
General Fund	5,137,744	0	0
Special Revenue Funds	0	1,976,695	0
Capital Projects Funds	0	0	(1,009,778)
Total Fund Balances	5,313,666	2,034,820	(391,188)
Total Liabilities and Fund Balances	\$ 6,975,701	\$ 2,496,274	\$ 1,690,522

See accompanying notes to the basic financial statements

CITY OF SHARONVILLE, OHIO

Fire Capital Improvement	Other Governmental Funds	Total Governmental Funds
\$ 2,411,723	\$ 2,198,300	\$ 7,299,670
3,125,071	946,416	7,412,780
0	0	4,176,134
0	3,996	486,184
0	854,431	1,254,342
0	0	50,853
0	233,216	233,216
0	50,000	50,000
0	119,745	119,745
0	604	23,075
<u>\$ 5,536,794</u>	<u>\$ 4,406,708</u>	<u>\$ 21,105,999</u>
\$ 19,229	\$ 271,003	\$ 658,007
0	19,470	271,805
0	33,741	665,792
0	40,000	50,000
0	805,582	1,738,173
0	0	35,447
0	0	1,975,000
<u>19,229</u>	<u>1,169,796</u>	<u>5,394,224</u>
161,861	662,143	1,654,170
0	604	23,075
0	119,745	119,745
0	487,097	487,097
0	0	5,137,744
0	1,815,107	3,791,802
<u>5,355,704</u>	<u>152,216</u>	<u>4,498,142</u>
<u>5,517,565</u>	<u>3,236,912</u>	<u>15,711,775</u>
<u>\$ 5,536,794</u>	<u>\$ 4,406,708</u>	<u>\$ 21,105,999</u>

CITY OF SHARONVILLE, OHIO

***Reconciliation Of Total Governmental Fund Balances
To Net Assets Of Governmental Activities
December 31, 2005***

Total Governmental Fund Balances \$ 15,711,775

***Amounts reported for governmental activities in the
statement of net assets are different because***

Capital Assets used in governmental activities are not
resources and therefore are not reported in the funds. 25,660,792

Other long-term assets are not available to pay for current-
period expenditures and therefore are deferred in the funds. 1,738,173

Long-term liabilities, including bonds payable, are not due
and payable in the current period and therefore are not
reported in the funds.

General Obligation Bonds Payable	(16,226,444)	
Special Assessment Bonds Payable	(300,000)	
Police/Fire Accrued Pension Liability	(31,827)	
Compensated Absences Payable	(2,434,631)	
Accrued Interest Payable	(31,942)	(19,024,844)

Net Assets of Governmental Activities \$ 24,085,896

See accompanying notes to the basic financial statements



CITY OF SHARONVILLE, OHIO

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2005**

	General	Fire Department	Capital Improvement
Revenues:			
Taxes	\$ 13,237,650	\$ 7,364,374	\$ 0
Intergovernmental Revenues	940,856	0	129,431
Charges for Services	416,411	376,817	0
Licenses and Permits	478,054	0	0
Investment Earnings	408,432	6,921	0
Special Assessments	0	0	0
Fines and Forfeitures	372,107	0	0
All Other Revenue	184,181	11,194	43,959
Total Revenue	16,037,691	7,759,306	173,390
Expenditures:			
Current:			
Security of Persons and Property	5,008,581	5,964,287	0
Public Health and Welfare Services	12	0	0
Leisure Time Activities	2,940,080	0	0
Community Environment	520,869	0	0
Basic Utility Services	577,944	0	0
Transportation	0	0	0
General Government	2,935,105	0	0
Capital Outlay	0	80,508	1,583,316
Debt Service:			
Principal Retirement	0	61,869	0
Interest & Fiscal Charges	0	3,161	53,612
Total Expenditures	11,982,591	6,109,825	1,636,928
Excess (Deficiency) of Revenues Over Expenditures	4,055,100	1,649,481	(1,463,538)
Other Financing Sources (Uses):			
Sale of Capital Assets	2,895	0	0
Transfers In	721	15,022	1,938,822
Transfers Out	(3,423,442)	(699,945)	0
Total Other Financing Sources (Uses)	(3,419,826)	(684,923)	1,938,822
Net Change in Fund Balances	635,274	964,558	475,284
Fund Balances at Beginning of Year - Restated	4,678,392	1,070,262	(866,472)
Increase (Decrease) in Inventory Reserve	0	0	0
Fund Balances End of Year	\$ 5,313,666	\$ 2,034,820	\$ (391,188)

See accompanying notes to the basic financial statements

CITY OF SHARONVILLE, OHIO

Fire Capital Improvement	Other Governmental Funds	Total Governmental Funds
\$ 0	\$ 0	\$ 20,602,024
0	2,031,985	3,102,272
0	808	794,036
0	76,429	554,483
0	33,843	449,196
0	89,260	89,260
0	61,845	433,952
0	18,200	257,534
<u>0</u>	<u>2,312,370</u>	<u>26,282,757</u>
0	276,623	11,249,491
0	355,882	355,894
0	0	2,940,080
0	0	520,869
0	0	577,944
0	1,306,783	1,306,783
0	44,842	2,979,947
523,991	302,700	2,490,515
0	1,120,000	1,181,869
0	715,611	772,384
<u>523,991</u>	<u>4,122,441</u>	<u>24,375,776</u>
(523,991)	(1,810,071)	1,906,981
0	0	2,895
0	1,865,391	3,819,956
0	(80,805)	(4,204,192)
<u>0</u>	<u>1,784,586</u>	<u>(381,341)</u>
(523,991)	(25,485)	1,525,640
6,041,556	3,197,598	14,121,336
0	64,799	64,799
<u>\$ 5,517,565</u>	<u>\$ 3,236,912</u>	<u>\$ 15,711,775</u>

CITY OF SHARONVILLE, OHIO

***Reconciliation Of The Statement Of Revenues, Expenditures
And Changes In Fund Balances Of Governmental Funds
To The Statement Of Activities
For the Year Ended December 31, 2005***

Net Change in Fund Balances - Total Governmental Funds \$ 1,525,640

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital Outlay	1,811,720	
Depreciation Expense	<u>(1,392,269)</u>	419,451

The net effect of various miscellaneous transactions involving capital assets (i.e. disposals and donations) is to increase net assets.

The statement of activities reports losses arising from the disposal of capital assets. Conversely, the governmental funds do not report any loss on the disposal of capital assets.		(9,663)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(1,018,082)
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Repayment of bond and loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

General Obligation Bond Principal Payment	1,060,000	
Amortization of General Obligation Bond Premium	28,339	
Special Assessment Bond Principal Payment	60,000	
Police/Fire Accrued Pension Payment	534	
Capital Leases Principal Payment	<u>61,869</u>	1,210,742

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		5,198
--	--	-------

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

Compensated Absences	(321,260)	
Change in Inventory	64,799	
Amortization of Bond Issuance Costs	<u>(19,082)</u>	<u>(275,543)</u>

<i>Change in Net Assets of Governmental Activities</i>		<u>\$ 1,857,743</u>
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See accompanying notes to the basic financial statements

CITY OF SHARONVILLE, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2005**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 13,101,212	\$ 12,698,369	\$ 13,371,815	\$ 673,446
Intergovernmental Revenue	545,112	569,380	949,138	379,758
Charges for Services	394,505	403,800	380,037	(23,763)
Licenses and Permits	462,553	402,185	483,432	81,247
Investment Earnings	447,815	207,000	458,784	251,784
Fines and Forfeitures	358,763	319,000	374,053	55,053
All Other Revenues	165,639	199,545	152,975	(46,570)
Total Revenues	<u>15,475,599</u>	<u>14,799,279</u>	<u>16,170,234</u>	<u>1,370,955</u>
Expenditures:				
Current:				
Security of Persons and Property	5,071,290	5,236,479	5,035,937	200,542
Public Health and Welfare Services	200	206	64	142
Leisure Time Activities	3,093,651	3,194,421	2,934,574	259,847
Community Environment	603,394	623,049	550,887	72,162
Basic Utility Services	559,763	577,996	577,942	54
General Government	3,871,067	3,997,161	3,138,904	858,257
Total Expenditures	<u>13,199,365</u>	<u>13,629,312</u>	<u>12,238,308</u>	<u>1,391,004</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,276,234	1,169,967	3,931,926	2,761,959
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	2,895	2,895
Transfers In	721	721	721	0
Transfers Out	(3,422,207)	(3,422,207)	(3,426,442)	(4,235)
Advances In	0	0	65,000	65,000
Advances Out	0	0	(55,000)	(55,000)
Total Other Financing Sources (Uses):	<u>(3,421,486)</u>	<u>(3,421,486)</u>	<u>(3,412,826)</u>	<u>8,660</u>
Net Change in Fund Balance	(1,145,252)	(2,251,519)	519,100	2,770,619
Fund Balance at Beginning of Year	1,972,078	1,972,078	1,972,078	0
Prior Year Encumbrances	296,738	296,738	296,738	0
Fund Balance at End of Year	<u>\$ 1,123,564</u>	<u>\$ 17,297</u>	<u>\$ 2,787,916</u>	<u>\$ 2,770,619</u>

See accompanying notes to the basic financial statements

CITY OF SHARONVILLE, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Special Revenue Fund – Fire Department Fund
For the Year Ended December 31, 2005**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 6,097,340	\$ 5,949,806	\$ 6,295,871	\$ 346,065
Intergovernmental Revenue	15,088	15,500	15,579	79
Charges for Services	368,450	380,000	380,447	447
All Other Revenues	18	0	19	19
Total Revenues	<u>6,480,896</u>	<u>6,345,306</u>	<u>6,691,916</u>	<u>346,610</u>
Expenditures:				
Current:				
Security of Persons and Property	5,173,308	5,756,628	5,756,628	0
Capital Outlay	6,368,320	162,960	162,960	0
Debt Service:				
Interest and Fiscal Charges	566,641	281,249	281,249	0
Total Expenditures	<u>12,493,013</u>	<u>6,200,837</u>	<u>6,200,837</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,012,117)	144,469	491,079	346,610
Other Financing Sources (Uses):				
Transfers In	15,022	15,022	15,022	0
Transfers Out	(699,945)	(699,945)	(699,945)	0
Total Other Financing Sources (Uses):	<u>(684,923)</u>	<u>(684,923)</u>	<u>(684,923)</u>	<u>0</u>
Net Change in Fund Balance	(6,697,040)	(540,454)	(193,844)	346,610
Fund Balance at Beginning of Year	1,373,580	1,373,580	1,373,580	0
Prior Year Encumbrances	85,674	85,674	85,674	0
Fund Balance at End of Year	<u>\$ (5,237,786)</u>	<u>\$ 918,800</u>	<u>\$ 1,265,410</u>	<u>\$ 346,610</u>

See accompanying notes to the basic financial statements

CITY OF SHARONVILLE, OHIO

**Statement of Net Assets
Proprietary Fund
December 31, 2005**

	Business-Type Activities Enterprise Funds		
	Convention Center	Other Enterprise Fund	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 226,310	\$ 175,536	\$ 401,846
Accounts Receivable	419,554	0	419,554
Prepaid Items	1,480	0	1,480
Restricted Assets:			
Cash and Cash Equivalents	0	17,771	17,771
Total Restricted Assets	0	17,771	17,771
Total Current Assets	647,344	193,307	840,651
Noncurrent Assets:			
Unamortized Bond Issuance Cost	93,293	0	93,293
Deferred Loss on Early Retirement of Debt	324,186	0	324,186
Capital Assets:			
Property, Plant and Equipment	10,345,254	1,540,754	11,886,008
Less: Accumulated Depreciation	(2,109,954)	(733,419)	(2,843,373)
Net Capital Assets	8,235,300	807,335	9,042,635
Total Noncurrent Assets	8,652,779	807,335	9,460,114
Total Assets	9,300,123	1,000,642	10,300,765
LIABILITIES			
Current Liabilities:			
Accounts Payable	34,861	20,642	55,503
Accrued Wages and Benefits	10,586	1,189	11,775
Intergovernmental Payable	16,827	2,180	19,007
Customer Deposits	0	20,141	20,141
Deferred Revenue	178,095	0	178,095
Accrued Interest Payable	8,131	0	8,131
General Obligation Bonds Payable - Current	543,725	0	543,725
Compensated Absences - Current	4,073	460	4,533
Total Current Liabilities	796,298	44,612	840,910
Noncurrent Liabilities:			
General Obligation Bonds Payable	6,139,162	0	6,139,162
Compensated Absences Payable	131,414	35,798	167,212
Total Noncurrent Liabilities	6,270,576	35,798	6,306,374
Total Liabilities	7,066,874	80,410	7,147,284
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	1,134,934	825,106	1,960,040
Unrestricted	1,098,315	95,126	1,193,441
Total Net Assets	\$ 2,233,249	\$ 920,232	\$ 3,153,481

See accompanying notes to the basic financial statements

CITY OF SHARONVILLE, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Fund
For the Year Ended December 31, 2005**

	Business-Type Activities Enterprise Funds		
	Convention Center	Other Enterprise Fund	Total
Operating Revenues:			
Charges for Services	\$ 852,657	\$ 204,567	\$ 1,057,224
Other Operating Revenues	513,047	1,000	514,047
Total Operating Revenues	1,365,704	205,567	1,571,271
Operating Expenses:			
Personal Services	686,110	71,338	757,448
Materials and Supplies	54,834	26,490	81,324
Contractual Services	289,711	73,942	363,653
Utilities	164,308	20,143	184,451
Depreciation	152,143	34,093	186,236
Total Operating Expenses	1,347,106	226,006	1,573,112
Operating Income (Loss)	18,598	(20,439)	(1,841)
Non-Operating Revenue (Expenses):			
Interest Income	255	0	255
Interest and Fiscal Charges	(269,370)	0	(269,370)
Intergovernmental Revenues	583,917	155,067	738,984
Total Non-Operating Revenues (Expenses)	314,802	155,067	469,869
Income (Loss) Before Transfers	333,400	134,628	468,028
Transfers:			
Transfers-In	384,236	0	384,236
Total Transfers	384,236	0	384,236
Change in Net Assets	717,636	134,628	852,264
Net Assets Beginning of Year	1,515,613	785,604	2,301,217
Net Assets End of Year	\$ 2,233,249	\$ 920,232	\$ 3,153,481

See accompanying notes to the basic financial statements

CITY OF SHARONVILLE, OHIO

**Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2005**

	Business-Type Activities		
	Enterprise Funds		
	Convention Center	Other Enterprise Fund	Total
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$857,415	\$212,639	\$1,070,054
Cash Payments for Goods and Services	(479,336)	(105,994)	(585,330)
Cash Payments to Employees	(665,462)	(69,425)	(734,887)
Other Operating Revenues	137,775	1,000	138,775
Net Cash Provided (Used) by Operating Activities	(149,608)	38,220	(111,388)
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers In from Other Funds	384,236	0	384,236
Net Cash Provided by Noncapital Financing Activities	384,236	0	384,236
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and Construction of Assets	(16,252)	(155,068)	(171,320)
Intergovernmental Revenue Received	583,917	155,067	738,984
Payment on General Obligation Bonds	(515,000)	0	(515,000)
Interest Paid on All Debt	(246,500)	0	(246,500)
Net Cash Used for Capital and Related Financing Activities	(193,835)	(1)	(193,836)
<u>Cash Flows from Investing Activities:</u>			
Sale of Investments	181,728	139,590	321,318
Net Cash Provided for Investing Activities	181,728	139,590	321,318
Net Increase in Cash and Cash Equivalents	222,521	177,809	400,330
Cash and Cash Equivalents at Beginning of Year	3,789	15,498	19,287
Cash and Cash Equivalents at End of Year	\$226,310	\$193,307	\$419,617
<u>Reconciliation of Cash and</u>			
<u>Cash Equivalents per the Balance Sheet:</u>			
Cash and Cash Equivalents	\$226,310	\$175,536	\$401,846
Restricted Cash and Cash Equivalents	0	17,771	17,771
Cash and Cash Equivalents at End of Year	\$226,310	\$193,307	\$419,617
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>			
<u>Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	\$18,598	(\$20,439)	(\$1,841)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	152,143	34,093	186,236
Changes in Assets and Liabilities:			
Increase in Accounts Receivable	(381,984)	0	(381,984)
Decrease in Prepaid Items	2,251	1,667	3,918
Increase in Accounts Payable	27,266	16,050	43,316
Increase (Decrease) in Accrued Wages and Benefits	674	(1,333)	(659)
Increase in Intergovernmental Payable	915	255	1,170
Increase in Customer Deposits Payable	0	4,953	4,953
Increase in Deferred Revenue	11,470	0	11,470
Increase in Compensated Absences	19,059	2,974	22,033
Total Adjustments	(168,206)	58,659	(109,547)
Net Cash Provided (Used) by Operating Activities	(\$149,608)	\$38,220	(\$111,388)
See accompanying notes to the basic financial statements			

CITY OF SHARONVILLE, OHIO

**Statement of Net Assets
Fiduciary Funds
December 31, 2005**

	Private Purpose Trust	
	Unclaimed Monies Fund	Agency Funds
Assets:		
Cash and Cash Equivalents	\$ 18,004	\$ 0
Restricted Assets:		
Cash and Cash Equivalents	<u>0</u>	<u>441,596</u>
Total Assets	<u>18,004</u>	<u>441,596</u>
Liabilities:		
Intergovernmental Payable	0	3,021
Due to Others	<u>0</u>	<u>438,575</u>
Total Liabilities	<u>0</u>	<u>441,596</u>
Unrestricted	<u>18,004</u>	<u>0</u>
Total Net Assets	<u>\$ 18,004</u>	<u>\$ 0</u>

See accompanying notes to the basic financial statements

CITY OF SHARONVILLE, OHIO

**Statement of Changes in Net Assets
Fiduciary Funds
For the Year Ended December 31, 2005**

	Private Purpose Trust <u>Unclaimed Monies Fund</u>
Additions:	
Contributions:	
Miscellaneous	\$ 1,814
Total Additions	<u>1,814</u>
Deductions:	
Administrative Expenses	<u>3,712</u>
Total Deductions	<u>3,712</u>
Change in Net Assets	(1,898)
Net Assets at Beginning of Year	<u>19,902</u>
Net Assets End of Year	<u>\$ 18,004</u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Sharonville, Ohio (the "City") was incorporated in 1962 under the laws of the State of Ohio and operates under a Mayor-Council form of government.

The accompanying basic financial statements comply with the provisions of the Governmental Accounting Standards Board (the "GASB") Statement No. 14, *"The Financial Reporting Entity,"* in that the financial statements include all organizations, activities, functions and component units for which the City (the primary government) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the City's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the City.

Based on the foregoing, the City's financial reporting entity includes all funds, agencies, boards and commissions that are part of the primary government, which include the following services: public safety (police and fire), highways and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning and general administrative services. The City also owns and operates senior citizen housing and a convention center which are reported as enterprise funds. In addition, the City has included the Community Improvement Corporation of Sharonville (CIC) as a discretely presented component unit.

Discretely Presented Component Unit – The component unit column in the entity-wide financial statements includes the financial data of the City's component unit. It is reported in a separate column to emphasize that it is legally separate from the City. The component unit is being presented as a part of the City's reporting entity because the City appoints the voting majority of the component unit's board and the City can impose its' will on the component unit.

Community Improvement Corporation of Sharonville – The Community Improvement Corporation of Sharonville (CIC), a non-profit organization, is a six member board comprised of four City officials and two council members. The primary purpose of the CIC is the planning of the industrial, commercial, distribution and research development of the City, including the assurance that mortgage payments will be made to foster such development, the acquisition, construction, equipment and improvement of buildings, structures and other properties, the acquisition of sites for such development, the lease, sale and subdivision of such sites and incurring of debt in order to carry out such development, and to make loans to any individual or business entity in order to carry out such development purpose for the City. The City provides all subsidies to the CIC to finance its operations and activities. Financial statements related to the CIC can be obtained from the City Auditor.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting

The City uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain City functions or activities.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The following fund types are used by the City:

Governmental Funds - are those funds through which most governmental functions of the City are financed. The acquisition, use and balances of the City's expendable financial resources and the related liabilities (except those accounted for in the proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of "financial flow" (sources, uses and balances of financial resources). The following are the City's major governmental funds:

General Fund - This fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. Principal sources of revenue are municipal income taxes and shared tax revenues. Primary expenditures are for police protection, community environment and general government.

Fire Department Fund - This fund is used to account for income tax revenues collected to fund Fire Department operations.

Capital Improvement Fund - This fund is used to account for the accumulation of funds for the acquisition of capital assets and/or the construction of major capital facilities.

Fire Capital Improvement Fund - This fund is used to account for the construction of the new Fire Department facilities.

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

Proprietary Funds - The proprietary funds are accounted for on an "economic resource" measurement focus. This measurement focus provides that all assets and liabilities associated with the operation of the proprietary funds are included on the balance sheet. The proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Enterprise Funds - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, in which the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The following is the City's major enterprise fund:

Convention Center Fund - This fund is used to account for revenues and expenses associated with the operation of the city-owned convention center.

The other enterprise fund of the City, the Senior Citizen Housing Fund, is used to account for revenues and expenses associated with the operation of the city-owned Senior Housing Apartment Complex, as well as revenues from lease deposits and waiting list deposits.

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Fiduciary funds are used to account for assets the City holds in a trustee capacity or as an agent for individuals, private organizations, other governments, and other funds. The City's fiduciary funds are a private-purpose trust fund and agency funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

C. Basis of Presentation – Financial Statements

Government-wide Financial Statements – The statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

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

Fund Financial Statements – Fund financial statements report detailed information about the City. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

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. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary fund types 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 statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

D. Basis of Accounting

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses reported in the financial statements. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. The term "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the City is 60 days after year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt which is recognized when due.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, grants, entitlements and donations. Revenue from income taxes is recognized in the period in which the income is earned and is available. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the revenue is available. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis.

Revenue considered susceptible to accrual at year-end includes income taxes withheld by employers, interest on investments, and state levied locally shared taxes (including motor vehicle license fees, gasoline tax, and local government assistance). Other revenue, including licenses, permits; certain charges for services, income taxes other than those withheld by employers and miscellaneous revenues are recorded as revenue when received in cash because generally these revenues are not measurable until received.

Special assessments receivable, which are measurable, but not available at December 31, are recorded as deferred revenue.

For governmental activities and proprietary funds, the City applies Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements. The City has elected not to apply FASB statements and interpretations issued after November 30, 1989 to its business-type activities and enterprise funds.

The accrual basis of accounting is utilized for reporting purposes by the governmental activities, proprietary funds, and the fiduciary funds. Revenues are recognized when they are earned and expenses recognized when incurred.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation ordinance are subject to amendment throughout the year.

All funds other than agency funds are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. The primary level of budgetary control is at the fund level. Administrative control is maintained through the establishment of more detailed line-item budgets. Budgetary modifications may only be made by ordinance of the City Council.

1. Tax Budget

By July 15, the Mayor submits an annual tax budget for the following fiscal year to City Council for consideration and passage. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year for the period January 1 to December 31 of the following year.

2. Estimated Resources

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2005.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

3. Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 through March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 through December 31.

The appropriation ordinance establishes spending controls at the fund level. The appropriation ordinance may be amended during the year as additional information becomes available, provided that total fund appropriations do not exceed the current estimated resources as certified. The allocation of appropriations among departments and objects within a fund may be modified during the year by an ordinance of City Council. During 2005, supplemental appropriations were necessary to budget for projects that were not originally appropriated. The budgetary figures, which appear on the budgetary statements, are provided on the budgetary basis to provide a comparison of actual results with the final budget, including all amendments and modifications.

4. Encumbrances

As part of formal budgetary control, purchase orders, contracts and other commitments for expenditures are encumbered and recorded as the equivalent of expenditures in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. Encumbrances outstanding at year end, however, are reported as reservations of fund balances for subsequent year expenditures in the accompanying basic purpose financial statements.

5. Lapsing of Appropriations

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent fiscal year and need not be reappropriated.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

6. Budgetary Basis of Accounting

The City's budgetary process accounts for certain transactions on a basis other than generally accepted accounting principles (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on a cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the "Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual" for the General Fund and Fire Department Fund:

	Net Change in Fund Balance	
	General Fund	Fire Department Fund
GAAP Basis (as reported)	\$635,274	\$964,558
Increase (Decrease):		
Accrued Revenues at December 31, 2005 received during 2006	(2,934,564)	(1,112,387)
Accrued Revenues at December 31, 2004 received during 2005	3,067,107	44,997
Accrued Expenditures at December 31, 2005 paid during 2006	729,444	461,454
Accrued Expenditures at December 31, 2004 paid during 2005	(700,992)	(461,256)
2005 Prepays for 2006	(8,121)	(8,672)
2004 Prepays for 2005	43,461	27,267
Outstanding Encumbrances	(312,509)	(109,805)
Budget Basis	<u>\$519,100</u>	<u>(\$193,844)</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits and the State Treasurer's Asset Reserve (STAR Ohio). STAR Ohio is considered a cash equivalent because it is a highly liquid investment with an original maturity date of three months or less.

The City pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintains its own cash and investment account. For purposes of the statement of cash flows, the proprietary funds' share of equity in pooled cash and cash equivalents (both unrestricted and restricted) are considered to be cash equivalents. See Note 4 "Cash, Cash Equivalents and Investments."

G. Investments

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. The City allocates interest among certain funds based upon the fund's cash balance at the date of investment. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", the City reports its investments at fair value. Fair value is determined by quoted market prices. See Note 4, "Cash, Cash Equivalents and Investments."

The City has invested funds in STAR Ohio during 2005. 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, 2005.

H. Inventory

Inventory is stated at cost (first-in, first-out) in the governmental funds and at the lower of cost or market in the proprietary funds. The costs of inventory items are recorded as expenditures in the governmental funds when purchased and as expenses in the proprietary funds when used.

I. Capital Assets and Depreciation

Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life threshold of three or more years.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Capital Assets and Depreciation (Continued)

1. Property, Plant and Equipment - Governmental Activities

Governmental activities capital assets are those not directly related to the business type funds. These generally are acquired or constructed for governmental activities and are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years). These assets are reported in the Governmental Activities column of the Government-wide Statement of Net Assets, but they are not reported in the Fund Financial Statements.

Contributed capital assets are recorded at fair market value at the date received. Capital assets include land, improvements to land, buildings, building improvements, machinery, equipment and infrastructure. Infrastructure is defined as long-lived capital assets that normally are stationary in nature and normally can be preserved for a significant number of years. Examples of infrastructure include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems. Estimated historical costs for governmental activities capital asset values were initially determined at December 31, 1987 by identifying historical costs when such information was available. In cases where information supporting original cost was not obtainable, estimated historical costs were developed. For certain capital assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition.

2. Property, Plant and Equipment – Business Type Activities

Property, plant and equipment acquired by the proprietary funds are stated at cost (or estimated historical cost), including interest capitalized during construction and architectural and engineering fees where applicable. Contributed capital assets are recorded at fair market value at the date received. These assets are reported in both the Business-Type Activities column of the Government-wide Statement of Net Assets and in the respective funds.

3. Depreciation

All capital assets are depreciated, excluding land and construction in progress. Depreciation has been provided using the straight-line method over the following estimated useful lives:

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Long-Term Obligations

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

Obligation	Fund
Notes Payable	Note Debt Retirement Fund
Special Assessment Bonds	Special Assessment Retirement Fund Crystalview Widening Fund Zind Lane Sewer Fund Crowne Point Drive Fund
General Obligation Bonds	Convention Center Fund Note Debt Retirement Fund Debt Retirement Fund
Capital Leases	Capital Improvement Fund
Police/Fire Pension Accrued Liability	General Fund
Compensated Absences	General Fund Street Construction, Maintenance and Repair Fund Senior Citizen Housing Fund Convention Center Fund

K. Compensated Absences

In accordance with GASB Statement No. 16, "*Accounting for Compensated Absences*," vacation and compensatory time are accrued as liabilities when an employee's right to receive compensation is attributable to services already rendered and it is probable that the employee will be compensated through paid time off or some other means, such as cash payments at termination or retirement. Leave time that has been earned but is unavailable for use as paid time off or as some other form of compensation because an employee has not met the minimum service time requirement, is accrued to the extent that it is considered to be probable that the conditions for compensation will be met in the future.

Sick leave is accrued using the vesting method, whereby the liability is recorded on the basis of leave accumulated by employees who are eligible to receive termination payments as of the balance sheet date, and on leave balances accumulated by other employees who are expected to become eligible in the future to receive such payments.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Compensated Absences (Continued)

For governmental funds, that portion of unpaid compensated absences that is due and payable is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account "Compensated Absences Payable." In the government wide statement of net assets, "Compensated Absences Payable" is recorded within the "Due within one year" account and the long-term portion of the liability is recorded within the "Due in more than one year" account. There were no Compensated Absences Payable due from Governmental funds at December 31, 2005.

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

L. Prepaid Items

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

M. Restricted Assets

Certain cash and cash equivalents are classified as restricted on the balance sheet and statement of net assets because these funds are being held by a trustee, an agent or by the City for specified purposes.

N. Intergovernmental Revenues

In governmental funds, grants awarded on a non-reimbursement basis, entitlements and shared revenues are recorded as intergovernmental receivables and revenues when measurable and available. Reimbursable grants are recorded as intergovernmental receivables and revenues when the related expenditures are made.

Grants received for proprietary fund operations are recognized as revenues when measurable and earned. Such resources restricted for the construction of capital assets are recorded as contributed capital.

O. Pensions

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Interfund Activity

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

Q. Reservations of Fund Balance

Reserves indicate that a portion of fund balance is not available for expenditure or is legally segregated for a specific future use. Fund balances are reserved for supplies inventory, prepaid items, debt service and encumbered amounts that are not accrued at year end.

R. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction of improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net Assets restricted for Other Purposes include programs for street and highway improvements, federal grants for security of persons and property and mandatory fines for various court programs.

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

S. Interfund Assets/ Liabilities

The City reports cash overdrafts from pooled cash and cash equivalents as an interfund loan payable in the fund with the overdraft and as an interfund loan receivable in the fund(s) designated by management. The interfund loans receivable are equally offset by a fund balance reserve account, which indicates that they do not constitute available expendable resources since they are not a component of net current assets.

T. Estimates

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2005**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

U. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City and that are either unusual in nature or infrequent in occurrence. Neither transaction occurred within the City during fiscal year 2005.

NOTE 2 - RESTATEMENT OF BALANCES PREVIOUSLY REPORTED

A. Fund Balance Restatement

The fund balances of several governmental funds were restated from the amounts previously reported to correct incorrect postings in the recognition of grant receipts. The corrections resulted in changes to fund balances and governmental activities reported at December 31, 2004 as follows:

	<u>General Fund</u>	<u>Drug Law Enforcement Fund</u>	<u>DUI Checkpoint Grant Fund</u>	<u>DUI Education & Enforcement Fund</u>
Fund Balances at December 31, 2004 (Reported)	\$4,652,344	\$33,932	\$0	\$66,038
Restate Grant Receipts	26,048	(30,268)	(26,980)	(10,812)
Net Assets at December 31, 2004 (Restated)	<u>\$4,678,392</u>	<u>\$3,664</u>	<u>(\$26,980)</u>	<u>\$55,226</u>

	<u>Law Enforcement Block Grant</u>	<u>COPS Grant Fund</u>	<u>DEA Federal Sharing Fund</u>	<u>Governmental Activities</u>
Fund Balances at December 31, 2004 (Reported)	\$2,383	\$7,417	\$72,730	\$22,253,802
Restate Grant Receipts	(2,383)	(6,833)	25,579	(25,649)
Net Assets at December 31, 2004 (Restated)	<u>\$0</u>	<u>\$584</u>	<u>\$98,309</u>	<u>\$22,228,153</u>

NOTE 3 - COMPLIANCE AND ACCOUNTABILITY

A. Fund Deficits

The fund deficits at December 31, 2005 of \$391,188 in the Capital Improvement Fund (major governmental fund), and \$12,517 in the DUI Checkpoint Grant Fund (nonmajor special revenue fund) arose from the recognition of certain liabilities under the modified accrual basis of accounting. Under the budgetary basis of accounting, proceeds from the sale of notes are recognized as revenue and expenditures are recognized when paid, therefore, deficits do not exist. The General Fund provides transfers when cash is required, not when accruals occur.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 3 - COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Noncompliance and Steps to Correct

During 2005 the City discovered it had not been paying the firefighters in compliance with City Ordinances. City Council met to decide what actions needed to be taken to address the overpayment of the firefighters. Council forgave the amounts that were paid to the firefighters, and has established stronger internal controls to prevent future occurrences.

NOTE 4 - CASH AND CASH EQUIVALENTS

Cash resources of several individual funds are combined to form a pool of cash, cash equivalents and investments.

Statutes require the classification of funds held by the City into three categories. Category 1 consists of “active” funds - those funds required to be kept in a “cash” or “near cash” status for immediate use by the City. Such funds must be maintained either as cash in the City Treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of “inactive” funds - those funds not required for use within the current five year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing not later than the end of the current period of designation of depositories.

Category 3 consists of “interim” funds - those funds which are not needed for immediate use but, which will be needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 4 - CASH AND CASH EQUIVALENTS (Continued)

- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

A. Deposits

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned. Protection of City cash and deposits is provided by the federal deposit insurance corporation as well as qualified securities pledged by the institution holding the assets. Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

At year end the carrying amount of the City's deposits was \$6,336,678 and the bank balance was \$6,721,778. Federal depository insurance covered \$100,000 of the bank balance and \$6,621,778 was uninsured. Of the remaining uninsured bank balance, the City was exposed to custodial risk as follows:

	<u>Balance</u>
Uninsured and collateralized with securities held by the pledging institution's trust department not in the District's name	<u>\$6,621,778</u>
Total Balance	<u><u>\$6,621,778</u></u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2005**

NOTE 4 - CASH AND CASH EQUIVALENTS (Continued)

B. Investments

The City's investments at December 31, 2005 were as follows:

	Fair Value	Credit Rating	Investment Maturities (in Years)	
			less than 1	1-3
STAR Ohio	\$1,842,209	AAAm ¹	\$1,842,209	\$0
FHLB	2,975,000	AAA ¹ / Aaa ²	2,975,000	0
FNMA	2,971,260	AAA ¹ / Aaa ²	1,985,320	985,940
FHLMC	1,466,520	AAA ¹ / Aaa ²	0	1,466,520 ^a
Total Investments	<u>\$9,254,989</u>		<u>\$6,802,529</u>	<u>\$2,452,460</u>

¹ Standard & Poor's

² Moody's Investor Service

^a Call Options –April 23, 2006

Interest Rate Risk – The Ohio Revised Code generally limits security purchases to those that mature within five years of settlement date.

Concentration of Credit Risk – The City places no limit on the amount the City may invest in one issuer. Of the City's total investments, 32.10% are FNMA, 32.14% are FHLB, and 15.8% are FHLMC.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party.

C. Reconciliation of Cash, Cash Equivalents and Investments

The classification of cash, cash equivalents and investments on the financial statements is based on criteria set forth in GASB Statement No. 9. Certificates of deposit with an original maturity of three months or less are treated as cash equivalents. The classification of cash and cash equivalents (deposits) for purposes of this note are based on criteria set forth in GASB Statement No. 3.

	Cash and Cash Equivalents	Investments
Per Financial Statements	\$8,178,887	\$7,412,780
STAR Ohio	(1,842,209)	1,842,209
Per GASB Statement No. 3	<u>\$6,336,678</u>	<u>\$9,254,989</u>

* Includes Restricted Cash and Cash Equivalents.

CITY OF SHARONVILLE, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2005**

NOTE 5 - INCOME TAXES

The City levies a tax of 1.5% on all salaries, wages, commissions and other compensation and on net profits earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of 100% of the tax paid to another municipality to a maximum of the total amount assessed.

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

NOTE 6 - RECEIVABLES

Receivables at December 31, 2005 consisted of income taxes, accounts receivable, interest, special assessments, and intergovernmental receivables arising from shared revenues.

NOTE 7 – TRANSFERS AND INTERFUND BALANCES

Following is a summary of transfers in and out for all funds for 2005:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$721	\$3,423,442
Fire Department Fund	15,022	699,945
Capital Improvement Fund	1,938,822	0
Convention Center Fund	384,236	0
Nonmajor Governmental Funds:		
Street, Construction, Maintenance and Repair Fund	29,573	0
State Highway Fund	12,674	0
FEMA Fund	0	42,968
State Health Licenses Fund	150,000	0
Termination Benefits Fund	86,000	0
Note Debt Retirement Fund	313,922	37,837
Debt Retirement Fund	1,273,222	0
Total Nonmajor Governmental Funds	1,865,391	80,805
Totals	<u>\$4,204,192</u>	<u>\$4,204,192</u>

Transfers are used to remove from the funds that statute or budget requires to collect them to the funds that statute or budget requires to expend them; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; to return money to the fund from which it was originally provided once a project is completed; and to transfer capital assets.

CITY OF SHARONVILLE, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2005**

NOTE 7 – TRANSFERS AND INTERFUND BALANCES (Continued)

Individual interfund balances at December 31, 2005 are as follows:

Fund	Interfund Loan Receivable	Interfund Loan Payable
General Fund	\$0	\$10,000
Nonmajor Governmental Funds:		
DUI Education and Enforcement Fund	50,000	0
DUI Checkpoint Grant Fund	0	40,000
Total Nonmajor Governmental Funds	<u>50,000</u>	<u>40,000</u>
Totals	<u>\$50,000</u>	<u>\$50,000</u>

The interfund loans receivable/payable on the Governmental Balance Sheet are temporary loans to assist with cash flows until the receipt of certain grants.

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2005**

NOTE 8 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2005:

Historical Cost:

Class	December 31, 2004	Additions	Deletions	December 31, 2005
Capital assets not being depreciated:				
Land	\$5,871,002	\$0	\$0	\$5,871,002
Construction in Progress	4,093,753	731,231	(4,093,753)	731,231
Subtotal	9,964,755	731,231	(4,093,753)	6,602,233
Capital assets being depreciated:				
Land Improvements	3,444,723	4,825,950	0	8,270,673
Buildings and Improvements	11,409,484	6,600	0	11,416,084
Infrastructure	13,177,672	53,105	0	13,230,777
Machinery and Equipment	1,635,032	79,714	(41,774)	1,672,972
Vehicles	2,953,963	208,873	(40,826)	3,122,010
Subtotal	32,620,874	5,174,242	(82,600)	37,712,516
Total Cost	\$42,585,629	\$5,905,473	(\$4,176,353)	\$44,314,749

Accumulated Depreciation:

Class	December 31, 2004	Additions	Deletions	December 31, 2005
Land Improvements	(\$1,211,762)	(\$393,357)	\$0	(\$1,605,119)
Buildings and Improvements	(3,278,086)	(239,752)	0	(3,517,838)
Infrastructure	(9,818,740)	(330,460)	0	(10,149,200)
Machinery and Equipment	(787,500)	(229,057)	32,111	(984,446)
Vehicles	(2,238,537)	(199,643)	40,826	(2,397,354)
Total Depreciation	(\$17,334,625)	(\$1,392,269) *	\$72,937	(\$18,653,957)
Net Value:	\$25,251,004			\$25,660,792

* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	\$324,334
Public Health and Welfare Services	2,581
Leisure Time Activities	351,912
Community Environment	17,329
Transportation	384,835
General Government	311,278
Total Depreciation Expense	\$1,392,269

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2005**

NOTE 8 - CAPITAL ASSETS (Continued)

B. Business-Type Activities Capital Assets

Summary by category of changes in business-type activities capital assets at December 31, 2005:

Historical Cost:

Class	December 31, 2004	Additions	Deletions	December 31, 2005
<i>Capital assets not being depreciated:</i>				
Land	\$3,350,000	\$0	\$0	\$3,350,000
<i>Capital assets being depreciated:</i>				
Land Improvements	125,892	0	0	125,892
Buildings and Improvements	7,919,793	155,068	0	8,074,861
Infrastructure	41,680	0	0	41,680
Machinery and Equipment	259,775	18,115	(9,315)	268,575
Vehicles	25,000	0	0	25,000
Total Cost	\$11,722,140	\$173,183	(\$9,315)	\$11,886,008

Accumulated Depreciation:

Class	December 31, 2004	Additions	Deletions	December 31, 2005
Land Improvements	(\$71,566)	(\$6,295)	\$0	(\$77,861)
Buildings and Improvements	(2,354,234)	(164,598)	0	(2,518,832)
Infrastructure	(41,680)	0	0	(41,680)
Machinery and Equipment	(172,109)	(15,343)	7,452	(180,000)
Vehicles	(25,000)	0	0	(25,000)
Total Depreciation	(\$2,664,589)	(\$186,236)	\$7,452	(\$2,843,373)

Net Value:

\$9,057,551	\$9,042,635
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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2005**

NOTE 8 - CAPITAL ASSETS (Continued)

C. Component Unit Capital Assets

Summary by category of changes in component unit capital assets at December 31, 2005:

Historical Cost:

Class	December 31, 2004	Additions	Deletions	December 31, 2005
<i>Capital assets not being depreciated:</i>				
Land	\$260,919	\$0	\$0	\$260,919
<i>Capital assets being depreciated:</i>				
Buildings and Improvements	66,260	0	0	66,260
Total Cost	\$327,179	\$0	\$0	\$327,179

Accumulated Depreciation:

Class	December 31, 2004	Additions	Deletions	December 31, 2005
Buildings and Improvements	(\$6,623)	(\$1,699)	\$0	(\$8,322)
Total Depreciation	(\$6,623)	(\$1,699)	\$0	(\$8,322)
<i>Net Value:</i>	\$320,556			\$318,857

NOTE 9 – DEFINED BENEFIT PENSION PLANS

All of the City’s full-time employees participate in one of two separate retirement systems which are cost-sharing multiple employer defined benefit pension plans.

A. Ohio Public Employees Retirement System (the “Ohio PERS”)

The following information was provided by the Ohio PERS to assist the City in complying with GASB Statement No. 27, “Accounting for Pensions by State and Local Government Employers.”

All employees of the City, except full-time uniformed police officers and full-time firefighters, participate in one of the three pension plans administered by the Ohio PERS: the Traditional Pension Plan (TP), the Member-Directed Plan (MD), and the Combined Plan (CO). The TP Plan is a cost-sharing multiple employer defined benefit pension plan. The MD Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the MD Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon. The CO Plan is a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. Under the CO Plan employer contributions are invested by the retirement system to provide a

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

A. Ohio Public Employees Retirement System (the “Ohio PERS”) (Continued)

formula retirement benefit similar in nature to the TP Plan. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the MD Plan.

The Ohio PERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the TP Plan and CO Plan. Members of the MD Plan do not qualify for ancillary benefits, including postemployment health care benefits. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Ohio Public Employees Retirement System issues a stand-alone financial report that includes financial statements and required supplementary information for the Ohio PERS. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6701 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2005, employee and employer contribution rates were consistent across all three plans (TP, MD and CO). The employee contribution rate is 8.5%. The 2005 employer contribution rate for local government employer units was 13.55%, of covered payroll, 9.55% to fund the pension and 4.0% to fund health care. The contribution requirements of plan members and the City are established and may be amended by the Public Employees Retirement Board. The City's contributions to the Ohio PERS for the years ending December 31, 2005, 2004, and 2003 were \$751,969, \$725,143 and \$689,193, respectively, which were equal to the required contributions for each year.

The Ohio PERS provides postemployment health care benefits to age and service retirees with ten or more years of qualifying Ohio service credit under the TP and CO plans and to primary survivor recipients of such retirees. Health care coverage for disability recipients is also available. The health care coverage provided by the Ohio PERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to the Ohio PERS is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority requiring public employers to fund postemployment health care through their contributions to the Ohio PERS. The portion of the 2005 employer contribution rate (identified above) that was used to fund health care for the year 2005 was 4.0% of covered payroll which amounted to \$221,983.

The significant actuarial assumptions and calculations relating to postemployment health care benefits were based on the Ohio Public Employees Retirement System's latest actuarial review performed as of December 31, 2004. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

A. Ohio Public Employees Retirement System (the “Ohio PERS”) (Continued)

The investment assumption rate for 2004 was 8.0%. An annual increase of 4.0% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.0% base increase, were assumed to range from 0.5% to 6.3%. Health care costs were assumed to increase 4.0% annually plus an additional factor ranging from 1% to 6% for the next 8 years. In subsequent years (9 and beyond) health care costs were assumed to increase 4% (the projected wage inflation rate).

Benefits are advanced-funded on an actuarially determined basis. The number of active contributing participants for the TP and CO Plans was 376,109. The actuarial value of the Ohio PERS net assets available for OPEB at December 31, 2004 is \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$29.5 billion and \$18.7 billion, respectively.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, will be effective January 1, 2007. In addition to the HCPP, Ohio PERS has taken additional action to improve the solvency of the Health Care Fund in 2005 by creating a separate investment pool for health care assets. As an additional component of the HCPP, member and employer contribution rates increased as of January 1, 2006, which will allow additional funds to be allocated to the health care plan

B. Ohio Police and Fire Pension Fund (the “OP&F Fund”)

All City full-time police officers and full-time firefighters participate in the OP&F Fund, a cost-sharing multiple-employer defined benefit pension plan. The OP&F Fund provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Contribution requirements and benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. The Ohio Police and Fire Pension Fund issues a stand-alone financial report that includes financial statements and required supplementary information for the OP&F Fund. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164 or by calling (614) 228-2975.

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. The City's contributions to the OP&F Fund for the years ending December 31, 2005, 2004, and 2003 were \$549,077, \$565,670 and \$537,649 for police and \$772,119, \$718,093 and \$562,340 for firefighters, respectively, which were equal to the required contributions for each year.

The OP&F Fund provides postemployment health care coverage to any person who received or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

B. Ohio Police and Fire Pension Fund (the “OP&F Fund”) (Continued)

attending school, or under the age of 22 if attending school on a full-time or two-thirds basis. The health care coverage provided by the OP&F Fund is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides that health care costs paid from the funds of the OP&F Fund shall be included in the employer's contribution rate. The Ohio Revised Code also provides statutory authority allowing the Fund's Board of Trustees to provide postemployment health care coverage to all eligible individuals from the employer's contributions to the OP&F Fund.

The portion of the 2005 covered payroll that was used to fund postemployment health care benefits was \$218,222 representing 7.75% of covered payroll for police and \$249,330 representing 7.75% of covered payroll for fire. Health care funding and accounting was on a pay-as-you-go basis. In addition, since July 1, 1992 most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions. As of December 31, 2004, the date of the last actuarial evaluation available, the number of participants eligible to receive health care benefits was 13,812 for police and 10,528 for firefighters. The OP&F Fund does not provide separate data on the funded status and funding progress of postemployment health care benefits. The Fund's total health care expenses for the year ended December 31, 2004 were \$102,173,796, which was net of member contributions of \$55,665,341.

NOTE 10 - OTHER EMPLOYEE BENEFITS

A. Dental Optical Plan

The City sponsors a Dental/Optical Plan for full-time employees of the City. Amounts not paid as dental or optical claims are remitted to employees upon termination or retirement. At December 31, 2005 the City had \$269,338 payable to employees for the Dental/Optical Plan.

B. Compensated Absences

At December 31, 2005, the City's accumulated, unpaid compensated absences amounted to \$2,606,376. Of this amount, \$2,434,631 is recorded as Governmental Activities on the Entity Wide Statement of Net Assets (\$47,725 is reported as due within one year), \$171,745 is recorded as Business-type activities (\$4,533 is reported as due within one year).

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 11 - NOTES PAYABLE

The Ohio Revised Code provides that notes including renewal notes issued in anticipation of the issuance of general obligation bonds may be issued and outstanding from time to time up to a maximum period of 20 years from the date of issuance of the original notes. The maximum maturity for notes anticipating general obligation bonds payable from special assessments is five years. Any period in excess of five years must be deducted from the permitted maximum maturity of the bonds anticipated, and portions of the principal amount of notes outstanding for more than five years must be retired in amounts at least equal to, and payable no later than, those principal maturities that would have been required if the bonds had been issued at the expiration of the initial five year period.

Notes payable at December 31, 2005 were as follows:

	Balance December 31, 2004	Issued	(Retired)	Balance December 31, 2005
Capital Projects Fund:				
Capital Improvement Fund:				
1.65% Real Estate Acquisition	\$1,100,000	\$0	(\$1,100,000)	\$0
2.25% Real Estate Acquisition	0	1,100,000	0	1,100,000
2.25% Real Estate Acquisition	875,000	0	(875,000)	0
3.97% Real Estate Acquisition	0	875,000	0	875,000
Total Notes Payable	<u>\$1,975,000</u>	<u>\$1,975,000</u>	<u>(\$1,975,000)</u>	<u>\$1,975,000</u>

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CITY OF SHARONVILLE, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2005**

NOTE 12 - LONG-TERM OBLIGATIONS

Long-term obligations of the City at December 31, 2005 were as follows:

	Balance December 31, 2004	Issued	(Retired)	Balance December 31, 2005	Amount Due Within One Year
Business-Type Activities:					
General Obligation Bonds:					
1.50% - 5.25% Convention Center - Issue I	\$4,630,000	\$0	(\$365,000)	\$4,265,000	\$370,000
Unamortized Premium	196,612	0	(18,725)	177,887	18,725
1.50% - 5.25% Convention Center - Issue II	2,390,000	0	(150,000)	2,240,000	155,000
Total General Obligation Bonds	7,216,612	0	(533,725)	6,682,887	543,725
Other Long-Term Obligations:					
Compensated Absences	149,712	171,745	(149,712)	171,745	4,533
Total Business-Type Activities	\$7,366,324	\$171,745	(\$683,437)	\$6,854,632	\$548,258
Governmental Activities:					
General Obligation Bonds:					
4.60% - 4.80% Recreation Center	4,470,000	0	(255,000)	4,215,000	270,000
1.50% - 5.25% Fire House Construction	6,940,000	0	(440,000)	6,500,000	450,000
1.50% - 5.25% Pool Construction	3,935,000	0	(250,000)	3,685,000	255,000
1.50% - 5.25% Kenper Road Improvement	1,370,000	0	(85,000)	1,285,000	90,000
1.50% - 5.25% Crescentville Road	465,000	0	(30,000)	435,000	30,000
Unamortized Premium	354,231	0	(28,339)	325,892	28,339
Total General Obligation Bonds	17,534,231	0	(1,088,339)	16,445,892	1,123,339
Special Assessment Bonds:					
8.00% Zind Lane Sewer	10,000	0	(5,000)	5,000	5,000
7.00% Crowne Point Drive/ Miller Valentine Phase I	270,000	0	(45,000)	225,000	45,000
7.10% Crowne Point Drive/ Miller Valentine Phase II	80,000	0	(10,000)	70,000	15,000
Total Special Assessment Bonds (with Government Commitment)	360,000	0	(60,000)	300,000	65,000
Other Long-Term Obligations:					
Compensated Absences	2,113,371	2,434,631	(2,113,371)	2,434,631	47,725
Capital Leases	61,869	0	(61,869)	0	0
Police and Firemen's Pension Accrued Liability	32,361	0	(534)	31,827	558
Total Other Long-Term Obligations	2,207,601	2,434,631	(2,175,774)	2,466,458	48,283
Total Governmental Activities	\$20,101,832	\$2,434,631	(\$3,324,113)	\$19,212,350	\$1,236,622

The principal amount of the City's special assessment debt outstanding at December 31, 2005, \$300,000, is general obligation debt (backed by the full faith and credit of the City) that is being retired with the proceeds from special assessments levied against benefited property owners. The City is obligated to repay the debt irrespective of the amount of special assessments collected from property owners. The fund balance of \$487,097 in the debt service funds at December 31, 2005 is reserved for the retirement of outstanding special assessment bonds. Delinquent special assessments at year end were \$0.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2005**

NOTE 12 - LONG-TERM OBLIGATIONS (Continued)

A. Defeasance of General Obligation Debt

In January of 2003, the City defeased \$5,015,000 of General Obligation Bonds dated January 1, 1996 (the "Convention Center" bonds) through the issuance of \$5,355,000 of General Obligation Bonds (the "Convention Center – Issue I" bonds). The net proceeds of the 2003 General Obligation Bonds have been invested in obligations guaranteed as to both principal and interest by the United States and placed in irrevocable escrow accounts, which including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded General Obligation Bonds, which have an outstanding balance of \$4,265,000 at December 31, 2005 are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

B. Police and Firemen's Pension Fund

The City's liability for past service costs related to the Police and Firemen's Pension Fund at December 31, 2005 is \$31,827 in principal payments through the year 2035. Only the principal amount is included in the government wide statement of net assets.

C. Principal and Interest Requirements

A summary of the City's future long-term debt funding requirements, including principal and interest payments as of December 31, 2005 follows:

Years	Business-Type Activities General Obligation Bonds		Governmental Activities General Obligation Bonds	
	Principal	Interest	Principal	Interest
2006	\$543,725	\$236,100	\$1,123,339	\$661,468
2007	558,725	224,775	1,148,338	630,943
2008	568,725	211,138	1,178,339	596,368
2009	583,725	195,100	1,228,339	557,417
2010	598,725	177,200	1,268,338	514,393
2011-2015	3,369,262	516,813	7,141,693	1,747,379
2016-2017	460,000	24,412	3,357,506	193,469
Totals	<u>\$6,682,887</u>	<u>\$1,585,538</u>	<u>\$16,445,892</u>	<u>\$4,901,437</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2005**

NOTE 12 - LONG-TERM OBLIGATIONS (Continued)

C. Principal and Interest Requirements (Continued)

Years	Special Assessment Bonds		Police/Fire Pension Accrued Liability	
	Principal	Interest	Principal	Interest
2006	\$65,000	\$21,120	\$558	\$1,346
2007	55,000	16,505	582	1,322
2008	60,000	12,645	607	1,298
2009	60,000	8,430	633	1,272
2010	60,000	4,215	660	1,245
2011-2015	0	0	3,750	5,772
2016-2020	0	0	4,627	4,895
2021-2025	0	0	5,710	3,812
2026-2030	0	0	7,046	2,476
2031-2035	0	0	7,654	827
Totals	<u>\$300,000</u>	<u>\$62,915</u>	<u>\$31,827</u>	<u>\$24,265</u>

NOTE 13 - CONDUIT DEBT OBLIGATIONS

From 1977 through 1995, the City issued \$65,295,000 in Industrial Revenue Bonds and Economic Development Revenue Bonds to provide financial assistance to private and public sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private or public sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2005, the outstanding principal amount payable on all of the outstanding bonds was \$12,820,000.

NOTE 14- RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In 2003, the City joined the Arch Insurance Company, a public entity risk plan formed under Section 2744.081 of the Ohio Revised Code that operates as a common risk management and insurance program for its member political subdivisions. The City pays an annual premium to Arch for its general insurance coverage. The agreement for formation of Arch provides that the organization will be self-sustaining through member premiums and will reinsure through commercial insurance and reinsurance companies.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2005**

NOTE 14- RISK MANAGEMENT (Continued)

Workers' Compensation claims are covered through the City's participation in the State of Ohio's program. The City pays the State Workers' Compensation System a premium based upon a rate per \$100 of payroll. The rate is determined based on accident history and administrative costs.

The City also pays unemployment claims to the State of Ohio as incurred.

The City continues to carry commercial insurance for other risks of loss, including employee health and life insurance. There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverages in any of the past three fiscal years.

NOTE 15 - CONTINGENCIES

The City is a party to various legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects. The City's management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

NOTE 16 – CONSTRUCTION COMMITMENTS

As of December 31, 2005, the City had the following commitments with respect to capital projects:

<u>Project</u>	<u>Remaining Construction Commitment</u>	<u>Expected Date of Completion</u>
Western Town Demolition and Paving	\$5,173,200	January-07
Chester Road Skate Connector	129,445	August-06
Total	<u>\$5,302,645</u>	

NOTE 17 - RELATED PARTY TRANSACTIONS

The Community Improvement Corporation of Sharonville (CIC), a discretely presented component unit of the City, received transfers from the City for operations. In 2005, these transfers totaled \$20,000. Property located in the City and owned by the City at 11083 Reading Road and 3327 Creek Road is being managed by the CIC. In exchange for its services, the CIC has been assigned any rent to be earned from tenant use of the property. The City is paying maintenance, insurance and taxes on the property. The tenant at 11083 Reading Road is paying \$350 per month through August 31, 2005, and \$500 per month from September through December 31, 2005 while the tenant at 3327 Creek Road is paying \$500 per month through December 31, 2005.

*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

*THE FOLLOWING COMBINING STATEMENTS AND SCHEDULES INCLUDE
THE MAJOR AND NONMAJOR GOVERNMENTAL FUNDS, AND
FIDUCIARY FUNDS.*

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than amounts relating to expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Street Construction, Maintenance and Repair Fund

To account for state-levied and controlled gasoline tax and motor vehicle registration fees designated for street maintenance and repair.

State Highway Fund

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

Permissive Motor Vehicle Tax Fund

To account for county-levied motor vehicle registration fees designated for maintenance and repair of roads within the City.

Federal Emergency Management Agency (FEMA) Fund

To account for grant monies received from the Federal Emergency Management Agency for assistance with public or individual restoration of disaster-damaged projects.

State Health Licenses Fund

To account for the revenues and expenditures of the State-mandated Health Licensing programs such as Food Service, Temporary Food Service, Swimming Pools and Mobile Home Parks.

Law Enforcement Trust Fund

To account for revenues received from local law enforcement grants from the US Department of Justice for Law Enforcement. Expenditures are restricted to law enforcement including restricted personnel costs and equipment as defined in the grants.

Drug Law Enforcement Fund

To account for mandatory fines collected for drug offenses.

DUI Checkpoint Grant Fund

To account for financial resources used enhance law enforcement activities as a deterrent to the operation of motor vehicles while under the influence of alcohol.

(Continued)

Special Revenue Funds

DUI Education and Enforcement Fund

To account for financial resources used to educate and treat persons with alcohol related problems and to enhance law enforcement activities as a deterrent to the operation of motor vehicles while under the influence of alcohol.

Mayor's Court Computer Fund

To account for revenues from fines to be used for computers and updating Mayor's Court computer functions.

Clerk of Courts Computer Fund

To account for revenues from fines to be used for computers and updating Clerk of Courts computer functions.

Law Enforcement Block Grant Fund

To account for grant monies for special overtime for the Police Department. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Confinement Reimbursement Fund

To account for revenues from fines imposed on individuals who are incarcerated in the Hamilton County Jail.

Community Oriented Policing Services (COPS) Grant Fund

To account for proceeds from federal and state grant monies. The grant funds must be used toward the salary and benefits of police officers.

Drug Enforcement Agency (DEA) Federal Sharing Fund

To account for funds received from the federal Drug Enforcement Agency.

Termination Benefits Fund

To account for the large sum payout of retirees for sick, vacation and compensatory time accrued through their employment with the City.

(Continued)

Debt Service Fund

Debt Service Funds are used to account for retirement of the City's general obligation and special assessment bonds.

Note Debt Retirement Fund

To account for the accumulation of resources for the payments of general obligation note debt of the City including self-supporting obligations not otherwise paid from proprietary funds.

Debt Retirement Fund

To account for the accumulation of resources for the payments of general obligation debt of the City including self-supporting obligations not otherwise paid from proprietary funds.

Special Assessment Retirement Fund

To accumulate special assessment revenues collected by the County Treasurer and remitted to the City by the County Auditor for payment of special assessment bonds.

Crystalview Widening Fund

To account for payments of principal and interest on the City's Crystalview Widening special assessment bond. Revenues for this purpose include special assessment collections.

Zind Lane Sewer Fund

To account for payments of principal and interest on the City's Zind Lane Sewer special assessment bond. Revenues for this purpose include special assessment collections.

Crowne Point Drive Fund

To account for payments of principal and interest on the City's Miller Valentine special assessment bonds. Revenues for this purpose include special assessment collections and investment income.

Capital Projects Funds

The Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

Capital Improvement Issue II Fund

To account for government and local portions of Issue II funds that will be expended as they are approved

CITY OF SHARONVILLE, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2005**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 1,340,747	\$ 486,447	\$ 371,106	\$ 2,198,300
Investments	465,542	0	480,874	946,416
Receivables				
Accounts	3,346	650	0	3,996
Intergovernmental	854,431	0	0	854,431
Special Assessments	0	233,216	0	233,216
Interfund Loans Receivables	50,000	0	0	50,000
Inventory of Supplies, at Cost	119,745	0	0	119,745
Prepaid Items	604	0	0	604
Total Assets	\$ 2,834,415	\$ 720,313	\$ 851,980	\$ 4,406,708
Liabilities:				
Accounts Payable	\$ 43,080	\$ 0	\$ 227,923	\$ 271,003
Accrued Wages and Benefits Payable	19,470	0	0	19,470
Intergovernmental Payable	33,741	0	0	33,741
Interfund Loans Payable	40,000	0	0	40,000
Deferred Revenue	572,366	233,216	0	805,582
Total Liabilities	708,657	233,216	227,923	1,169,796
Fund Balances:				
Reserved for Encumbrances	190,302	0	471,841	662,143
Reserved for Prepaid Items	604	0	0	604
Reserved for Supplies Inventory	119,745	0	0	119,745
Reserved for Debt Service	0	487,097	0	487,097
Undesignated/Unreserved	1,815,107	0	152,216	1,967,323
Total Fund Balances	2,125,758	487,097	624,057	3,236,912
Total Liabilities and Fund Balances	\$ 2,834,415	\$ 720,313	\$ 851,980	\$ 4,406,708

CITY OF SHARONVILLE, OHIO

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

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues:				
Intergovernmental Revenues	\$ 1,784,651	\$ 247,334	\$ 0	\$ 2,031,985
Charges for Services	808	0	0	808
Licenses and Permits	76,429	0	0	76,429
Investment Earnings	33,537	306	0	33,843
Special Assessments	0	89,260	0	89,260
Fines and Forfeitures	61,845	0	0	61,845
All Other Revenue	10,399	7,801	0	18,200
Total Revenue	1,967,669	344,701	0	2,312,370
Expenditures:				
Current:				
Security of Persons and Property	276,623	0	0	276,623
Public Health and Welfare Services	355,882	0	0	355,882
Transportation	1,306,783	0	0	1,306,783
General Government	28,845	15,997	0	44,842
Capital Outlay	0	0	302,700	302,700
Debt Service:				
Principal Retirement	0	1,120,000	0	1,120,000
Interest & Fiscal Charges	0	715,611	0	715,611
Total Expenditures	1,968,133	1,851,608	302,700	4,122,441
Excess (Deficiency) of Revenues Over Expenditures	(464)	(1,506,907)	(302,700)	(1,810,071)
Other Financing Sources (Uses):				
Transfers In	278,247	1,587,144	0	1,865,391
Transfers Out	(42,968)	(37,837)	0	(80,805)
Total Other Financing Sources (Uses)	235,279	1,549,307	0	1,784,586
Net Change in Fund Balance	234,815	42,400	(302,700)	(25,485)
Fund Balances at Beginning of Year - Restated	1,826,144	444,697	926,757	3,197,598
Increase (Decrease) in Inventory Reserve	64,799	0	0	64,799
Fund Balances End of Year	\$ 2,125,758	\$ 487,097	\$ 624,057	\$ 3,236,912

CITY OF SHARONVILLE, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2005**

	Street Construction, Maintenance and Repair	State Highway	Permissive Motor Vehicle Tax	FEMA	State Health Licenses
Assets:					
Cash and Cash Equivalents	\$ 359,275	\$ 419,153	\$ 0	\$ 4,542	\$ 67,836
Investments	465,542	0	0	0	0
Receivables					
Accounts	0	0	0	0	0
Intergovernmental	675,798	54,798	115,601	0	0
Interfund Loans Receivables	0	0	0	0	0
Inventory of Supplies, at Cost	80,229	39,516	0	0	0
Prepaid Items	51	0	0	0	126
Total Assets	\$ 1,580,895	\$ 513,467	\$ 115,601	\$ 4,542	\$ 67,962
Liabilities:					
Accounts Payable	\$ 11,513	\$ 25,871	\$ 0	\$ 0	\$ 93
Accrued Wages and Benefits Payable	14,395	0	0	0	5,075
Intergovernmental Payable	23,684	0	2,501	0	7,556
Interfund Loans Payable	0	0	0	0	0
Deferred Revenue	450,532	36,532	77,068	0	0
Total Liabilities	500,124	62,403	79,569	0	12,724
Fund Balances:					
Reserved for Encumbrances	90,019	96,811	0	0	893
Reserved for Prepaid Items	51	0	0	0	126
Reserved for Supplies Inventory	80,229	39,516	0	0	0
Undesignated/Unreserved	910,472	314,737	36,032	4,542	54,219
Total Fund Balances	1,080,771	451,064	36,032	4,542	55,238
Total Liabilities and Fund Balances	\$ 1,580,895	\$ 513,467	\$ 115,601	\$ 4,542	\$ 67,962

CITY OF SHARONVILLE, OHIO

Law Enforcement Trust	Drug Law Enforcement	DUI Checkpoint Grant	DUI Education and Enforcement	Mayor's Court Computer	Clerk of Courts Computer
\$ 11,686	\$ 11,693	\$ 27,483	\$ 7,223	\$ 22,983	\$ 34,060
0	0	0	0	0	0
56	671	0	75	742	1,708
0	0	8,234	0	0	0
0	0	0	50,000	0	0
0	0	0	0	0	0
0	0	0	0	75	352
<u>\$ 11,742</u>	<u>\$ 12,364</u>	<u>\$ 35,717</u>	<u>\$ 57,298</u>	<u>\$ 23,800</u>	<u>\$ 36,120</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 900	\$ 0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	40,000	0	0	0
0	0	8,234	0	0	0
<u>0</u>	<u>0</u>	<u>48,234</u>	<u>0</u>	<u>900</u>	<u>0</u>
0	1,600	0	0	0	0
0	0	0	0	75	352
0	0	0	0	0	0
11,742	10,764	(12,517)	57,298	22,825	35,768
<u>11,742</u>	<u>12,364</u>	<u>(12,517)</u>	<u>57,298</u>	<u>22,900</u>	<u>36,120</u>
<u>\$ 11,742</u>	<u>\$ 12,364</u>	<u>\$ 35,717</u>	<u>\$ 57,298</u>	<u>\$ 23,800</u>	<u>\$ 36,120</u>

(Continued)

CITY OF SHARONVILLE, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2005**

	Confinement Reimbursement	COPS Grant	DEA Federal Sharing	Termination Benefits	Total Nonmajor Special Revenue Funds
Assets:					
Cash and Cash Equivalents	\$ 3,448	\$ 5,752	\$ 50,590	\$ 315,023	\$ 1,340,747
Investments	0	0	0	0	465,542
Receivables					
Accounts	94	0	0	0	3,346
Intergovernmental	0	0	0	0	854,431
Interfund Loans Receivables	0	0	0	0	50,000
Inventory of Supplies, at Cost	0	0	0	0	119,745
Prepaid Items	0	0	0	0	604
Total Assets	<u>\$ 3,542</u>	<u>\$ 5,752</u>	<u>\$ 50,590</u>	<u>\$ 315,023</u>	<u>\$ 2,834,415</u>
Liabilities:					
Accounts Payable	\$ 0	\$ 0	\$ 4,703	\$ 0	\$ 43,080
Accrued Wages and Benefits Payable	0	0	0	0	19,470
Intergovernmental Payable	0	0	0	0	33,741
Interfund Loans Payable	0	0	0	0	40,000
Deferred Revenue	0	0	0	0	572,366
Total Liabilities	<u>0</u>	<u>0</u>	<u>4,703</u>	<u>0</u>	<u>708,657</u>
Fund Balances:					
Reserved for Encumbrances	0	0	979	0	190,302
Reserved for Prepaid Items	0	0	0	0	604
Reserved for Supplies Inventory	0	0	0	0	119,745
Undesignated/Unreserved	3,542	5,752	44,908	315,023	1,815,107
Total Fund Balances	<u>3,542</u>	<u>5,752</u>	<u>45,887</u>	<u>315,023</u>	<u>2,125,758</u>
Total Liabilities and Fund Balances	<u>\$ 3,542</u>	<u>\$ 5,752</u>	<u>\$ 50,590</u>	<u>\$ 315,023</u>	<u>\$ 2,834,415</u>

CITY OF SHARONVILLE, OHIO

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

	Street Construction, Maintenance and Repair	State Highway	Permissive Motor Vehicle Tax	FEMA	State Health Licenses
Revenues:					
Intergovernmental Revenues	\$ 1,198,253	\$ 98,804	\$ 232,058	\$ 42,968	\$ 10,601
Charges for Services	0	0	0	0	808
Licenses and Permits	0	0	0	0	76,429
Investment Earnings	20,802	12,735	0	0	0
Fines and Forfeitures	0	0	0	0	0
All Other Revenue	6,210	2,000	0	0	567
Total Revenue	1,225,265	113,539	232,058	42,968	88,405
Expenditures:					
Current:					
Security of Persons and Property	0	0	0	0	0
Public Health and Welfare Services	0	0	0	0	355,882
Transportation	1,005,627	105,130	196,026	0	0
General Government	0	0	0	0	0
Total Expenditures	1,005,627	105,130	196,026	0	355,882
Excess (Deficiency) of Revenues Over Expenditures	219,638	8,409	36,032	42,968	(267,477)
Other Financing Sources (Uses):					
Transfers In	29,573	12,674	0	0	150,000
Transfers Out	0	0	0	(42,968)	0
Total Other Financing Sources (Uses)	29,573	12,674	0	(42,968)	150,000
Net Change in Fund Balance	249,211	21,083	36,032	0	(117,477)
Fund Balances at Beginning of Year, Restated	788,145	408,597	0	4,542	172,715
Increase (Decrease) in Inventory Reserve	43,415	21,384	0	0	0
Fund Balances End of Year	\$ 1,080,771	\$ 451,064	\$ 36,032	\$ 4,542	\$ 55,238

(Continued)

CITY OF SHARONVILLE, OHIO

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

	Law Enforcement Trust	Drug Law Enforcement	DUI Checkpoint Grant	DUI Education and Enforcement	Mayor's Court Computer
Revenues:					
Intergovernmental Revenues	\$ 0	\$ 0	\$ 129,083	\$ 0	\$ 0
Charges for Services	0	0	0	0	0
Licenses and Permits	0	0	0	0	0
Investment Earnings	0	0	0	0	0
Fines and Forfeitures	5,141	11,544	0	450	12,535
All Other Revenue	0	0	0	1,622	0
Total Revenue	<u>5,141</u>	<u>11,544</u>	<u>129,083</u>	<u>2,072</u>	<u>12,535</u>
Expenditures:					
Current:					
Security of Persons and Property	8,158	2,844	114,620	0	7,000
Public Health and Welfare Services	0	0	0	0	0
Transportation	0	0	0	0	0
General Government	0	0	0	0	0
Total Expenditures	<u>8,158</u>	<u>2,844</u>	<u>114,620</u>	<u>0</u>	<u>7,000</u>
Excess (Deficiency) of Revenues Over Expenditures	(3,017)	8,700	14,463	2,072	5,535
Other Financing Sources (Uses):					
Transfers In	0	0	0	0	0
Transfers Out	0	0	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(3,017)	8,700	14,463	2,072	5,535
Fund Balances at Beginning of Year, Restated	14,759	3,664	(26,980)	55,226	17,365
Increase (Decrease) in Inventory Reserve	0	0	0	0	0
Fund Balances End of Year	<u>\$ 11,742</u>	<u>\$ 12,364</u>	<u>\$ (12,517)</u>	<u>\$ 57,298</u>	<u>\$ 22,900</u>

CITY OF SHARONVILLE, OHIO

Clerk of Courts Computer	Law Enforcement Block Grant	Confinement Reimbursement	COPS Grant	DEA Federal Sharing	Termination Benefits	Total Nonmajor Special Revenue Funds
\$ 0	\$ 13,500	\$ 0	\$ 19,319	\$ 40,065	\$ 0	\$ 1,784,651
0	0	0	0	0	0	808
0	0	0	0	0	0	76,429
0	0	0	0	0	0	33,537
28,456	0	2,754	0	965	0	61,845
0	0	0	0	0	0	10,399
<u>28,456</u>	<u>13,500</u>	<u>2,754</u>	<u>19,319</u>	<u>41,030</u>	<u>0</u>	<u>1,967,669</u>
22,898	13,500	0	14,151	93,452	0	276,623
0	0	0	0	0	0	355,882
0	0	0	0	0	0	1,306,783
0	0	0	0	0	28,845	28,845
<u>22,898</u>	<u>13,500</u>	<u>0</u>	<u>14,151</u>	<u>93,452</u>	<u>28,845</u>	<u>1,968,133</u>
5,558	0	2,754	5,168	(52,422)	(28,845)	(464)
0	0	0	0	0	86,000	278,247
0	0	0	0	0	0	(42,968)
0	0	0	0	0	86,000	235,279
5,558	0	2,754	5,168	(52,422)	57,155	234,815
30,562	0	788	584	98,309	257,868	1,826,144
0	0	0	0	0	0	64,799
<u>\$ 36,120</u>	<u>\$ 0</u>	<u>\$ 3,542</u>	<u>\$ 5,752</u>	<u>\$ 45,887</u>	<u>\$ 315,023</u>	<u>\$ 2,125,758</u>

CITY OF SHARONVILLE, OHIO

**Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2005**

	<u>Note Debt Retirement</u>	<u>Debt Retirement</u>	<u>Special Assessment Retirement</u>	<u>Crystalview Widening</u>
Assets:				
Cash and Cash Equivalents	\$ 41,231	\$ 4,214	\$ 31,706	\$ 33,530
Receivables:				
Accounts	650	0	0	0
Special Assessments	0	0	8,189	0
Total Assets	<u>\$ 41,881</u>	<u>\$ 4,214</u>	<u>\$ 39,895</u>	<u>\$ 33,530</u>
Liabilities:				
Deferred Revenue	\$ 0	\$ 0	\$ 8,189	\$ 0
Total Liabilities	<u>0</u>	<u>0</u>	<u>8,189</u>	<u>0</u>
Fund Balances:				
Reserved for Debt Service	41,881	4,214	31,706	33,530
Total Fund Balances	<u>41,881</u>	<u>4,214</u>	<u>31,706</u>	<u>33,530</u>
Total Liabilities and Fund Balances	<u>\$ 41,881</u>	<u>\$ 4,214</u>	<u>\$ 39,895</u>	<u>\$ 33,530</u>

CITY OF SHARONVILLE, OHIO

Zind Lane Sewer	Crowne Point Drive	Total Nonmajor Debt Service Funds
\$ 7,703	\$ 368,063	\$ 486,447
0	0	650
<u>4,872</u>	<u>220,155</u>	<u>233,216</u>
<u>\$ 12,575</u>	<u>\$ 588,218</u>	<u>\$ 720,313</u>
<u>\$ 4,872</u>	<u>\$ 220,155</u>	<u>\$ 233,216</u>
<u>4,872</u>	<u>220,155</u>	<u>233,216</u>
<u>7,703</u>	<u>368,063</u>	<u>487,097</u>
<u>7,703</u>	<u>368,063</u>	<u>487,097</u>
<u>\$ 12,575</u>	<u>\$ 588,218</u>	<u>\$ 720,313</u>

CITY OF SHARONVILLE, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Debt Service Funds
For the Year Ended December 31, 2005**

	Note Debt Retirement	Debt Retirement	Special Assessment Retirement	Crystalview Widening
Revenues:				
Intergovernmental Revenues	\$ 247,334	\$ 0	\$ 0	\$ 0
Investment Earnings	0	0	0	0
Special Assessments	0	0	0	0
All Other Revenue	0	7,801	0	0
Total Revenue	<u>247,334</u>	<u>7,801</u>	<u>0</u>	<u>0</u>
Expenditures:				
General Government	13,356	0	0	0
Debt Service:				
Principal Retirement	255,000	805,000	0	0
Interest & Fiscal Charges	213,858	476,023	0	0
Total Expenditures	<u>482,214</u>	<u>1,281,023</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(234,880)	(1,273,222)	0	0
Other Financing Sources (Uses):				
Transfers In	313,922	1,273,222	0	0
Transfers Out	(37,837)	0	0	0
Total Other Financing Sources (Uses)	<u>276,085</u>	<u>1,273,222</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	41,205	0	0	0
Fund Balances at Beginning of Year	<u>676</u>	<u>4,214</u>	<u>31,706</u>	<u>33,530</u>
Fund Balances End of Year	<u>\$ 41,881</u>	<u>\$ 4,214</u>	<u>\$ 31,706</u>	<u>\$ 33,530</u>

CITY OF SHARONVILLE, OHIO

Zind Lane Sewer	Crowne Point Drive	Total Nonmajor Debt Service Funds
\$ 0	\$ 0	\$ 247,334
0	306	306
7,293	81,967	89,260
0	0	7,801
<u>7,293</u>	<u>82,273</u>	<u>344,701</u>
254	2,387	15,997
5,000	55,000	1,120,000
800	24,930	715,611
<u>6,054</u>	<u>82,317</u>	<u>1,851,608</u>
1,239	(44)	(1,506,907)
0	0	1,587,144
0	0	(37,837)
<u>0</u>	<u>0</u>	<u>1,549,307</u>
1,239	(44)	42,400
6,464	368,107	444,697
<u>\$ 7,703</u>	<u>\$ 368,063</u>	<u>\$ 487,097</u>

CITY OF SHARONVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2005**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 13,101,211	\$ 12,698,369	\$ 13,371,815	\$ 673,446
Intergovernmental Revenues	545,112	569,380	949,138	379,758
Charges for Services	394,505	403,800	380,037	(23,763)
Licenses and Permits	462,553	402,185	483,432	81,247
Investment Earnings	447,815	207,000	458,784	251,784
Fines and Forfeitures	358,763	319,000	374,053	55,053
All Other Revenues	165,639	199,545	152,975	(46,570)
Total Revenues	15,475,599	14,799,279	16,170,234	1,370,955
Expenditures:				
Security of Persons and Property:				
Police Department:				
Personal Services	4,440,157	4,569,917	4,409,203	160,714
Materials and Supplies	234,735	238,999	233,099	5,900
Contractual Services	396,398	427,563	393,635	33,928
Total Police Department	5,071,290	5,236,479	5,035,937	200,542
Total Security of Persons and Property	5,071,290	5,236,479	5,035,937	200,542
Public Health and Welfare Services:				
Health Department:				
Materials and Supplies	107	113	64	49
Contractual Services	93	93	0	93
Total Health Department	200	206	64	142
Total Public Health and Welfare Services	200	206	64	142
Leisure Time Activities:				
Recreation Centers:				
Personal Services	674,081	686,280	639,419	46,861
Materials and Supplies	71,086	81,070	67,431	13,639
Contractual Services	61,696	72,316	58,524	13,792
Total Recreation Centers	806,863	839,666	765,374	74,292
Recreation Parks and Programs:				
Personal Services	1,444,281	1,428,485	1,370,016	58,469
Materials and Supplies	63,437	75,560	60,175	15,385
Contractual Services	500,885	544,822	475,129	69,693
Total Recreation Parks and Programs	2,008,603	2,048,867	1,905,320	143,547

(Continued)

CITY OF SHARONVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Recreation Pools:				
Personal Services	225,062	234,788	213,489	21,299
Materials and Supplies	34,196	45,211	32,438	12,773
Contractual Services	18,927	25,889	17,953	7,936
Total Recreation Pools	278,185	305,888	263,880	42,008
Total Leisure Time Activities	3,093,651	3,194,421	2,934,574	259,847
Community Environment:				
Building and Planning:				
Personal Services	488,562	466,613	446,047	20,566
Materials and Supplies	7,864	12,068	7,180	4,888
Contractual Services	106,968	144,368	97,660	46,708
Total Building and Planning	603,394	623,049	550,887	72,162
Total Community Environment	603,394	623,049	550,887	72,162
Basic Utility Services:				
Waste Collection:				
Contractual Services	559,763	577,996	577,942	54
Total Waste Collection	559,763	577,996	577,942	54
Total Basic Utility Services	559,763	577,996	577,942	54
General Government:				
Mayor:				
Personal Services	47,292	38,636	38,347	289
Materials and Supplies	249	1,350	202	1,148
Contractual Services	24,098	23,312	19,540	3,772
Total Mayor	71,639	63,298	58,089	5,209
Council:				
Personal Services	136,334	111,591	110,549	1,042
Materials and Supplies	659	5,170	534	4,636
Contractual Services	3,060	18,000	2,481	15,519
Total Council	140,053	134,761	113,564	21,197
Auditor and Treasurer:				
Personal Services	137,971	116,797	111,875	4,922
Materials and Supplies	3,823	3,489	3,100	389
Contractual Services	84,443	70,637	68,472	2,165
Total Auditor and Treasurer	226,237	190,923	183,447	7,476

(Continued)

CITY OF SHARONVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2005***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Law Director:				
Personal Services	95,793	86,987	77,675	9,312
Contractual Services	318,964	350,786	258,636	92,150
Total Law Director	414,757	437,773	336,311	101,462
Civil Service:				
Personal Services	15,650	16,050	12,690	3,360
Materials and Supplies	0	800	0	800
Contractual Services	4,505	34,180	3,653	30,527
Total Civil Service	20,155	51,030	16,343	34,687
Safety/Service Director:				
Personal Services	853,853	762,079	692,358	69,721
Materials and Supplies	4,072	7,361	3,302	4,059
Contractual Services	226,443	292,722	183,614	109,108
Total Safety/Service Director	1,084,368	1,062,162	879,274	182,888
Tax Department:				
Personal Services	455,185	378,650	369,093	9,557
Materials and Supplies	13,938	15,627	11,302	4,325
Contractual Services	56,349	57,455	45,691	11,764
Total Tax Department	525,472	451,732	426,086	25,646
Building and Lands:				
Personal Services	362,617	299,465	294,032	5,433
Materials and Supplies	48,718	65,431	39,504	25,927
Contractual Services	317,993	321,732	257,849	63,883
Total Buildings and Lands	729,328	686,628	591,385	95,243
Miscellaneous Government:				
Materials and Supplies	18,742	22,850	15,197	7,653
Contractual Services	640,316	896,004	519,208	376,796
Total Miscellaneous Government	659,058	918,854	534,405	384,449
Total General Government	3,871,067	3,997,161	3,138,904	858,257
Total Expenditures	13,199,365	13,629,312	12,238,308	1,391,004
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,276,234	1,169,967	3,931,926	2,761,959

(Continued)

CITY OF SHARONVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2005***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	2,895	2,895
Transfers In	721	721	721	0
Transfers Out	(3,422,207)	(3,422,207)	(3,426,442)	(4,235)
Advances In	0	0	65,000	65,000
Advances Out	0	0	(55,000)	(55,000)
Total Other Financing Sources (Uses)	<u>(3,421,486)</u>	<u>(3,421,486)</u>	<u>(3,412,826)</u>	<u>8,660</u>
Net Change in Fund Balance	(1,145,252)	(2,251,519)	519,100	2,770,619
Fund Balance at Beginning of Year	1,972,078	1,972,078	1,972,078	0
Prior Year Encumbrances	296,738	296,738	296,738	0
Fund Balance at End of Year	<u>\$ 1,123,564</u>	<u>\$ 17,297</u>	<u>\$ 2,787,916</u>	<u>\$ 2,770,619</u>

CITY OF SHARONVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Special Revenue Fund
For the Year Ended December 31, 2005**

	FIRE DEPARTMENT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 6,097,340	\$ 5,949,806	\$ 6,295,871	\$ 346,065
Intergovernmental Revenues	15,088	15,500	15,579	79
Charges for Services	368,450	380,000	380,447	447
All Other Revenues	18	0	19	19
Total Revenues	<u>6,480,896</u>	<u>6,345,306</u>	<u>6,691,916</u>	<u>346,610</u>
Expenditures:				
Security of Persons and Property:				
Fire Department:				
Personal Services	5,173,308	5,083,034	5,083,034	0
Materials and Supplies	195,381	202,362	202,362	0
Contractual Services	189,363	471,232	471,232	0
Total Security of Persons and Property	<u>5,558,052</u>	<u>5,756,628</u>	<u>5,756,628</u>	<u>0</u>
Capital Outlay	<u>6,368,320</u>	<u>162,960</u>	<u>162,960</u>	<u>0</u>
Debt Service:				
Interest Charges	<u>566,641</u>	<u>281,249</u>	<u>281,249</u>	<u>0</u>
Total Debt Service	<u>566,641</u>	<u>281,249</u>	<u>281,249</u>	<u>0</u>
Total Expenditures	<u>12,493,013</u>	<u>6,200,837</u>	<u>6,200,837</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,012,117)	144,469	491,079	346,610
Other Financing Sources (Uses):				
Transfers In	15,022	15,022	15,022	0
Transfers Out	(699,945)	(699,945)	(699,945)	0
Total Other Financing Sources (Uses)	<u>(684,923)</u>	<u>(684,923)</u>	<u>(684,923)</u>	<u>0</u>
Net Change in Fund Balance	(6,697,040)	(540,454)	(193,844)	346,610
Fund Balance at Beginning of Year	1,373,580	1,373,580	1,373,580	0
Prior Year Encumbrances	85,674	85,674	85,674	0
Fund Balance at End of Year	<u>\$ (5,237,786)</u>	<u>\$ 918,800</u>	<u>\$ 1,265,410</u>	<u>\$ 346,610</u>

CITY OF SHARONVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Project Fund
For the Year Ended December 31, 2005**

	CAPITAL IMPROVEMENT FUND			Variance with Final Budget Positive Negative
	Original Budget	Final Budget	Actual	(Negative)
Revenues:				
Intergovernmental Revenues	\$ 176,254	\$ 176,254	\$ 129,431	\$ (46,823)
All Other Revenues	57,752	57,752	57,888	136
Total Revenues	234,006	234,006	187,319	(46,687)
Expenditures:				
Capital Outlay	2,278,982	3,934,011	2,867,608	1,066,403
Total Expenditures	2,278,982	3,934,011	2,867,608	1,066,403
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,044,976)	(3,700,005)	(2,680,289)	1,019,716
Other Financing Sources (Uses):				
Transfers In	1,900,985	1,900,985	1,900,985	0
Advances In	0	0	150,000	150,000
Advances Out	0	0	(150,000)	(150,000)
Total Other Financing Sources (Uses)	1,900,985	1,900,985	1,900,985	0
Net Change in Fund Balance	(143,991)	(1,799,020)	(779,304)	1,019,716
Fund Balance at Beginning of Year	143,992	143,992	143,992	0
Prior Year Encumbrances	1,619,027	1,619,027	1,619,027	0
Fund Balance at End of Year	\$ 1,619,028	\$ (36,001)	\$ 983,715	\$ 1,019,716

CITY OF SHARONVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Project Fund
For the Year Ended December 31, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:				
Capital Outlay	<u>6,040,000</u>	<u>6,040,000</u>	<u>685,852</u>	<u>5,354,148</u>
Total Expenditures	<u>6,040,000</u>	<u>6,040,000</u>	<u>685,852</u>	<u>5,354,148</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,040,000)	(6,040,000)	(685,852)	5,354,148
Fund Balance at Beginning of Year	<u>6,041,556</u>	<u>6,041,556</u>	<u>6,041,556</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,556</u>	<u>\$ 1,556</u>	<u>\$ 5,355,704</u>	<u>\$ 5,354,148</u>

CITY OF SHARONVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005***

STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 1,097,327	\$ 1,204,924	\$ 107,597
Investment Earnings	17,000	20,460	3,460
All Other Revenues	6,100	6,210	110
Total Revenues	<u>1,120,427</u>	<u>1,231,594</u>	<u>111,167</u>
Expenditures:			
Transportation:			
Street Maintenance and Repair Department:			
Personal Services	867,921	808,015	59,906
Materials and Supplies	131,188	80,918	50,270
Contractual Services	125,067	73,234	51,833
Snow and Ice Removal Department:			
Personal Services	54,660	34,407	20,253
Materials and Supplies	205,184	136,044	69,140
Contractual Services	7,966	2,000	5,966
Traffic Signs and Signals Department:			
Materials and Supplies	3,331	2,499	832
Contractual Services	41,819	30,878	10,941
Total Transportation	<u>1,437,136</u>	<u>1,167,995</u>	<u>269,141</u>
Total Expenditures	<u>1,437,136</u>	<u>1,167,995</u>	<u>269,141</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(316,709)	63,599	380,308
Other Financing Sources (Uses):			
Transfers In	29,573	29,573	0
Total Other Financing Sources (Uses)	<u>29,573</u>	<u>29,573</u>	<u>0</u>
Net Change in Fund Balance	(287,136)	93,172	380,308
Fund Balance at Beginning of Year	541,825	541,825	0
Prior Year Encumbrances	93,778	93,778	0
Fund Balance at End of Year	<u>\$ 348,467</u>	<u>\$ 728,775</u>	<u>\$ 380,308</u>

CITY OF SHARONVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005***

STATE HIGHWAY FUND			
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 91,006	\$ 99,344	\$ 8,338
Investment Earnings	10,000	12,459	2,459
All Other Revenues	2,000	2,000	0
Total Revenues	<u>103,006</u>	<u>113,803</u>	<u>10,797</u>
Expenditures:			
Transportation:			
Street Maintenance and Repair Department:			
Materials and Supplies	16,000	4,779	11,221
Contractual Services	57,613	31,836	25,777
Snow and Ice Removal Department:			
Materials and Supplies	78,235	43,136	35,099
Traffic Signs and Signals Department:			
Materials and Supplies	2,000	0	2,000
Contractual Services	26,971	21,589	5,382
Total Transportation	<u>180,819</u>	<u>101,340</u>	<u>79,479</u>
Capital Outlay	<u>127,000</u>	<u>124,500</u>	<u>2,500</u>
Total Expenditures	<u>307,819</u>	<u>225,840</u>	<u>81,979</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(204,813)	(112,037)	92,776
Other Financing Sources (Uses):			
Transfers In	<u>12,674</u>	<u>12,674</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>12,674</u>	<u>12,674</u>	<u>0</u>
Net Change in Fund Balance	(192,139)	(99,363)	92,776
Fund Balance at Beginning of Year	357,268	357,268	0
Prior Year Encumbrances	<u>39,394</u>	<u>39,394</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 204,523</u>	<u>\$ 297,299</u>	<u>\$ 92,776</u>

CITY OF SHARONVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 193,525	\$ 193,525	\$ 0
Total Revenues	<u>193,525</u>	<u>193,525</u>	<u>0</u>
Expenditures:			
Transportation:			
Street Maintenance and Repair Department:			
Personal Services	147,730	147,730	0
Materials and Supplies	10,174	10,174	0
Contractual Services	35,621	35,621	0
Total Transportation	<u>193,525</u>	<u>193,525</u>	<u>0</u>
Total Expenditures	<u>193,525</u>	<u>193,525</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF SHARONVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005**

FEMA FUND			
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 42,968	\$ 42,968	\$ 0
Total Revenues	<u>42,968</u>	<u>42,968</u>	<u>0</u>
Expenditures:			
Capital Outlay	4,542	0	4,542
Total Expenditures	<u>4,542</u>	<u>0</u>	<u>4,542</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	38,426	42,968	4,542
Other Financing Sources (Uses):			
Transfers Out	(42,968)	(42,968)	0
Total Other Financing Sources (Uses)	<u>(42,968)</u>	<u>(42,968)</u>	<u>0</u>
Net Change in Fund Balance	(4,542)	0	4,542
Fund Balance at Beginning of Year	4,542	4,542	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 4,542</u>	<u>\$ 4,542</u>

CITY OF SHARONVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005***

STATE HEALTH LICENSES FUND			
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 10,500	\$ 10,601	\$ 101
Charges for Services	750	808	58
Licenses and Permits	74,968	76,429	1,461
All Other Revenues	<u>500</u>	<u>567</u>	<u>67</u>
Total Revenues	<u>86,718</u>	<u>88,405</u>	<u>1,687</u>
Expenditures:			
Public Health and Welfare Services:			
Health Department:			
Personal Services	331,180	315,134	16,046
Materials and Supplies	24,400	10,184	14,216
Contractual Services	<u>54,020</u>	<u>25,810</u>	<u>28,210</u>
Total Public Health and Welfare Services	<u>409,600</u>	<u>351,128</u>	<u>58,472</u>
Total Expenditures	<u>409,600</u>	<u>351,128</u>	<u>58,472</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(322,882)	(262,723)	60,159
Other Financing Sources (Uses):			
Transfers In	<u>150,000</u>	<u>150,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>150,000</u>	<u>150,000</u>	<u>0</u>
Net Change in Fund Balance	(172,882)	(112,723)	60,159
Fund Balance at Beginning of Year	<u>179,573</u>	<u>179,573</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 6,691</u>	<u>\$ 66,850</u>	<u>\$ 60,159</u>

CITY OF SHARONVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005**

LAW ENFORCEMENT TRUST FUND			
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 5,000	\$ 5,085	\$ 85
Total Revenues	<u>5,000</u>	<u>5,085</u>	<u>85</u>
Expenditures:			
Security of Persons and Property:			
Police Department:			
Materials and Supplies	5,100	500	4,600
Contractual Services	2,000	500	1,500
Total Security of Persons and Property	<u>7,100</u>	<u>1,000</u>	<u>6,100</u>
Capital Outlay	<u>7,500</u>	<u>7,158</u>	<u>342</u>
Total Expenditures	<u>14,600</u>	<u>8,158</u>	<u>6,442</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,600)	(3,073)	6,527
Fund Balance at Beginning of Year	14,759	14,759	0
Fund Balance at End of Year	<u>\$ 5,159</u>	<u>\$ 11,686</u>	<u>\$ 6,527</u>

CITY OF SHARONVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 20,000	\$ 11,378	\$ (8,622)
Total Revenues	<u>20,000</u>	<u>11,378</u>	<u>(8,622)</u>
Expenditures:			
Security of Persons and Property:			
Police Department:			
Materials and Supplies	2,100	1,600	500
Contractual Services	<u>3,000</u>	<u>2,844</u>	<u>156</u>
Total Security of Persons and Property	<u>5,100</u>	<u>4,444</u>	<u>656</u>
Total Expenditures	<u>5,100</u>	<u>4,444</u>	<u>656</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	14,900	6,934	(7,966)
Fund Balance at Beginning of Year	<u>3,159</u>	<u>3,159</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 18,059</u>	<u>\$ 10,093</u>	<u>\$ (7,966)</u>

CITY OF SHARONVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005**

DUI CHECKPOINT GRANT FUND			
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 153,856	\$ 129,083	\$ (24,773)
Total Revenues	<u>153,856</u>	<u>129,083</u>	<u>(24,773)</u>
Expenditures:			
Security of Persons and Property:			
Police Department:			
Personal Services	124,007	111,872	12,135
Materials and Supplies	2,319	2,198	121
Contractual Services	550	550	0
Total Security of Persons and Property	<u>126,876</u>	<u>114,620</u>	<u>12,256</u>
Total Expenditures	<u>126,876</u>	<u>114,620</u>	<u>12,256</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	26,980	14,463	(12,517)
Other Financing Sources (Uses):			
Advances In	0	40,000	40,000
Total Other Financing Sources (Uses)	<u>0</u>	<u>40,000</u>	<u>40,000</u>
Net Change in Fund Balance	26,980	54,463	27,483
Fund Balance at Beginning of Year	(26,980)	(26,980)	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 27,483</u>	<u>\$ 27,483</u>

CITY OF SHARONVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 600	\$ 375	\$ (225)
All Other Revenues	<u>2,400</u>	<u>1,897</u>	<u>(503)</u>
Total Revenues	<u>3,000</u>	<u>2,272</u>	<u>(728)</u>
Expenditures:			
Security of Persons and Property:			
Police Department:			
Materials and Supplies	2,500	0	2,500
Contractual Services	<u>10,568</u>	<u>0</u>	<u>10,568</u>
Total Security of Persons and Property	<u>13,068</u>	<u>0</u>	<u>13,068</u>
Capital Outlay	<u>3,000</u>	<u>0</u>	<u>3,000</u>
Total Expenditures	<u>16,068</u>	<u>0</u>	<u>16,068</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,068)	2,272	15,340
Other Financing Sources (Uses):			
Advances Out	<u>0</u>	<u>(50,000)</u>	<u>(50,000)</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>(50,000)</u>	<u>(50,000)</u>
Net Change in Fund Balance	(13,068)	(47,728)	(34,660)
Fund Balance at Beginning of Year	45,383	45,383	0
Prior Year Encumbrances	<u>9,568</u>	<u>9,568</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 41,883</u>	<u>\$ 7,223</u>	<u>\$ (34,660)</u>

CITY OF SHARONVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005**

MAYOR'S COURT COMPUTER FUND			
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 13,500	\$ 12,693	\$ (807)
Total Revenues	<u>13,500</u>	<u>12,693</u>	<u>(807)</u>
Expenditures:			
Security of Persons and Property:			
Police Department:			
Materials and Supplies	6,684	2,859	3,825
Contractual Services	<u>3,316</u>	<u>3,316</u>	<u>0</u>
Total Security of Persons and Property	<u>10,000</u>	<u>6,175</u>	<u>3,825</u>
Capital Outlay	<u>15,000</u>	<u>0</u>	<u>15,000</u>
Total Expenditures	<u>25,000</u>	<u>6,175</u>	<u>18,825</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,500)	6,518	18,018
Fund Balance at Beginning of Year	<u>16,465</u>	<u>16,465</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 4,965</u></u>	<u><u>\$ 22,983</u></u>	<u><u>\$ 18,018</u></u>

CITY OF SHARONVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 31,500	\$ 28,848	\$ (2,652)
Total Revenues	<u>31,500</u>	<u>28,848</u>	<u>(2,652)</u>
Expenditures:			
Security of Persons and Property:			
Police Department:			
Materials and Supplies	3,229	0	3,229
Contractual Services	<u>5,071</u>	<u>3,486</u>	<u>1,585</u>
Total Security of Persons and Property	<u>8,300</u>	<u>3,486</u>	<u>4,814</u>
Capital Outlay	<u>28,125</u>	<u>19,764</u>	<u>8,361</u>
Total Expenditures	<u>36,425</u>	<u>23,250</u>	<u>13,175</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,925)	5,598	10,523
Fund Balance at Beginning of Year	27,537	27,537	0
Prior Year Encumbrances	<u>925</u>	<u>925</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 23,537</u>	<u>\$ 34,060</u>	<u>\$ 10,523</u>

CITY OF SHARONVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005**

LAW ENFORCEMENT BLOCK GRANT FUND			
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 13,500	\$ 13,500	\$ 0
Total Revenues	<u>13,500</u>	<u>13,500</u>	<u>0</u>
Expenditures:			
Security of Persons and Property:			
Police Department:			
Capital Outlay	<u>13,500</u>	<u>13,500</u>	<u>0</u>
Total Expenditures	<u>13,500</u>	<u>13,500</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
Other Financing Sources (Uses):			
Advances In	0	15,000	15,000
Advances Out	<u>0</u>	<u>(15,000)</u>	<u>(15,000)</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF SHARONVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 0	\$ 2,660	\$ 2,660
Total Revenues	<u>0</u>	<u>2,660</u>	<u>2,660</u>
Expenditures:			
Security of Persons and Property:			
Police Department:			
Contractual Services	<u>788</u>	<u>0</u>	<u>788</u>
Total Security of Persons and Property	<u>788</u>	<u>0</u>	<u>788</u>
Total Expenditures	<u>788</u>	<u>0</u>	<u>788</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(788)	2,660	3,448
Fund Balance at Beginning of Year	<u>788</u>	<u>788</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 3,448</u>	<u>\$ 3,448</u>

CITY OF SHARONVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005***

	COPS GRANT FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	
Revenues:			
Intergovernmental Revenues	\$ 15,997	\$ 20,984	\$ 4,987
Total Revenues	<u>15,997</u>	<u>20,984</u>	<u>4,987</u>
Expenditures:			
Security of Persons and Property:			
Police Department:			
Personal Services	<u>15,997</u>	<u>14,151</u>	<u>1,846</u>
Total Security of Persons and Property	<u>15,997</u>	<u>14,151</u>	<u>1,846</u>
Total Expenditures	<u>15,997</u>	<u>14,151</u>	<u>1,846</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	6,833	6,833
Fund Balance at Beginning of Year	<u>(1,081)</u>	<u>(1,081)</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (1,081)</u>	<u>\$ 5,752</u>	<u>\$ 6,833</u>

CITY OF SHARONVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
DEA FEDERAL SHARING FUND			
Revenues:			
Intergovernmental Revenues	\$ 49,100	\$ 55,180	\$ 6,080
Fines and Forfeitures	900	965	65
Total Revenues	<u>50,000</u>	<u>56,145</u>	<u>6,145</u>
Expenditures:			
Security of Persons and Property:			
Police Department:			
Personal Services	0	13,866	(13,866)
Materials and Supplies	6,000	6,000	0
Total Security of Persons and Property	<u>6,000</u>	<u>19,866</u>	<u>(13,866)</u>
Capital Outlay	<u>75,000</u>	<u>72,294</u>	<u>2,706</u>
Total Expenditures	<u>81,000</u>	<u>92,160</u>	<u>(11,160)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(31,000)	(36,015)	(5,015)
Fund Balance at Beginning of Year	<u>83,194</u>	<u>83,194</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 52,194</u>	<u>\$ 47,179</u>	<u>\$ (5,015)</u>

CITY OF SHARONVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:			
General Government:			
Miscellaneous Financing Department:			
Personal Services	<u>86,000</u>	<u>28,845</u>	<u>57,155</u>
Total General Government	<u>86,000</u>	<u>28,845</u>	<u>57,155</u>
Total Expenditures	<u>86,000</u>	<u>28,845</u>	<u>57,155</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(86,000)	(28,845)	57,155
Other Financing Sources (Uses):			
Transfers In	<u>86,000</u>	<u>86,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>86,000</u>	<u>86,000</u>	<u>0</u>
Net Change in Fund Balance	0	57,155	57,155
Fund Balance at Beginning of Year	<u>257,868</u>	<u>257,868</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 257,868</u>	<u>\$ 315,023</u>	<u>\$ 57,155</u>

CITY OF SHARONVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Funds
For the Year Ended December 31, 2005**

NOTE DEBT RETIREMENT FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 246,078	\$ 246,684	\$ 606
Total Revenues	<u>246,078</u>	<u>246,684</u>	<u>606</u>
Expenditures:			
General Government:			
Miscellaneous Financing Department:			
Contractual Services	15,653	13,356	2,297
Total General Government	<u>15,653</u>	<u>13,356</u>	<u>2,297</u>
Debt Service:			
Principal Retirement	2,230,000	2,230,000	0
Interest Charges	251,695	251,695	0
Total Debt Service	<u>2,481,695</u>	<u>2,481,695</u>	<u>0</u>
Total Expenditures	<u>2,497,348</u>	<u>2,495,051</u>	<u>2,297</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,251,270)	(2,248,367)	2,903
Other Financing Sources (Uses):			
General Obligation Notes Issued	1,975,000	1,975,000	0
Transfers In	313,922	313,922	0
Total Other Financing Sources (Uses)	<u>2,288,922</u>	<u>2,288,922</u>	<u>0</u>
Net Change in Fund Balance	37,652	40,555	2,903
Fund Balance at Beginning of Year	676	676	0
Fund Balance at End of Year	<u>\$ 38,328</u>	<u>\$ 41,231</u>	<u>\$ 2,903</u>

CITY OF SHARONVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Funds
For the Year Ended December 31, 2005**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
All Other Revenues	\$ 7,800	\$ 7,801	\$ 1
Total Revenues	<u>7,800</u>	<u>7,801</u>	<u>1</u>
Expenditures:			
Debt Service:			
Principal Retirement	805,000	805,000	0
Interest Charges	<u>476,023</u>	<u>476,023</u>	<u>0</u>
Total Debt Service	<u>1,281,023</u>	<u>1,281,023</u>	<u>0</u>
Total Expenditures	<u>1,281,023</u>	<u>1,281,023</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,273,223)	(1,273,222)	1
Other Financing Sources (Uses):			
Transfers In	<u>1,273,222</u>	<u>1,273,222</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>1,273,222</u>	<u>1,273,222</u>	<u>0</u>
Net Change in Fund Balance	(1)	0	1
Fund Balance at Beginning of Year	<u>4,214</u>	<u>4,214</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 4,213</u>	<u>\$ 4,214</u>	<u>\$ 1</u>

CITY OF SHARONVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Funds
For the Year Ended December 31, 2005**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:			
General Government:			
Miscellaneous Financing Department:			
Contractual Services	<u>31,706</u>	<u>0</u>	<u>31,706</u>
Total General Government	<u>31,706</u>	<u>0</u>	<u>31,706</u>
Total Expenditures	<u>31,706</u>	<u>0</u>	<u>31,706</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(31,706)	0	31,706
Fund Balance at Beginning of Year	<u>31,706</u>	<u>31,706</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 31,706</u>	<u>\$ 31,706</u>

CITY OF SHARONVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Funds
For the Year Ended December 31, 2005***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Special Assessments	\$ 2,000	\$ 0	\$ (2,000)
Total Revenues	<u>2,000</u>	<u>0</u>	<u>(2,000)</u>
Expenditures:			
General Government:			
Miscellaneous Financing Department:			
Contractual Services	<u>35,530</u>	<u>0</u>	<u>35,530</u>
Total Expenditures	<u>35,530</u>	<u>0</u>	<u>35,530</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(33,530)	0	33,530
Fund Balance at Beginning of Year	<u>33,530</u>	<u>33,530</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 33,530</u>	<u>\$ 33,530</u>

CITY OF SHARONVILLE, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Funds
For the Year Ended December 31, 2005***

ZIND LANE SEWER FUND			
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Special Assessments	\$ 7,200	\$ 7,293	\$ 93
Total Revenues	<u>7,200</u>	<u>7,293</u>	<u>93</u>
Expenditures:			
General Government:			
Miscellaneous Financing Department:			
Contractual Services	<u>7,864</u>	<u>254</u>	<u>7,610</u>
Total General Government	<u>7,864</u>	<u>254</u>	<u>7,610</u>
Debt Service:			
Principal Retirement	5,000	5,000	0
Interest Charges	<u>800</u>	<u>800</u>	<u>0</u>
Total Debt Service	<u>5,800</u>	<u>5,800</u>	<u>0</u>
Total Expenditures	<u>13,664</u>	<u>6,054</u>	<u>7,610</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,464)	1,239	7,703
Fund Balance at Beginning of Year	<u>6,464</u>	<u>6,464</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 7,703</u>	<u>\$ 7,703</u>

CITY OF SHARONVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Funds
For the Year Ended December 31, 2005**

	CROWNE POINT DRIVE FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	
Revenues:			
Special Assessments	\$ 92,001	\$ 81,967	\$ (10,034)
Total Revenues	<u>92,001</u>	<u>81,967</u>	<u>(10,034)</u>
Expenditures:			
General Government:			
Miscellaneous Financing Department:			
Contractual Services	<u>380,483</u>	<u>2,387</u>	<u>378,096</u>
Total General Government	<u>380,483</u>	<u>2,387</u>	<u>378,096</u>
Debt Service:			
Principal Retirement	55,000	55,000	0
Interest Charges	<u>24,930</u>	<u>24,930</u>	<u>0</u>
Total Debt Service	<u>79,930</u>	<u>79,930</u>	<u>0</u>
Total Expenditures	<u>460,413</u>	<u>82,317</u>	<u>378,096</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(368,412)	(350)	368,062
Fund Balance at Beginning of Year	<u>368,413</u>	<u>368,413</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1</u>	<u>\$ 368,063</u>	<u>\$ 368,062</u>

CITY OF SHARONVILLE, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2005**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:			
Capital Outlay	<u> 0</u>	<u> 840,669</u>	<u> 152,216</u>
Total Expenditures	<u> 0</u>	<u> 840,669</u>	<u> 152,216</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(840,669)	152,216
Fund Balance at Beginning of Year	196,761	196,761	0
Prior Year Encumbrances	<u>796,124</u>	<u>796,124</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 992,885</u>	<u>\$ 152,216</u>	<u>\$ 152,216</u>



Fiduciary Funds

Fiduciary fund types are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

Agency Funds

Mayor's Court Fund

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

Employee Benefits Fund

To account for funds related to the IRS 125 Employee Benefits Plan.

Tax Rebate Fund

To account for funds being claimed by taxpayers for over-payment of taxes.

Ohio Board of Building Standards Fund

To account for funds from the three percent (3%) fees as required by Ohio Revised Code.

Tax Rebate 1.5% Fund

To account for funds being claimed by taxpayers for over-payment of taxes at the 1.5% tax rate.

Warranty Bond Fund

To account for funds used to finance urgent repairs to shopping center development.

CITY OF SHARONVILLE, OHIO

**Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2005**

	Balance December 31, 2004	Additions	Deductions	Balance December 31, 2005
<u>Mayor's Court Fund</u>				
Assets:				
Cash and Cash Equivalents	\$47,458	\$533,322	(\$564,719)	\$16,061
Total Assets	<u>\$47,458</u>	<u>\$533,322</u>	<u>(\$564,719)</u>	<u>\$16,061</u>
Liabilities:				
Due to Others	\$47,458	\$533,322	(\$564,719)	\$16,061
Total Liabilities	<u>\$47,458</u>	<u>\$533,322</u>	<u>(\$564,719)</u>	<u>\$16,061</u>
<u>Employee Benefits Fund</u>				
Assets:				
Cash and Cash Equivalents	\$244,099	\$162,557	(\$137,317)	\$269,339
Total Assets	<u>\$244,099</u>	<u>\$162,557</u>	<u>(\$137,317)</u>	<u>\$269,339</u>
Liabilities:				
Due to Others	\$244,099	\$162,557	(\$137,317)	\$269,339
Total Liabilities	<u>\$244,099</u>	<u>\$162,557</u>	<u>(\$137,317)</u>	<u>\$269,339</u>
<u>Tax Rebate Fund</u>				
Assets:				
Cash and Cash Equivalents	\$49,245	\$0	(\$29,533)	\$19,712
Total Assets	<u>\$49,245</u>	<u>\$0</u>	<u>(\$29,533)</u>	<u>\$19,712</u>
Liabilities:				
Due to Others	\$49,245	\$0	(\$29,533)	\$19,712
Total Liabilities	<u>\$49,245</u>	<u>\$0</u>	<u>(\$29,533)</u>	<u>\$19,712</u>
<u>Ohio Board of Building Standards Fund</u>				
Assets:				
Cash and Cash Equivalents	\$295	\$10,573	(\$7,847)	\$3,021
Total Assets	<u>\$295</u>	<u>\$10,573</u>	<u>(\$7,847)</u>	<u>\$3,021</u>
Liabilities:				
Intergovernmental Payables	\$295	\$10,573	(\$7,847)	\$3,021
Total Liabilities	<u>\$295</u>	<u>\$10,573</u>	<u>(\$7,847)</u>	<u>\$3,021</u>

CITY OF SHARONVILLE, OHIO

	Balance December 31, 2004	Additions	Deductions	Balance December 31, 2005
<u>Tax Rebate 1.5% Fund</u>				
Assets:				
Cash and Cash Equivalents	\$661,117	\$679,333	(\$1,214,745)	\$125,705
Total Assets	<u>\$661,117</u>	<u>\$679,333</u>	<u>(\$1,214,745)</u>	<u>\$125,705</u>
Liabilities:				
Due to Others	\$661,117	\$679,333	(\$1,214,745)	\$125,705
Total Liabilities	<u>\$661,117</u>	<u>\$679,333</u>	<u>(\$1,214,745)</u>	<u>\$125,705</u>
<u>Warranty Bond Fund</u>				
Assets:				
Cash and Cash Equivalents	\$7,758	\$0	\$0	\$7,758
Total Assets	<u>\$7,758</u>	<u>\$0</u>	<u>\$0</u>	<u>\$7,758</u>
Liabilities:				
Due to Others	\$7,758	\$0	\$0	\$7,758
Total Liabilities	<u>\$7,758</u>	<u>\$0</u>	<u>\$0</u>	<u>\$7,758</u>
<u>Totals - All Agency Funds</u>				
Assets:				
Cash and Cash Equivalents	\$1,009,972	\$1,385,785	(\$1,954,161)	\$441,596
Total Assets	<u>\$1,009,972</u>	<u>\$1,385,785</u>	<u>(\$1,954,161)</u>	<u>\$441,596</u>
Liabilities:				
Intergovernmental Payables	\$295	\$10,573	(\$7,847)	\$3,021
Due to Others	1,009,677	1,375,212	(1,946,314)	438,575
Total Liabilities	<u>\$1,009,972</u>	<u>\$1,385,785</u>	<u>(\$1,954,161)</u>	<u>\$441,596</u>

*CAPITAL ASSETS USED IN THE
OPERATION OF GOVERNMENTAL FUNDS*

CITY OF SHARONVILLE, OHIO

***Capital Assets Used in the Operation of Governmental Funds
Schedule by Source
December 31, 2005***

Capital Assets:

Land	\$5,871,002
Construction in Progress	731,231
Land Improvements	8,270,673
Buildings and Improvements	11,416,084
Infrastructure	13,230,777
Machinery and Equipment	1,672,972
Vehicles	3,122,010
	<hr/>
Total Capital Assets	<u>\$44,314,749</u>

Investment in Capital Assets:

Special Revenue Funds	\$20,058,671
Capital Project Funds	24,256,078
	<hr/>
Total Investment in Capital Assets	<u>\$44,314,749</u>

CITY OF SHARONVILLE, OHIO

**Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
December 31, 2005**

Function and Activity	Land	Construction in Progress	Land Improvements	Buildings and Improvements
<u>Security of Persons and Property:</u>				
Police Department	\$0	\$0	\$0	\$0
Fire Department	2,000,000	355,782	18,068	6,600
Total	2,000,000	355,782	18,068	6,600
<u>Public Health and Welfare Services:</u>				
Health Department	0	0	0	0
<u>Leisure Time Activities:</u>				
Recreation Centers	0	0	162,328	77,066
Recreation Parks and Programs	0	0	1,836,479	0
Recreation Pools	0	0	4,803,828	0
Total	0	0	6,802,635	77,066
<u>Community Environment:</u>				
Building and Planning	0	0	0	0
<u>Transportation:</u>				
Street Construction and Reconstruction	1,810,791	375,449	488,153	87,275
Street Maintenance and Repairs	0	0	57,390	0
Traffic Signs and Signals	0	0	0	0
Total	1,810,791	375,449	545,543	87,275
<u>General Government:</u>				
Council	0	0	63,231	9,755
Auditor and Treasurer	0	0	0	0
Safety/Service Director	0	0	0	0
Tax Department	707,840	0	492,160	14,500
Buildings and Lands	1,352,371	0	349,036	11,220,888
Miscellaneous Government	0	0	0	0
Total	2,060,211	0	904,427	11,245,143
Total Capital Assets	\$5,871,002	\$731,231	\$8,270,673	\$11,416,084

CITY OF SHARONVILLE, OHIO

<u>Infrastructure</u>	<u>Machinery and Equipment</u>	<u>Vehicles</u>	<u>Total</u>
\$0	\$538,148	\$391,517	\$929,665
158,604	454,476	2,006,229	4,999,759
<u>158,604</u>	<u>992,624</u>	<u>2,397,746</u>	<u>5,929,424</u>
0	0	41,461	41,461
0	142,202	17,392	398,988
0	181,451	14,844	2,032,774
0	30,680	0	4,834,508
<u>0</u>	<u>354,333</u>	<u>32,236</u>	<u>7,266,270</u>
0	33,765	60,506	94,271
10,578,903	14,999	0	13,355,570
446,549	159,207	537,061	1,200,207
1,378,678	0	0	1,378,678
<u>12,404,130</u>	<u>174,206</u>	<u>537,061</u>	<u>15,934,455</u>
0	0	0	72,986
0	7,290	0	7,290
0	16,030	0	16,030
0	35,043	0	1,249,543
660,063	29,597	53,000	13,664,955
7,980	30,084	0	38,064
<u>668,043</u>	<u>118,044</u>	<u>53,000</u>	<u>15,048,868</u>
<u>\$13,230,777</u>	<u>\$1,672,972</u>	<u>\$3,122,010</u>	<u>\$44,314,749</u>

CITY OF SHARONVILLE, OHIO

***Capital Assets Used in the Operation of Governmental Funds
Schedule Changes by Function and Activity
For Year Ended December 31, 2005***

Function and Activity	December 31, 2004	Additions	Deletions	December 31, 2005
<u>Security of Persons and Property:</u>				
Police Department	\$771,313	\$183,136	(\$24,784)	\$929,665
Fire Department	4,625,823	393,355	(19,419)	4,999,759
Total	<u>5,397,136</u>	<u>576,491</u>	<u>(44,203)</u>	<u>5,929,424</u>
<u>Public Health and Welfare Services:</u>				
Health Department	41,461	0	0	41,461
<u>Leisure Time Activities:</u>				
Recreation Centers	407,005	0	(8,017)	398,988
Recreation Parks and Programs	2,032,774	0	0	2,032,774
Recreation Pools	4,205,446	4,722,814	(4,093,752)	4,834,508
Total	<u>6,645,225</u>	<u>4,722,814</u>	<u>(4,101,769)</u>	<u>7,266,270</u>
<u>Community Environment:</u>				
Building and Planning	94,271	0	0	94,271
<u>Transportation:</u>				
Street Construction and Reconstruction	12,831,861	523,709	0	13,355,570
Street Maintenance and Repairs	1,222,309	8,279	(30,381)	1,200,207
Traffic Signs and Signals	1,378,678	0	0	1,378,678
Total	<u>15,432,848</u>	<u>531,988</u>	<u>(30,381)</u>	<u>15,934,455</u>
<u>General Government:</u>				
Council	72,986	0	0	72,986
Auditor and Treasurer	7,290	0	0	7,290
Safety/Service Director	16,030	0	0	16,030
Tax Department	1,249,543	0	0	1,249,543
Buildings and Lands	13,611,955	53,000	0	13,664,955
Miscellaneous Government	16,884	21,180	0	38,064
Total	<u>14,974,688</u>	<u>74,180</u>	<u>0</u>	<u>15,048,868</u>
Total Capital Assets	<u>\$42,585,629</u>	<u>\$5,905,473</u>	<u>(\$4,176,353)</u>	<u>\$44,314,749</u>

STATISTICAL SECTION



STATISTICAL TABLES

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

CITY OF SHARONVILLE, OHIO

***GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)
LAST TEN YEARS***

Year	Security of Persons and Property	Public Health and Welfare Services	Leisure Time Activities	Community Environment	Basic Utility Services	Trans- portation	General Government	Capital Outlay	Debt Service	Total
1996	\$4,417,217	\$229,020	\$1,014,932	\$257,879	\$388,789	\$943,395	\$1,573,877	\$1,317	\$150,061	\$8,976,487
1997	4,474,983	275,781	1,202,054	264,100	450,404	853,156	1,653,086	0	142,032	9,315,596
1998	5,093,379	262,059	1,674,967	300,773	480,728	843,890	1,761,829	0	141,231	10,558,856
1999	5,559,558	301,332	1,877,362	363,099	440,941	948,442	1,988,902	0	131,725	11,611,361
2000	6,270,707	267,266	2,059,204	369,457	377,154	1,043,682	2,273,330	0	125,325	12,786,125
2001	6,470,013	285,270	2,249,929	498,626	452,286	1,049,109	2,370,029	359,338	603,832	14,338,432
2002	7,695,278	306,549	2,403,827	451,860	440,747	1,143,510	2,811,164	225,086	613,923	16,091,944
2003	9,300,676	325,916	2,566,192	477,303	468,046	1,283,222	3,004,275	9,703,256	4,245,251	31,374,137
2004	11,070,181	345,310	2,854,058	560,735	431,204	1,314,293	3,555,646	7,623,458	1,937,649	29,692,534
2005	11,249,491	355,894	2,940,080	520,869	577,944	1,306,783	2,979,947	2,490,515	1,954,253	24,375,776

(1) Includes General Fund, Special Revenue Funds and Debt Service Funds.
Beginning in 2003, includes all Governmental Funds.

CITY OF SHARONVILLE, OHIO

**GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
LAST TEN YEARS**

Year	Taxes	Inter-Governmental Revenues	Charges for Services	Licenses and Permits	Investment Earnings	Fines and Forfeitures	(2) All Other	Total
1996	\$9,840,779	\$1,290,898	\$263,544	\$312,974	\$433,439	\$244,414	\$230,419	\$12,616,467
1997	10,898,331	1,455,331	467,074	462,675	331,454	282,467	244,400	14,141,732
1998	11,835,106	1,606,545	520,103	416,184	371,316	323,564	387,812	15,460,630
1999	12,536,287	1,589,480	611,785	460,931	306,889	337,461	452,284	16,295,117
2000	12,425,983	1,647,913	572,830	388,794	602,311	304,409	547,732	16,489,972
2001	12,472,396	2,039,196	637,937	403,317	438,603	285,793	495,090	16,772,332
2002	17,366,445	2,172,722	643,529	389,235	237,410	371,820	444,031	21,625,192
2003	18,706,607	3,265,709	688,258	360,900	193,374	387,486	324,615	23,926,949
2004	20,349,502	2,748,108	850,096	398,895	348,475	413,749	384,746	25,493,571
2005	20,602,024	3,102,272	794,036	554,483	449,196	433,952	346,794	26,282,757

(1) Includes General Fund, Special Revenue Funds and Debt Service Funds
Beginning in 2003, includes all Governmental Funds.

(2) Special Assessments are included in All Other.

CITY OF SHARONVILLE, OHIO

**ASSESSED VALUATIONS AND ESTIMATED TRUE VALUES
OF TAXABLE PROPERTY
LAST TEN YEARS**

Tax Year	Real Property		Public Utility Personal		Tangible Personal Property		Total		Assessed Value as a Percent of Actual Value
	Assessed	Actual	Assessed	Actual	Assessed	Actual	Assessed	Actual	
1996	\$302,546,200	\$864,417,714	\$20,973,910	\$20,973,910	\$123,215,600	\$492,862,400	\$446,735,710	\$1,378,254,024	32.41%
1997	308,283,160	880,809,029	21,363,860	21,363,860	150,362,620	601,450,480	480,009,640	1,503,623,369	31.92%
1998	314,394,230	898,269,229	21,560,980	21,560,980	150,362,620	601,450,480	486,317,830	1,521,280,689	31.97%
1999	357,587,450	1,021,678,429	20,527,420	20,527,420	164,804,000	659,216,000	542,918,870	1,701,421,849	31.91%
2000	362,810,770	1,036,602,200	19,325,480	19,325,480	173,640,490	694,561,960	555,776,740	1,750,489,640	31.75%
2001	363,664,250	1,039,040,714	15,281,190	15,281,190	172,458,180	689,832,720	551,403,620	1,744,154,624	31.61%
2002	394,152,060	1,126,148,743	19,470,040	19,470,040	167,088,600	668,354,400	580,710,700	1,813,973,183	32.01%
2003	391,176,340	1,117,646,686	20,261,600	20,261,600	151,780,620	607,122,480	563,218,560	1,745,030,766	32.28%
2004	383,531,070	1,095,803,057	21,755,530	21,755,530	164,565,410	658,261,640	569,852,010	1,775,820,227	32.09%
2005	438,103,340	1,251,723,829	22,063,670	22,063,670	94,501,373	378,005,492	554,668,383	1,651,792,991	33.58%

Source: Hamilton County, Ohio: County Auditor

CITY OF SHARONVILLE, OHIO

**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUATIONS)
LAST TEN YEARS**

Tax Year	City of Sharonville		Total	Princeton * Sycamore ** School District	Hamilton County	Special Taxing Districts	Total
	General Fund	Debt Service Fund					
1996	0.00	0.00	0	42.24 *	19.44	2.70	64.38 *
				54.14 **			76.28 **
1997	0.00	0.00	0	42.24 *	19.44	2.70	64.38 *
				54.14 **			76.28 **
1998	0.00	0.00	0	42.24 *	19.01	2.70	63.95 *
				54.14 **			75.85 **
1999	0.00	0.00	0	42.24 *	19.54	2.70	64.48 *
				61.53 **			83.77 **
2000	0.00	0.00	0	46.19 *	20.83	2.70	69.72 *
				60.84 **			84.37 **
2001	0.00	0.00	0	46.19 *	19.92	2.70	68.81 *
				60.84 **			83.46 **
2002	0.00	0.00	0	46.19 *	21.47	2.70	70.36 *
				60.84 **			85.01 **
2003	0.00	0.00	0	45.79 *	21.87	2.70	70.36 *
				60.49 **			85.06 **
2004	0.00	0.00	0	49.03 *	21.06	2.70	72.79 *
				65.90 **			89.66 **
2005	0.00	0.00	0	49.03 *	20.81	2.70	72.54 *
				65.80 **			89.31 **

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Source: Hamilton County, Ohio: County Auditor

CITY OF SHARONVILLE, OHIO

***SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
LAST TEN YEARS***

<u>Collection Year</u>	<u>Amount Billed</u>	<u>Amount Collected</u>	<u>Percent Collected</u>
1996	\$151,935	\$150,725	99.20%
1997	148,227	146,601	98.90%
1998	145,227	128,314	88.35%
1999	173,986	143,607	82.54%
2000	163,165	162,027	99.30%
2001	127,193	125,560	98.72%
2002	127,800	123,924	96.97%
2003	108,950	108,950	100.00%
2004	102,495	100,772	98.32%
2005	91,043	89,260	98.04%

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

Source: Hamilton County, Ohio: County Auditor

CITY OF SHARONVILLE, OHIO

**COMPUTATION OF 5-1/2 % LEGAL DEBT MARGIN
DECEMBER 31, 2005**

Assessed Value		<u>\$554,668,383</u>
Unvoted Debt Limit 5-1/2% Assessed Value		\$30,506,761
Total Unvoted Debt Outstanding at December 31, 2005	16,420,000	
Less: Exempt Debt Special Assessment Bonds Issued in Anticipation of the Collection of Special Assessments	<u>(300,000)</u>	
Subtotal	16,120,000	
Less: Note Debt Retirement Fund Balance	<u>(41,881)</u>	
Net Subject to 5-1/2% Limitation		<u>16,078,119</u>
Legal Debt Margin within 5-1/2% Limitation		<u>\$14,428,642</u>

CITY OF SHARONVILLE, OHIO

***COMPUTATION OF 10-1/2 % LEGAL DEBT MARGIN
DECEMBER 31, 2005***

Assessed Value		<u>\$554,668,383</u>
Voted and Unvoted Debt Limit 10-1/2% Assessed Value		\$58,240,180
Total Voted and Unvoted Debt Outstanding at December 31, 2005	16,420,000	
Less: Exempt Debt		
Special Assessment Bonds Issued in Anticipation of the Collection of Special Assessments	<u>(300,000)</u>	
Subtotal	16,120,000	
Less: Note Debt Retirement Fund Balance	<u>(41,881)</u>	
Net Subject to 10-1/2% Limitation		<u>16,078,119</u>
Legal Debt Margin within 10-1/2% Limitation		<u>\$42,162,061</u>

CITY OF SHARONVILLE, OHIO

**RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED
VALUE AND GENERAL OBLIGATION BONDED DEBT PER CAPITA
LAST TEN YEARS**

Year	Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Debt Service Funds Available	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Valuation	Net Bonded Debt Per Capita
1996	11,312 (a)	\$446,735,710	\$0	\$290,098	\$0	0.00%	\$0.00
1997	11,312 (a)	480,009,640	6,000,000	320,153	5,679,847	1.18%	502.11
1998	11,312 (a)	486,317,830	5,805,000	335,242	5,469,758	1.12%	483.54
1999	11,312 (a)	542,918,870	5,605,000	381,677	5,223,323	0.96%	461.75
2000	13,926 (b)	555,776,740	5,395,000	412,882	4,982,118	0.90%	357.76
2001	13,926 (b)	551,403,620	5,175,000	342,838	4,832,162	0.88%	346.99
2002	13,926 (b)	580,710,700	4,950,000	90,048	4,859,952	0.84%	348.98
2003	13,926 (b)	563,218,560	18,220,000	0	18,220,000	3.23%	1,308.34
2004	13,926 (b)	569,852,010	17,180,000	676	17,179,324	3.01%	1,233.62
2005	13,926 (b)	554,668,383	16,120,000	41,881	16,078,119	2.90%	1,154.54

(1) Source: U.S. Bureau of Census of Population - (a) U.S. Bureau of Census Revision, March 18, 1992
(b) U.S. Bureau of Census - Federal 2000 Census

(2) Source: Hamilton County, Ohio: County Auditor

(3) Annual debt charges are covenanted to be appropriated annually from lawfully available municipal income taxes.

CITY OF SHARONVILLE, OHIO

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN YEARS**

<u>Year</u>	<u>Debt Principal</u>	<u>Interest and Fiscal Charges</u>	<u>Total Bonded Debt Service (1)</u>	<u>General Governmental (2) Expenditures (3)</u>	<u>Debt Service to General Governmental Expenditures</u>
1996	\$0	\$0	\$0	\$8,976,487	0.00%
1997	0	0	0	9,315,596	0.00%
1998	195,000	214,526	409,526	10,558,856	3.88%
1999	200,000	277,065	477,065	11,611,361	4.11%
2000	210,000	266,764	476,764	12,786,125	3.73%
2001	220,000	257,794	477,794	14,338,432	3.33%
2002	225,000	247,345	472,345	16,091,944	2.94%
2003	1,080,000	683,160	1,763,160	31,374,137	5.62%
2004	1,040,000	715,531	1,755,531	29,692,534	5.91%
2005	1,060,000	689,880	1,749,880	24,375,776	7.18%

- (1) Includes Debt Principal, Interest and Fiscal Charges.
- (2) Includes General Fund, Special Revenue Funds and Debt Service Funds.
Beginning in 2003, includes all Governmental Funds.
- (3) Excludes Transfers-Out.

CITY OF SHARONVILLE, OHIO

**COMPUTATION OF ALL DIRECT AND OVERLAPPING
GENERAL OBLIGATION DEBT
DECEMBER 31, 2005**

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to City of Sharonville (2)</u>	<u>Amount Applicable to City of Sharonville</u>
Direct			
City of Sharonville (1)	\$16,120,000	100.00%	\$16,120,000
Overlapping Subdivisions			
Princeton City School District	83,430,000	32.58%	27,181,494
Sycamore City School District	37,773,599	0.01%	3,777
Great Oaks Joint Vocational School District	4,340,000	3.52%	152,768
Hamilton County	111,605,000	3.04%	3,392,792
Butler County	74,780,000	0.59%	441,202
		Subtotal	<u>31,172,033</u>
		Total	<u><u>\$47,292,033</u></u>

The percentage of gross indebtedness of the city's overlapping political subdivisions was determined by dividing each overlapping subdivision's assessed value within the City by its total assessed value.

(1) Annual debt charges are covenanted to be appropriated annually from lawfully available municipal income taxes.

(2) Decimal places have been rounded to the nearest hundredth for presentation.

Source: Ohio Municipal Advisory Council.

CITY OF SHARONVILLE, OHIO

DEMOGRAPHIC STATISTICS LAST TEN YEARS

<u>Year</u>	<u>Population (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate Cincinnati Metropolitan Area (3)</u>
1996	11,312 (a)	6,734	4.5%
1997	11,312 (a)	6,718	3.6%
1998	11,312 (a)	6,717	3.4%
1999	11,312 (a)	6,577	3.4%
2000	13,926 (b)	6,406	3.8%
2001	13,926 (b)	6,139	3.9%
2002	13,926 (b)	6,318	4.7%
2003	13,926 (b)	6,105	5.1%
2004	13,926 (b)	5,736	5.1%
2005	13,926 (b)	5,936	5.1%

(1) Source: U.S. Bureau of Census of Population - (a) U.S. Bureau of Census Revision, March 18, 1992

(b) U.S. Bureau of Census - Federal 2000 Census

(2) Source: Ohio Department of Education

(3) Source: Greater Cincinnati Chamber of Commerce.

CITY OF SHARONVILLE, OHIO

**PROPERTY VALUE AND CONSTRUCTION PERMITS
LAST TEN YEARS**

Year	Residential (1)		Commercial (1)	
	Number of Permits	Property Value	Number of Permits	Property Value
1996	276	\$2,047,341	294	\$26,477,846
1997	283	1,528,169	293	33,629,716
1998	248	1,501,566	284	34,766,818
1999	243	1,208,481	293	31,823,962
2000	218	2,703,125	264	28,808,876
2001	235	4,391,484	252	18,447,490
2002	263	6,508,442	225	21,463,564
2003	233	3,356,257	171	14,832,836
2004	198	1,147,925	292	16,679,434
2005	212	4,376,697	317	52,175,258

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

CITY OF SHARONVILLE, OHIO

**MISCELLANEOUS STATISTICS
DECEMBER 31, 2005**

	Year of Incorporation	1962	
	Form of Government	Mayor-Council	
Recreation and Culture:		Area - square miles	10
Number of Parks	5	Miles of Streets	134
Park Acreage	35	Number of Street Lights	933
Number of Ball Fields	17		
Number of Tennis Courts	5	Fire Protection:	
		Number of Stations	3
Cemeteries:		Number of Full-time Fire Personnel and Officers	41
Number of Cemeteries	3	Number of Part-time Fire Personnel and Officers	42
Cemetery Acreage	2	Number of Calls Answered	2,864
		Number of Inspections Conducted	1,250
Building Permits Issued in 2005	529		
		Police Protection:	
Number of Libraries	1	Number of Stations	1
		Number of Police Personnel and Officers	48
Education:		Number of Patrol Units	12
Number of Elementary Schools	2	Number of Law Violations:	
Number of Elementary School Students	683	Criminal/Juvenile Citations and Charges	772
Number of Secondary Schools	2	Traffic Citations Issued	4,249
Number of Secondary School Students	3,291		

SOURCE: Finance Office, City of Sharonville