

Hamilton County, Ohio



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2006



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2006

Prepared by the Auditor's Office

Mark Piepmeier
City Auditor

and

Amy Moore
Deputy Auditor and Budget Director



TABLE OF CONTENTS

CITY OF SHARONVILLE
HAMILTON COUNTY, OHIO

I INTRODUCTORY SECTION

A Letter of Transmittalv
B Elected Officials xii
C City Organizational Chart xiii
D Certificate of Achievement for Excellence in Financial Reporting..... xiv

II FINANCIAL SECTION

A Independent Accountants' Report1
B Management's Discussion and Analysis.....3
C Basic Financial Statements:
 Government-wide Financial Statements:
 Statement of Net Assets12
 Statement of Activities14
 Fund Financial Statements:
 Governmental Funds:
 Balance Sheet16
 Reconciliation of Total Governmental Fund Balances to Net Assets of
 Governmental Activities18
 Statement of Revenues, Expenditures and Changes in Fund Balances20
 Reconciliation of the Statement of Revenues, Expenditures and Changes
 in Fund Balances to the Statement of Activities22
 Statement of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual (Non-GAAP Budgetary Basis):
 General Fund23
 Fire Department Fund24
 Proprietary Funds:
 Statement of Net Assets25
 Statement of Revenues, Expenses and Changes in Fund Net Assets26
 Statement of Cash Flows27
 Fiduciary Funds:
 Statement of Net Assets28
 Statement of Changes in Net Assets29
Notes to the Basic Financial Statements30

D Combining and Individual Fund Statements and Schedules:

Nonmajor Governmental Financial Statements:

Combining Balance Sheet.....	64
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	65
Combining Balance Sheet – Nonmajor Special Revenue Funds.....	66
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds.....	70
Combining Balance Sheet – Nonmajor Debt Service Funds.....	74
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Debt Service Funds.....	76

Individual Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):

Major Governmental Funds:

<i>General Fund</i>	78
<i>Special Revenue Fund:</i>	
Fire Department Fund.....	82
<i>Capital Projects Funds:</i>	
Capital Improvement Fund.....	83
Fire Capital Improvement Fund.....	84
Chester Road TIF Fund.....	85

Nonmajor Governmental Funds:

<i>Special Revenue Funds:</i>	
Street Construction, Maintenance and Repair Fund.....	86
State Highway Fund.....	87
Permissive Motor Vehicle License Tax Fund.....	88
Federal Emergency Management Agency (FEMA) Fund.....	89
State Health Licenses Fund.....	90
Law Enforcement Trust Fund.....	91
Drug Law Enforcement Fund.....	92
DUI Checkpoint Grant Fund.....	93
DUI Education and Enforcement Fund.....	94
Mayor’s Court Computer Fund.....	95
Clerk of Courts Computer Fund.....	96

Special Revenue Funds (Continued):

Law Enforcement Block Grant Fund	97
Confinement Reimbursement Fund.....	98
Community Oriented Policing Services (COPS) Grant Fund	99
Drug Enforcement Agency (DEA) Federal Sharing Fund	100
Termination Benefits Fund.....	101
Other Grants Fund	102

Nonmajor Governmental Funds: (Continued)

Debt Service Funds:

Note Debt Retirement Fund.....	103
Debt Retirement Fund	104
Special Assessment Retirement Fund	105
Crystalview Widening Fund.....	106
Zind Lane Sewer Fund	107
Crowne Point Drive Fund.....	108

Capital Projects Funds:

Capital Improvement Issue II Fund.....	109
--	-----

Fiduciary Funds – Agency Funds:

Combining Statement of Changes in Assets and Liabilities	112
--	-----

Capital Assets Used in the Operation of Governmental Funds:

Schedule by Source.....	115
Schedule by Function and Activity.....	116
Schedule of Changes by Function and Activity.....	118

III

STATISTICAL SECTION

Net Assets by Component - Last Four Years S 3

Changes in Net Assets - Last Four Years S 4

Fund Balances, Governmental Funds - Last Ten Years S 8

Changes in Fund Balances, Governmental Funds - Last Ten Years S 10

Income Tax Revenues by Source, Governmental Funds - Last Ten Years S 14

Income Tax Collections - Current Year and Seven Years Ago..... S 17

Ratio of Outstanding Debt By Type - Last Ten Years S 18

Ratios of General Bonded Debt Outstanding - Last Ten Years..... S 20

Computation of Direct and Overlapping Debt Attributable to
Governmental Activities - Current Year S 23

Debt Limitations - Last Ten Years S 24

Pledged Revenue Coverage - Last Ten Years S 26

Demographic and Economic Statistics - Last Ten Years S 28

Principal Employers - Current Year and Nine Years Ago S 31

Full Time Equivalent Employees by Function - Last Ten Years S 32

Operating Indicators by Function - Last Ten Years S 34

Capital Asset Statistics by Function - Last Three Years S 36

INTRODUCTORY SECTION





CITY OF SHARONVILLE

10900 Reading Road • Sharonville, Ohio 45241

phone (513) 563-1144

fax (513)-563-0617

June 28, 2007

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

We are pleased to submit the sixth Comprehensive Annual Financial Report for the City of Sharonville for the fiscal year ended December 31, 2006. 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 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.

***Letter of Transmittal
For the Year Ended December 31, 2006***

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. The Department is made up of the Administration, Patrol Division, Detective Division, and Clerical Section. In addition to preventive patrol, criminal investigations, and traffic safety, our Department 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 an ISO Class III department staffed 24 hours a day by 39 full-time and 32 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.

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.

***Letter of Transmittal
For the Year Ended December 31, 2006***

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 Family Center is a small satellite center that provides quality programs for all ages and drop-in usage of a lounge, video games and family game area. The Parks Division maintains 4 active parks, one of which is a 5 acre Fossil Park which includes educational signage, fossil hunting, and a one mile looped hiking trail. 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, 100 telephone lines and the hall has drive in capabilities. To further meet the needs of the patrons, the Center is fully handicapped accessible and provides 1,000 free, on-site parking spaces.

Economic Conditions and Outlook

The City of Sharonville is one of the few cities in the State of Ohio that does not levy property taxes. The City primarily relies upon income tax revenue. The City's earnings tax revenue showed a slight decrease compared to 2005 collections while the lodging tax showed improvement in 2006. With the redevelopment plans for Chester Road and many potential new businesses, the City expects to see future income tax earnings.

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, 2006***

Major Initiatives

Significant progress was made on the construction of the new fire headquarters located on Chester Road. Many state of the art features are incorporated in this 30,000 sq ft station. The new facility allows for the capability to do on site training for specialized areas such as rope rescue, ladder and high angle basket rescue, confined space and wide area search training. The additional space provides ample room for fire administration to be merged into one building and for repair of equipment. The training center contains state of the art presentation equipment and seating for up to 100 people. The station was completed in April, 2007.

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

The "Northern Lights" project, to be financed by tax increment financing (TIF) dollars, entered the design phase in 2006. The project will change the face and format of the Chester Road corridor to appeal to corporate offices, convention-goers, local residents, tourists and other visitors of Greater Cincinnati. The TIF area will be a mixed venue of entertainment, dining, shopping and lodging in a boulevard setting of evergreen-dominant landscaping, unique lighting and streetscapes.

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 capital 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.

CITY OF SHARONVILLE, OHIO

Letter of Transmittal For the Year Ended December 31, 2006

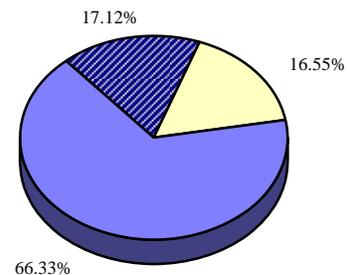
All funds other than the Community Improvement Corporation of Sharonville (CIC) and agency funds are included in the annual appropriated budget. The level of budgetary control (*i.e.*, the level at which expenditures can not legally exceed the appropriated amount) is at the fund level. Budgetary control 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.

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 \$757,073 of investment income during 2006. As of December 31, 2006, the City's cash resources were divided between cash and investments as follows:

<u>Cash Resources</u>	<u>2006</u>	<u>%</u>
Cash	\$9,551,925	66.33
Federal Government Securities	2,465,900	17.12
STAR Ohio	2,384,255	16.55
Total Resources	<u>\$14,402,080</u>	<u>100.00</u>



At December 31, 2006, the City had deposits of \$10,221,489 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.)

***Letter of Transmittal
For the Year Ended December 31, 2006***

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.

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 firm of Plattenburg & Associates. 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, 2005. 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.

***Letter of Transmittal
For the Year Ended December 31, 2006***

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, 2006***

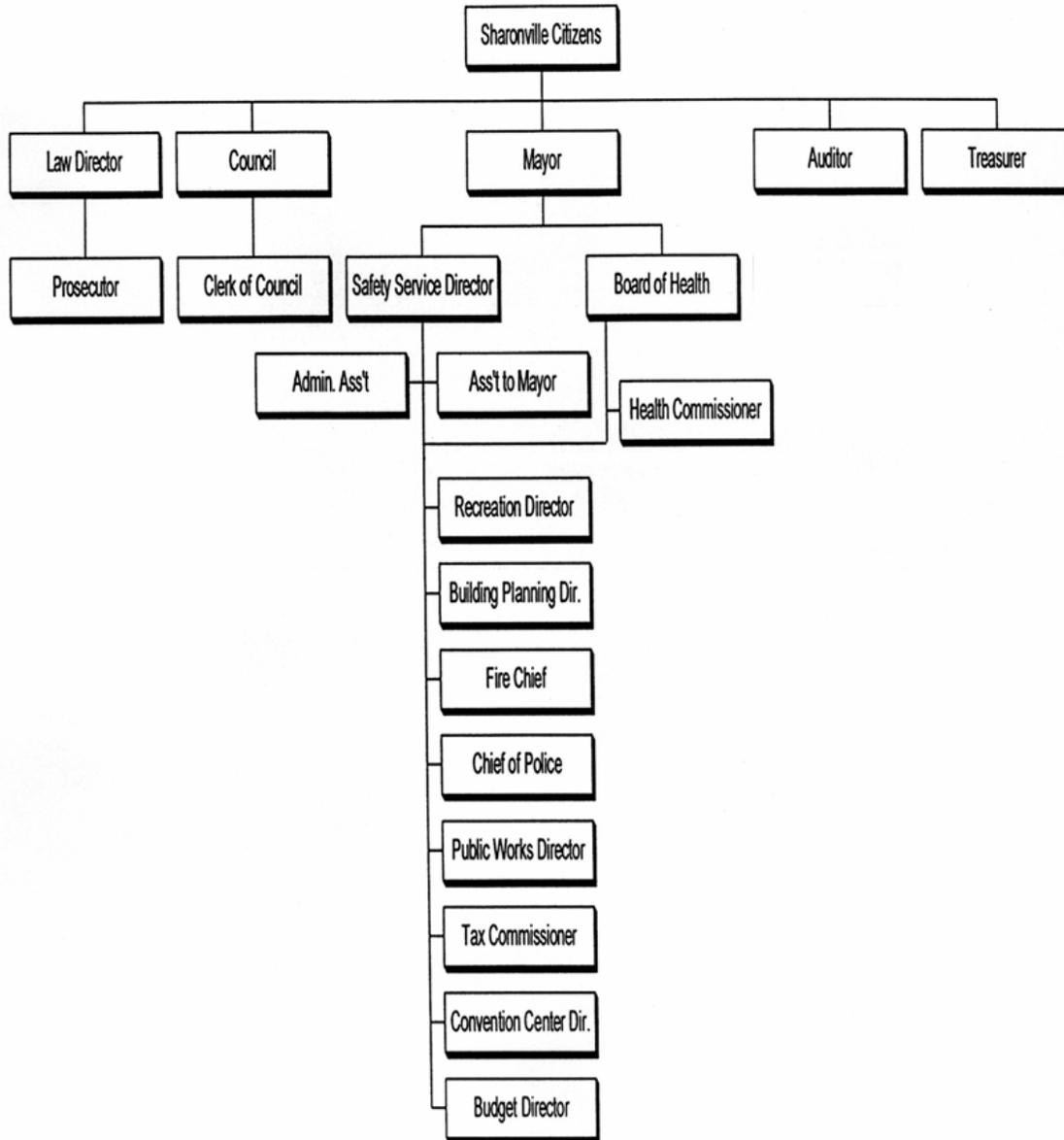
<u>Office</u>	<u>Elected Official</u>	<u>Term Expires</u>
Mayor	Virgil Lovitt II	12/31/2007
President of Council	Kevin Hardman	12/31/2007
Council Ward 1	Jim Dygert	12/31/2007
Council Ward 2	Bob Duerler	12/31/2007
Council Ward 3	Kerry Rabe	12/31/2007
Council Ward 4	Robert Tankersley	12/31/2007
Council at Large	Vicki Hoppe	12/31/2007
Council at Large	Janey Kattleman	12/31/2007
Council at Large	Greg Pugh	12/31/2007
Treasurer	William Breyer	12/31/2009
Auditor	Mark Piepmeier	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, 2006**



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, 2005

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.



A handwritten signature in black ink, appearing to read "Thomas J. Hawn".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

FINANCIAL SECTION





June 28, 2007

REPORT OF INDEPENDENT ACCOUNTANTS

The Honorable Mayor and Members of the
City Council of the City of Sharonville

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, Ohio, (the City) as of and for the year ended December 31, 2006, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the City, as of December 31, 2006, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Major Special Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2007, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in

accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis listed in the table of contents, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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



Plattenburg & Associates, Inc.
Certified Public Accountants

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, 2006. 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 2006 are as follows:

- ❑ In total, net assets increased by \$1,992,081. Net assets of governmental activities increased by \$1,605,941, which represents a 6.9% increase from 2005. Net assets of business-type activities increased by \$386,140, or 12.2% from 2005.
- ❑ General revenues accounted for \$21,243,234 in revenue, or 79.4% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$5,508,363, or 20.6% of total revenues of \$26,751,597.
- ❑ The City had \$23,051,201 in expenses related to governmental activities; only \$3,413,908 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily income taxes) of \$21,243,234 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$15,766,493 in revenues and \$12,536,851 in expenditures. The general fund's fund balance increased \$805,203.
- ❑ Net assets for enterprise funds increased \$386,140 from 2005 to 2006.

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.

**Management's Discussion and Analysis
For the Year Ended December 31, 2006**

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, 2005 and 2006:

	Governmental Activities		Business-type Activities		Total	
	2006	Restated 2005	2006	2005	2006	Restated 2005
Current and other assets	\$18,289,864	\$20,412,818	\$1,243,096	\$1,258,130	\$19,532,960	\$21,670,948
Capital assets, Net	30,836,172	25,660,792	8,908,493	9,042,635	39,744,665	34,703,427
Total assets	49,126,036	46,073,610	10,151,589	10,300,765	59,277,625	56,374,375
Long-term debt outstanding	18,304,684	19,212,350	6,316,548	6,854,632	24,621,232	26,066,982
Other liabilities	5,992,144	3,637,993	295,420	292,652	6,287,564	3,930,645
Total liabilities	24,296,828	22,850,343	6,611,968	7,147,284	30,908,796	29,997,627
Net assets						
Invested in capital assets, net of related debt	13,967,107	7,565,792	2,394,091	1,960,040	16,361,198	9,525,832
Restricted	7,088,138	10,551,263	0	0	7,088,138	10,551,263
Unrestricted	3,773,963	5,106,212	1,145,530	1,193,441	4,919,493	6,299,653
Total net assets	<u>\$24,829,208</u>	<u>\$23,223,267</u>	<u>\$3,539,621</u>	<u>\$3,153,481</u>	<u>\$28,368,829</u>	<u>\$26,376,748</u>

CITY OF SHARONVILLE, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2006**

Unaudited

Changes in Net Assets – The following table shows the changes in net assets for the fiscal years 2005 and 2006:

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Revenues						
Program revenues:						
Charges for Services and Sales	\$1,557,044	\$1,530,293	\$1,168,749	\$1,199,295	\$2,725,793	\$2,729,588
Operating Grants and Contributions	1,607,033	1,794,027	925,706	398,644	2,532,739	2,192,671
Capital Grants and Contributions	249,831	34,431	0	0	249,831	34,431
General revenues:						
Income Taxes	19,077,969	19,488,300	0	0	19,077,969	19,488,300
Other Local Taxes	0	268,487	0	0	0	268,487
Grants and Entitlements not Restricted to Specific Programs	1,028,370	1,135,536	0	0	1,028,370	1,135,536
Investment Earnings	784,306	446,000	0	0	784,306	446,000
Miscellaneous	352,589	567,601	0	0	352,589	567,601
Total revenues	24,657,142	25,264,675	2,094,455	1,597,939	26,751,597	26,862,614
Program Expenses						
Security of Persons and Property	11,736,011	11,726,212	0	0	11,736,011	11,726,212
Public Health and Welfare Services	349,637	361,002	0	0	349,637	361,002
Leisure Time Activities	3,223,962	3,313,120	0	0	3,223,962	3,313,120
Community Environment	495,139	561,985	0	0	495,139	561,985
Basic Utility Services	507,998	577,944	0	0	507,998	577,944
Transportation	2,039,820	1,655,934	0	0	2,039,820	1,655,934
General Government	3,860,974	4,068,570	0	0	3,860,974	4,068,570
Interest and Fiscal Charges	837,660	757,929	0	0	837,660	757,929
Convention Center	0	0	1,520,275	1,782,608	1,520,275	1,782,608
Senior Citizen Housing	0	0	188,040	185,300	188,040	185,300
Total expenses	23,051,201	23,022,696	1,708,315	1,967,908	24,759,516	24,990,604
Change in Net Assets before Transfers	1,605,941	2,241,979	386,140	(369,969)	1,992,081	1,872,010
Transfers	0	(384,236)	0	384,236	0	0
Total Change in Net Assets	1,605,941	1,857,743	386,140	14,267	1,992,081	1,872,010
Beginning Net Assets - Restated	23,223,267	21,365,524	3,153,481	3,139,214	26,376,748	24,504,738
Ending Net Assets	\$24,829,208	\$23,223,267	\$3,539,621	\$3,153,481	\$28,368,829	\$26,376,748

Governmental Activities

Net assets of the City's governmental activities increased by \$1,605,941. This was due to outside developers donating several streets to the City, as well as the elimination of transferring resources to the business-type activities.

CITY OF SHARONVILLE, OHIO

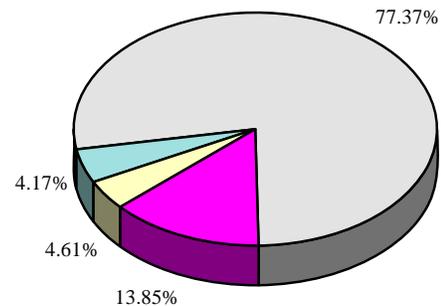
**Management's Discussion and Analysis
For the Year Ended December 31, 2006**

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 77.37% of revenues for governmental activities for the City in fiscal year 2006. The City's reliance upon tax revenues is demonstrated by the following graph:

Revenue Sources	2006	Percent of Total
Taxes	\$19,077,969	77.37%
Program Revenues	3,413,908	13.85%
Shared Revenues	1,028,370	4.17%
General Other	1,136,895	4.61%
Total Revenue	\$24,657,142	100.00%



Business-Type Activities

The net assets of the business-type activities increased by \$386,140 during 2006. This increase in net assets was the result of the City changing the allocation of the City's motel/hotel taxes so that the Convention Center Fund receives 100% of the taxes.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$10,627,882, which is a decrease from last year's balance of \$14,849,146. The schedule below indicates the fund balance and the total change in fund balance by fund type as of December 31, 2006 and 2005:

	Fund Balance December 31, 2006	Fund Balance December 31, 2005	Increase (Decrease)
General - Restated	\$5,256,240	\$4,451,037	\$805,203
Fire Department	1,996,201	2,034,820	(38,619)
Capital Improvement	(414,200)	(391,188)	(23,012)
Fire Capital Improvement	1,261,991	5,517,565	(4,255,574)
Chester Road TIF Fund	(345,421)	0	(345,421)
Other Governmental	2,873,071	3,236,912	(363,841)
Total	\$10,627,882	\$14,849,146	(\$4,221,264)

CITY OF SHARONVILLE, OHIO

***Management's Discussion and Analysis
For the Year Ended December 31, 2006***

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:

	2006	2005	Increase
	Revenues	Revenues	(Decrease)
Taxes	\$12,922,865	\$13,274,417	(\$351,552)
Intergovernmental Revenues	830,657	940,856	(110,199)
Charges for Services	403,548	416,411	(12,863)
Licenses and Permits	443,838	478,054	(34,216)
Investment Earnings	693,592	408,432	285,160
Fines and Forfeitures	376,310	372,107	4,203
All Other Revenue	95,683	184,181	(88,498)
Total	<u>\$15,766,493</u>	<u>\$16,074,458</u>	<u>(\$307,965)</u>

General Fund revenues in 2006 decreased by 1.9% compared to revenues in fiscal year 2005. The most significant factor contributing to this decrease was a decrease in income tax receivable/revenue.

	2006	2005	Increase
	Expenditures	Expenditures	(Decrease)
Security of Persons and Property	\$5,206,844	\$5,008,581	\$198,263
Public Health and Welfare Services	0	12	(12)
Leisure Time Activities	2,840,788	2,940,080	(99,292)
Community Environment	498,434	520,869	(22,435)
Basic Utility Services	507,998	577,944	(69,946)
General Government	3,482,787	2,935,105	547,682
Total	<u>\$12,536,851</u>	<u>\$11,982,591</u>	<u>\$554,260</u>

General Fund expenditures increased by \$554,260, or 4.6% over the prior year due to increases in legal fees and refunds.

Fire Department Fund – The fund balance decreased by \$38,619 during 2006. The decrease in fund balance was mainly due to a decrease in income tax receivable/revenues.

***Management's Discussion and Analysis
For the Year Ended December 31, 2006***

Unaudited

Capital Improvement Fund – The fund balance decreased from (\$391,188) to (\$414,200). 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 77.1% during the year. The decrease is attributable to costs associated with the construction on the new fire station.

Chester Road TIF Fund – The fund balance decreased by \$345,421 during the year. The decrease is attributable to costs associated with the designing of the Chester Road project as well as interest on the notes used to finance the project.

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 2006 the City amended its General Fund budget several times, none were significant.

For the General Fund, final budget basis revenue of \$16.1 million did not change when compared to the original budget estimates of \$16.1 million. The General Funds actual results varied significantly from the final budgeted amounts. The City was forced into cutting costs, due to lower than expected income tax receipts. The City was able to keep actual expenditures under final appropriations by about \$1.1 million. The largest reduction in expenditures was in the general government function. The City achieved this reduction mainly by cutting back on the expense paid for training and traveling for City employees. The General Fund had an adequate fund balance to cover expenditures.

The decreased income tax collections also affected the Fire Fund. The City was able to reduce expenditures in the Fire Fund by hiring more part-time employees to reduce payments for overtime and pension expenditures. The Fire Fund, like the General Fund, reduced the traveling and training provided for employees to help curtail costs.

**Management's Discussion and Analysis
For the Year Ended December 31, 2006**

Unaudited

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2006 the City had \$39,744,665 net of accumulated depreciation invested in land, land improvements, buildings, machinery and equipment and vehicles. Of this total, \$30,836,172 was related to governmental activities and \$8,908,493 to the business-type activities. The following table shows fiscal year 2006 and 2005 balances:

	Governmental Activities		Increase (Decrease)
	2006	2005	
Land	\$5,871,002	\$5,871,002	\$0
Construction in Progress	5,545,681	731,231	4,814,450
Land Improvements	8,380,090	8,270,673	109,417
Buildings and Improvements	11,450,718	11,416,084	34,634
Infrastructure	14,301,105	13,230,777	1,070,328
Machinery and Equipment	1,840,367	1,672,972	167,395
Vehicles	3,291,580	3,122,010	169,570
Less: Accumulated Depreciation	(19,844,371)	(18,653,957)	(1,190,414)
Totals	<u>\$30,836,172</u>	<u>\$25,660,792</u>	<u>\$5,175,380</u>

	Business-Type Activities		Increase (Decrease)
	2006	2005	
Land	\$3,395,000	\$3,350,000	\$45,000
Land Improvements	125,892	125,892	0
Buildings and Improvements	8,074,861	8,074,861	0
Infrastructure	48,143	41,680	6,463
Machinery and Equipment	268,575	268,575	0
Vehicles	25,000	25,000	0
Less: Accumulated Depreciation	(3,028,978)	(2,843,373)	(185,605)
Totals	<u>\$8,908,493</u>	<u>\$9,042,635</u>	<u>(\$134,142)</u>

The primary increases in governmental activities' capital assets occurred in construction in progress. During 2006 the City continued construction of the new firehouse. Additional information on the City's capital assets can be found in Note 8.

As of December 31, 2006, the City had contractual commitments of \$2,231,538 related to the Fire Station Construction, and \$176,500 for the Municipal Building Generator installation. Additional information on the City's contractual commitments can be found in Note 16.

***Management's Discussion and Analysis
For the Year Ended December 31, 2006***

Unaudited

Debt

At December 31, 2006, the City had \$21,467,715 in general obligation bonds outstanding, \$1,707,064 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2006 and 2005:

	<u>2006</u>	<u>2005</u>
Governmental Activities:		
General Obligation Bonds	\$15,322,553	\$16,445,892
Special Assessment Bonds	235,000	300,000
Compensated Absences	2,678,066	2,434,631
Capital Leases	69,065	0
Police and Firemen's Accrued Pension	0	32,361
Total Governmental Activities	<u>18,304,684</u>	<u>19,212,884</u>
Business-Type Activities:		
General Obligation Bonds	6,139,162	6,682,887
Compensated Absences	177,386	171,475
Total Business-Type Activities	<u>6,316,548</u>	<u>6,854,362</u>
Totals	<u><u>\$24,621,232</u></u>	<u><u>\$26,067,246</u></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, 2006, 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.

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, 2006**

	Primary Government			Component Unit Community Improvement Corporation of Sharonville
	Governmental Activities	Business-Type Activities	Total	
Assets:				
Cash and Cash Equivalents	\$ 10,606,752	\$ 811,114	\$ 11,417,866	\$ 48,499
Investments	2,465,900	0	2,465,900	0
Receivables:				
Taxes	3,071,861	0	3,071,861	0
Accounts	363,839	33,345	397,184	0
Intergovernmental	1,199,142	0	1,199,142	0
Interest	25,622	0	25,622	0
Special Assessments	145,202	0	145,202	0
Interfund Loan Receivable	50,000	0	50,000	0
Inventory of Supplies at Cost	135,431	0	135,431	0
Prepaid Items	25,749	1,331	27,080	0
Unamortized Bond Issuance Costs	200,366	83,473	283,839	0
Deferred Loss on Early Retirement of Debt	0	291,767	291,767	0
Restricted Assets:				
Cash and Cash Equivalents	0	22,066	22,066	0
Capital Assets:				
Capital Assets Not Being Depreciated	11,416,683	3,395,000	14,811,683	260,919
Capital Assets Being Depreciated, Net	19,419,489	5,513,493	24,932,982	56,238
Total Assets	49,126,036	10,151,589	59,277,625	365,656

CITY OF SHARONVILLE, OHIO

	Primary Government			Component Unit Community Improvement Corporation of Sharonville
	Governmental Activities	Business-Type Activities	Total	
Liabilities:				
Accounts Payable	328,260	25,695	353,955	0
Accrued Wages and Benefits	343,269	12,076	355,345	0
Intergovernmental Payable	601,750	31,721	633,471	0
Customer Deposits	0	24,436	24,436	0
Interfund Loans Payable	50,000	0	50,000	0
Unearned Revenue	0	194,017	194,017	0
Accrued Interest Payable	173,865	7,475	181,340	0
General Obligation Notes Payable	4,495,000	0	4,495,000	0
Accrued Real Estate Taxes	0	0	0	2,452
Tenant Security Deposits	0	0	0	950
Noncurrent liabilities:				
Due within one year	1,277,375	564,825	1,842,200	0
Due in more than one year	17,027,309	5,751,723	22,779,032	0
Total Liabilities	24,296,828	6,611,968	30,908,796	3,402
Net Assets:				
Invested in Capital Assets, Net of Related Debt	13,967,107	2,394,091	16,361,198	317,157
Restricted For:				
Capital Projects	2,543,386	0	2,543,386	0
Debt Service	556,723	0	556,723	0
Streets and Highways	1,836,356	0	1,836,356	0
Security of Persons and Property	1,896,320	0	1,896,320	0
Other Purposes	255,353	0	255,353	0
Unrestricted	3,773,963	1,145,530	4,919,493	45,097
Total Net Assets	\$ 24,829,208	\$ 3,539,621	\$ 28,368,829	\$ 362,254

See accompanying notes to the basic financial statements

CITY OF SHARONVILLE, OHIO

**Statement of Activities
For the Year Ended December 31, 2006**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Security of Persons and Property	\$ 11,736,011	\$ 827,235	\$ 130,073	\$ 0
Public Health and Welfare Services	349,637	83,347	28,410	0
Leisure Time Activities	3,223,962	383,172	1,800	0
Community Environment	495,139	261,735	0	0
Basic Utility Services	507,998	0	0	0
Transportation	2,039,820	1,538	1,446,750	249,831
General Government	3,860,974	17	0	0
Interest and Fiscal Charges	837,660	0	0	0
Total Governmental Activities	23,051,201	1,557,044	1,607,033	249,831
Business-Type Activities:				
Convention Center	1,520,275	951,945	925,706	0
Senior Citizen Housing	188,040	216,804	0	0
Total Business-Type Activities	1,708,315	1,168,749	925,706	0
Totals	\$ 24,759,516	\$ 2,725,793	\$ 2,532,739	\$ 249,831
Component Unit:				
Community Improvement Corporation of Sharonville	\$ 20,622	\$ 11,650	\$ 0	\$ 0

General Revenues

Income Taxes
 Grants and Entitlements not Restricted to Specific Programs
 Investment Earnings
 Miscellaneous
 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
Governmental Activities	Business-Type Activities	Total	Community Improvement Corporation of Sharonville
\$ (10,778,703)	\$ 0	\$ (10,778,703)	
(237,880)	0	(237,880)	
(2,838,990)	0	(2,838,990)	
(233,404)	0	(233,404)	
(507,998)	0	(507,998)	
(341,701)	0	(341,701)	
(3,860,957)	0	(3,860,957)	
(837,660)	0	(837,660)	
<u>(19,637,293)</u>	<u>0</u>	<u>(19,637,293)</u>	
0	357,376	357,376	
<u>0</u>	<u>28,764</u>	<u>28,764</u>	
0	386,140	386,140	
<u>(19,637,293)</u>	<u>386,140</u>	<u>(19,251,153)</u>	
			\$ (8,972)
19,077,969	0	19,077,969	0
1,028,370	0	1,028,370	0
784,306	0	784,306	456
352,589	0	352,589	0
<u>21,243,234</u>	<u>0</u>	<u>21,243,234</u>	<u>456</u>
1,605,941	386,140	1,992,081	(8,516)
<u>23,223,267</u>	<u>3,153,481</u>	<u>26,376,748</u>	<u>370,770</u>
<u>\$ 24,829,208</u>	<u>\$ 3,539,621</u>	<u>\$ 28,368,829</u>	<u>\$ 362,254</u>

CITY OF SHARONVILLE, OHIO

**Balance Sheet
Governmental Funds
December 31, 2006**

	General	Fire Department	Capital Improvement
Assets:			
Cash and Cash Equivalents	\$ 2,801,641	\$ 1,118,927	\$ 1,071,845
Investments	996,831	411,321	402,830
Receivables:			
Taxes	2,088,731	983,130	0
Accounts	359,285	0	0
Intergovernmental	447,828	0	0
Interest	25,622	0	0
Special Assessments	0	0	0
Interfund Loans Receivables	0	0	0
Inventory of Supplies, at Cost	0	0	0
Prepaid Items	10,865	14,198	0
Total Assets	\$ 6,730,803	\$ 2,527,576	\$ 1,474,675
Liabilities:			
Accounts Payable	\$ 181,692	\$ 55,467	\$ 17,543
Accrued Wages and Benefits Payable	187,312	134,639	0
Intergovernmental Payable	338,792	235,102	0
Interfund Loans Payable	10,000	0	0
Deferred Revenue	756,767	106,167	0
Accrued Interest Payable	0	0	96,332
General Obligation Notes Payable	0	0	1,775,000
Total Liabilities	1,474,563	531,375	1,888,875
Fund Balances:			
Reserved for Encumbrances	122,805	253,965	520,615
Reserved for Prepaid Items	10,865	14,198	0
Reserved for Supplies Inventory	0	0	0
Reserved for Debt Service	0	0	0
Undesignated and Unreserved in:			
General Fund	5,122,570	0	0
Special Revenue Funds	0	1,728,038	0
Capital Projects Funds	0	0	(934,815)
Total Fund Balances	5,256,240	1,996,201	(414,200)
Total Liabilities and Fund Balances	\$ 6,730,803	\$ 2,527,576	\$ 1,474,675

See accompanying notes to the basic financial statements

CITY OF SHARONVILLE, OHIO

<u>Fire Capital Improvement</u>	<u>Chester Road TIF</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 917,259	\$ 2,420,856	\$ 2,276,224	\$ 10,606,752
344,732	0	310,186	2,465,900
0	0	0	3,071,861
0	0	4,554	363,839
0	0	751,314	1,199,142
0	0	0	25,622
0	0	145,202	145,202
0	0	50,000	50,000
0	0	135,431	135,431
0	0	686	25,749
<u>\$ 1,261,991</u>	<u>\$ 2,420,856</u>	<u>\$ 3,673,597</u>	<u>\$ 18,089,498</u>
\$ 0	\$ 0	\$ 73,558	\$ 328,260
0	0	21,318	343,269
0	0	27,856	601,750
0	0	40,000	50,000
0	0	637,794	1,500,728
0	46,277	0	142,609
0	2,720,000	0	4,495,000
<u>0</u>	<u>2,766,277</u>	<u>800,526</u>	<u>7,461,616</u>
1,220,493	1,454,493	220,106	3,792,477
0	0	686	25,749
0	0	135,431	135,431
0	0	442,777	442,777
0	0	0	5,122,570
0	0	1,808,055	3,536,093
41,498	(1,799,914)	266,016	(2,427,215)
<u>1,261,991</u>	<u>(345,421)</u>	<u>2,873,071</u>	<u>10,627,882</u>
<u>\$ 1,261,991</u>	<u>\$ 2,420,856</u>	<u>\$ 3,673,597</u>	<u>\$ 18,089,498</u>

CITY OF SHARONVILLE, OHIO

***Reconciliation Of Total Governmental Fund Balances
To Net Assets Of Governmental Activities
December 31, 2006***

Total Governmental Fund Balances	\$ 10,627,882
<i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.	30,836,172
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.	1,500,728
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	(15,122,187)
Special Assessment Bonds Payable	(235,000)
Capital Lease Payable	(69,065)
Compensated Absences Payable	(2,678,066)
Accrued Interest Payable	(31,256)
<i>Net Assets of Governmental Activities</i>	<u>\$ 24,829,208</u>

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, 2006**

	General	Fire Department	Capital Improvement
Revenues:			
Taxes	\$ 12,922,865	\$ 6,217,112	\$ 0
Intergovernmental Revenues	830,657	1,100	0
Charges for Services	403,548	373,298	0
Licenses and Permits	443,838	0	0
Investment Earnings	693,592	0	0
Special Assessments	0	0	0
Fines and Forfeitures	376,310	0	0
All Other Revenue	95,683	589	8,500
Total Revenue	15,766,493	6,592,099	8,500
Expenditures:			
Current:			
Security of Persons and Property	5,206,844	5,887,208	0
Public Health and Welfare Services	0	0	0
Leisure Time Activities	2,840,788	0	0
Community Environment	498,434	0	0
Basic Utility Services	507,998	0	0
Transportation	0	0	0
General Government	3,482,787	0	0
Capital Outlay	0	60,334	1,351,118
Debt Service:			
Principal Retirement	0	0	0
Interest & Fiscal Charges	0	0	128,513
Total Expenditures	12,536,851	5,947,542	1,479,631
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,229,642	644,557	(1,471,131)
Other Financing Sources (Uses):			
Sale of Capital Assets	12,755	0	9,491
Premium on General Obligation Notes Issued	0	0	0
Issuance of Capital Leases	0	0	0
Transfers In	0	17,869	1,438,628
Transfers Out	(2,437,194)	(701,045)	0
Total Other Financing Sources (Uses)	(2,424,439)	(683,176)	1,448,119
Net Change in Fund Balances	805,203	(38,619)	(23,012)
Fund Balances at Beginning of Year - Restated	4,451,037	2,034,820	(391,188)
Increase in Inventory Reserve	0	0	0
Fund Balances End of Year	\$ 5,256,240	\$ 1,996,201	\$ (414,200)

See accompanying notes to the basic financial statements

CITY OF SHARONVILLE, OHIO

<u>Fire Capital Improvement</u>	<u>Chester Road TIF</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 0	\$ 0	\$ 0	\$ 19,139,977
0	0	1,928,571	2,760,328
0	0	1,530	778,376
0	0	80,079	523,917
0	0	62,087	755,679
0	0	89,553	89,553
0	0	56,588	432,898
0	0	24,101	128,873
<u>0</u>	<u>0</u>	<u>2,242,509</u>	<u>24,609,601</u>
0	0	167,675	11,261,727
0	0	379,359	379,359
0	0	0	2,840,788
0	0	0	498,434
0	0	0	507,998
0	0	1,564,074	1,564,074
0	0	79,696	3,562,483
4,255,574	308,807	366,796	6,342,629
0	0	1,160,000	1,160,000
<u>0</u>	<u>53,587</u>	<u>665,503</u>	<u>847,603</u>
<u>4,255,574</u>	<u>362,394</u>	<u>4,383,103</u>	<u>28,965,095</u>
(4,255,574)	(362,394)	(2,140,594)	(4,355,494)
0	0	0	22,246
0	16,973	10,260	27,233
0	0	69,065	69,065
0	0	1,967,239	3,423,736
0	0	(285,497)	(3,423,736)
<u>0</u>	<u>16,973</u>	<u>1,761,067</u>	<u>118,544</u>
(4,255,574)	(345,421)	(379,527)	(4,236,950)
5,517,565	0	3,236,912	14,849,146
0	0	15,686	15,686
<u>\$ 1,261,991</u>	<u>\$ (345,421)</u>	<u>\$ 2,873,071</u>	<u>\$ 10,627,882</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, 2006**

Net Change in Fund Balances - Total Governmental Funds \$ (4,236,950)

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 capital outlay exceeded depreciation in the current period.

Capital Outlay	6,590,921	
Depreciation Expense	(1,402,756)	5,188,165

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.	(12,785)
--	----------

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (237,445)

The issuance of long-term debt provides current financial resources to governmental funds, but has no effect on net assets.
Issuance of Capital Leases (69,065)

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	1,095,000	
Amortization of General Obligation Bond Premium	28,339	
Special Assessment Bond Principal Payment	65,000	
Police/Fire Accrued Pension Payment	31,827	1,220,166

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 686

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	(243,435)	
Change in Inventory	15,686	
Amortization of Bond Issuance Costs	(19,082)	(246,831)

Change in Net Assets of Governmental Activities \$ 1,605,941

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, 2006**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 13,726,064	\$ 13,726,064	\$ 12,906,770	\$ (819,294)
Intergovernmental Revenue	821,207	821,207	824,329	3,122
Charges for Services	365,100	365,100	398,472	33,372
Licenses and Permits	333,100	333,100	441,523	108,423
Investment Earnings	400,000	400,000	666,371	266,371
Fines and Forfeitures	340,500	340,500	371,528	31,028
All Other Revenues	116,550	116,550	119,932	3,382
Total Revenues	<u>16,102,521</u>	<u>16,102,521</u>	<u>15,728,925</u>	<u>(373,596)</u>
Expenditures:				
Current:				
Security of Persons and Property	5,406,226	5,406,226	5,239,969	166,257
Leisure Time Activities	3,139,221	3,139,221	2,879,060	260,161
Community Environment	629,438	629,438	511,370	118,068
Basic Utility Services	595,060	595,060	576,212	18,848
General Government	4,210,200	4,210,200	3,671,009	539,191
Total Expenditures	<u>13,980,145</u>	<u>13,980,145</u>	<u>12,877,620</u>	<u>1,102,525</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,122,376	2,122,376	2,851,305	728,929
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	12,755	12,755
Transfers Out	(2,766,420)	(2,766,420)	(2,437,194)	329,226
Total Other Financing Sources (Uses):	<u>(2,766,420)</u>	<u>(2,766,420)</u>	<u>(2,424,439)</u>	<u>341,981</u>
Net Change in Fund Balance	(644,044)	(644,044)	426,866	1,070,910
Fund Balance at Beginning of Year	2,787,916	2,787,916	2,787,916	0
Prior Year Encumbrances	312,509	312,509	312,509	0
Fund Balance at End of Year	<u>\$ 2,456,381</u>	<u>\$ 2,456,381</u>	<u>\$ 3,527,291</u>	<u>\$ 1,070,910</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, 2006**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 6,617,162	\$ 6,617,162	\$ 6,408,652	\$ (208,510)
Intergovernmental Revenue	0	0	1,100	1,100
Charges for Services	375,000	375,000	406,007	31,007
All Other Revenues	0	0	11,764	11,764
Total Revenues	<u>6,992,162</u>	<u>6,992,162</u>	<u>6,827,523</u>	<u>(164,639)</u>
Expenditures:				
Current:				
Security of Persons and Property	6,602,851	6,602,851	6,063,144	539,707
Capital Outlay	259,322	259,322	225,334	33,988
Total Expenditures	<u>6,862,173</u>	<u>6,862,173</u>	<u>6,288,478</u>	<u>573,695</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	129,989	129,989	539,045	409,056
Other Financing Sources (Uses):				
Transfers In	12,440	12,440	17,869	5,429
Transfers Out	(701,045)	(701,045)	(701,045)	0
Total Other Financing Sources (Uses):	<u>(688,605)</u>	<u>(688,605)</u>	<u>(683,176)</u>	<u>5,429</u>
Net Change in Fund Balance	(558,616)	(558,616)	(144,131)	414,485
Fund Balance at Beginning of Year	1,265,410	1,265,410	1,265,410	0
Prior Year Encumbrances	109,805	109,805	109,805	0
Fund Balance at End of Year	<u>\$ 816,599</u>	<u>\$ 816,599</u>	<u>\$ 1,231,084</u>	<u>\$ 414,485</u>

See accompanying notes to the basic financial statements

CITY OF SHARONVILLE, OHIO

**Statement of Net Assets
Proprietary Fund
December 31, 2006**

	Business-Type Activities		
	Enterprise Funds		
	Convention Center	Other Enterprise Fund	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 621,201	\$ 189,913	\$ 811,114
Accounts Receivable	33,345	0	33,345
Prepaid Items	1,331	0	1,331
Total Current Assets	<u>655,877</u>	<u>189,913</u>	<u>845,790</u>
Noncurrent Assets:			
Cash and Cash Equivalents	0	22,066	22,066
Total Restricted Assets	<u>0</u>	<u>22,066</u>	<u>22,066</u>
Unamortized Bond Issuance Cost	83,473	0	83,473
Deferred Loss on Early Retirement of Debt	291,767	0	291,767
Capital Assets:			
Property, Plant and Equipment	10,351,717	1,585,754	11,937,471
Less: Accumulated Depreciation	(2,261,465)	(767,513)	(3,028,978)
Net Capital Assets	<u>8,090,252</u>	<u>818,241</u>	<u>8,908,493</u>
Total Noncurrent Assets	<u>8,465,492</u>	<u>840,307</u>	<u>9,305,799</u>
Total Assets	<u>9,121,369</u>	<u>1,030,220</u>	<u>10,151,589</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	24,727	968	25,695
Accrued Wages and Benefits	10,824	1,252	12,076
Intergovernmental Payable	14,618	17,103	31,721
Customer Deposits	0	24,436	24,436
Deferred Revenue	194,017	0	194,017
Accrued Interest Payable	7,475	0	7,475
General Obligation Bonds Payable - Current	558,725	0	558,725
Compensated Absences - Current	5,600	500	6,100
Total Current Liabilities	<u>815,986</u>	<u>44,259</u>	<u>860,245</u>
Noncurrent Liabilities:			
General Obligation Bonds Payable	5,580,437	0	5,580,437
Compensated Absences Payable	134,321	36,965	171,286
Total Noncurrent Liabilities	<u>5,714,758</u>	<u>36,965</u>	<u>5,751,723</u>
Total Liabilities	<u>6,530,744</u>	<u>81,224</u>	<u>6,611,968</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	1,575,850	818,241	2,394,091
Unrestricted	1,014,775	130,755	1,145,530
Total Net Assets	<u>\$ 2,590,625</u>	<u>\$ 948,996</u>	<u>\$ 3,539,621</u>

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, 2006**

	Business-Type Activities		
	Enterprise Funds		
	Convention Center	Other Enterprise Fund	Total
Operating Revenues:			
Charges for Services	\$ 823,788	\$ 216,600	\$ 1,040,388
Other Operating Revenues	128,157	204	128,361
Total Operating Revenues	951,945	216,804	1,168,749
Operating Expenses:			
Personal Services	693,843	73,332	767,175
Materials and Supplies	31,196	16,587	47,783
Contractual Services	203,346	44,711	248,057
Utilities	181,421	19,316	200,737
Depreciation	151,511	34,094	185,605
Total Operating Expenses	1,261,317	188,040	1,449,357
Operating Income (Loss)	(309,372)	28,764	(280,608)
Non-Operating Revenue (Expenses):			
Interest and Fiscal Charges	(258,958)	0	(258,958)
Intergovernmental Revenues	925,706	0	925,706
Total Non-Operating Revenues (Expenses)	666,748	0	666,748
Change in Net Assets	357,376	28,764	386,140
Net Assets Beginning of Year	2,233,249	920,232	3,153,481
Net Assets End of Year	\$ 2,590,625	\$ 948,996	\$ 3,539,621

See accompanying notes to the basic financial statements

CITY OF SHARONVILLE, OHIO

**Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2006**

	Business-Type Activities		
	Enterprise Funds		
	Convention Center	Other Enterprise Fund	Total
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$862,187	\$221,595	\$1,083,782
Cash Payments for Goods and Services	(426,446)	(85,799)	(512,245)
Cash Payments to Employees	(690,882)	(72,328)	(763,210)
Other Operating Revenues	491,889	204	492,093
Net Cash Provided by Operating Activities	236,748	63,672	300,420
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and Construction of Assets	(6,463)	(45,000)	(51,463)
Intergovernmental Revenue Received	925,706	0	925,706
Payment on General Obligation Bonds	(525,000)	0	(525,000)
Interest Paid on All Debt	(236,100)	0	(236,100)
Net Cash Used for Capital and Related Financing Activities	158,143	(45,000)	113,143
Net Increase in Cash and Cash Equivalents	394,891	18,672	413,563
Cash and Cash Equivalents at Beginning of Year	226,310	193,307	419,617
Cash and Cash Equivalents at End of Year	\$621,201	\$211,979	\$833,180
<u>Reconciliation of Cash and</u>			
<u>Cash Equivalents per the Balance Sheet:</u>			
Cash and Cash Equivalents	\$621,201	\$189,913	\$811,114
Restricted Cash and Cash Equivalents	0	22,066	22,066
Cash and Cash Equivalents at End of Year	\$621,201	\$211,979	\$833,180
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>			
<u>Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	(\$309,372)	\$28,764	(\$280,608)
Adjustments to Reconcile Operating Income (Loss) to			
Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	151,511	34,094	185,605
Changes in Assets and Liabilities:			
Decrease in Accounts Receivable	386,209	0	386,209
Decrease in Prepaid Items	149	0	149
Decrease in Accounts Payable	(10,134)	(19,674)	(29,808)
Increase in Accrued Wages and Benefits	238	63	301
Increase (Decrease) in Intergovernmental Payable	(2,209)	14,923	12,714
Increase in Customer Deposits Payable	0	4,295	4,295
Increase in Deferred Revenue	15,922	0	15,922
Increase in Compensated Absences	4,434	1,207	5,641
Total Adjustments	546,120	34,908	581,028
Net Cash Provided (Used) by Operating Activities	\$236,748	\$63,672	\$300,420

See accompanying notes to the basic financial statements

CITY OF SHARONVILLE, OHIO

**Statement of Net Assets
Fiduciary Funds
December 31, 2006**

	Private Purpose Trust	
	Unclaimed Monies Fund	Agency Funds
Assets:		
Cash and Cash Equivalents	\$ 21,502	\$ 0
Restricted Assets:		
Cash and Cash Equivalents	0	474,746
Total Assets	<u>21,502</u>	<u>474,746</u>
Liabilities:		
Intergovernmental Payable	0	3,028
Due to Others	0	471,718
Total Liabilities	<u>0</u>	<u>474,746</u>
Net Assets:		
Unrestricted	21,502	0
Total Net Assets	<u>\$ 21,502</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, 2006**

	Private Purpose Trust Unclaimed Monies Fund
Additions:	
Contributions:	
Miscellaneous	\$ 3,811
Total Contributions	3,811
Total Additions	3,811
Deductions:	
Administrative Expenses	313
Total Deductions	313
Change in Net Assets	3,498
Net Assets at Beginning of Year	18,004
Net Assets End of Year	\$ 21,502

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

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, there were no subsidies provided to the CIC in 2006. 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, 2006***

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.

Chester Road TIF Fund - This fund is used to account for the construction on the Chester Road Project.

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, 2006***

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. The private purpose trust fund is used to account for unclaimed monies. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations. The City's agency funds account for funds from the Mayor's Court, funds for employee benefits plans, fees for building standards, tax refunds, and funds to repair the downtown shopping area.

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, 2006***

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, 2006***

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, 2006***

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 City Auditor 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 2006.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

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 2006, 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, 2006***

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)	\$805,203	(\$38,619)
Increase (Decrease):		
Accrued Revenues at December 31, 2006 received during 2007	(2,109,503)	(876,963)
Accrued Revenues at December 31, 2005 received during 2006	2,071,935	1,112,387
Accrued Expenditures at December 31, 2006 paid during 2007	717,796	425,208
Accrued Expenditures at December 31, 2005 paid during 2006	(729,444)	(461,454)
2006 Prepays for 2007	(10,865)	(14,198)
2005 Prepays for 2006	8,121	8,672
Outstanding Encumbrances	(326,377)	(299,164)
Budget Basis	<u>\$426,866</u>	<u>(\$144,131)</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

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, which consists of STAR Ohio and various federal securities, 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 2006. 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, 2006.

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, 2006***

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:

Description	Governmental and Business-Type Activities Estimated Lives (Years)
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, 2006***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Long-Term Obligations

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

<u>Obligation</u>	<u>Fund</u>
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	Street Construction, Maintenance and Repair Fund
Police/Fire Pension Accrued Liability	General Fund Fire Fund
Compensated Absences	General Fund Street Construction, Maintenance and Repair Fund Fire Fund Health 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, 2006***

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, 2006.

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, 2006, 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, 2006***

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.

The City generally eliminates the effect of interfund activity in the government-wide financial statements to remove indirect expenses, except where the elimination would distort the costs and program revenues reported for the various functions.

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, 2006**

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 2006.

V. Operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water treatment and distribution, wastewater collection and treatment, maintenance of storm water collection systems, electric distribution, off-street parking and collection of solid waste refuse. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 2 – RESTATEMENT OF FUND BALANCES AND NET ASSETS

The fund balance of the General Fund was restated from the amounts previously reported to correct audit adjustments made in 2005. The adjustments double counted income tax receivables in the General Fund. The corrections resulted in changes to fund balances and governmental activities reported at December 31, 2005 as follows:

	<u>General Fund</u>	<u>Governmental Activities</u>
Fund Balance/ Net Assets at December 31, 2005 (Reported)	\$5,313,666	\$24,085,896
Restate Income Tax Receivables	(862,629)	(862,629)
Fund Balance/ Net Assets at December 31, 2005 (Restated)	<u>\$4,451,037</u>	<u>\$23,223,267</u>

NOTE 3 - COMPLIANCE AND ACCOUNTABILITY

A. Fund Deficits

The fund deficits at December 31, 2006 of \$414,200 in the Capital Improvement Fund, \$345,421 in the Chester Road TIF Fund (major governmental fund), and \$620 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, 2006***

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;
- 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).

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2006**

NOTE 4 - CASH AND CASH EQUIVALENTS (Continued)

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 \$9,551,925 and the bank balance was \$10,221,489. Federal depository insurance covered \$100,000 of the bank balance and \$10,121,489 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 City's name	\$10,121,489
Total Balance	<u><u>\$10,121,489</u></u>

B. Investments

The City's investments at December 31, 2006 were as follows:

	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Investment Maturities (in Years)</u>	
			<u>less than 1</u>	<u>1-3</u>
STAR Ohio	\$2,384,255	AAAm ¹	\$2,384,255	\$0
FNMA	992,810	AAA ¹ / Aaa ²	992,810	0
FHLMC	1,473,090	AAA ¹ / Aaa ²	0	1,473,090 ^a
Total Investments	<u><u>\$4,850,155</u></u>		<u><u>\$3,377,065</u></u>	<u><u>\$1,473,090</u></u>

¹ Standard & Poor's

² Moody's Investor Service

^a Call Options - May 14, 2007

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 4 - CASH AND CASH EQUIVALENTS (Continued)

B. Investments (Continued)

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

Investment Credit Risk – The City has no investment policy that limits its investment choices other than the limitation of State statute for “interim” funds described previously.

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, 49.1% are STAR Ohio, 20.5% are FNMA, and 30.4% 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.

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
Per Financial Statements	\$11,936,180	\$2,465,900
STAR Ohio	<u>(2,384,255)</u>	<u>2,384,255</u>
Per GASB Statement No. 3	<u>\$9,551,925</u>	<u>\$4,850,155</u>

* Includes Restricted Cash and Cash Equivalents.

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.

CITY OF SHARONVILLE, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2006**

NOTE 6 - RECEIVABLES

Receivables at December 31, 2006 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 2006:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$0	\$2,437,194
Fire Department Fund	17,869	701,045
Capital Improvement Fund	1,438,628	0
Nonmajor Governmental Funds:		
FEMA Fund	0	17,869
State Health Licenses Fund	250,000	0
Note Debt Retirement Fund	432,517	267,628
Debt Retirement Fund	<u>1,284,722</u>	<u>0</u>
Total Nonmajor Governmental Funds	<u>1,967,239</u>	<u>285,497</u>
Totals	<u>\$3,423,736</u>	<u>\$3,423,736</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.

Individual interfund balances at December 31, 2006 are as follows:

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2006**

NOTE 8 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2006:

Historical Cost:

Class	December 31, 2005	Additions	Deletions	December 31, 2006
Capital assets not being depreciated:				
Land	\$5,871,002	\$0	\$0	\$5,871,002
Construction in Progress	731,231	5,189,899	(375,449)	5,545,681
Subtotal	6,602,233	5,189,899	(375,449)	11,416,683
Capital assets being depreciated:				
Land Improvements	8,270,673	109,417	0	8,380,090
Buildings and Improvements	11,416,084	34,634	0	11,450,718
Infrastructure	13,230,777	1,070,328	0	14,301,105
Machinery and Equipment	1,672,972	229,622	(62,227)	1,840,367
Vehicles	3,122,010	332,470	(162,900)	3,291,580
Subtotal	37,712,516	1,776,471	(225,127)	39,263,860
Total Cost	\$44,314,749	\$6,966,370	(\$600,576)	\$50,680,543

Accumulated Depreciation:

Class	December 31, 2005	Additions	Deletions	December 31, 2006
Land Improvements	(\$1,605,119)	(\$394,689)	\$0	(\$1,999,808)
Buildings and Improvements	(3,517,838)	(223,764)	0	(3,741,602)
Infrastructure	(10,149,200)	(378,358)	0	(10,527,558)
Machinery and Equipment	(984,446)	(77,997)	49,442	(1,013,001)
Vehicles	(2,397,354)	(327,948)	162,900	(2,562,402)
Total Depreciation	(\$18,653,957)	(\$1,402,756) *	\$212,342	(\$19,844,371)
Net Value:	\$25,660,792			\$30,836,172

* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	\$293,152
Public Health and Welfare Services	2,581
Leisure Time Activities	363,024
Community Environment	8,284
Transportation	428,847
General Government	306,868
Total Depreciation Expense	\$1,402,756

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2006**

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, 2006:

Historical Cost:

Class	December 31, 2005	Additions	Deletions	December 31, 2006
Capital assets not being depreciated:				
Land	\$3,350,000	\$45,000	\$0	\$3,395,000
Capital assets being depreciated:				
Land Improvements	125,892	0	0	125,892
Buildings and Improvements	8,074,861	0	0	8,074,861
Infrastructure	41,680	6,463	0	48,143
Machinery and Equipment	268,575	0	0	268,575
Vehicles	25,000	0	0	25,000
Total Cost	\$11,886,008	\$51,463	\$0	\$11,937,471

Accumulated Depreciation:

Class	December 31, 2005	Additions	Deletions	December 31, 2006
Land Improvements	(\$77,861)	(\$6,295)	\$0	(\$84,156)
Buildings and Improvements	(2,518,832)	(164,599)	0	(2,683,431)
Infrastructure	(41,680)	(646)	0	(42,326)
Machinery and Equipment	(180,000)	(14,065)	0	(194,065)
Vehicles	(25,000)	0	0	(25,000)
Total Depreciation	(\$2,843,373)	(\$185,605)	\$0	(\$3,028,978)

Net Value:

\$9,042,635	\$8,908,493
-------------	-------------

This space intentionally left blank.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2006**

NOTE 8 - CAPITAL ASSETS (Continued)

C. Component Unit Capital Assets

Summary by category of changes in component unit capital assets at December 31, 2006:

Historical Cost:

Class	December 31, 2005	Additions	Deletions	December 31, 2006
<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	<u>\$327,179</u>	<u>\$0</u>	<u>\$0</u>	<u>\$327,179</u>

Accumulated Depreciation:

Class	December 31, 2005	Additions	Deletions	December 31, 2006
Buildings and Improvements	(\$8,322)	(\$1,700)	\$0	(\$10,022)
Total Depreciation	<u>(\$8,322)</u>	<u>(\$1,700)</u>	<u>\$0</u>	<u>(\$10,022)</u>
<i>Net Value:</i>	<u>\$318,857</u>			<u>\$317,157</u>

This space intentionally left blank.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

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 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) 222-5601 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2006, employee and employer contribution rates were consistent across all three plans (TP, MD and CO). The employee contribution rate is 9.0%. The 2006 employer contribution rate for local government employer units was 13.70%, of covered payroll, 9.20% to fund the pension and 4.5% 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, 2006, 2005, and 2004 were \$769,929, \$751,969 and \$725,143, respectively, which were equal to the required contributions for each year.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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 2006 employer contribution rate (identified above) that was used to fund health care for the year 2006 was 4.5% of covered payroll which amounted to \$252,896.

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, 2005. The individual entry age 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 annually, not to exceed a 12% corridor. The investment assumption rate for 2005 was 6.5%. 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 .50% to 6% for the next 9 years. In subsequent years (10 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 358,804. The actuarial value of the Ohio PERS net assets available for OPEB at December 31, 2005 is \$11.1 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$31.3 billion and \$20.2 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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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, 2006, 2005, and 2004 were \$569,590, \$549,077 and \$565,670 for police and \$740,922, \$772,119 and \$718,093 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 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 2006 covered payroll that was used to fund postemployment health care benefits was \$226,376 representing 7.75% of covered payroll for police and \$239,256 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, 2005, the date of the last actuarial evaluation available, the number of participants eligible to receive health care benefits was 13,922 for police and 10,537 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, 2005 were \$108,039,449, which was net of member contributions of \$55,271,881.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2006**

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, 2006 the City had \$280,059 payable to employees for the Dental/Optical Plan.

B. Compensated Absences

At December 31, 2006, the City's accumulated, unpaid compensated absences amounted to \$2,855,452. Of this amount, \$2,678,066 is recorded as Governmental Activities on the Entity Wide Statement of Net Assets (\$58,048 is reported as due within one year), \$177,386 is recorded as Business-type activities (\$6,100 is reported as due within one year).

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, 2006 were as follows:

	Balance December 31, 2005	Issued	(Retired)	Balance December 31, 2006
Capital Projects Fund:				
Capital Improvement Fund:				
2.25% Real Estate Acquisition	\$1,100,000	\$0	(\$1,100,000)	\$0
4.00% Real Estate Acquisition	0	1,775,000	0	1,775,000
3.97% Real Estate Acquisition	875,000	0	(875,000)	0
4.50% Chester Road TIF Project	0	2,720,000	0	2,720,000
Total Notes Payable	<u>\$1,975,000</u>	<u>\$4,495,000</u>	<u>(\$1,975,000)</u>	<u>\$4,495,000</u>

CITY OF SHARONVILLE, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2006**

NOTE 12 - LONG-TERM OBLIGATIONS

Long-term obligations of the City at December 31, 2006 were as follows:

	Balance December 31, 2005	Issued	(Retired)	Balance December 31, 2006	Amount Due Within One Year
Business-Type Activities:					
General Obligation Bonds:					
1.50% - 5.25% Convention Center - Issue I	\$4,265,000	\$0	(\$370,000)	\$3,895,000	\$380,000
Unamortized Premium	177,887	0	(18,725)	159,162	18,725
1.50% - 5.25% Convention Center - Issue II	2,240,000	0	(155,000)	2,085,000	160,000
Total General Obligation Bonds	6,682,887	0	(543,725)	6,139,162	558,725
Other Long-Term Obligations:					
Compensated Absences	171,745	177,386	(171,745)	177,386	6,100
Total Business-Type Activities	\$6,854,632	\$177,386	(\$715,470)	\$6,316,548	\$564,825
Governmental Activities:					
General Obligation Bonds:					
4.60% - 4.80% Recreation Center	\$4,215,000	\$0	(\$270,000)	\$3,945,000	\$280,000
1.50% - 5.25% Fire House Construction	6,500,000	0	(450,000)	6,050,000	460,000
1.50% - 5.25% Pool Construction	3,685,000	0	(255,000)	3,430,000	260,000
1.50% - 5.25% Kemper Road Improvement	1,285,000	0	(90,000)	1,195,000	90,000
1.50% - 5.25% Crescentville Road	435,000	0	(30,000)	405,000	30,000
Unamortized Premium	325,892	0	(28,339)	297,553	28,339
Total General Obligation Bonds	16,445,892	0	(1,123,339)	15,322,553	1,148,339
Special Assessment Bonds:					
8.00% Zind Lane Sewer	5,000	0	(5,000)	0	0
7.00% Crowne Point Drive/ Miller Valentine Phase I	225,000	0	(45,000)	180,000	45,000
7.10% Crowne Point Drive/ Miller Valentine Phase II	70,000	0	(15,000)	55,000	10,000
Total Special Assessment Bonds (with Government Commitment)	300,000	0	(65,000)	235,000	55,000
Other Long-Term Obligations:					
Compensated Absences	2,434,631	2,678,066	(2,434,631)	2,678,066	58,048
Capital Leases	0	69,065	0	69,065	15,988
Police and Firemen's Pension Accrued Liability	31,827	0	(31,827)	0	0
Total Other Long-Term Obligations	2,466,458	2,747,131	(2,466,458)	2,747,131	74,036
Total Governmental Activities	\$19,212,350	\$2,747,131	(\$3,654,797)	\$18,304,684	\$1,277,375

The principal amount of the City's special assessment debt outstanding at December 31, 2006, \$235,000, 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 \$442,777 in the debt service funds at December 31, 2006 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, 2006**

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 \$3,785,000 at December 31, 2006 are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

B. 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, 2006 follows:

Years	Business-Type Activities General Obligation Bonds		Governmental Activities General Obligation Bonds	
	Principal	Interest	Principal	Interest
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	623,725	157,188	1,308,338	467,545
2012-2016	2,970,537	377,868	7,476,693	1,418,782
2017	235,000	6,169	1,714,168	54,521
Totals	<u>\$6,139,162</u>	<u>\$1,349,438</u>	<u>\$15,322,553</u>	<u>\$4,239,969</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2006**

NOTE 12 - LONG-TERM OBLIGATIONS (Continued)

B. Principal and Interest Requirements (Continued)

Years	Special Assessment Bonds	
	Principal	Interest
2007	\$55,000	\$16,505
2008	60,000	12,645
2009	60,000	8,430
2010	60,000	4,215
Totals	<u>\$235,000</u>	<u>\$41,795</u>

C. Capital Leases

The City has entered into an agreement to lease equipment. The original cost of the equipment was \$69,065. Such agreements are, in substance, lease purchases (capital leases) and are classified as long-term obligations in the financial statements. The costs of these assets are included in the capital asset balances of the Governmental. The capital leases payable are recorded in Governmental Activities in the amount of \$69,065.

The following is a schedule of future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of December 31, 2006:

Year Ending December 31,	Governmental Activities
2007	\$19,545
2008	19,545
2009	19,545
2010	19,545
Minimum Lease Payments	78,180
Less: amount representing interest at the City's incremental borrowing rate of interest	(9,115)
Present value of minimum lease payments	<u>\$69,065</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

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, 2006, the outstanding principal amount payable on all of the outstanding bonds was \$11,885,000.

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.

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.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2006**

NOTE 16 – CONSTRUCTION COMMITMENTS

As of December 31, 2006, the City had the following commitments with respect to capital projects:

Project	Remaining Construction Commitment	Expected Date of Completion
Fire Station	\$2,231,538	April-07
Municipal Building Generator	176,500	August-07
Total	\$2,408,038	

NOTE 17 - RELATED PARTY TRANSACTIONS

The Community Improvement Corporation of Sharonville (CIC), a discretely presented component unit of the City, did not received transfers from the City for operations in 2006. 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 \$500 per month in January and February 2006, and \$700 per month from March through December 2006, while the tenant at 3327 Creek Road is paying \$300 per month through December 31, 2006.

NOTE 18 – CHANGE IN ACCOUNTING PRINCIPLE

For the year ended December 31, 2006 the City has implemented GASB Statement No. 42, “Accounting and Financial Reporting for the Impairment of Capital Assets for Insurance Recoveries”; GASB Statement No.44, “Economic Condition Reporting: The Statistical Section”; GASB Statement No. 46, “Net Assets Restricted by Enabling Legislation” and GASB Statement No. 47, “Accounting for Termination Benefits.”

Statement No. 42 establishes accounting and financial standards for impairment of capital assets and clarifies and establishes accounting requirements for insurance recoveries.

Statement No. 44 establishes the objectives of the statistical section and provides guidance on the preparation of the statistical section.

Statement No. 46 establishes that any amount of the primary government’s net assets at the end of the reporting period restricted by enabling legislation should be disclosed in the notes to the financial statements.

Statement No. 47 provides guidance to governmental employers for measuring, recognizing, and reporting liabilities and expenses/expenditures related to all termination benefits without limitation as to the period of time during which the benefits are offered.

There was no effect on fund balance/net assets as result of the implementation of these new standards.

*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. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

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.

Other Grants Fund

To account for funds received from miscellaneous or one time grants. The fund is currently tracking a Target Grant which is to be used for the City's recreational activities.

(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, 2006**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 1,641,397	\$ 441,477	\$ 193,350	\$ 2,276,224
Investments	237,520	0	72,666	310,186
Receivables				
Accounts	3,254	1,300	0	4,554
Intergovernmental	751,314	0	0	751,314
Special Assessments	0	145,202	0	145,202
Interfund Loans Receivables	50,000	0	0	50,000
Inventory of Supplies, at Cost	135,431	0	0	135,431
Prepaid Items	686	0	0	686
Total Assets	\$ 2,819,602	\$ 587,979	\$ 266,016	\$ 3,673,597
Liabilities:				
Accounts Payable	\$ 73,558	\$ 0	\$ 0	\$ 73,558
Accrued Wages and Benefits Payable	21,318	0	0	21,318
Intergovernmental Payable	27,856	0	0	27,856
Interfund Loans Payable	40,000	0	0	40,000
Deferred Revenue	492,592	145,202	0	637,794
Total Liabilities	655,324	145,202	0	800,526
Fund Balances:				
Reserved for Encumbrances	220,106	0	0	220,106
Reserved for Prepaid Items	686	0	0	686
Reserved for Supplies Inventory	135,431	0	0	135,431
Reserved for Debt Service	0	442,777	0	442,777
Undesignated/Unreserved	1,808,055	0	266,016	2,074,071
Total Fund Balances	2,164,278	442,777	266,016	2,873,071
Total Liabilities and Fund Balances	\$ 2,819,602	\$ 587,979	\$ 266,016	\$ 3,673,597

CITY OF SHARONVILLE, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2006**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Intergovernmental Revenues	\$ 1,696,275	\$ 232,296	\$ 0	\$ 1,928,571
Charges for Services	1,530	0	0	1,530
Licenses and Permits	80,079	0	0	80,079
Investment Earnings	62,087	0	0	62,087
Special Assessments	0	89,553	0	89,553
Fines and Forfeitures	56,588	0	0	56,588
All Other Revenue	12,505	11,596	0	24,101
Total Revenue	1,909,064	333,445	0	2,242,509
Expenditures:				
Current:				
Security of Persons and Property	167,675	0	0	167,675
Public Health and Welfare Services	379,359	0	0	379,359
Transportation	1,564,074	0	0	1,564,074
General Government	71,776	7,920	0	79,696
Capital Outlay	4,542	4,213	358,041	366,796
Debt Service:				
Principal Retirement	0	1,160,000	0	1,160,000
Interest & Fiscal Charges	0	665,503	0	665,503
Total Expenditures	2,187,426	1,837,636	358,041	4,383,103
Excess (Deficiency) of Revenues Over Expenditures	(278,362)	(1,504,191)	(358,041)	(2,140,594)
Other Financing Sources (Uses):				
Premiums on General Obligations Notes Issued	0	10,260	0	10,260
Issuance of Capital Leases	69,065	0	0	69,065
Transfers In	250,000	1,717,239	0	1,967,239
Transfers Out	(17,869)	(267,628)	0	(285,497)
Total Other Financing Sources (Uses)	301,196	1,459,871	0	1,761,067
Net Change in Fund Balance	22,834	(44,320)	(358,041)	(379,527)
Fund Balances at Beginning of Year	2,125,758	487,097	624,057	3,236,912
Increase (Decrease) in Inventory Reserve	15,686	0	0	15,686
Fund Balances End of Year	\$ 2,164,278	\$ 442,777	\$ 266,016	\$ 2,873,071

CITY OF SHARONVILLE, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2006**

	Street Construction, Maintenance & Repair Fund	State Highway Fund	Permissive Motor Vehicle Tax Fund	State Health Licenses Fund
Assets:				
Cash and Cash Equivalents	\$ 631,992	\$ 441,355	\$ 59,468	\$ 48,700
Investments	237,520	0	0	0
Receivables				
Accounts	0	0	0	775
Intergovernmental	594,337	48,191	96,361	0
Interfund Loans Receivables	0	0	0	0
Inventory of Supplies, at Cost	90,739	44,692	0	0
Prepaid Items	0	0	0	402
Total Assets	\$ 1,554,588	\$ 534,238	\$ 155,829	\$ 49,877
Liabilities:				
Accounts Payable	\$ 41,735	\$ 28,301	\$ 1,092	\$ 2,384
Accrued Wages and Benefits Payable	14,168	0	2,361	4,631
Intergovernmental Payable	18,696	0	3,109	6,051
Interfund Loans Payable	0	0	0	0
Deferred Revenue	396,224	32,128	64,240	0
Total Liabilities	470,823	60,429	70,802	13,066
Fund Balances:				
Reserved for Encumbrances	88,689	122,030	2,531	5,515
Reserved for Prepaid Items	0	0	0	402
Reserved for Supplies Inventory	90,739	44,692	0	0
Undesignated/Unreserved	904,337	307,087	82,496	30,894
Total Fund Balances	1,083,765	473,809	85,027	36,811
Total Liabilities and Fund Balances	\$ 1,554,588	\$ 534,238	\$ 155,829	\$ 49,877

CITY OF SHARONVILLE, OHIO

Law Enforcement Trust Fund	Drug Law Enforcement Fund	DUI Checkpoint Grant Fund	DUI Education and Enforcement Fund	Mayor's Court Computer Fund
\$ 5,833	\$ 21,480	\$ 29,828	\$ 8,681	\$ 27,608
0	0	0	0	0
1,294	28	0	50	774
0	884	9,710	25	0
0	0	0	50,000	0
0	0	0	0	0
0	0	0	0	142
<u>\$ 7,127</u>	<u>\$ 22,392</u>	<u>\$ 39,538</u>	<u>\$ 58,756</u>	<u>\$ 28,524</u>
\$ 46	\$ 0	\$ 0	\$ 0	\$ 0
0	0	158	0	0
0	0	0	0	0
0	0	40,000	0	0
0	0	0	0	0
<u>46</u>	<u>0</u>	<u>40,158</u>	<u>0</u>	<u>0</u>
1,341	0	0	0	0
0	0	0	0	142
0	0	0	0	0
5,740	22,392	(620)	58,756	28,382
<u>7,081</u>	<u>22,392</u>	<u>(620)</u>	<u>58,756</u>	<u>28,524</u>
<u>\$ 7,127</u>	<u>\$ 22,392</u>	<u>\$ 39,538</u>	<u>\$ 58,756</u>	<u>\$ 28,524</u>

(Continued)

CITY OF SHARONVILLE, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2006**

	Clerk of Courts Computer Fund	Law Enforcement Block Grant Fund	Confinement Reimbursement Fund	COPS Grant Fund
Assets:				
Cash and Cash Equivalents	\$ 56,570	\$ 0	\$ 5,148	\$ 5,752
Investments	0	0	0	0
Receivables				
Accounts	0	0	333	0
Intergovernmental	1,806	0	0	0
Interfund Loans Receivables	0	0	0	0
Inventory of Supplies, at Cost	0	0	0	0
Prepaid Items	142	0	0	0
Total Assets	\$ 58,518	\$ 0	\$ 5,481	\$ 5,752
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0
Intergovernmental Payable	0	0	0	0
Interfund Loans Payable	0	0	0	0
Deferred Revenue	0	0	0	0
Total Liabilities	0	0	0	0
Fund Balances:				
Reserved for Encumbrances	0	0	0	0
Reserved for Prepaid Items	142	0	0	0
Reserved for Supplies Inventory	0	0	0	0
Undesignated/Unreserved	58,376	0	5,481	5,752
Total Fund Balances	58,518	0	5,481	5,752
Total Liabilities and Fund Balances	\$ 58,518	\$ 0	\$ 5,481	\$ 5,752

CITY OF SHARONVILLE, OHIO

<u>DEA Federal Sharing Fund</u>	<u>Termination Benefits Fund</u>	<u>Other Grants Fund</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 53,935	\$ 243,247	\$ 1,800	\$ 1,641,397
0	0	0	237,520
0	0	0	3,254
0	0	0	751,314
0	0	0	50,000
0	0	0	135,431
0	0	0	686
<u>\$ 53,935</u>	<u>\$ 243,247</u>	<u>\$ 1,800</u>	<u>\$ 2,819,602</u>
\$ 0	\$ 0	\$ 0	\$ 73,558
0	0	0	21,318
0	0	0	27,856
0	0	0	40,000
0	0	0	492,592
<u>0</u>	<u>0</u>	<u>0</u>	<u>655,324</u>
0	0	0	220,106
0	0	0	686
0	0	0	135,431
<u>53,935</u>	<u>243,247</u>	<u>1,800</u>	<u>1,808,055</u>
<u>53,935</u>	<u>243,247</u>	<u>1,800</u>	<u>2,164,278</u>
<u>\$ 53,935</u>	<u>\$ 243,247</u>	<u>\$ 1,800</u>	<u>\$ 2,819,602</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, 2006**

	Street Construction, Maintenance & Repair Fund	State Highway Fund	Permissive Motor Vehicle Tax Fund	FEMA Fund
Revenues:				
Intergovernmental Revenues	\$ 1,194,251	\$ 97,106	\$ 191,165	\$ 17,869
Charges for Services	0	0	0	0
Licenses and Permits	0	0	0	0
Investment Earnings	39,750	19,890	2,447	0
Fines and Forfeitures	0	0	0	0
All Other Revenue	7,448	2,000	0	0
Total Revenue	1,241,449	118,996	193,612	17,869
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	0
Public Health and Welfare Services	0	0	0	0
Transportation	1,318,030	101,427	144,617	0
General Government	0	0	0	0
Capital Outlay	0	0	0	4,542
Total Expenditures	1,318,030	101,427	144,617	4,542
Excess (Deficiency) of Revenues Over Expenditures	(76,581)	17,569	48,995	13,327
Other Financing Sources (Uses):				
Issuance of Capital Leases	69,065	0	0	0
Transfers In	0	0	0	0
Transfers Out	0	0	0	(17,869)
Total Other Financing Sources (Uses)	69,065	0	0	(17,869)
Net Change in Fund Balance	(7,516)	17,569	48,995	(4,542)
Fund Balances at Beginning of Year	1,080,771	451,064	36,032	4,542
Increase (Decrease) in Inventory Reserve	10,510	5,176	0	0
Fund Balances End of Year	\$ 1,083,765	\$ 473,809	\$ 85,027	\$ 0

CITY OF SHARONVILLE, OHIO

State Health Licenses Fund	Law Enforcement Trust Fund	Drug Law Enforcement Fund	DUI Checkpoint Grant Fund	DUI Education and Enforcement Fund	Mayor's Court Computer Fund
\$ 28,410	\$ 0	\$ 0	\$ 106,864	\$ 0	\$ 0
1,530	0	0	0	0	0
80,079	0	0	0	0	0
0	0	0	0	0	0
0	2,810	14,515	0	663	10,724
913	0	1,349	0	795	0
<u>110,932</u>	<u>2,810</u>	<u>15,864</u>	<u>106,864</u>	<u>1,458</u>	<u>10,724</u>
0	7,471	5,836	94,967	0	5,100
379,359	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>379,359</u>	<u>7,471</u>	<u>5,836</u>	<u>94,967</u>	<u>0</u>	<u>5,100</u>
(268,427)	(4,661)	10,028	11,897	1,458	5,624
0	0	0	0	0	0
250,000	0	0	0	0	0
0	0	0	0	0	0
<u>250,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(18,427)	(4,661)	10,028	11,897	1,458	5,624
55,238	11,742	12,364	(12,517)	57,298	22,900
0	0	0	0	0	0
<u>\$ 36,811</u>	<u>\$ 7,081</u>	<u>\$ 22,392</u>	<u>\$ (620)</u>	<u>\$ 58,756</u>	<u>\$ 28,524</u>

(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, 2006**

	Clerk of Courts Computer Fund	Law Enforcement Block Grant Fund	Confinement Reimbursement Fund	COPS Grant Fund
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 39,000	\$ 0	\$ 0
Charges for Services	0	0	0	0
Licenses and Permits	0	0	0	0
Investment Earnings	0	0	0	0
Fines and Forfeitures	24,937	0	2,939	0
All Other Revenue	0	0	0	0
Total Revenue	24,937	39,000	2,939	0
Expenditures:				
Current:				
Security of Persons and Property	2,539	39,000	1,000	0
Public Health and Welfare Services	0	0	0	0
Transportation	0	0	0	0
General Government	0	0	0	0
Capital Outlay	0	0	0	0
Total Expenditures	2,539	39,000	1,000	0
Excess (Deficiency) of Revenues Over Expenditures	22,398	0	1,939	0
Other Financing Sources (Uses):				
Issuance of Capital Leases	0	0	0	0
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balance	22,398	0	1,939	0
Fund Balances at Beginning of Year	36,120	0	3,542	5,752
Increase (Decrease) in Inventory Reserve	0	0	0	0
Fund Balances End of Year	\$ 58,518	\$ 0	\$ 5,481	\$ 5,752

CITY OF SHARONVILLE, OHIO

<u>DEA Federal Sharing Fund</u>	<u>Termination Benefits Fund</u>	<u>Other Grants Fund</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 19,810	\$ 0	\$ 1,800	\$ 1,696,275
0	0	0	1,530
0	0	0	80,079
0	0	0	62,087
0	0	0	56,588
0	0	0	12,505
<u>19,810</u>	<u>0</u>	<u>1,800</u>	<u>1,909,064</u>
11,762	0	0	167,675
0	0	0	379,359
0	0	0	1,564,074
0	71,776	0	71,776
0	0	0	4,542
<u>11,762</u>	<u>71,776</u>	<u>0</u>	<u>2,187,426</u>
8,048	(71,776)	1,800	(278,362)
0	0	0	69,065
0	0	0	250,000
0	0	0	(17,869)
<u>0</u>	<u>0</u>	<u>0</u>	<u>301,196</u>
8,048	(71,776)	1,800	22,834
45,887	315,023	0	2,125,758
0	0	0	15,686
<u>\$ 53,935</u>	<u>\$ 243,247</u>	<u>\$ 1,800</u>	<u>\$ 2,164,278</u>

CITY OF SHARONVILLE, OHIO

**Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2006**

	Note Debt Retirement Fund	Special Assessment Retirement Fund	Crystalview Widening Fund	Zind Lane Sewer Fund
Assets:				
Cash and Cash Equivalents	\$ 0	\$ 31,706	\$ 33,530	\$ 8,528
Receivables:				
Accounts	1,300	0	0	0
Special Assessments	0	8,189	0	0
Total Assets	<u>\$ 1,300</u>	<u>\$ 39,895</u>	<u>\$ 33,530</u>	<u>\$ 8,528</u>
Liabilities:				
Total Liabilities	<u>\$ 0</u>	<u>\$ 8,189</u>	<u>\$ 0</u>	<u>\$ 0</u>
Fund Balances:				
Reserved for Debt Service	1,300	31,706	33,530	8,528
Total Fund Balances	<u>1,300</u>	<u>31,706</u>	<u>33,530</u>	<u>8,528</u>
Total Liabilities and Fund Balances	<u>\$ 1,300</u>	<u>\$ 39,895</u>	<u>\$ 33,530</u>	<u>\$ 8,528</u>

CITY OF SHARONVILLE, OHIO

<u>Crowne Point Drive Fund</u>	<u>Total Nonmajor Debt Service Funds</u>
\$ 367,713	\$ 441,477
0	1,300
<u>137,013</u>	<u>145,202</u>
<u>\$ 504,726</u>	<u>\$ 587,979</u>
<u>\$ 137,013</u>	<u>\$ 145,202</u>
<u>367,713</u>	<u>442,777</u>
<u>367,713</u>	<u>442,777</u>
<u>\$ 504,726</u>	<u>\$ 587,979</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, 2006***

	Note Debt Retirement Fund	Debt Retirement Fund	Special Assessment Retirement Fund	Crystalview Widening Fund
Revenues:				
Intergovernmental Revenues	\$ 232,296	\$ 0	\$ 0	\$ 0
Special Assessments	0	0	0	0
All Other Revenue	11,596	0	0	0
Total Revenue	243,892	0	0	0
Expenditures:				
General Government	5,311	0	0	0
Capital Outlay	0	4,213	0	0
Debt Service:				
Principal Retirement	270,000	825,000	0	0
Interest & Fiscal Charges	184,311	459,723	0	0
Total Expenditures	459,622	1,288,936	0	0
Excess (Deficiency) of Revenues Over Expenditures	(215,730)	(1,288,936)	0	0
Other Financing Sources (Uses):				
Premium on General Obligation Notes Issued	10,260	0	0	0
Transfers In	432,517	1,284,722	0	0
Transfers Out	(267,628)	0	0	0
Total Other Financing Sources (Uses)	175,149	1,284,722	0	0
Net Change in Fund Balance	(40,581)	(4,214)	0	0
Fund Balances at Beginning of Year	41,881	4,214	31,706	33,530
Fund Balances End of Year	\$ 1,300	\$ 0	\$ 31,706	\$ 33,530

CITY OF SHARONVILLE, OHIO

Zind Lane Sewer Fund	Crowne Point Drive Fund	Total Nonmajor Debt Service Funds
\$ 0	\$ 0	\$ 232,296
6,411	83,142	89,553
0	0	11,596
<u>6,411</u>	<u>83,142</u>	<u>333,445</u>
187	2,422	7,920
0	0	4,213
5,000	60,000	1,160,000
399	21,070	665,503
<u>5,586</u>	<u>83,492</u>	<u>1,837,636</u>
825	(350)	(1,504,191)
0	0	10,260
0	0	1,717,239
0	0	(267,628)
<u>0</u>	<u>0</u>	<u>1,459,871</u>
825	(350)	(44,320)
<u>7,703</u>	<u>368,063</u>	<u>487,097</u>
<u>\$ 8,528</u>	<u>\$ 367,713</u>	<u>\$ 442,777</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, 2006**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 13,726,064	\$ 13,726,064	\$ 12,906,770	\$ (819,294)
Intergovernmental Revenues	821,207	821,207	824,329	3,122
Charges for Services	365,100	365,100	398,472	33,372
Licenses and Permits	333,100	333,100	441,523	108,423
Investment Earnings	400,000	400,000	666,371	266,371
Fines and Forfeitures	340,500	340,500	371,528	31,028
All Other Revenues	116,550	116,550	119,932	3,382
Total Revenues	16,102,521	16,102,521	15,728,925	(373,596)
Expenditures:				
Security of Persons and Property:				
Police Department:				
Personal Services	4,750,178	4,750,178	4,612,928	137,250
Materials and Supplies	233,569	233,569	225,601	7,968
Contractual Services	422,479	422,479	401,440	21,039
Total Police Department	5,406,226	5,406,226	5,239,969	166,257
Total Security of Persons and Property	5,406,226	5,406,226	5,239,969	166,257
Leisure Time Activities:				
Recreation Centers:				
Personal Services	685,349	685,349	652,499	32,850
Materials and Supplies	76,163	76,163	65,746	10,417
Contractual Services	64,200	64,200	56,077	8,123
Total Recreation Centers	825,712	825,712	774,322	51,390
Recreation Parks and Programs:				
Personal Services	1,458,173	1,458,173	1,355,278	102,895
Materials and Supplies	70,755	70,755	50,752	20,003
Contractual Services	487,516	487,516	431,986	55,530
Total Recreation Parks and Programs	2,016,444	2,016,444	1,838,016	178,428

(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, 2006**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Recreation Pools:				
Personal Services	227,790	227,790	211,196	16,594
Materials and Supplies	40,525	40,525	32,071	8,454
Contractual Services	28,750	28,750	23,455	5,295
Total Recreation Pools	<u>297,065</u>	<u>297,065</u>	<u>266,722</u>	<u>30,343</u>
Total Leisure Time Activities	<u>3,139,221</u>	<u>3,139,221</u>	<u>2,879,060</u>	<u>260,161</u>
Community Environment:				
Building and Planning:				
Personal Services	481,916	481,916	448,476	33,440
Materials and Supplies	9,772	9,772	7,192	2,580
Contractual Services	137,750	137,750	55,702	82,048
Total Building and Planning	<u>629,438</u>	<u>629,438</u>	<u>511,370</u>	<u>118,068</u>
Total Community Environment	<u>629,438</u>	<u>629,438</u>	<u>511,370</u>	<u>118,068</u>
Basic Utility Services:				
Waste Collection:				
Contractual Services	595,060	595,060	576,212	18,848
Total Waste Collection	<u>595,060</u>	<u>595,060</u>	<u>576,212</u>	<u>18,848</u>
Total Basic Utility Services	<u>595,060</u>	<u>595,060</u>	<u>576,212</u>	<u>18,848</u>
General Government:				
Mayor:				
Personal Services	52,124	52,124	51,641	483
Materials and Supplies	800	800	102	698
Contractual Services	13,716	13,716	11,595	2,121
Total Mayor	<u>66,640</u>	<u>66,640</u>	<u>63,338</u>	<u>3,302</u>
Council:				
Personal Services	115,200	115,200	114,393	807
Materials and Supplies	2,350	2,350	847	1,503
Contractual Services	12,865	12,865	3,768	9,097
Total Council	<u>130,415</u>	<u>130,415</u>	<u>119,008</u>	<u>11,407</u>

(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, 2006***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Auditor and Treasurer:				
Personal Services	36,131	36,131	36,076	55
Materials and Supplies	1,105	1,105	805	300
Contractual Services	52,929	52,929	46,185	6,744
Total Auditor and Treasurer	<u>90,165</u>	<u>90,165</u>	<u>83,066</u>	<u>7,099</u>
Law Director:				
Personal Services	90,600	90,600	79,758	10,842
Materials and Supplies	200	200	0	200
Contractual Services	440,304	440,304	300,857	139,447
Total Law Director	<u>531,104</u>	<u>531,104</u>	<u>380,615</u>	<u>150,489</u>
Civil Service:				
Personal Services	12,157	12,157	11,959	198
Materials and Supplies	800	800	160	640
Contractual Services	32,693	32,693	11,517	21,176
Total Civil Service	<u>45,650</u>	<u>45,650</u>	<u>23,636</u>	<u>22,014</u>
Safety/Service Director:				
Personal Services	847,150	847,150	767,314	79,836
Materials and Supplies	8,800	8,800	1,353	7,447
Contractual Services	289,994	289,994	202,513	87,481
Total Safety/Service Director	<u>1,145,944</u>	<u>1,145,944</u>	<u>971,180</u>	<u>174,764</u>
Tax Department:				
Personal Services	393,480	393,480	388,639	4,841
Materials and Supplies	16,086	16,086	12,135	3,951
Contractual Services	59,857	59,857	50,576	9,281
Total Tax Department	<u>469,423</u>	<u>469,423</u>	<u>451,350</u>	<u>18,073</u>
Buildings and Lands:				
Personal Services	341,511	341,511	320,762	20,749
Materials and Supplies	60,662	60,662	52,210	8,452
Contractual Services	323,078	323,078	307,658	15,420
Total Buildings and Lands	<u>725,251</u>	<u>725,251</u>	<u>680,630</u>	<u>44,621</u>

(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, 2006**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Miscellaneous Government:				
Materials and Supplies	32,932	32,932	25,813	7,119
Contractual Services	947,676	947,676	847,573	100,103
Total Miscellaneous Government	<u>980,608</u>	<u>980,608</u>	<u>873,386</u>	<u>107,222</u>
Total General Government	<u>4,185,200</u>	<u>4,185,200</u>	<u>3,646,209</u>	<u>538,991</u>
Capital Outlay	<u>25,000</u>	<u>25,000</u>	<u>24,800</u>	<u>200</u>
Total Expenditures	<u>13,980,145</u>	<u>13,980,145</u>	<u>12,877,620</u>	<u>1,102,525</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,122,376	2,122,376	2,851,305	728,929
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	12,755	12,755
Transfers Out	<u>(2,766,420)</u>	<u>(2,766,420)</u>	<u>(2,437,194)</u>	<u>329,226</u>
Total Other Financing Sources (Uses)	<u>(2,766,420)</u>	<u>(2,766,420)</u>	<u>(2,424,439)</u>	<u>341,981</u>
Net Change in Fund Balance	(644,044)	(644,044)	426,866	1,070,910
Fund Balance at Beginning of Year	2,787,916	2,787,916	2,787,916	0
Prior Year Encumbrances	<u>312,509</u>	<u>312,509</u>	<u>312,509</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 2,456,381</u>	<u>\$ 2,456,381</u>	<u>\$ 3,527,291</u>	<u>\$ 1,070,910</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, 2006**

	FIRE DEPARTMENT FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Taxes	\$ 6,617,162	\$ 6,617,162	\$ 6,408,652	\$ (208,510)
Intergovernmental Revenues	0	0	1,100	1,100
Charges for Services	375,000	375,000	406,007	31,007
All Other Revenues	<u>0</u>	<u>0</u>	<u>11,764</u>	<u>11,764</u>
Total Revenues	<u>6,992,162</u>	<u>6,992,162</u>	<u>6,827,523</u>	<u>(164,639)</u>
Expenditures:				
Security of Persons and Property:				
Fire Department:				
Personal Services	5,393,294	5,393,294	5,119,235	274,059
Materials and Supplies	233,338	233,338	196,998	36,340
Contractual Services	<u>976,219</u>	<u>976,219</u>	<u>746,911</u>	<u>229,308</u>
Total Security of Persons and Property	<u>6,602,851</u>	<u>6,602,851</u>	<u>6,063,144</u>	<u>539,707</u>
Capital Outlay	<u>259,322</u>	<u>259,322</u>	<u>225,334</u>	<u>33,988</u>
Total Expenditures	<u>6,862,173</u>	<u>6,862,173</u>	<u>6,288,478</u>	<u>573,695</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	129,989	129,989	539,045	409,056
Other Financing Sources (Uses):				
Transfers In	12,440	12,440	17,869	5,429
Transfers Out	<u>(701,045)</u>	<u>(701,045)</u>	<u>(701,045)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(688,605)</u>	<u>(688,605)</u>	<u>(683,176)</u>	<u>5,429</u>
Net Change in Fund Balance	(558,616)	(558,616)	(144,131)	414,485
Fund Balance at Beginning of Year	1,274,098	1,274,098	1,274,098	0
Prior Year Encumbrances	<u>101,117</u>	<u>101,117</u>	<u>101,117</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 816,599</u>	<u>\$ 816,599</u>	<u>\$ 1,231,084</u>	<u>\$ 414,485</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, 2006**

CAPITAL IMPROVEMENT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
All Other Revenues	\$ 20,000	\$ 20,000	\$ 29,002	\$ 9,002
Total Revenues	20,000	20,000	29,002	9,002
Expenditures:				
Capital Outlay	2,854,938	2,854,938	1,937,318	917,620
Total Expenditures	2,854,938	2,854,938	1,937,318	917,620
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,834,938)	(2,834,938)	(1,908,316)	926,622
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	9,491	9,491
Transfers In	1,171,000	1,171,000	1,171,000	0
Total Other Financing Sources (Uses)	1,171,000	1,171,000	1,180,491	9,491
Net Change in Fund Balance	(1,663,938)	(1,663,938)	(727,825)	936,113
Fund Balance at Beginning of Year	983,715	983,715	983,715	0
Prior Year Encumbrances	680,627	680,627	680,627	0
Fund Balance at End of Year	\$ 404	\$ 404	\$ 936,517	\$ 936,113

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, 2006***

	FIRE CAPITAL IMPROVEMENT FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:				
Capital Outlay	<u>5,536,793</u>	<u>5,536,793</u>	<u>5,495,296</u>	<u>41,497</u>
Total Expenditures	<u>5,536,793</u>	<u>5,536,793</u>	<u>5,495,296</u>	<u>41,497</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,536,793)	(5,536,793)	(5,495,296)	41,497
Fund Balance at Beginning of Year	<u>5,536,794</u>	<u>5,536,794</u>	<u>5,536,794</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 41,498</u>	<u>\$ 41,497</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, 2006**

CHESTER ROAD TIF PROJECT FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Capital Outlay	2,720,000	2,720,000	1,763,300	956,700
Debt Service:				
Interest and Fiscal Charges	7,310	7,310	7,310	0
Total Debt Service	7,310	7,310	7,310	0
Total Expenditures	2,727,310	2,727,310	1,770,610	956,700
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,727,310)	(2,727,310)	(1,770,610)	956,700
Other Financing Sources (Uses):				
Premium on General Obligation Notes Issued	0	0	16,973	16,973
General Obligation Notes Issued	2,750,000	2,750,000	2,720,000	(30,000)
Total Other Financing Sources (Uses)	2,750,000	2,750,000	2,736,973	(13,027)
Net Change in Fund Balance	22,690	22,690	966,363	943,673
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$ 22,690</u>	<u>\$ 22,690</u>	<u>\$ 966,363</u>	<u>\$ 943,673</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, 2006***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND				
Revenues:				
Intergovernmental Revenues	\$ 1,155,000	\$ 1,155,000	\$ 1,221,404	\$ 66,404
Investment Earnings	15,000	15,000	39,750	24,750
All Other Revenues	<u>6,070</u>	<u>6,070</u>	<u>7,448</u>	<u>1,378</u>
Total Revenues	<u>1,176,070</u>	<u>1,176,070</u>	<u>1,268,602</u>	<u>92,532</u>
Expenditures:				
Transportation:				
Street Maintenance and Repair Department:				
Personal Services	942,780	942,780	871,369	71,411
Materials and Supplies	111,835	111,835	79,656	32,179
Contractual Services	114,958	114,958	91,261	23,697
Snow and Ice Removal Department:				
Personal Services	60,000	60,000	6,083	53,917
Materials and Supplies	196,445	196,445	103,115	93,330
Contractual Services	12,894	12,894	7,222	5,672
Traffic Signs and Signals Department:				
Materials and Supplies	2,234	2,234	0	2,234
Contractual Services	<u>48,643</u>	<u>48,643</u>	<u>46,944</u>	<u>1,699</u>
Total Transportation	<u>1,489,789</u>	<u>1,489,789</u>	<u>1,205,650</u>	<u>284,139</u>
Capital Outlay	<u>265,000</u>	<u>265,000</u>	<u>217,149</u>	<u>47,851</u>
Total Expenditures	<u>1,754,789</u>	<u>1,754,789</u>	<u>1,422,799</u>	<u>331,990</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(578,719)	(578,719)	(154,197)	424,522
Other Financing Sources (Uses):				
Issuance of Capital Leases	<u>69,065</u>	<u>69,065</u>	<u>69,065</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>69,065</u>	<u>69,065</u>	<u>69,065</u>	<u>0</u>
Net Change in Fund Balance	(509,654)	(509,654)	(85,132)	424,522
Fund Balance at Beginning of Year	728,775	728,775	728,775	0
Prior Year Encumbrances	<u>96,042</u>	<u>96,042</u>	<u>96,042</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 315,163</u>	<u>\$ 315,163</u>	<u>\$ 739,685</u>	<u>\$ 424,522</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, 2006***

STATE HIGHWAY FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Intergovernmental Revenues	\$ 91,000	\$ 91,000	\$ 99,309	\$ 8,309
Investment Earnings	10,000	10,000	19,890	9,890
All Other Revenues	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>0</u>
Total Revenues	<u>103,000</u>	<u>103,000</u>	<u>121,199</u>	<u>18,199</u>
Expenditures:				
Transportation:				
Street Maintenance and Repair Department:				
Materials and Supplies	16,000	16,000	78	15,922
Contractual Services	107,663	107,663	87,301	20,362
Snow and Ice Removal Department:				
Materials and Supplies	79,177	79,177	41,308	37,869
Traffic Signs and Signals Department:				
Materials and Supplies	2,000	2,000	1,895	105
Contractual Services	<u>35,920</u>	<u>35,920</u>	<u>34,895</u>	<u>1,025</u>
Total Transportation	<u>240,760</u>	<u>240,760</u>	<u>165,477</u>	<u>75,283</u>
Capital Outlay	<u>104,500</u>	<u>104,500</u>	<u>83,852</u>	<u>20,648</u>
Total Expenditures	<u>345,260</u>	<u>345,260</u>	<u>249,329</u>	<u>95,931</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(242,260)	(242,260)	(128,130)	114,130
Fund Balance at Beginning of Year	297,299	297,299	297,299	0
Prior Year Encumbrances	<u>121,854</u>	<u>121,854</u>	<u>121,854</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 176,893</u>	<u>\$ 176,893</u>	<u>\$ 291,023</u>	<u>\$ 114,130</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, 2006**

	PERMISSIVE MOTOR VEHICLE TAX FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Intergovernmental Revenues	\$ 194,000	\$ 194,000	\$ 197,577	\$ 3,577
Investment Earnings	0	0	2,447	2,447
Total Revenues	<u>194,000</u>	<u>194,000</u>	<u>200,024</u>	<u>6,024</u>
Expenditures:				
Transportation:				
Street Maintenance and Repair Department:				
Personal Services	123,570	123,570	120,237	3,333
Materials and Supplies	42,000	42,000	3,763	38,237
Contractual Services	24,934	24,934	20,148	4,786
Traffic Signs and Signals Department:				
Contractual Services	100	100	30	70
Total Transportation	<u>190,604</u>	<u>190,604</u>	<u>144,178</u>	<u>46,426</u>
Total Expenditures	<u>190,604</u>	<u>190,604</u>	<u>144,178</u>	<u>46,426</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,396	3,396	55,846	52,450
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$ 3,396</u>	<u>\$ 3,396</u>	<u>\$ 55,846</u>	<u>\$ 52,450</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, 2006**

FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA) FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 100,369	\$ 100,369	\$ 17,869	\$ (82,500)
Total Revenues	<u>100,369</u>	<u>100,369</u>	<u>17,869</u>	<u>(82,500)</u>
Expenditures:				
General Government:				
Miscellaneous Government Department:				
Capital Outlay	<u>87,042</u>	<u>87,042</u>	<u>4,542</u>	<u>82,500</u>
Total Expenditures	<u>87,042</u>	<u>87,042</u>	<u>4,542</u>	<u>82,500</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	13,327	13,327	13,327	0
Other Financing Sources (Uses):				
Transfers Out	<u>(17,869)</u>	<u>(17,869)</u>	<u>(17,869)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(17,869)</u>	<u>(17,869)</u>	<u>(17,869)</u>	<u>0</u>
Net Change in Fund Balance	(4,542)	(4,542)	(4,542)	0
Fund Balance at Beginning of Year	<u>4,542</u>	<u>4,542</u>	<u>4,542</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<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, 2006***

	STATE HEALTH LICENSES FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 10,000	\$ 10,000	\$ 28,410	\$ 18,410
Charges for Services	0	0	1,530	1,530
Licenses and Permits	72,100	72,100	80,079	7,979
All Other Revenues	500	500	138	(362)
Total Revenues	<u>82,600</u>	<u>82,600</u>	<u>110,157</u>	<u>27,557</u>
Expenditures:				
Public Health and Welfare Services:				
Health Department:				
Personal Services	356,040	356,040	342,653	13,387
Materials and Supplies	12,430	12,430	10,432	1,998
Contractual Services	53,957	53,957	32,058	21,899
Total Public Health and Welfare Services	<u>422,427</u>	<u>422,427</u>	<u>385,143</u>	<u>37,284</u>
Total Expenditures	<u>422,427</u>	<u>422,427</u>	<u>385,143</u>	<u>37,284</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(339,827)	(339,827)	(274,986)	64,841
Other Financing Sources (Uses):				
Transfers In	300,000	300,000	250,000	(50,000)
Total Other Financing Sources (Uses)	<u>300,000</u>	<u>300,000</u>	<u>250,000</u>	<u>(50,000)</u>
Net Change in Fund Balance	(39,827)	(39,827)	(24,986)	14,841
Fund Balance at Beginning of Year	66,850	66,850	66,850	0
Prior Year Encumbrances	986	986	986	0
Fund Balance at End of Year	<u>\$ 28,009</u>	<u>\$ 28,009</u>	<u>\$ 42,850</u>	<u>\$ 14,841</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, 2006**

LAW ENFORCEMENT TRUST FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Fines and Forfeitures	\$ 3,500	\$ 3,500	\$ 1,572	\$ (1,928)
Total Revenues	<u>3,500</u>	<u>3,500</u>	<u>1,572</u>	<u>(1,928)</u>
Expenditures:				
Security of Persons and Property:				
Police Department:				
Materials and Supplies	3,500	3,500	3,389	111
Contractual Services	1,500	1,500	531	969
Total Security of Persons and Property	<u>5,000</u>	<u>5,000</u>	<u>3,920</u>	<u>1,080</u>
Capital Outlay	5,000	5,000	4,892	108
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>8,812</u>	<u>1,188</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,500)	(6,500)	(7,240)	(740)
Fund Balance at Beginning of Year	<u>11,686</u>	<u>11,686</u>	<u>11,686</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 5,186</u>	<u>\$ 5,186</u>	<u>\$ 4,446</u>	<u>\$ (740)</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, 2006***

DRUG LAW ENFORCEMENT FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 8,000	\$ 8,000	\$ 14,274	\$ 6,274
All Other Revenues	0	0	1,349	1,349
Total Revenues	<u>8,000</u>	<u>8,000</u>	<u>15,623</u>	<u>7,623</u>
Expenditures:				
Security of Persons and Property:				
Police Department:				
Materials and Supplies	5,600	5,600	4,831	769
Contractual Services	2,000	2,000	1,005	995
Total Security of Persons and Property	<u>7,600</u>	<u>7,600</u>	<u>5,836</u>	<u>1,764</u>
Capital Outlay	2,000	2,000	0	2,000
Total Expenditures	<u>9,600</u>	<u>9,600</u>	<u>5,836</u>	<u>3,764</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,600)	(1,600)	9,787	11,387
Fund Balance at Beginning of Year	10,093	10,093	10,093	0
Prior Year Encumbrances	1,600	1,600	1,600	0
Fund Balance at End of Year	<u>\$ 10,093</u>	<u>\$ 10,093</u>	<u>\$ 21,480</u>	<u>\$ 11,387</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, 2006***

	DUI CHECKPOINT GRANT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 126,000	\$ 126,000	\$ 97,154	\$ (28,846)
Total Revenues	<u>126,000</u>	<u>126,000</u>	<u>97,154</u>	<u>(28,846)</u>
Expenditures:				
Security of Persons and Property:				
Police Department:				
Personal Services	33,000	33,000	19,706	13,294
Materials and Supplies	5,500	5,500	1,029	4,471
Contractual Services	<u>107,293</u>	<u>107,293</u>	<u>74,074</u>	<u>33,219</u>
Total Security of Persons and Property	<u>145,793</u>	<u>145,793</u>	<u>94,809</u>	<u>50,984</u>
Total Expenditures	<u>145,793</u>	<u>145,793</u>	<u>94,809</u>	<u>50,984</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,793)	(19,793)	2,345	22,138
Other Financing Sources (Uses):				
Advances In	0	0	47,000	47,000
Advances Out	<u>0</u>	<u>0</u>	<u>(47,000)</u>	<u>(47,000)</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(19,793)	(19,793)	2,345	22,138
Fund Balance at Beginning of Year	<u>27,483</u>	<u>27,483</u>	<u>27,483</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 7,690</u>	<u>\$ 7,690</u>	<u>\$ 29,828</u>	<u>\$ 22,138</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, 2006**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 1,500	\$ 1,500	\$ 663	\$ (837)
All Other Revenues	<u>500</u>	<u>500</u>	<u>795</u>	<u>295</u>
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>1,458</u>	<u>(542)</u>
Expenditures:				
Security of Persons and Property:				
Police Department:				
Materials and Supplies	3,000	3,000	0	3,000
Contractual Services	<u>2,000</u>	<u>2,000</u>	<u>0</u>	<u>2,000</u>
Total Security of Persons and Property	<u>5,000</u>	<u>5,000</u>	<u>0</u>	<u>5,000</u>
Capital Outlay	<u>1,000</u>	<u>1,000</u>	<u>0</u>	<u>1,000</u>
Total Expenditures	<u>6,000</u>	<u>6,000</u>	<u>0</u>	<u>6,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,000)	(4,000)	1,458	5,458
Fund Balance at Beginning of Year	<u>7,223</u>	<u>7,223</u>	<u>7,223</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 3,223</u></u>	<u><u>\$ 3,223</u></u>	<u><u>\$ 8,681</u></u>	<u><u>\$ 5,458</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, 2006**

	MAYOR'S COURT COMPUTER FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Fines and Forfeitures	\$ 12,700	\$ 12,700	\$ 10,692	\$ (2,008)
Total Revenues	<u>12,700</u>	<u>12,700</u>	<u>10,692</u>	<u>(2,008)</u>
Expenditures:				
Security of Persons and Property:				
Police Department:				
Materials and Supplies	3,811	3,811	97	3,714
Contractual Services	<u>5,585</u>	<u>5,585</u>	<u>5,585</u>	<u>0</u>
Total Security of Persons and Property	<u>9,396</u>	<u>9,396</u>	<u>5,682</u>	<u>3,714</u>
Capital Outlay	<u>12,582</u>	<u>12,582</u>	<u>385</u>	<u>12,197</u>
Total Expenditures	<u>21,978</u>	<u>21,978</u>	<u>6,067</u>	<u>15,911</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,278)	(9,278)	4,625	13,903
Fund Balance at Beginning of Year	<u>22,983</u>	<u>22,983</u>	<u>22,983</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 13,705</u>	<u>\$ 13,705</u>	<u>\$ 27,608</u>	<u>\$ 13,903</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, 2006**

	CLERK OF COURTS COMPUTER FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Fines and Forfeitures	\$ 29,000	\$ 29,000	\$ 24,839	\$ (4,161)
Total Revenues	<u>29,000</u>	<u>29,000</u>	<u>24,839</u>	<u>(4,161)</u>
Expenditures:				
Security of Persons and Property:				
Police Department:				
Materials and Supplies	3,400	3,400	0	3,400
Contractual Services	985	985	985	0
Total Security of Persons and Property	<u>4,385</u>	<u>4,385</u>	<u>985</u>	<u>3,400</u>
Capital Outlay	<u>29,718</u>	<u>29,718</u>	<u>1,344</u>	<u>28,374</u>
Total Expenditures	<u>34,103</u>	<u>34,103</u>	<u>2,329</u>	<u>31,774</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,103)	(5,103)	22,510	27,613
Fund Balance at Beginning of Year	<u>34,060</u>	<u>34,060</u>	<u>34,060</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 28,957</u>	<u>\$ 28,957</u>	<u>\$ 56,570</u>	<u>\$ 27,613</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, 2006**

	LAW ENFORCEMENT BLOCK GRANT FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Intergovernmental Revenues	\$ 40,000	\$ 40,000	\$ 39,000	\$ (1,000)
Total Revenues	<u>40,000</u>	<u>40,000</u>	<u>39,000</u>	<u>(1,000)</u>
Expenditures:				
Security of Persons and Property:				
Police Department:				
Capital Outlay	<u>40,000</u>	<u>40,000</u>	<u>39,000</u>	<u>1,000</u>
Total Expenditures	<u>40,000</u>	<u>40,000</u>	<u>39,000</u>	<u>1,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Other Financing Sources (Uses):				
Advances In	0	0	40,000	40,000
Advances Out	<u>0</u>	<u>0</u>	<u>(40,000)</u>	<u>(40,000)</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<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, 2006**

	CONFINEMENT REIMBURSEMENT FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Fines and Forfeitures	\$ 0	\$ 0	\$ 2,700	\$ 2,700
Total Revenues	<u>0</u>	<u>0</u>	<u>2,700</u>	<u>2,700</u>
Expenditures:				
Security of Persons and Property:				
Police Department:				
Contractual Services	1,000	1,000	1,000	0
Total Security of Persons and Property	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>0</u>
Total Expenditures	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,000)	(1,000)	1,700	2,700
Fund Balance at Beginning of Year	<u>3,448</u>	<u>3,448</u>	<u>3,448</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 2,448</u>	<u>\$ 2,448</u>	<u>\$ 5,148</u>	<u>\$ 2,700</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, 2006**

	COPS GRANT FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u></u>
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Total Expenditures	0	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	<u>5,752</u>	<u>5,752</u>	<u>5,752</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 5,752</u>	<u>\$ 5,752</u>	<u>\$ 5,752</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, 2006***

	DEA FEDERAL SHARING FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 0	\$ 19,810	\$ 19,810
Total Revenues	<u>0</u>	<u>0</u>	<u>19,810</u>	<u>19,810</u>
Expenditures:				
Security of Persons and Property:				
Police Department:				
Materials and Supplies	11,000	11,000	2,649	8,351
Contractual Services	17,000	17,000	8,500	8,500
Total Security of Persons and Property	<u>28,000</u>	<u>28,000</u>	<u>11,149</u>	<u>16,851</u>
Capital Outlay	13,411	13,411	5,316	8,095
Total Expenditures	<u>41,411</u>	<u>41,411</u>	<u>16,465</u>	<u>24,946</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(41,411)	(41,411)	3,345	44,756
Other Financing Sources (Uses):				
Advances In	0	0	87,000	87,000
Advances Out	0	0	(87,000)	(87,000)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(41,411)	(41,411)	3,345	44,756
Fund Balance at Beginning of Year	50,590	50,590	50,590	0
Fund Balance at End of Year	<u>\$ 9,179</u>	<u>\$ 9,179</u>	<u>\$ 53,935</u>	<u>\$ 44,756</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, 2006**

TERMINATION BENEFITS FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
General Government:				
Miscellaneous Financing Department:				
Personal Services	77,900	77,900	71,776	6,124
Total General Government	77,900	77,900	71,776	6,124
Total Expenditures	77,900	77,900	71,776	6,124
Excess (Deficiency) of Revenues Over (Under) Expenditures	(77,900)	(77,900)	(71,776)	6,124
Other Financing Sources (Uses):				
Transfers In	85,000	85,000	0	(85,000)
Total Other Financing Sources (Uses)	85,000	85,000	0	(85,000)
Net Change in Fund Balance	7,100	7,100	(71,776)	(78,876)
Fund Balance at Beginning of Year	315,023	315,023	315,023	0
Fund Balance at End of Year	<u>\$ 322,123</u>	<u>\$ 322,123</u>	<u>\$ 243,247</u>	<u>\$ (78,876)</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, 2006**

	OTHER GRANTS FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Intergovernmental Revenues	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,800</u>	<u>\$ 800</u>
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>1,800</u>	<u>800</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,000	1,000	1,800	800
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 1,000</u></u>	<u><u>\$ 1,000</u></u>	<u><u>\$ 1,800</u></u>	<u><u>\$ 800</u></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, 2006***

	NOTE DEBT RETIREMENT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 220,000	\$ 220,000	\$ 232,946	\$ 12,946
All Other Revenues	7,800	7,800	10,296	2,496
Total Revenues	<u>227,800</u>	<u>227,800</u>	<u>243,242</u>	<u>15,442</u>
Expenditures:				
General Government:				
Miscellaneous Financing Department:				
Contractual Services	6,400	6,400	5,311	1,089
Total General Government	<u>6,400</u>	<u>6,400</u>	<u>5,311</u>	<u>1,089</u>
Debt Service:				
Principal Retirement	2,245,000	2,245,000	2,245,000	0
Interest Charges	269,372	269,372	251,939	17,433
Total Debt Service	<u>2,514,372</u>	<u>2,514,372</u>	<u>2,496,939</u>	<u>17,433</u>
Total Expenditures	<u>2,520,772</u>	<u>2,520,772</u>	<u>2,502,250</u>	<u>18,522</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,292,972)	(2,292,972)	(2,259,008)	33,964
Other Financing Sources (Uses):				
General Obligation Notes Issued	1,775,000	1,775,000	1,775,000	0
Premiums on General Obligation Notes	10,000	10,000	10,260	260
Transfers In	471,742	471,742	432,517	(39,225)
Total Other Financing Sources (Uses)	<u>2,256,742</u>	<u>2,256,742</u>	<u>2,217,777</u>	<u>(38,965)</u>
Net Change in Fund Balance	(36,230)	(36,230)	(41,231)	(5,001)
Fund Balance at Beginning of Year	41,231	41,231	41,231	0
Fund Balance at End of Year	<u>\$ 5,001</u>	<u>\$ 5,001</u>	<u>\$ 0</u>	<u>\$ (5,001)</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, 2006**

	DEBT RETIREMENT FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Capital Outlay	4,213	4,213	4,213	0
Debt Service:				
Principal Retirement	825,000	825,000	825,000	0
Interest Charges	459,723	459,723	459,723	0
Total Debt Service	1,284,723	1,284,723	1,284,723	0
Total Expenditures	1,288,936	1,288,936	1,288,936	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,288,936)	(1,288,936)	(1,288,936)	0
Other Financing Sources (Uses):				
Transfers In	1,284,723	1,284,723	1,284,722	(1)
Total Other Financing Sources (Uses)	1,284,723	1,284,723	1,284,722	(1)
Net Change in Fund Balance	(4,213)	(4,213)	(4,214)	(1)
Fund Balance at Beginning of Year	4,214	4,214	4,214	0
Fund Balance at End of Year	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 0</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, 2006**

	<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:				
Total Expenditures	<u> 0</u>	<u> 0</u>	<u> 0</u>	<u> 0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	<u> 31,706</u>	<u> 31,706</u>	<u> 31,706</u>	<u> 0</u>
Fund Balance at End of Year	<u><u>\$ 31,706</u></u>	<u><u>\$ 31,706</u></u>	<u><u>\$ 31,706</u></u>	<u><u>\$ 0</u></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, 2006***

	<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:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	<u>33,530</u>	<u>33,530</u>	<u>33,530</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 33,530</u>	<u>\$ 33,530</u>	<u>\$ 33,530</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 Debt Service Funds
For the Year Ended December 31, 2006**

	ZIND LANE SEWER FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Special Assessments	\$ 7,200	\$ 7,200	\$ 6,411	\$ (789)
Total Revenues	<u>7,200</u>	<u>7,200</u>	<u>6,411</u>	<u>(789)</u>
Expenditures:				
General Government:				
Miscellaneous Financing Department:				
Contractual Services	300	300	187	113
Total General Government	<u>300</u>	<u>300</u>	<u>187</u>	<u>113</u>
Debt Service:				
Principal Retirement	5,000	5,000	5,000	0
Interest Charges	400	400	399	1
Total Debt Service	<u>5,400</u>	<u>5,400</u>	<u>5,399</u>	<u>1</u>
Total Expenditures	<u>5,700</u>	<u>5,700</u>	<u>5,586</u>	<u>114</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,500	1,500	825	(675)
Fund Balance at Beginning of Year	<u>7,703</u>	<u>7,703</u>	<u>7,703</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 9,203</u>	<u>\$ 9,203</u>	<u>\$ 8,528</u>	<u>\$ (675)</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, 2006**

CROWNE POINT DRIVE FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Special Assessments	\$ 75,000	\$ 75,000	\$ 83,142	\$ 8,142
Total Revenues	<u>75,000</u>	<u>75,000</u>	<u>83,142</u>	<u>8,142</u>
Expenditures:				
General Government:				
Miscellaneous Financing Department:				
Contractual Services	2,500	2,500	2,422	78
Total General Government	<u>2,500</u>	<u>2,500</u>	<u>2,422</u>	<u>78</u>
Debt Service:				
Principal Retirement	60,000	60,000	60,000	0
Interest Charges	21,070	21,070	21,070	0
Total Debt Service	<u>81,070</u>	<u>81,070</u>	<u>81,070</u>	<u>0</u>
Total Expenditures	<u>83,570</u>	<u>83,570</u>	<u>83,492</u>	<u>78</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,570)	(8,570)	(350)	8,220
Fund Balance at Beginning of Year	368,063	368,063	368,063	0
Fund Balance at End of Year	<u>\$ 359,493</u>	<u>\$ 359,493</u>	<u>\$ 367,713</u>	<u>\$ 8,220</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, 2006***

	<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>851,980</u>	<u>851,980</u>	<u>585,964</u>	<u>266,016</u>
Total Expenditures	<u>851,980</u>	<u>851,980</u>	<u>585,964</u>	<u>266,016</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(851,980)	(851,980)	(585,964)	266,016
Fund Balance at Beginning of Year	152,216	152,216	152,216	0
Prior Year Encumbrances	<u>699,764</u>	<u>699,764</u>	<u>699,764</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 266,016</u>	<u>\$ 266,016</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, 2006**

	Balance December 31, 2005	Additions	Deductions	Balance December 31, 2006
<u>Mayor's Court Fund</u>				
Assets:				
Cash and Cash Equivalents	\$16,061	\$522,310	(\$522,355)	\$16,016
Total Assets	<u>\$16,061</u>	<u>\$522,310</u>	<u>(\$522,355)</u>	<u>\$16,016</u>
Liabilities:				
Due to Others	\$16,061	\$522,310	(\$522,355)	\$16,016
Total Liabilities	<u>\$16,061</u>	<u>\$522,310</u>	<u>(\$522,355)</u>	<u>\$16,016</u>
<u>Employee Benefits Fund</u>				
Assets:				
Cash and Cash Equivalents	\$269,339	\$167,900	(\$157,179)	\$280,060
Total Assets	<u>\$269,339</u>	<u>\$167,900</u>	<u>(\$157,179)</u>	<u>\$280,060</u>
Liabilities:				
Due to Others	\$269,339	\$167,900	(\$157,179)	\$280,060
Total Liabilities	<u>\$269,339</u>	<u>\$167,900</u>	<u>(\$157,179)</u>	<u>\$280,060</u>
<u>Tax Rebate Fund</u>				
Assets:				
Cash and Cash Equivalents	\$19,712	\$0	(\$110)	\$19,602
Total Assets	<u>\$19,712</u>	<u>\$0</u>	<u>(\$110)</u>	<u>\$19,602</u>
Liabilities:				
Due to Others	\$19,712	\$0	(\$110)	\$19,602
Total Liabilities	<u>\$19,712</u>	<u>\$0</u>	<u>(\$110)</u>	<u>\$19,602</u>
<u>Ohio Board of Building Standards Fund</u>				
Assets:				
Cash and Cash Equivalents	\$3,021	\$6,875	(\$6,868)	\$3,028
Total Assets	<u>\$3,021</u>	<u>\$6,875</u>	<u>(\$6,868)</u>	<u>\$3,028</u>
Liabilities:				
Intergovernmental Payables	\$3,021	\$6,875	(\$6,868)	\$3,028
Total Liabilities	<u>\$3,021</u>	<u>\$6,875</u>	<u>(\$6,868)</u>	<u>\$3,028</u>

(Continued)

CITY OF SHARONVILLE, OHIO

	Balance December 31, 2005	Additions	Deductions	Balance December 31, 2006
<u>Tax Rebate 1.5% Fund</u>				
Assets:				
Cash and Cash Equivalents	\$125,705	\$621,604	(\$591,269)	\$156,040
Total Assets	<u>\$125,705</u>	<u>\$621,604</u>	<u>(\$591,269)</u>	<u>\$156,040</u>
Liabilities:				
Due to Others	\$125,705	\$621,604	(\$591,269)	\$156,040
Total Liabilities	<u>\$125,705</u>	<u>\$621,604</u>	<u>(\$591,269)</u>	<u>\$156,040</u>
<u>Warranty Bond Fund</u>				
Assets:				
Cash and Cash Equivalents	\$7,758	\$0	(\$7,758)	\$0
Total Assets	<u>\$7,758</u>	<u>\$0</u>	<u>(\$7,758)</u>	<u>\$0</u>
Liabilities:				
Due to Others	\$7,758	\$0	(\$7,758)	\$0
Total Liabilities	<u>\$7,758</u>	<u>\$0</u>	<u>(\$7,758)</u>	<u>\$0</u>
<u>Totals - All Agency Funds</u>				
Assets:				
Cash and Cash Equivalents	\$441,596	\$1,318,689	(\$1,285,539)	\$474,746
Total Assets	<u>\$441,596</u>	<u>\$1,318,689</u>	<u>(\$1,285,539)</u>	<u>\$474,746</u>
Liabilities:				
Intergovernmental Payables	\$3,021	\$6,875	(\$6,868)	\$3,028
Due to Others	438,575	1,311,814	(1,278,671)	471,718
Total Liabilities	<u>\$441,596</u>	<u>\$1,318,689</u>	<u>(\$1,285,539)</u>	<u>\$474,746</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, 2006***

Capital Assets:

Land	\$5,871,002
Construction in Progress	5,545,681
Land Improvements	8,380,090
Buildings and Improvements	11,450,718
Infrastructure	14,301,105
Machinery and Equipment	1,840,367
Vehicles	<u>3,291,580</u>
Total Capital Assets	<u><u>\$50,680,543</u></u>

Investment in Capital Assets:

Special Revenue Funds	\$20,504,388
Capital Project Funds	<u>30,176,155</u>
Total Investment in Capital Assets	<u><u>\$50,680,543</u></u>

CITY OF SHARONVILLE, OHIO

**Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
December 31, 2006**

Function and Activity	Land	Construction in Progress	Land Improvements
<u>Security of Persons and Property:</u>			
Police Department	\$0	\$0	\$0
Fire Department	2,000,000	4,718,377	18,068
Total	2,000,000	4,718,377	18,068
<u>Public Health and Welfare Services:</u>			
Health Department	0	0	0
<u>Leisure Time Activities:</u>			
Recreation Centers	0	46,898	169,086
Recreation Parks and Programs	0	0	1,836,479
Recreation Pools	0	0	4,906,487
Total	0	46,898	6,912,052
<u>Community Environment:</u>			
Building and Planning	0	388,273	0
<u>Transportation:</u>			
Street Construction and Reconstruction	1,810,791	382,143	488,153
Street Maintenance and Repairs	0	0	57,390
Traffic Signs and Signals	0	0	0
Total	1,810,791	382,143	545,543
<u>General Government:</u>			
Council	0	0	63,231
Auditor and Treasurer	0	0	0
Safety/Service Director	0	9,990	0
Tax Department	707,840	0	492,160
Buildings and Lands	1,352,371	0	349,036
Miscellaneous Government	0	0	0
Total	2,060,211	9,990	904,427
Total Capital Assets	\$5,871,002	\$5,545,681	\$8,380,090

CITY OF SHARONVILLE, OHIO

<u>Buildings and Improvements</u>	<u>Infrastructure</u>	<u>Machinery and Equipment</u>	<u>Vehicles</u>	<u>Total</u>
\$0	\$0	\$565,078	\$458,655	\$1,023,733
6,600	376,760	438,085	2,032,150	9,590,040
<u>6,600</u>	<u>376,760</u>	<u>1,003,163</u>	<u>2,490,805</u>	<u>10,613,773</u>
0	0	0	41,461	41,461
84,066	0	170,105	64,573	534,728
0	0	189,893	14,844	2,041,216
0	0	30,680	0	4,937,167
<u>84,066</u>	<u>0</u>	<u>390,678</u>	<u>79,417</u>	<u>7,513,111</u>
0	0	33,765	60,506	482,544
87,275	11,329,278	14,999	0	14,112,639
0	470,401	242,127	566,391	1,336,309
0	1,378,678	0	0	1,378,678
<u>87,275</u>	<u>13,178,357</u>	<u>257,126</u>	<u>566,391</u>	<u>16,827,626</u>
9,755	0	0	0	72,986
0	0	7,290	0	7,290
0	0	16,030	0	26,020
14,500	0	35,043	0	1,249,543
11,248,522	738,008	29,596	53,000	13,770,533
0	7,980	67,676	0	75,656
<u>11,272,777</u>	<u>745,988</u>	<u>155,635</u>	<u>53,000</u>	<u>15,202,028</u>
<u>\$11,450,718</u>	<u>\$14,301,105</u>	<u>\$1,840,367</u>	<u>\$3,291,580</u>	<u>\$50,680,543</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, 2006***

Function and Activity	December 31, 2005	Additions	Deletions	December 31, 2006
<u>Security of Persons and Property:</u>				
Police Department	\$929,665	\$137,068	(\$43,000)	\$1,023,733
Fire Department	4,999,759	4,614,392	(24,111)	9,590,040
Total	<u>5,929,424</u>	<u>4,751,460</u>	<u>(67,111)</u>	<u>10,613,773</u>
<u>Public Health and Welfare Services:</u>				
Health Department	41,461	0	0	41,461
<u>Leisure Time Activities:</u>				
Recreation Centers	398,988	160,296	(24,556)	534,728
Recreation Parks and Programs	2,032,774	22,000	(13,558)	2,041,216
Recreation Pools	4,834,508	102,659	0	4,937,167
Total	<u>7,266,270</u>	<u>284,955</u>	<u>(38,114)</u>	<u>7,513,111</u>
<u>Community Environment:</u>				
Building and Planning	94,271	388,273	0	482,544
<u>Transportation:</u>				
Street Construction and Reconstruction	13,355,570	1,132,520	(375,451)	14,112,639
Street Maintenance and Repairs	1,200,207	256,002	(119,900)	1,336,309
Traffic Signs and Signals	1,378,678	0	0	1,378,678
Total	<u>15,934,455</u>	<u>1,388,522</u>	<u>(495,351)</u>	<u>16,827,626</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	9,990	0	26,020
Tax Department	1,249,543	0	0	1,249,543
Buildings and Lands	13,664,955	105,578	0	13,770,533
Miscellaneous Government	38,064	37,592	0	75,656
Total	<u>15,048,868</u>	<u>153,160</u>	<u>0</u>	<u>15,202,028</u>
Total Capital Assets	<u>\$44,314,749</u>	<u>\$6,966,370</u>	<u>(\$600,576)</u>	<u>\$50,680,543</u>

STATISTICAL SECTION



STATISTICAL TABLES

This part of the City’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city’s overall financial health.

Contents

Financial Trends	S 3 – S 13
These schedules contain trend information to help the reader understand how the city’s financial position has changed over time.	
Revenue Capacity	S 14 – S 17
These schedules contain information to help the reader understand and assess the factors affecting the city’s ability to generate its most significant local revenue sources, the property tax and the income tax.	
Debt Capacity	S 18 – S 27
These schedules present information to help the reader assess the affordability of the city’s current levels of outstanding debt and the city’s ability to issue additional debt in the future.	
Economic and Demographic Information	S 28 – S 31
These schedules offer economic and demographic indicators to help the reader understand the environment within which the city’s financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	
Operating Information	S 32 – S 36
These schedules contain service and infrastructure data to help the reader understand how the information in the city’s financial report relates to the services the city provides and the activities it performs.	
Sources Note:	
Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The city implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.	



City of Sharonville

*Net Assets by Component
Last Four Years
(accrual basis of accounting)*

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental Activities:				
Invested in Capital Assets, Net of Related Debt	\$7,579,874	\$6,034,135	\$7,565,792	\$13,967,107
Restricted	9,810,613	9,779,977	10,551,263	7,088,138
Unrestricted	2,964,793	6,439,690	5,968,841	3,773,963
Total Governmental Activities Net Assets	<u>\$20,355,280</u>	<u>\$22,253,802</u>	<u>\$24,085,896</u>	<u>\$24,829,208</u>
Business-type Activities:				
Invested in Capital Assets, Net of Related Debt	\$1,890,127	\$1,840,939	\$1,960,040	\$2,394,091
Unrestricted	781,059	460,278	1,193,441	1,145,530
Total Business-type Activities Net Assets	<u>\$2,671,186</u>	<u>\$2,301,217</u>	<u>\$3,153,481</u>	<u>\$3,539,621</u>
Primary Government:				
Invested in Capital Assets, Net of Related Debt	\$9,470,001	\$7,875,074	\$9,525,832	\$16,361,198
Restricted	9,810,613	9,779,977	10,551,263	7,088,138
Unrestricted	3,745,852	6,899,968	7,162,282	4,919,493
Total Primary Government Net Assets	<u>\$23,026,466</u>	<u>\$24,555,019</u>	<u>\$27,239,377</u>	<u>\$28,368,829</u>

Source: City Finance Office

City of Sharonville

Changes in Net Assets
Last Four Years
(accrual basis of accounting)

	2003	2004	2005
Expenses			
Governmental Activities:			
Security of Persons and Property	\$10,269,289	\$11,398,938	\$11,726,212
Public Health and Welfare Services	382,116	350,553	361,002
Leisure Time Activities	2,807,430	2,962,009	3,313,120
Community Environment	533,193	585,562	561,985
Basic Utility Services	468,046	431,204	577,944
Transportation	2,871,053	1,826,457	1,655,934
General Government	7,395,342	5,659,441	4,068,570
Interest and Fiscal Charges	746,869	759,495	757,929
<i>Total Governmental Activities Expenses</i>	<u>25,473,338</u>	<u>23,973,659</u>	<u>23,022,696</u>
Business-type Activities:			
Convention Center	1,846,690	1,782,608	1,616,476
Senior Citizen Housing	167,776	185,300	226,006
<i>Total Business-type Activities Expenses</i>	<u>2,014,466</u>	<u>1,967,908</u>	<u>1,842,482</u>
<i>Total Primary Government Expenses</i>	<u>\$27,487,804</u>	<u>\$25,941,567</u>	<u>\$24,865,178</u>
Program Revenues			
Governmental Activities:			
Charges for Services			
Security of Persons and Property	\$778,637	\$1,127,288	\$772,124
Public Health and Welfare Services	71,112	73,124	78,229
Leisure Time Activities	313,240	375,287	371,937
Community Environment	139,055	155,626	307,639
Transportation	17,935	3,545	315
General Government	10,506	5,448	49
Operating Grants and Contributions	176,551	2,474,915	1,794,027
Capital Grants and Contributions	1,058,392	2,081	34,431
<i>Total Governmental Activities</i>	<u>2,565,428</u>	<u>4,217,314</u>	<u>3,358,751</u>
<i>Program Revenues</i>	<u>2,565,428</u>	<u>4,217,314</u>	<u>3,358,751</u>

City of Sharonville

2006

\$11,736,011

349,637

3,223,962

495,139

507,998

2,039,820

3,860,974

837,660

23,051,201

1,520,275

188,040

1,708,315

\$24,759,516

\$827,235

83,347

383,172

261,735

1,538

17

1,607,033

249,831

3,413,908

(continued)

City of Sharonville

*Changes in Net Assets
Last Four Years
(accrual basis of accounting)*

	2003	2004	2005
Business-type Activities:			
Charges for Services			
Convention Center	859,776	1,007,123	1,365,959
Senior Citizen Housing	196,179	195,172	205,567
Operating Grants and Contributions	390,384	398,644	738,984
<i>Total Business-type Activities Program Revenues</i>	<u>1,446,339</u>	<u>1,600,939</u>	<u>2,310,510</u>
<i>Total Primary Government Program Revenues</i>	<u>4,011,767</u>	<u>5,818,253</u>	<u>5,669,261</u>
Net (Expense)/Revenue			
Governmental Activities	(22,907,910)	(19,756,345)	(19,663,945)
Business-type Activities	(568,127)	(366,969)	468,028
<i>Total Primary Government Net (Expense)/Revenue</i>	<u><u>(\$23,476,037)</u></u>	<u><u>(\$20,123,314)</u></u>	<u><u>(\$19,195,917)</u></u>
General Revenues and Other Changes in Net Assets			
Governmental Activities:			
Income Taxes	\$18,573,923	\$20,601,078	\$19,488,300
Other Local Taxes	0	0	268,487
Grants and Entitlements not Restricted to Specific Programs	1,954,517	471,168	1,135,536
Investment Earnings	220,211	330,352	446,000
Miscellaneous	393,863	328,662	567,601
Transfers	(235,000)	0	(384,236)
<i>Total Governmental Activities</i>	<u>20,907,514</u>	<u>21,731,260</u>	<u>21,521,688</u>
Business-type Activities:			
Transfers	210,000	0	384,236
<i>Total Business-type Activities</i>	<u>210,000</u>	<u>0</u>	<u>384,236</u>
<i>Total Primary Government</i>	<u><u>\$21,117,514</u></u>	<u><u>\$21,731,260</u></u>	<u><u>\$21,905,924</u></u>
Change in Net Assets			
Governmental Activities	(\$2,000,396)	\$1,974,915	\$1,857,743
Business-type Activities	(358,127)	(366,969)	852,264
<i>Total Primary Government Change in Net Assets</i>	<u><u>(\$2,358,523)</u></u>	<u><u>\$1,607,946</u></u>	<u><u>\$2,710,007</u></u>

Source: City Finance Office

City of Sharonville

2006

951,945

216,804

925,706

2,094,455

5,508,363

(19,637,293)

386,140

(\$19,251,153)

\$19,077,969

0

1,028,370

784,306

352,589

0

21,243,234

0

0

\$21,243,234

\$1,605,941

386,140

\$1,992,081

City of Sharonville

*Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
General Fund				
Reserved	\$218,442	\$195,546	\$301,866	\$295,815
Unreserved	<u>3,899,322</u>	<u>4,012,601</u>	<u>4,591,486</u>	<u>4,106,972</u>
<i>Total General Fund</i>	<u>4,117,764</u>	<u>4,208,147</u>	<u>4,893,352</u>	<u>4,402,787</u>
All Other Governmental Funds				
Reserved	1,411,582	1,742,515	1,979,144	2,862,168
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	212,493	500,237	731,861	915,154
Debt Service Funds	0	0	0	0
Capital Projects Funds	<u>(6,385,613)</u>	<u>843,652</u>	<u>2,663,877</u>	<u>1,407,730</u>
Total All Other Governmental Funds	<u>(4,761,538)</u>	<u>3,086,404</u>	<u>5,374,882</u>	<u>5,185,052</u>
<i>Total Governmental Funds</i>	<u>(\$643,774)</u>	<u>\$7,294,551</u>	<u>\$10,268,234</u>	<u>\$9,587,839</u>

Source: City Finance Office

City of Sharonville

2001	2002	2003	2004	2005	2006
\$241,068	\$323,078	\$132,959	\$144,599	\$175,922	\$133,670
4,520,902	2,095,454	3,351,630	4,507,745	5,137,744	5,122,570
4,761,970	2,418,532	3,484,589	4,652,344	5,313,666	5,256,240
2,356,526	5,173,160	3,915,449	2,274,435	2,108,165	3,819,987
740,895	2,004,711	1,413,303	2,798,138	3,791,802	3,536,093
0	0	294	0	0	442,777
819,993	1,725,287	1,241,778	4,422,068	4,498,142	(2,427,215)
3,917,414	8,903,158	6,570,824	9,494,641	10,398,109	5,371,642
\$8,679,384	\$11,321,690	\$10,055,413	\$14,146,985	\$15,711,775	\$10,627,882

City of Sharonville

*Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	1997	1998	1999	2000
Revenues:				
Taxes	\$10,898,331	\$11,831,540	\$12,536,287	\$12,425,983
Intergovernmental Revenues	1,697,772	1,780,162	2,996,206	2,367,566
Charges for Services	467,074	520,103	611,785	572,830
Licenses and Permits	462,675	416,184	460,931	388,794
Investment Earnings	331,454	378,520	306,889	602,311
Special Assessments	153,221	141,351	143,693	133,155
Fines and Forfeitures	282,467	323,564	337,461	304,409
All Other Revenue	92,753	251,447	312,154	513,311
Total Revenue	<u>14,385,747</u>	<u>15,642,871</u>	<u>17,705,406</u>	<u>17,308,359</u>
Expenditures:				
Current:				
Security of Persons and Property	4,474,983	5,093,379	5,559,558	6,270,707
Public Health and Welfare Services	275,781	262,059	301,332	267,266
Leisure Time Activities	1,202,054	1,674,967	1,877,362	2,059,204
Community Environment	264,100	300,773	363,099	369,457
Basic Utility Services	450,404	480,728	440,941	377,154
Transportation	853,156	843,890	948,442	1,043,682
General Government	1,653,086	1,761,829	1,988,902	2,273,330
Capital Outlay	4,749,102	2,172,123	2,689,728	4,463,078
Debt Service:				
Principal Retirement	70,000	265,000	355,662	370,401
Interest and Fiscal Charges	466,131	424,912	377,117	383,133
Total Expenditures	<u>14,458,797</u>	<u>13,279,660</u>	<u>14,902,143</u>	<u>17,877,412</u>
Excess (Deficiency) of Revenues Over Expenditures	(73,050)	2,363,211	2,803,263	(569,053)

City of Sharonville

2001	2002	2003	2004	2005	2006
\$12,472,396	\$17,366,445	\$18,706,607	\$20,349,502	\$20,602,024	\$19,139,977
2,557,875	2,673,895	3,265,709	2,748,108	3,102,272	2,760,328
637,937	643,529	688,258	850,096	794,036	778,376
403,317	389,235	360,900	398,895	554,483	523,917
438,603	237,410	193,374	348,475	449,196	755,679
125,560	125,270	120,187	100,772	89,260	89,553
285,793	371,820	387,486	413,749	433,952	432,898
419,053	345,013	204,428	283,974	257,534	128,873
<u>17,340,534</u>	<u>22,152,617</u>	<u>23,926,949</u>	<u>25,493,571</u>	<u>26,282,757</u>	<u>24,609,601</u>
6,470,013	7,695,278	9,300,676	11,070,181	11,249,491	11,261,727
285,270	306,549	325,916	345,310	355,894	379,359
2,249,929	2,403,827	2,566,192	2,854,058	2,940,080	2,840,788
498,626	451,860	477,303	560,735	520,869	498,434
452,286	440,747	468,046	431,204	577,944	507,998
1,049,109	1,143,510	1,283,222	1,314,293	1,306,783	1,564,074
2,370,029	2,811,164	3,004,275	3,555,646	2,979,947	3,562,483
4,192,111	5,158,780	9,703,256	7,623,458	2,490,515	6,342,629
385,405	400,688	3,206,000	1,163,861	1,181,869	1,160,000
384,677	354,241	1,039,251	773,788	772,384	847,603
<u>18,337,455</u>	<u>21,166,644</u>	<u>31,374,137</u>	<u>29,692,534</u>	<u>24,375,776</u>	<u>28,965,095</u>
(996,921)	985,973	(7,447,188)	(4,198,963)	1,906,981	(4,355,494)

(Continued)

City of Sharonville

*Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Other Financing Sources (Uses):				
Proceeds from the Sale of Capital Assets	0	0	0	0
Other Financing Sources - Capital Leases	0	0	0	0
General Obligation Bonds Issued	0	6,000,000	0	0
Premium on General Obligation Notes	0	0	0	0
Transfers In	3,357,789	4,130,387	3,716,511	4,703,886
Transfers Out	<u>(3,558,549)</u>	<u>(4,542,387)</u>	<u>(3,846,511)</u>	<u>(4,803,886)</u>
Total Other Financing Sources (Uses)	<u>(200,760)</u>	<u>5,588,000</u>	<u>(130,000)</u>	<u>(100,000)</u>
Net Change in Fund Balance	<u><u>(\$273,810)</u></u>	<u><u>\$7,951,211</u></u>	<u><u>\$2,673,263</u></u>	<u><u>(\$669,053)</u></u>
Debt Service as a Percentage of Noncapital Expenditures	7.89%	5.72%	5.28%	4.79%

Source: City Finance Office

City of Sharonville

2001	2002	2003	2004	2005	2006
0	0	0	5,807	2,895	22,246
0	0	0	0	0	69,065
0	2,000,000	14,746,739	0	0	0
0	0	0	0	0	27,233
2,936,859	6,998,757	1,891,400	3,959,350	3,819,956	3,423,736
(3,096,859)	(7,249,757)	(2,126,400)	(3,959,350)	(4,204,192)	(3,423,736)
(160,000)	1,749,000	14,511,739	5,807	(381,341)	118,544
(\$1,156,921)	\$2,734,973	\$7,064,551	(\$4,193,156)	\$1,525,640	(\$4,236,950)

5.04%	4.27%	18.97%	8.82%	9.48%	9.86%
-------	-------	--------	-------	-------	-------

City of Sharonville

Income Tax Revenues by Source, Governmental Funds Last Ten Years

Tax year	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Income Tax Rate	1.00%	1.00%	1.00%	1.00%
Estimated Personal Income (in thousands)	\$332,516	\$358,726	\$364,948	\$467,454
Total Tax Collected	\$9,393,081	\$10,689,517	\$11,667,123	\$11,807,312
Income Tax Receipts				
Withholding	8,030,419	8,695,037	9,602,503	10,036,620
Percentage	85.49%	81.34%	82.30%	85.00%
Corporate	918,598	1,526,170	1,515,327	1,146,289
Percentage	9.78%	14.28%	12.99%	9.71%
Individuals	438,698	461,524	524,816	601,772
Percentage	4.67%	4.32%	4.50%	5.10%
Penalty and Interest	5,366	6,786	24,477	22,631
Percentage	0.06%	0.06%	0.21%	0.19%

Source: City Income Tax Department

City of Sharonville

2001	2002	2003	2004	2005	2006
1.00%	1.50%	1.50%	1.50%	1.50%	1.50%
\$483,817	\$503,508	\$518,827	\$549,617	\$556,163	\$556,163
\$12,272,780	\$16,766,353	\$18,819,336	\$19,360,339	\$20,078,349	\$5,824,204
11,380,268	14,350,771	14,974,511	15,064,199	15,549,738	1,568,150
92.73%	85.59%	79.57%	77.81%	77.45%	26.92%
121,184	1,532,679	2,386,694	2,587,091	2,943,801	2,772,855
0.99%	9.14%	12.68%	13.36%	14.66%	47.61%
733,006	852,247	1,419,893	1,650,570	1,523,617	1,394,448
5.97%	5.08%	7.54%	8.53%	7.59%	23.94%
38,322	30,656	38,238	58,479	61,193	88,751
0.31%	0.18%	0.20%	0.30%	0.30%	1.52%



City of Sharonville

Income Tax Collections Current Year and Seven Years Ago

Calendar Year 2006

<u>Income Tax Filers</u>	<u>Number of Filers</u>	<u>Percent of Total</u>	<u>Taxable Income</u>	<u>Percent of Income</u>	<u>Income Tax Collections</u>	<u>Percent of Income</u>
Top Ten	10	0.09%	\$376,546,333	28.33%	\$5,648,195	28.33%
All Others	10,891	99.91%	952,600,521	71.67%	14,289,008	71.67%
Total	10,901	100.00%	\$1,329,146,854	100.00%	\$19,937,203	100.00%

Calendar Year 1999

<u>Income Tax Filers</u>	<u>Number of Filers</u>	<u>Percent of Total</u>	<u>Taxable Income</u>	<u>Percent of Income</u>	<u>Income Tax Collections</u>	<u>Percent of Income</u>
Top Ten	10	0.17%	\$416,111,600	35.67%	\$4,161,116	35.67%
All Others	5,829	99.83%	750,600,800	64.33%	7,506,008	64.33%
Total	5,839	100.00%	\$1,166,712,400	100.00%	\$11,667,124	100.00%

Source: City Income Tax Department

City of Sharonville

Ratio of Outstanding Debt By Type Last Ten Years

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Governmental Activities ⁽¹⁾				
General Obligation Bonds Payable	\$6,000,000	\$5,805,000	\$5,605,000	\$5,395,000
Special Assessment Bonds Payable	850,000	780,000	710,000	640,000
Capital Leases	630,060	548,887	463,224	372,823
Business-type Activities ⁽¹⁾				
General Obligation Bonds Payable	<u>\$6,265,000</u>	<u>\$6,040,000</u>	<u>\$5,800,000</u>	<u>\$5,550,000</u>
Total Primary Government	<u><u>\$13,745,060</u></u>	<u><u>\$13,173,887</u></u>	<u><u>\$12,578,224</u></u>	<u><u>\$11,957,823</u></u>
Population ⁽²⁾				
City of Sharonville	11,312	11,312	11,312	13,926
Outstanding Debt Per Capita	\$1,215	\$1,165	\$1,112	\$859
Income ⁽³⁾				
Personal (in thousands)	332,516	358,726	364,948	467,454
Percentage of Personal Income	4.13%	3.67%	3.45%	2.56%

Sources:

(1) City Finance Office

(2) US Bureau of Census, Population Division

(3) US Department of Commerce, Bureau of Economic Analysis

(a) Per Capita Income is only available by County, Total Personal Income is a calculation

City of Sharonville

2001	2002	2003	2004	2005	2006
\$5,175,000	\$4,950,000	\$18,602,570	\$17,534,231	\$16,445,892	\$15,322,553
570,000	495,000	425,000	360,000	300,000	235,000
277,418	176,730	120,730	61,869	0	69,065
<u>\$5,290,000</u>	<u>\$5,015,000</u>	<u>\$7,879,271</u>	<u>\$7,366,324</u>	<u>\$6,682,887</u>	<u>\$6,139,162</u>
<u>\$11,312,418</u>	<u>\$10,636,730</u>	<u>\$27,027,571</u>	<u>\$25,322,424</u>	<u>\$23,428,779</u>	<u>\$21,765,780</u>
13,926	13,926	13,926	13,926	13,926	13,926
\$812	\$764	\$1,941	\$1,818	\$1,682	\$1,563
483,817	503,508	518,827	549,617	556,163	556,163
2.34%	2.11%	5.21%	4.61%	4.21%	3.91%

City of Sharonville

Ratios of General Bonded Debt Outstanding Last Ten Years

Year	1997	1998	1999	2000
Population ⁽¹⁾	11,312	11,312	11,312	13,926
Personal Income ⁽²⁾	\$332,516	\$358,726	\$364,948	\$467,454
General Bonded Debt ⁽³⁾				
General Obligation Bonds	\$12,265,000	\$11,845,000	\$11,405,000	\$10,945,000
Resources Available to Pay Principal ⁽⁴⁾	\$320,153	\$335,242	\$381,677	\$412,882
Net General Bonded Debt	\$11,944,847	\$11,509,758	\$11,023,323	\$10,532,118
Ratio of Net Bonded Debt to Estimated Personal Income	3.59%	3.21%	3.02%	2.25%
Net Bonded Debt per Capita	\$1,055.94	\$1,017.48	\$974.48	\$756.29

Source:

- (1) U.S. Bureau of Census of Population
- (2) Hamilton County Auditor
- (3) Includes general obligation bonded debt of governmental and business-type activities.
- (4) Includes only Debt Service funds available for general obligation bonded debt supported by income taxes.

City of Sharonville

2001	2002	2003	2004	2005	2006
13,926	13,926	13,926	13,926	13,926	13,926
\$483,817	\$503,508	\$518,827	\$549,617	\$556,163	\$556,163
\$10,465,000	\$9,965,000	\$26,481,841	\$24,900,555	\$23,128,779	\$21,461,715
\$342,838	\$90,048	\$0	\$4,890	\$46,095	\$1,300
\$10,122,162	\$9,874,952	\$26,481,841	\$24,895,665	\$23,082,684	\$21,460,415
2.09%	1.96%	5.10%	4.53%	4.15%	3.86%
\$726.85	\$709.10	\$1,901.61	\$1,787.71	\$1,657.52	\$1,541.03



City of Sharonville

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2006*

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to the City of Sharonville</u>	<u>Amount Applicable to the City of Sharonville</u>
Direct:			
City of Sharonville	\$15,322,553	100.00%	\$15,322,553
Overlapping:			
Princeton City School District	80,960,000	31.52%	25,518,592
Sycamore City School District	36,718,584	0.01%	3,672
Great Oaks Joint Vocational School District	13,325,000	3.23%	430,398
Hamilton County	119,515,000	2.75%	3,286,663
Butler County	74,923,870	0.60%	449,543
		Subtotal	<u>29,688,868</u>
		Total	<u><u>\$45,011,421</u></u>

Source: Ohio Municipal Advisory Council

City of Sharonville

*Debt Limitations
Last Ten Years*

Collection Year	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
<u>Total Debt</u>				
Net Assessed Valuation	\$480,009,640	\$486,317,830	\$542,918,870	\$555,776,740
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	50,401,012	51,063,372	57,006,481	58,356,558
City Debt Outstanding (2)	0	0	0	0
Less: Applicable Debt Service Fund Amounts	0	0	0	0
Net Indebtedness Subject to Limitation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Overall Legal Debt Margin	<u><u>\$50,401,012</u></u>	<u><u>\$51,063,372</u></u>	<u><u>\$57,006,481</u></u>	<u><u>\$58,356,558</u></u>
<u>Unvoted Debt</u>				
Net Assessed Valuation	\$480,009,640	\$486,317,830	\$542,918,870	\$555,776,740
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	26,400,530	26,747,481	29,860,538	30,567,721
City Debt Outstanding (2)	0	0	0	0
Less: Applicable Debt Service Fund Amounts	0	0	0	0
Net Indebtedness Subject to Limitation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Overall Legal Debt Margin	<u><u>\$26,400,530</u></u>	<u><u>\$26,747,481</u></u>	<u><u>\$29,860,538</u></u>	<u><u>\$30,567,721</u></u>

(1) Direct Debt Limitation based upon Section 133, The Uniform Bond Act of the Ohio Revised Code.

(2) City Debt Outstanding does not include General Obligation Bonds and Notes supported by income taxes.
Enterprise Debt is not considered in the computation of the Legal Debt Margin.

Source: City Finance Office

City of Sharonville

2001	2002	2003	2004	2005	2006
\$551,403,620	\$580,710,700	\$563,218,560	\$569,852,010	\$554,668,383	\$510,813,800
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
57,897,380	60,974,624	59,137,949	59,834,461	58,240,180	53,635,449
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$57,897,380</u>	<u>\$60,974,624</u>	<u>\$59,137,949</u>	<u>\$59,834,461</u>	<u>\$58,240,180</u>	<u>\$53,635,449</u>

\$551,403,620	\$580,710,700	\$563,218,560	\$569,852,010	\$554,668,383	\$510,813,800
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
30,327,199	31,939,089	30,977,021	31,341,861	30,506,761	28,094,759
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$30,327,199</u>	<u>\$31,939,089</u>	<u>\$30,977,021</u>	<u>\$31,341,861</u>	<u>\$30,506,761</u>	<u>\$28,094,759</u>

City of Sharonville

*Pledged Revenue Coverage
Last Ten Years*

	1997	1998	1999	2000
Special Assessment Bonds (1)				
Special Assessment Collections	\$153,221	\$137,785	\$143,693	\$133,155
Debt Service				
Principal	70,000	70,000	70,000	70,000
Interest	66,995	61,760	56,525	51,290
Coverage	1.12	1.05	1.14	1.10

- (1) The Crystal View Widening Special Assessment Bonds were issued in 1984, in the amount of \$178,000
 The Zind Lane Sewer Special Assessment Bonds were issued in 1987, in the amount of \$91,437
 The Miller Valentine Phase I Special Assessment Bonds were issued in 1991, in the amount of \$880,000
 The Miller Valentine Phase II Special Assessment Bonds were issued in 1991, in the amount of \$235,000

Source: City Finance Office

City of Sharonville

2001	2002	2003	2004	2005	2006
\$125,560	\$125,270	\$120,187	\$100,772	\$89,260	\$89,553
70,000	75,000	70,000	65,000	60,000	65,000
46,055	40,820	35,230	29,995	25,380	21,120
1.08	1.08	1.14	1.06	1.05	1.04

City of Sharonville

Demographic and Economic Statistics Last Ten Years

Calendar Year	1997	1998	1999	2000
Population (1)				
City of Sharonville	11,312	11,312	11,312	13,926
Hamilton County	866,228	866,228	866,228	845,303
Income (2) (a)				
Total Personal (in thousands)	332,516	358,726	364,948	467,454
Per Capita	29,395	31,712	32,262	33,567
Unemployment Rate (3)				
Federal	5.4%	4.9%	4.5%	4.2%
State	4.8%	4.6%	4.3%	4.3%
Hamilton County	3.6%	3.4%	3.5%	3.5%
Civilian Work Force Estimates (3)				
State	5,710,000	5,678,000	5,749,000	5,900,400
Hamilton County	444,300	439,400	439,400	433,900

Sources:

(1) US Bureau of Census of Population

(2) US Department of Commerce, Bureau of Economic Analysis

(a) Per Capita Income is only available by County, Total Personal Income is a calculation

(3) State Department of Labor Statistics

(4) Information Not Available

City of Sharonville

2001	2002	2003	2004	2005	2006
13,926	13,926	13,926	13,926	13,926	13,926
845,303	845,303	845,303	845,303	806,652	806,652
483,817	503,508	518,827	549,617	556,163	556,163
34,742	36,156	37,256	39,467	39,937	39,937
3.8%	4.8%	5.8%	6.0%	5.5%	5.0%
3.7%	4.3%	5.7%	6.1%	6.0%	5.9%
3.6%	5.1%	5.1%	5.1%	4.9%	5.0%
5,857,000	5,828,000	5,915,000	5,875,300	5,900,400	5,934,000
444,100	435,200	437,900	422,200	426,800	423,500



City of Sharonville

Principal Employers Current Year and Nine Years Ago

Employer	Nature of Business	2006 (1)	
		Rank	Number of Employees
Ford Motor Company	Auto Parts Manufacturing	1	N/A
US Postal Service	Bulk Mail Processing	2	N/A
Princeton City School District	Public Education	3	N/A
United Parcel Service	Bulk Mail Processing	4	N/A
Xtek Inc	Steel Fabrication	5	N/A
Johnson Diversey	Health and Beauty Products	6	N/A
Great Oaks JVSD	Public Education	7	N/A
City of Sharonville	Municipal Government	8	N/A
Champion Window	Manufacturing	9	N/A
Federated Corporate Services	Retail Management	10	N/A
Total			N/A

Employer	Nature of Business	1997 (1)	
		Rank	Number of Employees
Ford Motor Company	Auto Parts Manufacturing	1	N/A
US Postal Service	Bulk Mail Processing	2	N/A
Princeton City School District	Public Education	3	N/A
United Parcel Service	Bulk Mail Processing	4	N/A
General Mills Services Inc	Cereal Manufacturing	5	N/A
Xtek Inc	Steel Fabrication	6	N/A
GM Payroll Services	Payroll Processing	7	N/A
Great Oaks JVSD	Public Education	8	N/A
Diversey Lever Inc	Health & Beauty Products	9	N/A
Xerox Global Services Inc	Business Processing Services	10	N/A
Total			N/A

Sources:

City Income Tax Department

(1) The City's Income tax department will not disclose number of employees due to privacy concerns.

City of Sharonville

Full Time Equivalent Employees by Function Last Ten Years

	1997	1998	1999	2000	2001	2002
Governmental Activities						
General Government						
Finance	5.00	5.00	5.00	5.00	5.00	5.00
Legal/Court	2.00	2.00	2.00	2.00	2.00	2.00
Administration	2.00	2.00	2.00	3.00	3.00	3.00
Maintenance	16.00	16.00	16.00	16.00	16.00	17.00
Security of Persons and Property						
Police	67.00	52.00	53.00	59.00	56.00	55.00
Fire	42.00	42.00	42.00	45.00	42.00	59.00
Transportation						
Street	17.00	18.00	18.00	18.00	19.00	21.00
Leisure Time Activities						
Recreation	53.00	61.00	62.00	69.00	81.00	85.00
Community Environment						
Service	6.00	6.00	6.00	6.00	5.00	7.00
Business-Type Activities						
Senior Citizen Housing	1.00	1.00	1.00	1.00	1.00	1.00
Convention Center	7.00	8.00	12.00	18.00	15.00	15.00
<i>Total Employees</i>	<u>218.00</u>	<u>213.00</u>	<u>219.00</u>	<u>242.00</u>	<u>245.00</u>	<u>270.00</u>

Method: 1.00 for each full-time, 0.50 for each part-time and 0.25 for each seasonal employee

Source: City Finance Office

City of Sharonville

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
5.00	5.00	5.00	5.00
2.00	2.00	2.00	2.00
3.00	3.00	3.00	3.00
17.00	17.00	17.00	17.00
57.00	55.00	49.00	49.00
67.00	57.00	57.00	64.00
21.00	21.00	20.00	21.00
84.00	76.00	91.00	65.00
7.00	8.00	8.00	8.00
1.00	1.00	1.00	1.00
15.00	14.00	11.00	11.00
<u>279.00</u>	<u>259.00</u>	<u>264.00</u>	<u>246.00</u>

City of Sharonville

Operating Indicators by Function Last Ten Years

	1997	1998	1999	2000	2001
Governmental Activities					
General Government					
Court					
Number of Traffic Cases	N/A	N/A	N/A	N/A	N/A
Number of Open Cases	N/A	N/A	N/A	N/A	N/A
Licenses and Permits					
Number of Building Permits	707	703	689	636	591
Number of Building Inspections	N/A	1,660	1,630	1,518	1,364
Security of Persons and Property					
Police					
Number of Citations Issued	4,211	4,914	4,345	3,890	3,860
Number of Arrests	869	1,134	1,469	1,045	1,064
Number of Accidents	1,256	1,268	1,232	1,406	1,174
Fire					
Number of Fire Calls	934	924	984	914	831
Number of EMS Runs	1,793	1,770	1,776	1,906	1,898
Number of Inspections	1,848	1,431	1,346	1,226	1,139
Transportation					
Street					
Number of Streets Resurfaced	13	11	4	8	9
Number of Potholes Repaired	200	173	110	100	153
Leisure Time Activities					
Recreation					
Number of Programs Offered	80	95	100	150	150
Number of Pool Passes Issued	1,681	N/A	N/A	1,554	1,656

Source: City Finance Office

City of Sharonville

2002	2003	2004	2005	2006
N/A	N/A	4,167	3,748	3,179
N/A	N/A	110	179	184
618	498	677	740	573
1,560	1,096	1,418	1,476	1,281
4,777	4,591	4,606	4,249	3,493
1,071	1,046	1,054	1,203	1,398
1,284	1,436	1,334	1,190	1,074
702	867	863	792	781
1,813	1,791	2,195	2,071	2,045
865	840	617	834	1,093
7	10	9	3	3
124	169	161	200	180
165	200	220	175	150
1,694	1,599	2,059	2,042	1,497

City of Sharonville

Capital Asset Statistics by Function Last Three Years

	2004	2005	2006
Governmental Activities			
General Government			
Public Land and Buildings			
Land (acres)	6,848	6,848	6,848
Buildings	1	1	1
Security of Persons and Property			
Police			
Stations	1	1	1
Vehicles	12	12	12
Fire			
Stations	3	3	3
Vehicles	18	18	18
Transportation			
Street			
Streets (lane miles)	134	134	134
Street Lights	935	933	934
Vehicles	16	16	16
Leisure Time Activities			
Recreation			
Land (acres)	35	35	35
Buildings	2	2	2
Parks	4	4	4
Playgrounds	4	4	4
Swimming Pools	2	2	2
Tennis Courts	5	5	5
Baseball/Softball Diamonds	14	14	14
Soccer Fields	11	11	11
Business-Type Activities			
Senior Citizen Housing			
Buildings	3	3	3
Convention Center			
Buildings	1	1	1

Source: City Finance Office