

CITY OF MIAMISBURG, OHIO

Audit Reports Required by

Government Auditing Standards

Year Ended December 31, 2005



**Auditor of State
Betty Montgomery**

City Council
City of Miamisburg
10 N. First St.
Miamisburg, OH 45342

We have reviewed the *Independent Auditors' Report* of the City of Miamisburg, Montgomery County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2005 through December 31, 2005. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of Miamisburg is responsible for compliance with these laws and regulations.

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

BETTY MONTGOMERY
Auditor of State

September 25, 2006

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CITY OF MIAMISBURG, OHIO

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Clark, Schaefer, Hackett & Co.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements

Performed in Accordance with *Government Auditing Standards*

City Council
City of Miamisburg, Ohio
10 N. First Street
Miamisburg, Ohio 45343

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Miamisburg, Ohio (the City) as of and for the year ended December 31, 2005 and have issued our report thereon dated June 22, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted one matter involving compliance that we have reported to management of the City in a separate letter dated June 22, 2006.

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

Clark, Schaefer, Washburn & Co.

Middletown, Ohio
June 22, 2006

City of Miamisburg, Ohio



Comprehensive Annual Financial Report

For the year ended December 31, 2005

**INTRODUCTORY
SECTION**

CITY OF MIAMISBURG, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2005

Issued by:
Finance Department

George S. Perrine
Finance Director

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CITY OF MIAMISBURG, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED DECEMBER 31, 2005

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June 22, 2006

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

State law requires that the annual financial statements of the City of Miamisburg be audited every year. Therefore, we are pleased to present this Comprehensive Annual Financial Report (CAFR) for the City of Miamisburg, which is being published to fulfill that requirement for the year ended December 31, 2005.

Management of the City, specifically the Office of the Finance Director, assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. This evaluation involves estimates and judgment by the management of the City. We believe that the City's financial controls adequately safeguard existing assets and provide reasonable assurance of the proper recording of financial transactions.

Clark, Schaefer, Hackett & Co., Certified Public Accountants, have issued an unqualified ("clean") opinion on the City of Miamisburg's financial statements for the year ended December 31, 2005. The independent auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complement this letter of transmittal and should be read in conjunction with it.

City Profile

The City of Miamisburg is located in southwestern Ohio in Montgomery County and was first settled in 1797. In 1818, the City was platted and named Miamisburg after the Miami Indians, who originally inhabited the area. In 1966, the citizens of the City adopted a home rule charter and approved a Council/Manager form of government. The legislative powers of the City are vested in a council of seven members, three of whom are elected at-large and four of whom are elected from wards established by the charter. The council members, who serve staggered four-year terms, appoint the City Manager. The Mayor of the City is elected separately to a four-year term. The City Manager appoints all department directors.

City of Miamisburg
Finance Department
10 North First Street * Miamisburg, Ohio 45342
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The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the City are not misleading.

The primary government consists of all funds and departments which provide a full range of public services, including police protection, fire and emergency medical services (EMS), water supply and treatment, wastewater collection and treatment, refuse collection and disposal, street maintenance and repair, parks and recreation, economic development, planning and zoning, municipal court operations and general administrative services. The operation and control of these activities are provided by the City Council through the budgetary process and by the City Manager through administrative and managerial policies and procedures.

The Miamisburg Mound Community Improvement Corporation (MMCIC), a related organization to the City, was established to promote the industrial, economic, commercial, and civic development of the Mound Facility. While the majority of the Board of Trustees for MMCIC are appointed by the City Council (four of the seven), the City Council does not promote its will on the MMCIC Board. With no authority to approve or modify the budget, influence management activities, or approve hiring and firing of employees, the MMCIC is not considered a component unit of the City. Additional information on MMCIC is presented in Note 17.

The City also participates in the Miami Valley Risk Management Association, Inc. (MVRMA), a risk sharing insurance pool, which provides property and liability insurance coverage to the City. The pool consists of twenty municipalities who pool risk for property, crime, liability, boiler and machinery and public official liability.

The Council is required to adopt a final budget by no later than the close of the fiscal year. This annual budget serves as the foundation of the City of Miamisburg's financial planning and control. The budget is prepared at the fund level. The finance director may transfer resources within the function and department levels. The department heads may transfer resources within their department as they see fit. Budgetary control is maintained by the encumbrance of purchase amounts prior to the release of purchase orders to the vendors. Purchase orders are not issued with insufficient appropriations preclude the encumbrance of the amount of the purchase.

Local Economy

Located in the southwestern part of the Dayton metropolitan region, Miamisburg has benefited from the general growth and development occurring within the Miami Valley. The City's eastern and southern edges continue to draw and attract both residential and commercial development. Though the region overall has traditionally been reliant upon automobile manufacturing and national defense spending as a base for employment, diversification has given the area economy greater stability.

The City of Miamisburg has experienced significant growth and development over the past two decades. The 2000 U.S. Census report indicated that the City's population increased 9.3% during the 1990s to 19,489. This followed the 1990 Census that reported Miamisburg had the largest percentage increase in population (17%) of any city in Montgomery County during the 1980s. This continuing growth was acknowledged in the results of a joint study by *Ohio Business* magazine and Cleveland State University announced in December 2002 that ranked Miamisburg as one of 50 "growth cities" in the state. The study used an exclusive formula for measuring economic vibrancy, charting population growth, housing growth, median family income growth and labor force changes over the past decade. Population and land area growth have also occurred due to several annexations, and the current physical size of the City is approximately 11.5 square miles.

The past decade also has proven to be one of transition for the City in its role as host to a U.S. Department of Energy (DOE) facility. Site of the "Mound" plant since the late 1940s, Miamisburg has benefitted greatly over the years from federal payrolls. However, when DOE officials announced in 1991 that the Mound facility would be decommissioned after extensive environmental restoration, the City faced economic uncertainty. In the ensuing 14 years, that uncertainty has eased somewhat due to a diversification of the community's employment base and successful efforts to convert Mound to commercial use as a light industrial and technology business park.

When the DOE announced it would discontinue its federal defense operation at Mound, the site contractor at the time, EG&G Mound Applied Technologies, had over 2,100 employees. At the end of 2005, the employment level totaled less than 200. In the face of this loss of jobs, the City's economic reliance on the Mound has lessened. Total General Fund revenues have increased from \$7.8 million in 1991 to \$14.8 million in 2005, an average annual rate of 6.4%. Meanwhile, the percentage of total General Fund revenues represented by the Mound contractor has decreased from 17% in 1991 to 1% in 2005. In December 2002, CH2M Hill was selected to become the lead government contractor at Mound, charged with completing an accelerated cleanup of the site. The project is now scheduled to conclude in early 2007.

Growth and development in Miamisburg outside the Mound facility has more than offset the job losses within the facility. New jobs have been created in the City through concentrated efforts to attract light industrial, retail and service sector employers. Miamisburg's largest employer currently is the Kettering Medical Center Network (KMCN), which operates the Kettering Medical Center-Sycamore healthcare campus in the City. The Network's employment total within the City of Miamisburg rose dramatically when it brought over 400 new jobs to the City in 2002 following construction of a \$6 million administrative support building on the Sycamore campus. Employment will continue to increase in the future. In 2005, KMCN officials introduced a new 10-year master plan for the campus that will expand medical services on the site and add more than 500,000-square-feet of space and 700 jobs. Other major employers in the City include Paxar, The Berry Company, Dayton/Richmond, Huffly Corp., Miamisburg City Schools, O'Neil and Associates, Shore-to-Shore, TNT Logistics, Traders Publishing and United Grinding.

Long-Term Financial Planning

City Council's decision in 2004 to redirect one-tenth of 1% of City income tax collections from the Capital Improvement Fund to the General Fund remains in effect into 2006. This decision, made under the authority granted to Council in the City's charter, was made due to fiscal challenges that resulted in a period of declining General Fund revenues for the City. This reallocation helped turn a projected 2004 deficit into a modest surplus and was responsible for nearly half of the City's approximate \$1 million surplus in 2005.

However, both City Council and the administration recognize that eventually redirecting this discretionary income tax percentage will negatively impact the ability to fund necessary capital improvements in the community. For this reason, circumstances surrounding this issue will be monitored closely in 2006. While the City's fiscal condition improved in 2005, challenges remain in the year ahead. For example:

- The City's employer contributions into the Ohio Public Employees Retirement System increase from 13.55% of gross payroll to 13.7%.
- Continual increases in employee healthcare coverage.
- Refuse collection expenses will increase by approximately \$12,000 due an increase in a State of Ohio fee.
- Increasing gasoline and energy costs.

On the favorable side, current major economic development projects present potentially strong revenue streams on the horizon.

The City has prioritized capital expenditures in the near term to include equipment, road improvements, downtown redevelopment projects, Mound facility and Austin Road interchange costs. The following are some of the more significant budgeted items planned for 2006:

The City's annual roadway maintenance programs, important long-term investments in the community, are budgeted for \$395,000. This includes paving; surface treatment; and sidewalk, curb and gutter programs. There also is \$45,000 budgeted for engineering services related to the creation of a third gateway entrance into the City's downtown district, along with accompanying streetscape improvements. These gateways were a recommendation of the City's downtown/riverfront master plan developed in 2000.

Police Department expenditures in 2006 will include the purchase of four cruisers (\$86,000), new cruiser equipment (\$20,000), Communications Center upgrades (\$30,000) and a new administrative vehicle (\$20,000).

In 1990, Miamisburg residents approved a permanent three-mill Fire Levy to fund the purchase of capital equipment, as well as the addition of 10 new firefighter/paramedic staff positions. In 2006, Fire Levy fund allocations will include the purchase of an administrative vehicle (\$28,000) and replacement fire gear (\$15,000). A new medic unit will be funded by the Capital Improvement Fund in the amount of \$130,000.

In the Public Works Department, capital funding in the amount of \$25,000 has been allocated for both storm sewer improvements and for an operational study of the Refuse Division. In addition, \$25,000 has been budgeted for traffic signal equipment. In a planned service enhancement, \$25,000 will fund a special resident drop-off of hazardous household waste products not normally collected with regular refuse.

Administratively, \$120,000 is allocated for continuing updates and upgrades in management information systems (MIS) technology. In 2002-03, the City implemented a technology master plan that networked most City facilities and included the purchase and installation of computer hardware, software, servers and cabling. Among the features of the new network are e-mail and electronic information sharing, comprehensive internet access, fiber optic I-net access, current systems upgrades and the framework to implement future e-business services.

Parks and Recreation capital funding in the amount of \$25,000 is budgeted for golf course clubhouse maintenance and \$85,000 for the purchase of golf course maintenance equipment. There also is \$15,000 allocated for improvements to the City's Sycamore Trails Aquatic Center, which will be open for the 10th summer season since its construction.

Finally, the City traditionally is aggressive in seeking grant opportunities and builds into its budget grant-matching funds. In 2006, \$442,000 is budgeted in the Income Tax Facility Fund as the local match for additional grants being sought for riverfront property purchases in connections with the CleanOhio grant program.

Major Initiatives

City of Miamisburg officials agreed with a 2005 *Dayton Daily News* article that stressed the importance of regional cooperation among governments. Indeed, partnerships have been at the core of many of the successes and accomplishments the City has enjoyed over the years. Yet, the ability and willingness of local governments to initiate and participate in collaborations became a statewide issue in 2005 as the Ohio General Assembly was developing a new two-year state budget. In the early months of the year, state legislators let it be known that they were seriously considering significant cuts to funding for local governments and libraries, a staple of the state budget for decades. The cuts being proposed would have cost the City of Miamisburg approximately \$120,000 in revenue, while the City of Dayton and Montgomery County would have each lost about \$3 million. Without question, the City's ability to provide basic government services would have been adversely affected by such reductions. When justifying these potential cuts, one legislator counseled local governments to begin seeking out more regional and cooperative approaches to their operations in order to achieve greater efficiencies.

But cooperation is not exactly a new concept at the local level. To ensure that legislators fully understood local methods of operation, City officials from across this region developed a list of over 400 cooperative ventures in which they're involved. These projects cut across service areas such as public safety, development, utilities, public works and others.

Fortunately, Local Government Funds were not cut but only frozen at existing levels for the second consecutive two-year period. Perhaps the exercise of detailing the many existing partnerships in the Miami Valley region indicated clearly that cooperation is a way of life for local governments. The City of Miamisburg partners with neighboring jurisdictions, Montgomery County, Miamisburg City Schools and the State of Ohio as a matter of routine business. Participating in regional purchasing cooperatives enables the City to save thousands of dollars annually on road salt expenses and employee health insurance plans. Joint initiatives improve efficiency in emergency services and emergency communications. Resources are also combined to fund capital improvement projects, including those that impact regional economic development.

A prime example of these economic development partnerships in 2005 involved a new Interstate-75 interchange planned near the area of Austin Road. Miamisburg City Council has formally endorsed the interchange proposal, and the Ohio Department of Transportation has approved the plan. With the assistance of the Montgomery County Transportation Improvement District, the City reached a landmark agreement with the City of Springboro, Miami Township and Miamisburg City Schools that will provide the local funding necessary for the new interchange. It was hailed by elected and appointed officials from those entities as a model for the state. The future interchange will open over 1,000 acres for development, and Miamisburg, Miami Township and Springboro have already agreed on a land-use plan for that area. Clearly, this financing agreement demonstrated real vision and cooperation.

A second relevant example of economic development cooperation that made headlines in 2005 was also considered by some to be somewhat historic. The City of Miamisburg agreed to team-up with Miami Township on the formation of a Joint Economic Development District (JEDD) that encompasses the Dayton Mall area. The Dayton Mall corridor is an important anchor and tax base vital to the economic health of both communities and the County, and the City was pleased when Township officials proposed this collaboration.

The new JEDD will provide the resources to support future roadway improvements and other local government services there in an effort to ensure that the corridor remains a marketable and viable asset. Three new development projects are included in the JEDD. One is the exterior construction on Mall property creating new business and a concept called a Lifestyle Center designed to give the complex an all-new look and feel. The second is a planned Wal-Mart Superstore on Kingsridge Drive behind the Mall. The third and final component is the subsequent redevelopment of the existing Wal-Mart and retail center on State Route 741.

The third major economic development partnership in 2005 related to the community's ongoing revitalization efforts of Miamisburg's historic downtown district. The City secured a third round of grant funding from the State of Ohio during the year for property acquisition along the adjacent Great Miami River. This area is designated for new park space in the future, which is a key part of the City's master plan for downtown. Property acquisition is the first part of the process, and the latest grant in the amount of \$600,000 allowed the City to move forward into a new phase. The State's CleanOhio program is enabling the City to move much more quickly on this project than originally planned, with obtained funding now totaling \$1.3 million. The City

pledged \$270,000 in matching funds in this latest round and anticipates additional applications in the future to help complete the process.

Clearly, the City of Miamisburg adheres to a firm belief that collaborations, partnerships and teamwork are critical strategies that keep local government moving forward. This philosophy extends not only to relationships with other governmental entities, but also to residents of the community. In yet another example of planning for the future, the City in 2005 crafted a new master plan for its Parks and Recreation Department. The process for developing this planning document featured extensive citizen input, including a steering committee, interviews, a telephone survey and public meetings. The completed plan sets priorities and strategies for the Parks and Recreation Department over the next 10 years. It is the expectation of City officials that achievement of the goals outlined in the plan will further enhance the livability and economic health of the community.

Certainly the City has considered itself a partner with the federal government, the community and the various contractors over the past 15 years in the conversion of the aforementioned Mound facility to the private sector. Federal funding has been crucial to the success of the environmental cleanup process, and in late 2005 the U.S. Congress appropriated \$30 million for one of the final major components of the cleanup. This award will bring the project that much closer to completion, and work on this specific component will begin in 2006.

To keep up with growth in the community, capital improvement projects are critical. In 2005, the City continued with a major project to expand and renovate its Water Treatment Plant. This initiative is spanning nearly two years, with a cost of approximately \$3 million. Its purpose is to increase the capacity of the plant, replace outdated equipment, improve the treatment processes and meet increasing EPA requirements. It followed a similar project at the Wastewater Reclamation Facility on Dayton-Cincinnati Pike. Together, these projects represent a total investment of about \$10 million in the City's water and wastewater utility systems.

Roadway projects represent another common type of capital improvement. The City's major roadway improvement project in 2005 was the replacement of a bridge on Kercher Street between Tenth and Eleventh streets. This reconstruction was made possible by State Issue 2 funds, which funded approximately 70 percent of the \$540,000 price tag.

In addition to the expansion project outlined earlier for the Kettering Medical Center-Sycamore campus, commercial construction also began in a new development known as Southpointe Business Park. Carlisle Companies, an existing Miamisburg business, became the first firm to break ground on a commercial facility at Southpointe, which is located just off Alexandersville Road. It will be a 13,000-square-foot structure expected to be completed by mid-2006.

Annexation has also been an important part of the City's growth strategy for decades, and three petitions totaling 275 acres were filed last year. Each of these was located in the western section of the City. There continues to be population growth in Miamisburg. In an interim report last year from the U.S. Census Bureau, the City's population since 2000 grew 1.6 percent to 19,809.

The City of Miamisburg strives to create an environment conducive to economic growth, while also providing a full array of traditional municipal services. New data suggests that this is done at a reasonable cost to residents. In an annual study conducted by the City of Fairborn, Miamisburg ranked as the sixth least-expensive community in which to live in Montgomery and Greene counties. The costs measured in this study included real estate taxes, municipal income taxes, school district income taxes and water and sewer rates.

City Council and staff continue working to further enhance that efficiency. Early in 2005 challenging budget conditions and the retirements of several management-level employees prompted the City administration to review several components of the organization. When this review was completed, Council approved a restructuring plan that included a consolidation of the Public Works and Public Utilities departments under the name "Public Works." There were several personnel reclassifications and reassignments in the plan that affected this department, as well as the Development, Engineering, Parks and Recreation and Fire departments. The changes eliminated three management positions and in total are expected to provide a net savings to the City of over \$184,000. While this certainly demonstrates fiscal responsibility, just as important is the City's willingness to take a critical look inward at its own operation. It's a basic part of the ongoing effort to provide good government.

Enhancing the City's effectiveness as a local government is a commitment to communication through a variety of methods. Taking greater advantage of the reach of the internet, the City in 2005 upgraded its on-line presence by launching an all-new official web site that was completely redesigned and greatly expanded. This new site includes several new features, including on-line registration for Parks and Recreation programs and an E-News service in which citizens can have important City information sent to them by e-mail. The City's Comprehensive Annual Financial Report also was added to the site.

The City's volunteer program, known as MOVE (Miamisburg Offers Volunteer Excellence), continues to be a popular way for citizens to be involved in local government and results in significant cost savings to the City. In 2005, there were 396 volunteers who participated in the program and logged 24,950 hours. Volunteers provide a variety of services including, but not limited to, organizing and staffing senior adult programs, delivering home meals to the elderly, preparing newsletters for mailing, serving as receptionists and office assistants, sorting and delivering mail and serving as auxiliary police officers. These volunteers saved the City over \$214,000 based on part-time, entry-level wages.

Awards and Acknowledgements

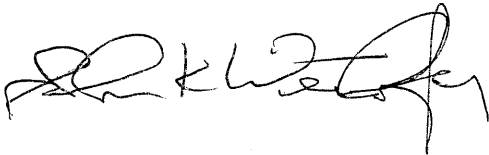
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Miamisburg for its CAFR for the year ended December 31, 2004. In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized CAFR that satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Preparation of this comprehensive annual financial report represents months of effort by many members of staff. The Finance Department staff has worked diligently to gather the data for this report while still attending to the day-to-day responsibilities of the department.

Sincere appreciation is extended to the Mayor and City Council, whose guidance and support represent an invaluable asset in managing the financial affairs and reporting requirements of the City of Miamisburg.

Respectfully submitted,



John K. Weithofer
City Manager



George S. Perrine
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Miamisburg,
Ohio

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

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



Carla E. Perry

President

Jeffrey R. Emer

Executive Director

CITY OF MIAMISBURG, OHIO
LIST OF PRINCIPAL OFFICIALS

CITY COUNCIL

Richard C. Church, Jr., Mayor

Lisa Hughes, Vice-Mayor

Jane Chance

Tom Dearth

Bob Faulkner

Tom Nicholas

Darin Preston

Mady Ransdell

CITY MANAGER

John K. Weithofer

ASSISTANT CITY MANAGER

Dody Bruck

DIRECTOR OF LAW

K. Philip Callahan

DEPARTMENT DIRECTORS

Keith Johnson, Economic Development and Planning

Robert Stanley, Engineering

George Perrine, Finance

Robert Bobbitt, Fire

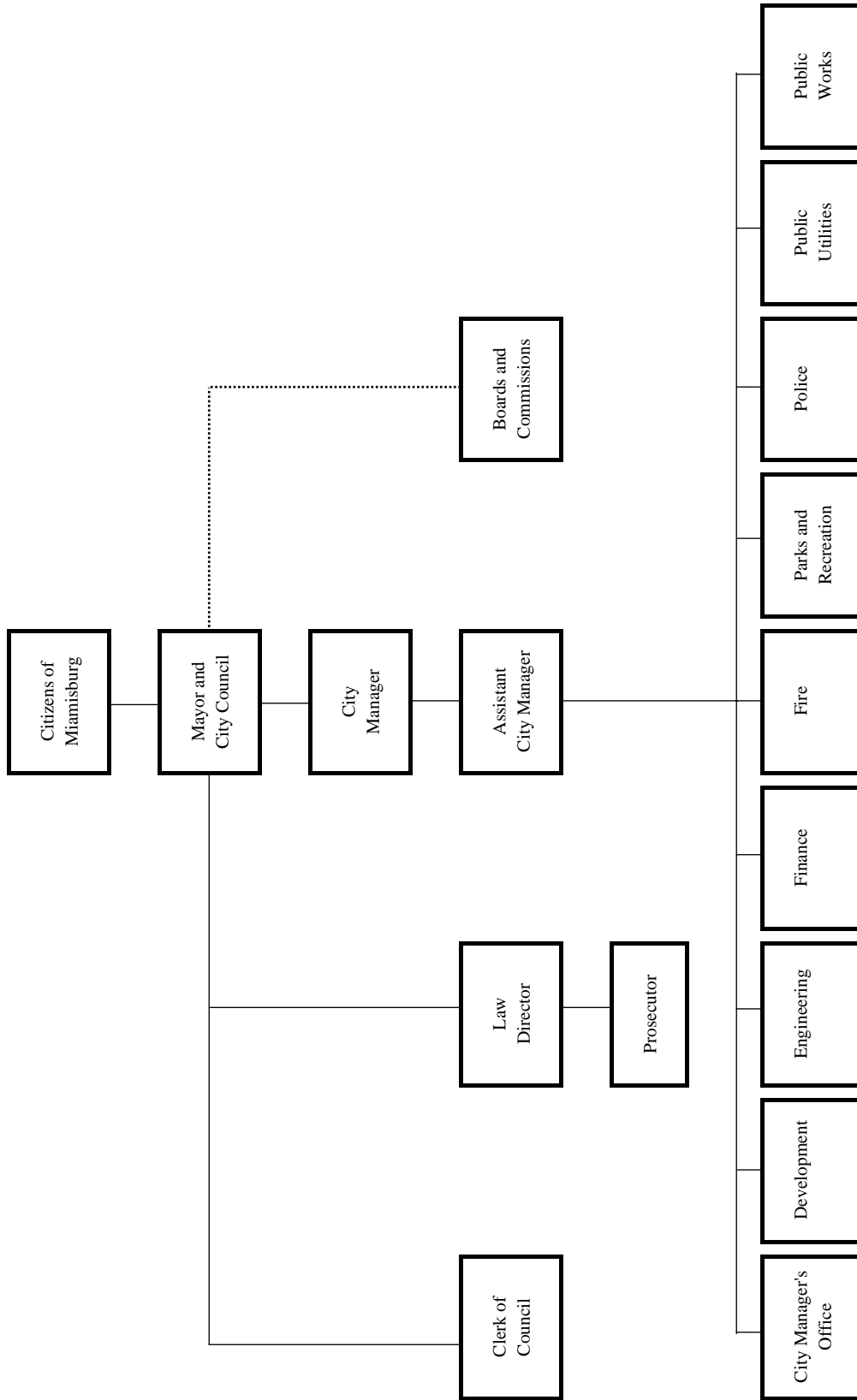
Deborah McLaughlin, Parks and Recreation

John Sedlak, Police

Steve Morrison, Public Works

CITY OF MIAMISBURG, OHIO

ORGANIZATIONAL CHART



FINANCIAL
SECTION

INDEPENDENT AUDITORS' REPORT

City Council
City of Miamisburg, Ohio
10 North First Street
Miamisburg, Ohio 45343

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Miamisburg, Ohio as of December 31, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the General and Municipal Trust funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2006 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. 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 on pages 3 – 12 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 of Miamisburg, Ohio's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Clark, Schaefer, Hackett PC.

Middletown, Ohio
June 22, 2006

CITY OF MIAMISBURG, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
(Unaudited)

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

Financial Highlights

Key financial highlights for the year ended December 31, 2005 are as follows:

- Total net assets increased by \$3.9 million, which represents approximately 7.4 percent of the net assets at the beginning of 2005. Of the increase, \$2.1 million was reported in governmental activities and \$1.8 million was reported in the business-type activities.
- Total assets of governmental activities increased by approximately \$2.0 million, attributed predominantly to additional intergovernmental and income tax revenues which added to cash balance coupled with the current year capital asset additions exceeding depreciation expense for the year.
- Overall, the assets of the City's business-type activities increased slightly by \$230,000 which is almost entirely attributable to the capitalization of \$1.1 million in construction in progress associated with the water treatment plant. The capitalization of these capital costs were offset by the reduction in cash used to fund that particular capital project. Long-term liabilities decreased by nearly \$1.3 million due to the repayment of scheduled debt service requirements. The ending unrestricted net assets of all business-type activities funds remained a healthy \$6.3 million at December 31, 2005.
- The \$4.1 million unreserved, undesignated ending fund balance reported in the General Fund represents 30 percent of the total expenditures and transfers out reported in the General Fund for 2005. The City's two other major governmental funds realized small decreases in fund balance for the year.
- On a budgetary basis, the general fund realized an increase in fund balance of \$935,353 or nearly 27.2 percent of the fund balance at the beginning of the year. More than expected receipts from income tax and intergovernmental revenues contributed to this increase in net assets. Ending budgetary fund balance at December 31, 2005 was approximately 32 percent of the general fund's annual expenditures.

Using this Annual Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the City of Miamisburg, Ohio as a financial whole. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole City, presenting both an aggregated view of the City's finances and a longer-term view of those statements. Major fund financial statements provide the next level of detail. For governmental funds, these financial statements tell how services were financed in the short-term as well as the amount of funds available for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column.

CITY OF MIAMISBURG, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
(Unaudited)

Reporting the City as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2005?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net assets and changes in those assets. This change informs the reader whether the City's financial position, as a whole, has improved or diminished. In evaluating the overall financial health, the reader of these financial statements should take into account non-financial factors that also impact the City's financial well being. Some of these factors include the City's tax base and the condition of its capital assets. In the Statement of Net Assets and the Statement of Activities, the financial information of the City is divided into two kinds of activities:

- **Governmental Activities** – Most of the City's services are reported here including police and fire protection, parks and recreation, community environment, street repair and maintenance, and general government.
- **Business-Type Activities** – These activities include the golf, sewer, and water operations where the fees charged for these services are based upon the amount of usage and the intent is to recoup operational costs through the user fees.

Reporting the City's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about each major fund. The major funds of the City include the General, Municipal Trust, Capital Improvement, Golf, Water and Sewer funds. The City uses many funds to account for a multitude of financial transactions. However, the focus of the fund financial statements is on the City's most significant funds, and therefore only the major funds are presented in separate columns. All other funds are combined into one column for reporting 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, 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 on services provided to our residents. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

CITY OF MIAMISBURG, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
(Unaudited)

Proprietary Funds

When the City charges citizens for the services it provides, with the intent of recouping operating costs, these services are generally reported in proprietary funds. Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match. Internal service funds are used to report activities that provide services to the City's other funds and departments.

Fiduciary Funds

The financial activity of custodial funds, for which the City acts as the fiscal agent, is reported separately in the Statement of Assets and Liabilities. This financial activity is excluded from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring the assets reported in these funds are used for their intended purposes.

The City as a Whole

Recall that the Statement of Net Assets provides the perspective of the City as a whole. In the case of the City of Miamisburg, Ohio, assets exceeded liabilities by a total of \$56.4 million at December 31, 2005.

Table 1 provides a summary of the City's net assets for 2005 compared to 2004:

TABLE 1
NET ASSETS (in 000's)

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Assets:						
Current and Other Assets	\$ 21,103	\$ 19,333	\$ 8,410	\$ 9,593	\$ 29,513	\$ 28,926
Capital Assets, Net	18,634	18,450	35,216	33,803	53,850	52,253
Total Assets	39,737	37,783	43,626	43,396	83,363	81,179
Liabilities:						
Current and Other Liabilities	4,003	3,797	228	464	4,231	4,261
Long-Term Liabilities:						
Due within One Year	594	616	1,422	1,364	2,016	1,980
Due in more than One Year	5,065	5,410	15,649	16,994	20,714	22,404
Total Liabilities	9,662	9,823	17,299	18,822	26,961	28,645
Net Assets:						
Invested in Capital Assets, Net of Related Debt	15,059	14,540	18,419	16,479	33,478	31,019
Restricted:						
Municipal Trust	5,166	5,471	-	-	5,166	5,471
Debt Service	321	316	1,587	1,588	1,908	1,904
Capital Projects	30	30	-	-	30	30
Other Purposes	1,135	994	-	-	1,135	994
Unrestricted	8,364	6,609	6,321	6,507	14,685	13,116
Total Net Assets	\$ 30,075	\$ 27,960	\$ 26,327	\$ 24,574	\$ 56,402	\$ 52,534

CITY OF MIAMISBURG, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
(Unaudited)

As displayed in Table 1, total net assets of the City increased by approximately \$3.9 million from 2004 to 2005. The increase was due primarily to increases in intergovernmental and income tax revenues during 2005. Intergovernmental revenues increased by \$1.3 million due to additional estate taxes and local government revenue assistance compared to 2004 revenues. Municipal income taxes revenues increased by \$804,000 compared with 2004 due to an improvement in the local economy and additional business withholdings realized in 2005. The City continues to invest in its capital assets which resulted in net capital assets reported at December 31, 2005 increasing \$1.6 million over the net capital assets reported at December 31, 2004. Annual debt service payments resulted in long-term obligations for the City being \$1.7 million less than the amounts reported for 2004.

Table 2 shows the changes in the governmental and business-type net assets for the year ended December 31, 2005 compared with the prior year.

TABLE 2
NET ASSETS (in 000's)

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Revenues:						
Program Revenues:						
Charges for Services	\$ 3,715	\$ 3,298	\$ 5,168	\$ 4,489	\$ 8,883	\$ 7,787
Operating Grants/Contributions	1,607	1,600	-	-	1,607	1,600
Capital Grants/Contributions	670	297	1,428	187	2,098	484
General Revenues:						
Municipal Income Taxes	9,274	8,470	1,478	1,358	10,752	9,828
Property and Other Taxes	2,521	2,523	-	-	2,521	2,523
Grants and Entitlements	2,214	892	-	-	2,214	892
Other	942	836	161	177	1,103	1,013
Total Revenues	<u>20,943</u>	<u>17,916</u>	<u>8,235</u>	<u>6,211</u>	<u>29,178</u>	<u>24,127</u>
Program Expenses:						
Security of Person & Property	8,181	8,152	-	-	8,181	8,152
Public Health Services	10	10	-	-	10	10
Leisure Time Activities	1,824	1,723	-	-	1,824	1,723
Community Environment	749	812	-	-	749	812
Basic Utility Services	1,055	855	-	-	1,055	855
Transportation	2,517	2,536	-	-	2,517	2,536
General Government	4,309	3,592	-	-	4,309	3,592
Interest and Fiscal Charges	158	164	-	-	158	164
Golf	-	-	1,759	1,747	1,759	1,747
Water	-	-	2,310	2,849	2,310	2,849
Sewer	-	-	2,438	3,056	2,438	3,056
Total Expenses	<u>18,803</u>	<u>17,844</u>	<u>6,507</u>	<u>7,652</u>	<u>25,310</u>	<u>25,496</u>
Excess(Deficit) before Transfers	2,140	72	1,728	(1,441)	3,868	(1,369)
Transfers	<u>(25)</u>	<u>(64)</u>	<u>25</u>	<u>64</u>	<u>-</u>	<u>-</u>
Changes in Net Assets	<u>\$ 2,115</u>	<u>\$ 8</u>	<u>\$ 1,753</u>	<u>\$ (1,377)</u>	<u>\$ 3,868</u>	<u>\$ (1,369)</u>

On the revenue side, the increase in charges for services for the governmental activities reported for 2005 is attributed to collecting a full year of refuse collection fees which was instituted during 2004. The significant increase in municipal income taxes is attributable to the improving local economy, including the addition of several new businesses located within City limits. Intergovernmental revenues also increased significantly in 2005

CITY OF MIAMISBURG, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
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as compared with 2004. The increase in intergovernmental revenues is attributable to increases in estate taxes and local government revenue assistance revenue sources in 2005 compared with the amounts recognized in 2004. The increase in capital grants and contributions resulted from the City utilizing State Issue II monies in 2005 to provide repair and maintenance to the Kercher Street Bridge, as well as additional contributions of water and sewer lines from developers in 2005.

In addition to the normal annual increases in expenses (increases in wages, insurance premiums, as well as goods and services procured) the most significant increase in governmental expenses was reported in the general government function (\$717,000). This increase was the result of the City allocating additional resources to various capital projects in 2005 including significant road repair and maintenance programs. The decrease in the water and sewer expenses resulted from management's efforts to control costs and reduced need for repair and maintenance on infrastructure due to projects undertaken in prior years. In addition, in 2004 the sewer fund had additional expenditures associated with beginning the operations in the newly renovated water reclamation facility.

Governmental Activities

During 2005, total net assets reported in the governmental activities increased by approximately \$2.1 million. The primary reasons for this increase were increased intergovernmental revenues and management's continuing effort to control budget accounts.

Table 3 shows the percentage of total expenses each functional area comprises, the net cost of each functional area and the percentage of each functional area expenses financed with general revenue for 2005.

TABLE 3
ANALYSIS OF PROGRAM EXPENSES
GOVERNMENTAL ACTIVITIES

	Percentage of Total Program Expenses	Net Expense of Function	Percentage of Function Financed with General Revenues
Security of Person & Property	43.51%	\$ 7,582,195	92.68%
Public Health Services	0.05%	9,870	100.00%
Leisure Time Activities	9.70%	1,236,778	67.80%
Community Environment	3.98%	18,321	2.45%
Basic Utility Services	5.61%	57,550	5.45%
Transportation	13.39%	1,052,701	41.83%
General Government	22.92%	2,696,254	62.57%
Interest & Fiscal Charges	<u>0.84%</u>	<u>157,778</u>	100.00%
Total	<u>100.00%</u>	<u>\$ 12,811,447</u>	68.14%

As indicated by Table 3, the City is spending the majority of its resources (53.2 percent) on security of person and property and leisure time activities. While the operation of the police and fire departments is 44 percent of total program expenses, revenues generated by those two departments covers only 7.3 percent of functional expenses. This means that general revenues collected by the city, principally municipal income taxes and property taxes, must cover the remaining 93 percent of those department expenses. Fees generated by the parks and recreation department and senior center help offset the expenses reported for the leisure time activities function.

CITY OF MIAMISBURG, OHIO
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General government functions, principally legislation, administration and judicial activities, comprise 22.9 percent of the total governmental expenses. Court costs and fees generated by licenses and permits financed approximately 37 percent of the general government functional expenses while the remaining 63 percent comes from general revenue sources. Operating grants received from the State of Ohio, as well as capital grants associated with Issue II projects, provided funding for approximately 58 percent of the expenses incurred in the transportation function. The refuse collection fee, instituted by the City during 2004, provides 95 percent of funding for that function. In total, program revenues offset over 32 percent of governmental program expenses while general revenues cover the remaining 68 percent.

Business-Type Activities

The City's business-type activities include golf, sewer and water operations.

Golf – The City operates two municipal golf courses; PipeStone golf course is an eighteen hole championship golf course and Mound golf course is a nine hole course. The activities at each course include operation of the golf course, pro shop, restaurant or snack bar, golf carts and driving range. While the golf fund experienced a slight increase in net assets of \$4,632, this amount includes a transfer-in of \$200,000 to provide funding for debt service requirements. The City does not anticipate the financial condition of the Golf Fund to improve dramatically until the outstanding debt service for the construction of PipeStone Golf Course is completely paid. However, given the significant recreational value of the golf courses in the City, transfers will be provided to meet obligations.

Water – The public works department at the City of Miamisburg is responsible for the treatment and delivery of quality water to businesses and citizens within the boundaries of the City. Various functions within the water department include administration, water pumping, water distribution and treatment of water. While the water department realized an operating loss of \$271,963 and provided the local match for the Clean Ohio Grant project in the amount of \$175,005, the unrestricted net assets at year end totaled approximately \$2.3 million or 123.8 percent of the operating expenses, less depreciation expense, realized by the department during 2005.

Sewer – The City's public works department is responsible for the collection and treatment of wastewater generated throughout the City. Various functions within the sewer department include administration, treatment, and collection of wastewater. The sewer department realized an operating loss of \$236,719 during 2005 compared with the \$1.2 million operating loss reported for 2004. Increased revenues coupled with management's efforts to control operating costs account for the majority of the difference in results realized in 2005 compared with 2004. At December 31, 2005 unrestricted net assets at year-end were \$4.4 million or 308 percent of the operating expenses, less depreciation expense, incurred during the year.

Overall, the City's business-type activities generated \$5.2 million in program revenue during 2005, while program expenses were \$6.5 million. General revenues, primarily income tax revenues, help offset the deficiency in program revenues and provide funding for debt service requirements associated with the enterprise activities. The City Council and management will continue to monitor utility rates and user fees and necessary adjustments will be made to provide any additional financial resources if needed.

The City's Funds

Information about the City's major governmental funds begins after the Statement of Activities. These funds are reported using the modified accrual basis of accounting. Governmental funds had total revenues of \$20.0 million, expenditures of \$19.4 million and net transfers in of \$12,636. During 2005, the net change in fund balance of the governmental funds increased by \$544,071 to an ending total fund balance of \$14.4 million at year end. While capital assets are included in the statement of net assets, expenditures are recognized in the fund statements

CITY OF MIAMISBURG, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
(Unaudited)

thereby reducing the amount of resources available for future spending. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The City's General Fund realized an increase of \$666,547 in fund balance during 2005. The General Fund is the primary fund that finances government services to citizens. An increase in reported revenues and management's effort to control non-essential expenditures resulted in the increase in the General Fund's fund balance reported at December 31, 2005. The City continues to maintain a fairly healthy General Fund balance in an attempt to provide stability in years in which revenues can not support spending levels. At December 31, 2005 the ending unreserved and undesignated fund balance of the general fund was \$4.1 million or nearly 30 percent of the total General Fund expenditures reported for 2005.

The City's other two major funds, the Municipal Trust and the Capital Improvement Funds reported net change in fund balances of (\$305,603) and \$(182,904), respectively. The decrease in the Municipal Trust Fund was exclusively due to the decrease in the fair market value to the investments reported at December 31, 2005 versus the value of the investments at December 31, 2004. The decrease in the Capital Improvement Fund balance is associated with the on-going decisions regarding when to undertake the various capital projects needed. Certain capital projects deferred in prior years, primarily repair and maintenance to the City's infrastructure, were completed during the year. Other projects are prioritized and will be funded as future revenue collection permits. Fund balance at December 31, 2005 was \$557,810, of which \$82,800 was encumbered. Transfers from the General Fund and other funds are made when financing for capital improvements are needed. All other governmental fund balances increased by \$366,031 during 2005.

Explanation of the changes in the major enterprise funds of the City follow the same explanations as those provided in the assessment of the business-type activities noted above since enterprise funds are accounted for using full accrual accounting, the same accounting basis used in the City-wide statements.

General Fund Budgeting Highlights

The City's budget is adopted on a fund basis. Before the budget is adopted, Council reviews the detailed budgets of each department within the General Fund and other funds, and then adopts the budget on a fund basis. During 2005, the City amended its original budgetary amounts several times as certain information became known. Within each departmental budget, a department head may make small line item adjustments within their budget, as long as the total operational and maintenance amount does not exceed their budgetary allotment.

Minimal changes were made to the General Fund's budgeted revenues and expenditures during 2005. This was due primarily to minimal changes in funding from the City's major revenue sources and the lack of any significant unanticipated expenditures being required during the year.

Overall, actual revenue receipts were slightly more than \$2.0 million (15.9 percent) more than final budgeted revenue amounts. Increases in estate taxes and local government revenue assistance account for the majority of the variance. Estate taxes are difficult to budget due to the nature of the revenue source. Local government revenue assistance has been decreasing over the years and the current year increase was unexpected.

Due to the City's continuing efforts to control expenditures, actual budgetary expenditures came in \$53,715 less than the \$14.1 million included in the final budget for 2005. No significant variances existed in any department budget amounts for 2005.

Budgetary fund balance at December 31, 2005 was \$4.6 million compared to the \$2.5 million anticipated in the final 2005 budget.

CITY OF MIAMISBURG, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
(Unaudited)

Capital Assets

At the end of fiscal year 2005, the City had a total of \$76.7 million invested in capital assets less accumulated depreciation of \$22.8 million resulting in total capital assets, net of accumulated depreciation of \$53.9 million.

During 2005, the City continued its efforts to upgrade its capital assets. The multi-million dollar project to renovate and expand the Waterworks facility continued throughout 2005 with construction beginning in the last quarter of 2004. The total cost of this project is estimated to be \$2.2 million and as of December 31, 2005 the City had capitalized nearly \$1.9 million as construction in progress associated with this project. The improvement and expansion of the waterworks facility combined with a similar project at the water reclamation facility, finished during 2004, amount to a total investment of nearly \$10.0 million in the City's water and sewer systems and are designed to meet estimated population growth rates for the next twenty years as well as exceeding all current environmental regulations.

In addition, the City continued to purchase land associated with the Clean Ohio Grant program, which initially provides green space along the Great Miami River as called for in the Downtown and Riverfront Master plan, as well as providing additional protection to the City's well-fields. Total land purchases from the Clean Ohio Grant Fund totaled approximately \$713,000 during 2005.

Table 4 shows 2005 balances compared to those of 2004:

TABLE 4
CAPITAL ASSETS, NET (in 000's)

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Land	\$ 7,602	\$ 6,966	\$ 2,044	\$ 2,044	\$ 9,646	\$ 9,010
Buildings	2,503	2,598	10,320	10,648	12,823	13,246
Improvements	5,823	5,828	3,225	3,296	9,048	9,124
Equipment	1,277	1,401	1,261	1,397	2,538	2,798
Vehicles	1,429	1,657	262	337	1,691	1,994
Infrastructure	-	-	16,206	15,382	16,206	15,382
Construction in Progress	-	-	1,898	699	1,898	699
Total	\$ 18,634	\$ 18,450	\$ 35,216	\$ 33,803	\$ 53,850	\$ 52,253

Accumulated depreciation of \$9.4 million and \$13.4 million is reported in the governmental activities and business-type activities respectively. Additional information on the City's capital assets can be found in Note 8 to the basic financial statements.

CITY OF MIAMISBURG, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
(Unaudited)

Debt Administration

At December 31, 2005, the City had a total of \$21.8 million of short and long-term debt obligations compared with \$23.5 million reported at December 31, 2004. Table 5 shows outstanding debt obligations of the City at December 31, 2005 compared with 2004:

TABLE 5
OUTSTANDING DEBT OBLIGATIONS AT YEAR END (in 000's)

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
General Obligation Bonds	\$ 3,575	\$ 3,910	\$ 6,415	\$ 6,760	\$ 9,990	\$ 10,670
Special Assessment Bonds	235	275	-	-	235	275
Revenue Bonds	-	-	10,770	11,730	10,770	11,730
Police and Fire Pension	255	259	-	-	255	259
Long-Term Notes	-	-	152	168	152	168
Bond Anticipation Notes	425	350	-	-	425	350
Total	<u>\$ 4,490</u>	<u>\$ 4,794</u>	<u>\$ 17,337</u>	<u>\$ 18,658</u>	<u>\$ 21,827</u>	<u>\$ 23,452</u>

During 2005 the City issued a \$425,000 bond anticipation note to provide financing for the City's sidewalk curb and gutter program as well as refinancing the note issued in the prior year.

Of the City's general obligation bonds outstanding at December 31, 2005, \$3.6 million are accounted for within the governmental activities and the remaining \$6.4 million are reported in the Golf and Water Funds. The revenue bonds outstanding at year-end are associated with the City's Water and Sewer enterprise funds and are guaranteed with the revenue sources of those two funds. The special assessment bonds are being repaid with the revenue collected from the assessments charged to the various properties benefiting from the projects. While these are not direct obligations of the City, the City does remain liable for repayment if collections from the property assessments are not sufficient to meet the required debt service obligations.

At June 30, 2005, the City's overall legal debt margin was \$43.1 million and the unvoted debt margin was \$20.9 million. See Notes 13 and 14 of the notes to the basic financial statements for more detailed information on the debt obligations of the City.

Contacting the City's Finance Department

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 the Finance Department at City of Miamisburg, Ohio, 10 North First Street, Miamisburg, Ohio 45342 or call (937) 866-3303.

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CITY OF MIAMISBURG, OHIO
STATEMENT OF NET ASSETS
DECEMBER 31, 2005

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Assets:			
Equity in pooled cash and cash equivalents	\$ 8,804,501	\$ 5,631,304	\$ 14,435,805
Investments	5,165,635	-	5,165,635
Cash and cash equivalents in segregated accounts	66,306	-	66,306
Receivables:			
Taxes	4,710,998	346,965	5,057,963
Accounts	19,557	1,039,407	1,058,964
Intergovernmental	929,326	-	929,326
Special assessments	318,354	-	318,354
Accrued interest	3,919	-	3,919
Inventory held for resale	-	17,188	17,188
Inventory of supplies and materials	369,979	165,338	535,317
Unamortized bond issuance cost	-	290,705	290,705
Internal Balances	714,880	(714,880)	-
Restricted cash and cash equivalents with fiscal agent	-	1,634,026	1,634,026
Non-depreciable capital assets	7,602,174	3,942,404	11,544,578
Depreciable capital assets, net of accumulated depreciation	<u>11,031,611</u>	<u>31,273,594</u>	<u>42,305,205</u>
Total Assets	<u>39,737,240</u>	<u>43,626,051</u>	<u>83,363,291</u>
Liabilities:			
Accounts payable	197,108	59,558	256,666
Accrued salaries payable	387,034	45,304	432,338
Intergovernmental payable	413,851	50,220	464,071
Accrued interest payable	17,657	26,326	43,983
Bond anticipation notes payable	425,000	-	425,000
Unearned revenue	2,562,620	-	2,562,620
Accrued interest payable from restricted assets	-	47,056	47,056
Long Term Liabilities:			
Due within one year	593,559	1,421,671	2,015,230
Due in more than one year	<u>5,065,433</u>	<u>15,649,009</u>	<u>20,714,442</u>
Total Liabilities	<u>9,662,262</u>	<u>17,299,144</u>	<u>26,961,406</u>
Net Assets:			
Invested in capital assets, net of related debt	15,058,785	18,419,368	33,478,153
Restricted for:			
Municipal trust	5,165,635	-	5,165,635
Debt service	321,139	1,586,970	1,908,109
Capital projects	29,937	-	29,937
Other purpose	1,135,246	-	1,135,246
Unrestricted	<u>8,364,236</u>	<u>6,320,569</u>	<u>14,684,805</u>
Total Net Assets	<u>\$ 30,074,978</u>	<u>\$ 26,326,907</u>	<u>\$ 56,401,885</u>

See accompanying notes to the basic financial statements.

CITY OF MIAMISBURG, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2005

	Expenses	Program Revenues		
		Charges for services	Operating grants and contributions	Capital grants and contributions
Governmental Activities:				
Security of Persons and Property	\$ 8,180,766	\$ 433,279	\$ 165,292	\$ -
Public Health Services	9,870	-	-	-
Leisure Time Activities	1,824,078	534,390	52,910	-
Community Environment	749,105	364,760	-	366,024
Basic Utility Services	1,055,637	998,087	-	-
Transportation	2,516,848	-	1,160,138	304,009
General Government	4,308,917	1,384,289	228,374	-
Interest and fiscal charges	157,778	-	-	-
Total Governmental Activities	18,802,999	3,714,805	1,606,714	670,033
Business-Type Activities:				
Golf	1,758,533	1,557,556	-	-
Sewer	2,310,198	1,683,653	-	768,400
Water	2,437,757	1,926,385	-	659,340
Total Business-Type Activities	6,506,488	5,167,594	-	1,427,740
Total	\$ 25,309,487	\$ 8,882,399	\$ 1,606,714	\$ 2,097,773

General Revenues:

Municipal income taxes, levied for:
 General purposes
 Capital projects
 Enterprise debt payments

Property taxes levied for:
 General purposes
 Conservancy operations
 Fire levy
 Police & fire pension

Grants and entitlements not restricted to
 specific programs
 Investment earnings
 Miscellaneous

Transfers

Total General Revenues and Transfers

Changes in net assets

Net assets at beginning of year

Net assets at end of year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue
and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (7,582,195)	\$ -	\$ (7,582,195)
(9,870)	-	(9,870)
(1,236,778)	-	(1,236,778)
(18,321)	-	(18,321)
(57,550)	-	(57,550)
(1,052,701)	-	(1,052,701)
(2,696,254)	-	(2,696,254)
(157,778)	-	(157,778)
<u>(12,811,447)</u>	<u>-</u>	<u>(12,811,447)</u>
-	(200,977)	(200,977)
-	141,855	141,855
-	<u>147,968</u>	<u>147,968</u>
-	<u>88,846</u>	<u>88,846</u>
<u>(12,811,447)</u>	<u>88,846</u>	<u>(12,722,601)</u>
7,756,894	-	7,756,894
1,516,918	-	1,516,918
-	1,477,693	1,477,693
1,482,543	-	1,482,543
51,154	-	51,154
751,355	-	751,355
236,091	-	236,091
2,213,690	-	2,213,690
317,553	161,229	478,782
625,479	-	625,479
(24,995)	<u>24,995</u>	<u>-</u>
<u>14,926,682</u>	<u>1,663,917</u>	<u>16,590,599</u>
2,115,235	1,752,763	3,867,998
<u>27,959,743</u>	<u>24,574,144</u>	<u>52,533,887</u>
<u>\$ 30,074,978</u>	<u>\$ 26,326,907</u>	<u>\$ 56,401,885</u>

CITY OF MIAMISBURG, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2005

	Major Governmental Funds			Other	Total
	General	Municipal Trust	Capital Improvements	Governmental Funds	Governmental Funds
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$ 4,640,111	\$ -	\$ 874,512	\$ 2,894,670	\$ 8,409,293
Investments	-	5,165,635	-	-	5,165,635
Cash and Cash Equivalents in Segregated Accounts	56,091	-	-	10,215	66,306
Receivables:					
Taxes	3,209,570	-	432,825	1,068,603	4,710,998
Accounts	12,374	-	-	7,183	19,557
Intergovernmental	434,598	-	-	494,728	929,326
Special Assessments	-	-	-	318,354	318,354
Accrued Interest	3,781	-	-	138	3,919
Supplies Inventory	140,874	-	-	122,130	263,004
Interfund Receivable	1,040,856	-	-	-	1,040,856
Total Assets	\$ 9,538,255	\$ 5,165,635	\$ 1,307,337	\$ 4,916,021	\$ 20,927,248
Liabilities:					
Accounts Payable	\$ 108,156	\$ -	\$ 30,975	\$ 25,690	\$ 164,821
Accrued Salaries Payable	328,605	-	-	50,433	379,038
Intergovernmental Payable	353,204	-	-	57,095	410,299
Notes Payable	-	-	425,000	-	425,000
Deferred Revenue	3,029,232	-	293,552	1,805,797	5,128,581
Total Liabilities	3,819,197	-	749,527	1,939,015	6,507,739
Fund Balances:					
Reserved for Encumbrances	69,034	-	82,800	78,037	229,871
Reserved for Supplies Inventory	140,874	-	-	122,130	263,004
Reserved for Interfund Receivable	1,040,856	-	-	-	1,040,856
Unreserved:					
Designated for Severance Payments	358,615	-	-	-	358,615
Undesignated, Reported in:					
General Fund	4,109,679	-	-	-	4,109,679
Special Revenue Funds	-	5,165,635	-	1,773,559	6,939,194
Debt Service Funds	-	-	-	321,139	321,139
Capital Project Funds	-	-	475,010	682,141	1,157,151
Total Fund Balance	5,719,058	5,165,635	557,810	2,977,006	14,419,509
Total Liabilities and Fund Balance	\$ 9,538,255	\$ 5,165,635	\$ 1,307,337	\$ 4,916,021	\$ 20,927,248

See accompanying notes to the basic financial statements.

CITY OF MIAMISBURG, OHIO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2005

Total Governmental Fund Balances \$ 14,419,509

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 17,698,209

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:

Municipal income taxes	1,455,025
Property and other taxes	87,224
Special assessments	318,354
Intergovernmental	<u>705,358</u>

Total 2,565,961

Internal service fund is used by management to charge the costs of providing insurance as well as the central service center to the individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets 1,348,643

The internal balance represents the portion of the internal services funds' assets and liabilities that are allocated to the enterprise funds. (325,976)

Some liabilities, including long-term debt obligations and compensated absences payable, are not due and payable in the current period and therefore are not reported in the funds:

Accrued interest payable	(17,657)
Compensated absences payable	(1,548,649)
Police and fire pension liability	(255,062)
Special assessments bonds payable	(235,000)
General obligations bonds payable	<u>(3,575,000)</u>

Total (5,631,368)

Net Assets of Governmental Activities \$ 30,074,978

See accompanying notes to the basic financial statements.

CITY OF MIAMISBURG, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	Major Governmental Funds			Other Governmental Funds	Total Governmental Funds
	General	Municipal Trust	Capital Improvement		
Revenues:					
Municipal Income Taxes	\$ 7,134,503	\$ -	\$ 1,353,749	\$ -	\$ 8,488,252
Property and Other Taxes	1,524,094	-	-	1,065,746	2,589,840
Intergovernmental	2,025,689	-	124,094	2,029,063	4,178,846
Special Assessments	23,390	-	42,710	78,291	144,391
Charges for Services	1,864,728	-	-	346,822	2,211,550
Fines, Licenses and Permits	963,238	-	-	380,066	1,343,304
Interest	611,782	(305,603)	-	11,374	317,553
Donations	16,492	-	-	58,736	75,228
Other	426,641	-	75,007	123,831	625,479
Total Revenues	14,590,557	(305,603)	1,595,560	4,093,929	19,974,443
Expenditures:					
Current:					
Security of Persons and Property	6,716,102	-	-	1,249,168	7,965,270
Public Health Services	9,793	-	-	-	9,793
Leisure Time Activities	1,366,395	-	-	333,362	1,699,757
Community Environment	838,778	-	-	-	838,778
Basic Utility Services	882,645	-	-	-	882,645
Transportation	280,430	-	-	1,025,332	1,305,762
General Government	3,614,953	-	295,614	397,762	4,308,329
Capital Outlay	-	-	1,049,323	845,124	1,894,447
Debt Service:					
Principal Retirement	-	-	-	379,285	379,285
Interest and Fiscal Charges	-	-	8,761	150,181	158,942
Total Expenditures	13,709,096	-	1,353,698	4,380,214	19,443,008
Excess of Revenues Over(Under)					
Expenditures	881,461	(305,603)	241,862	(286,285)	531,435
Other Financing Sources (Uses):					
Transfers-In	-	-	58,761	748,170	806,931
Transfers-Out	(214,914)	-	(483,527)	(95,854)	(794,295)
Total Other Financing Sources (Uses)	(214,914)	-	(424,766)	652,316	12,636
Net Change in Fund Balance	666,547	(305,603)	(182,904)	366,031	544,071
Fund Balance at Beginning of Year - Restated	5,026,475	5,471,238	740,714	2,609,903	13,848,330
Increase(Decrease) in Reserve for Inventory	26,036	-	-	1,072	27,108
Fund Balance at End of Year	\$ 5,719,058	\$ 5,165,635	\$ 557,810	\$ 2,977,006	\$ 14,419,509

See accompanying notes to the basic financial statements.

CITY OF MIAMISBURG, OHIO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2005

Net Change in Fund Balance - Total Governmental Funds \$ 544,071

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 costs of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital outlay	792,727	
Depreciation	(551,808)	
Total		240,919

Consumable inventory is reported using the purchase method in the governmental fund statements, but is reported using the consumption method for full accrual. This amount represents the increase in inventory that took place during the year. 27,108

Repayment of long-term obligations is reported as an expenditure in the governmental funds, but the repayment reduces the long-term liabilities in the statement of net assets. In the current year, these amounts consisted of a payment on the police and fire pension obligation and debt service payments on bonds. 379,285

The internal service fund used by management to charge the cost of providing insurance and the centralized service center to the individual funds is reported in the statement of activities. (37,137)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, rather these revenues are deferred. 968,786

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

These activities consist of:

Decrease in accrued interest payable	1,164	
Increase in compensated absences payable	(8,961)	
Total		(7,797)

Change in Net Assets of Governmental Activities \$ 2,115,235

See accompanying notes to the basic financial statements.

CITY OF MIAMISBURG, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Municipal Income Taxes	\$ 6,219,500	\$ 6,595,068	\$ 7,159,344	\$ 564,276
Property and Other Taxes	1,590,000	1,590,000	1,514,812	(75,188)
Intergovernmental	1,113,300	1,113,300	2,218,311	1,105,011
Special Assessments	5,000	5,000	23,390	18,390
Charges for Services	1,607,960	1,607,960	1,639,711	31,751
Fines, Licenses and Permits	930,600	930,600	959,516	28,916
Interest	554,000	554,000	785,683	231,683
Donations	22,600	22,600	16,492	(6,108)
Other	253,100	253,100	367,871	114,771
Total Revenues	<u>12,296,060</u>	<u>12,671,628</u>	<u>14,685,130</u>	<u>2,013,502</u>
Expenditures:				
Current:				
Security of Persons and Property	6,949,620	6,949,620	6,944,341	5,279
Public Health Services	7,000	7,000	9,790	(2,790)
Leisure Time Activities	1,396,722	1,396,722	1,394,376	2,346
Community Environment	845,028	845,028	866,207	(21,179)
Basic Utility Services	881,502	881,502	886,588	(5,086)
Transportation	289,138	289,138	291,749	(2,611)
General Government	3,197,423	3,741,723	3,663,967	77,756
Total Expenditures	<u>13,566,433</u>	<u>14,110,733</u>	<u>14,057,018</u>	<u>53,715</u>
Excess of Revenues Over (Under) Disbursements	<u>(1,270,373)</u>	<u>(1,439,105)</u>	<u>628,112</u>	<u>2,067,217</u>
Other Financing Sources (Uses):				
Transfers In	495,000	495,000	522,155	27,155
Transfers Out	(214,914)	(214,914)	(214,914)	-
Total Other Financing Sources (Uses)	<u>280,086</u>	<u>280,086</u>	<u>307,241</u>	<u>27,155</u>
Net Change in Fund Balance	<u>(990,287)</u>	<u>(1,159,019)</u>	<u>935,353</u>	<u>2,094,372</u>
Fund Balance at Beginning of Year	3,442,253	3,442,253	3,442,253	-
Prior Year Encumbrances Appropriated	177,600	177,600	177,600	-
Fund Balance at End of Year	<u>\$ 2,629,566</u>	<u>\$ 2,460,834</u>	<u>\$ 4,555,206</u>	<u>\$ 2,094,372</u>

See accompanying notes to the basic financial statements.

CITY OF MIAMISBURG, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET (NON-GAAP) AND ACTUAL
MUNICIPAL TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Total Expenditures	-	-	-	-
Excess of Revenues Over(Under) Expenditures	-	-	-	-
Fund Balance at Beginning of Year	5,252,465	5,252,465	5,252,465	-
Fund Balance at End of Year	<u>\$ 5,252,465</u>	<u>\$ 5,252,465</u>	<u>\$ 5,252,465</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements.

CITY OF MIAMISBURG, OHIO
STATEMENT OF FUND NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2005

	Enterprise Funds				Internal Service Funds
	Golf	Sewer	Water	Total	
Assets:					
Current Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 240,826	\$ 3,630,224	\$ 1,760,254	\$ 5,631,304	\$ 395,208
Receivables:					
Taxes	-	214,125	132,840	346,965	-
Accounts	-	527,692	511,715	1,039,407	-
Inventory Held for Resale	17,188	-	-	17,188	-
Materials and Supplies Inventory	34,950	30,296	100,092	165,338	106,975
Unamortized Bond Issue Costs	83,987	186,324	20,394	290,705	-
Restricted Assets:					
Cash and Cash Equivalents with Fiscal Agent	-	1,193,557	440,469	1,634,026	-
Total Current Assets	376,951	5,782,218	2,965,764	9,124,933	502,183
Non-current Assets					
Capital Assets, Net	5,296,440	15,934,650	13,984,908	35,215,998	935,576
Total Assets	5,673,391	21,716,868	16,950,672	44,340,931	1,437,759
Liabilities:					
Current Liabilities					
Accounts Payable	29,598	21,894	8,066	59,558	32,287
Accrued Salaries Payable	-	17,748	27,556	45,304	7,996
Intergovernmental Payable	-	22,848	27,372	50,220	3,552
Accrued Interest Payable	22,588	3,738	-	26,326	-
Bonds and Loan Payable - Current Portion	195,000	750,653	435,000	1,380,653	-
Payable from Restricted Assets:					
Accrued Interest Payable	-	16,680	30,376	47,056	-
Total Current Liabilities	247,186	833,561	528,370	1,609,117	43,835
Long-Term Liabilities					
Bonds and Loan Payable - Long-term	4,501,447	7,244,844	3,669,686	15,415,977	-
Interfund Payable	1,040,856	-	-	1,040,856	-
Compensated Absences Payable	-	73,206	200,844	274,050	45,281
Total Long-Term Liabilities	5,542,303	7,318,050	3,870,530	16,730,883	45,281
Total Liabilities	5,789,489	8,151,611	4,398,900	18,340,000	89,116
Net Assets:					
Invested in Capital Assets, Net of Related Debt	599,993	7,939,153	9,880,222	18,419,368	935,576
Restricted for Debt Payments	-	1,176,877	410,093	1,586,970	-
Unrestricted	(716,091)	4,449,227	2,261,457	5,994,593	413,067
Total Net Assets	\$ (116,098)	\$ 13,565,257	\$ 12,551,772	26,000,931	\$ 1,348,643
Adjustment to reflect the consolidation of the internal service funds activity related to enterprise funds.				325,976	
Net assets of business-type activities				\$ 26,326,907	

See accompanying notes to the basic financial statements.

CITY OF MIAMISBURG, OHIO
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
ALL PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	Enterprise Funds				Internal Service Funds
	Golf	Sewer	Water	Total	
Operating Revenues:					
Charges for Services	\$ 1,557,064	\$ 1,645,184	\$ 1,914,210	\$ 5,116,458	\$ 827,487
Other Operating Revenue	492	38,469	12,175	51,136	-
Total Operating Revenue	1,557,556	1,683,653	1,926,385	5,167,594	827,487
Operating Expenses:					
Personal Services	-	639,787	1,066,314	1,706,101	301,635
Contractual Services	993,930	620,823	609,492	2,224,245	313,481
Supplies and Materials	141,943	183,390	150,240	475,573	170,756
Cost of Goods Sold	203,931	-	-	203,931	-
Depreciation	106,837	476,372	372,302	955,511	57,307
Total Operating Expenses	1,446,641	1,920,372	2,198,348	5,565,361	843,179
Operating Income (Loss)	110,915	(236,719)	(271,963)	(397,767)	(15,692)
Non-Operating Revenues (Expenses):					
Interest	5,609	92,122	63,498	161,229	-
Interest and Fiscal Charges	(311,892)	(381,733)	(228,745)	(922,370)	-
Municipal Income Taxes	-	697,363	780,330	1,477,693	-
Loss on Disposal of Capital Assets	-	-	(2,571)	(2,571)	-
Total Non-Operating Revenues (Expenses)	(306,283)	407,752	612,512	713,981	-
Income(Loss) before Contributions and Transfers	(195,368)	171,033	340,549	316,214	(15,692)
Capital Contributions	-	768,400	659,340	1,427,740	-
Transfers In	200,000	-	-	200,000	-
Transfers Out	-	-	(175,005)	(175,005)	(37,631)
Change in Net Assets	4,632	939,433	824,884	1,768,949	(53,323)
Net Assets at the Beginning of the Year	(120,730)	12,625,824	11,726,888		1,401,966
Net Assets at the End of the Year	\$ (116,098)	\$ 13,565,257	\$ 12,551,772		\$ 1,348,643
				(16,186)	
				1,752,763	

Adjustment to reflect the consolidation of the internal service funds activity related to enterprise funds.

Change in net assets of business-type activities

See accompanying notes to the basic financial statements.

CITY OF MIAMISBURG, OHIO
STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	Enterprise Funds				Internal Service Funds
	Golf	Sewer	Water	Total	
<u>Increase (Decrease) in Cash and Cash Equivalents</u>					
Cash Flows from Operating Activities:					
Cash Received from Customers	\$ 1,557,064	\$ 1,492,390	\$ 1,911,257	\$ 4,960,711	\$ -
Cash Received from Quasi-External Transactions from Other Funds	-	-	-	-	827,487
Cash Received from Other Sources	492	38,469	12,175	51,136	-
Cash Payments to Employees for Services and Benefits	-	(639,402)	(1,071,912)	(1,711,314)	(299,306)
Cash Payments to Suppliers for Goods and Services	(1,399,749)	(870,770)	(909,000)	(3,179,519)	(493,695)
Net Cash Provided (Used) by Operating Activities	<u>157,807</u>	<u>20,687</u>	<u>(57,480)</u>	<u>121,014</u>	<u>34,486</u>
Cash Flows from Noncapital Financing Activities:					
Municipal Income Taxes	-	620,880	732,881	1,353,761	-
Transfers In	200,000	-	-	200,000	-
Transfers Out	-	-	(175,005)	(175,005)	(37,631)
Net Cash Provided by Noncapital Financing Activities	<u>200,000</u>	<u>620,880</u>	<u>557,876</u>	<u>1,378,756</u>	<u>(37,631)</u>
Cash Flows from Capital and Related Financing Activities:					
Acquisition of Capital Assets	-	-	(1,199,649)	(1,199,649)	-
Tap-in Fees Received	-	111,500	144,352	255,852	-
Principal Paid on Bonds	(185,000)	(705,000)	(415,000)	(1,305,000)	-
Principal Paid on Notes	-	(15,562)	-	(15,562)	-
Interest and Fiscal Charges	(279,293)	(362,242)	(213,158)	(854,693)	-
Net Cash Used in Capital and Related Financing Activities	<u>(464,293)</u>	<u>(971,304)</u>	<u>(1,683,455)</u>	<u>(3,119,052)</u>	<u>-</u>
Cash Flows from Investing Activities:					
Sale of Investments	-	555,403	273,076	828,479	-
Market Gain (Loss) on Investments	(3,463)	(50,112)	(26,315)	(79,890)	-
Interest and Dividends on Investments	9,072	142,234	89,813	241,119	-
Net Cash Provided by Investing Activities	<u>5,609</u>	<u>647,525</u>	<u>336,574</u>	<u>989,708</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(100,877)	317,788	(846,485)	(629,574)	(3,145)
Cash and Cash Equivalents Beginning of Year	<u>341,703</u>	<u>4,505,993</u>	<u>3,047,208</u>	<u>7,894,904</u>	<u>398,353</u>
Cash and Cash Equivalents End of Year	<u>\$ 240,826</u>	<u>\$ 4,823,781</u>	<u>\$ 2,200,723</u>	<u>\$ 7,265,330</u>	<u>\$ 395,208</u>

(Continued)

See accompanying notes to the basic financial statements.

CITY OF MIAMISBURG, OHIO
STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005
(Continued)

Reconciliation of Operating Income (Loss) to Net Cash

Provided (Used) by Operating Activities:

Operating Income(Loss)	\$ 110,915	\$ (236,719)	\$ (271,963)	\$ (397,767)	\$ (15,692)
Adjustments to Reconcile Operating Income(Loss) to Net Cash Provided(Used) by Operating Activities:					
Depreciation	106,837	476,372	372,302	955,511	57,307
Changes in Assets and Liabilities:					
Increase in Accounts Receivable	-	(152,794)	(2,953)	(155,747)	-
(Increase) Decrease in Supplies Inventory	(34,950)	567	7,056	(27,327)	2,483
Increase in Due in Inventory Held for Resale	(6,146)	-	-	(6,146)	-
Decrease in Accounts Payable	(18,849)	(27,810)	(14,817)	(61,476)	(11,941)
Decrease in Contracts Payable	-	-	(141,507)	(141,507)	-
Increase (Decrease) in Accrued Salaries Payable	-	(38,278)	318	(37,960)	(853)
Increase in Intergovernmental Payable	-	5,813	5,520	11,333	56
Increase (Decrease) in Compensated Absences Payable	-	(6,464)	(11,436)	(17,900)	3,126
Net Cash Provided(Used) by Operating Activities	<u>\$ 157,807</u>	<u>\$ 20,687</u>	<u>\$ (57,480)</u>	<u>\$ 121,014</u>	<u>\$ 34,486</u>

Noncash Capital Financing Activities:

During 2005, the City received sewer and water from private developers amounting to \$656,900 and \$514,988, respectively, of capital assets.

Noncash Investing Activities:

During 2005, the fair value of pooled investments decreased in the golf, sewer and water fund by \$3,653, \$16,178 and \$27,635, respectively.

See accompanying notes to the basic financial statements.

CITY OF MIAMISBURG, OHIO
STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
DECEMBER 31, 2005

	<u>Agency</u>
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 445,775
Cash and Cash Equivalents with Fiscal Agent	112,374
Total Assets	\$ 558,149
Liabilities:	
Accounts Payable	\$ 9,968
Due to Other Governments	50,933
Undistributed Monies	497,248
Total Liabilities	\$ 558,149

See accompanying notes to the basic financial statements.

CITY OF MIAMISBURG, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 1 – DESCRIPTION OF CITY AND REPORTING ENTITY:

The City of Miamisburg (the “City”) is a home rule municipal corporation organized under the laws of the State of Ohio, which operates under its own Charter. The current Charter, which provides for a Council/Manager form of government, was adopted in 1966. The seven-member Council is elected to four-year terms. The Council appoints a City Manager who shall be the chief executive, administrator and law enforcement officer of the City. The City Manager appoints all of the department managers.

Reporting Entity

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the City are not misleading. The primary government consists of all funds and departments which provide various services including police protection, fire fighting and prevention, emergency medical services, street maintenance and repair, parks and recreation system (including two golf courses and a swimming pool), water distribution, sewer collection system, refuse collection and a staff to provide support to the service providers.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization’s governing body and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization’s resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations for which the City approves the budget, the issuance of debt or the levying of taxes. The City currently has no component units.

The Miamisburg Municipal Court has been included in the City’s financial statements as an agency fund. The clerk of courts is an appointed City Official who has a fiduciary responsibility for the collection and distribution of court fees and fines.

The Miami Valley Risk Management Association, Inc. (MVRMA, Inc.) is a risk sharing insurance pool established for the purpose of enabling the subscribing political subdivisions to obtain liability insurance and providing a formalized, jointly administered self-insurance fund for its members. The members formed a not-for-profit corporation known as MVRMA, Inc. for the purpose of administering the Pool. The subscribing members of the self-insurance pool include the Cities of Beavercreek, Bellbrook, Blue Ash, Centerville, Englewood, Indian Hill, Kettering, Maderia, Mason, Miamisburg, Montgomery, Piqua, Sidney, Springdale, Tipp City, Troy, Vandalia, West Carrollton, Wilmington and Wyoming. The City has no explicit and measurable equity interest in MVRMA and no ongoing financial responsibility for MVRMA.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the City of Miamisburg have been prepared in conformity with generally accepted accounting principles (GAAP) applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds provided they 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 to its proprietary funds. The most significant of the City’s accounting policies are described below.

CITY OF MIAMISBURG, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements that provide a more detailed level of financial information.

Government-wide Financial Statements

The Statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service funds is eliminated to avoid doubling up revenues and expenses. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

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

Fund Financial Statements

During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service funds are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

Governmental Funds

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

CITY OF MIAMISBURG, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

General Fund - This fund is the operating fund of the City and is used to account for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio and the Charter of the City.

Municipal Trust Fund – This fund was established to account for the financial resources the City received from the sale of the former municipal electric plant. Expenditures from this fund must be approved through a ballot issue approved by voters. Interest earned on this money is allocated to the general fund for general operating purposes.

Capital Improvement Fund – The Capital Improvement Fund is used to account for resources accumulated or transferred from other funds to finance the purchase, construction or maintenance of the City’s capital assets deemed necessary to enhance the operation of the City.

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

Proprietary Fund Types

The proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service.

Enterprise Funds – Enterprise funds may be used to account for any activity for which a fees is charged to external users for goods or services. The following are the City’s major enterprise funds:

Golf Fund – The Golf Fund accounts for the operations of the two city owned golf courses. The Mound Golf course is a 9-hole course while PipeStone Golf Club is a 18-hole championship golf course.

Sewer Fund – The Sewer Fund accounts for the provision of sanitary sewer service to the residents and commercial users located within the City.

Water Fund – The Water Fund accounts for the provision of water treatment and distribution to the residential and commercial users located within the City.

Internal Service Funds – An internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City’s internal service funds account for the operations of the city garage, civic center and service center.

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. The City only has agency fiduciary funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations. Agency funds of the City include assets begin held associated with Board of Building Standard Assessments, Downtown Development, Municipal Court and Satellite Juvenile Court.

CITY OF MIAMISBURG, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

Measurement Focus

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operations of the City are included on the statement of net assets. The statement of activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances report the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting; proprietary and fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue and in the presentation of expenses versus expenditures.

Revenues – Exchange and Non-exchange Transactions

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

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income tax, property tax, grants, entitlements and donations. On an accrual basis, revenue from income tax is recognized in the fiscal year in which the tax imposed takes place and revenue from property tax is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year

CITY OF MIAMISBURG, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

when use is first permitted, matching requirements, in which the City must provide local resources, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: income tax, state-levied locally shared taxes (including local government assistance, gasoline tax and vehicle license tax), EMS charges for services, court fines and forfeitures, and investment earnings.

Deferred Revenue

Deferred revenues arise when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of December 31, 2005, but which were levied to finance 2006 operations, have been recorded as deferred revenues. Special assessments not received within the available period and grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Expenses/Expenditures

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

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are recorded when the related fund liability is incurred, if measurable. Allocation of costs, such as depreciation and amortization, are not recognized in governmental funds.

Cash and Cash Equivalents

To improve cash management, cash received by the City is pooled. Money for all funds, including proprietary funds, is maintained in this pool. Individual fund integrity is maintained through the City's records. Each fund's interest in the pooled bank account is presented as "equity in pooled cash and cash equivalents" on the financial statements.

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

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

Investments with an original maturity of three months or less at the time of purchase, and investments of the cash management pool are reported as cash equivalents on the financial statements.

CITY OF MIAMISBURG, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

Interest income is distributed to the funds according to ordinance and statutory requirements. Interest revenue reported in the statement of net activities for 2005 amounted to \$478,782. This amount includes a decrease of \$540,393 in the market value of the City's investments at December 31, 2005 as compared with the market value at December 31, 2004, as required under Governmental Accounting Standards Board (GASB) Statement No. 31 "*Accounting and Financial Reporting for Certain Investments and for External Investment Pools.*"

Supplies Inventory

On the government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On the fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental funds when purchased. Inventories of the proprietary funds are expensed when used.

Inventory consists of expendable supplies held for consumption as well as items held for resale in the golf fund.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

Restricted assets in the enterprise funds represent cash and cash equivalents, as well as investments, set aside in separate depository accounts for the repayment of revenue mortgage debt.

Interfund Receivables and Payables

Receivables and payables resulting from transactions between funds for services provided or goods received are classified on the fund statements as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables/payables". Noncurrent portion of long-term interfund loans receivables are reported as advances and in governmental funds are offset equally by a fund balance reserve account, which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation.

Internal Balances

Internal balance amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are presented as "internal balances". At December 31, 2005 the amounts reported in the internal balances line item is comprised of the allocation of the business-type activities interest in the internal service funds that are included within the governmental activities and the advances made from the general fund to the golf fund in previous years to provide operating funds.

CITY OF MIAMISBURG, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

Capital Assets

General capital assets are those not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported in the respective fund financial statements with the enterprise funds capital assets being reported in the business-type activities column of the government-wide statement of net assets and the internal service funds being combined with governmental-activities capital assets on the statement of net assets.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of five thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets is also capitalized.

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

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Buildings	20-45 years	20-45 years
Improvements	15-60 years	15-60 years
Equipment	5-30 years	5-30 years
Vehicles	3-10 years	3-10 years
Infrastructure:		
Sewer and Water Lines	N/A	30-65 years
Other	10-65 years	10-65 years

The City has elected to phase-in recording its governmental-activities infrastructure as permitted by GASB and therefore only the additions to infrastructure after January 1, 2003 are recorded in the financial statements.

Compensated Absences

Vacation leave accumulated by employees is accrued as a liability as the benefits are earned when both of these conditions are met:

1. The employees' rights to receive compensation are attributable to services already rendered.
2. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

A liability for sick leave is accrued based on guidelines set forth in GASB Statement No. 16 "Accounting for Compensated Absences". The vesting method was implemented and states that the City will estimate its liability based on sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as specified by the retirement system as well as other employees who are expected to become eligible in the future to receive such payments, determined to be all employees with twenty

CITY OF MIAMISBURG, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

years of service or more. The amount is based on accumulated sick leave and employees' wage rates at year-end, taking into consideration any limits specified in the City's termination policy.

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

On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, compensated absences and contractual required pension obligations that will be paid from the governmental are reported as a liability in the fund financial statements only to the extent that they are due for payment from current and available resources. Bonds and long-term loans are recognized as a liability on the fund financial statements when due.

Fund Balance Reserves

Reservations of fund balances are established to identify the existence of assets that, because of their non-monetary nature or lack of liquidity, represent financial resources not available for current appropriation or expenditure or the portion of fund balance that is legally segregated for a specific future use. Fund balance has been reserved for encumbrances, supplies inventory and long-term interfund receivable.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through 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 various grant and other special revenue funds. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charged for services for golf, sewer, water and the centralized internal service programs. Operating expenses are necessary costs incurred to provide goods or services that are the primary activity of the fund. Revenues and expenses that do not meet these definitions are reported as non-operating.

CITY OF MIAMISBURG, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

Contribution of Capital

Contribution of capital in proprietary fund financial statements arise from the collection of “tap-in” fees to the extent they exceed the cost of the connection to the system. In addition, during the year the City accepted water and sewer lines installed by private developers into the City’s systems, therefore, the estimated cost of these water and sewer lines is recorded as contribution of capital with a like amount being recorded as capital asset additions.

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

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

Estimates

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

Budgetary Process

All funds, except for agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the certificate of estimated resources and the appropriation ordinance, both of which are prepared on the budgetary basis of accounting. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriation ordinance is Council’s authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by the Council at the fund level for all funds. Appropriations may be allocated within each function, department and object level within each fund. Council must approve any revisions that alter total fund appropriations.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate at the time final appropriations were adopted.

The appropriation ordinance is subject to amendment by Council throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covers the entire year plus amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Council during the year.

CITY OF MIAMISBURG, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 3 – BUDGETARY REPORTING AND ACCOUNTING:

While the City is reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis, as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The statement of revenues, expenditures and changes in fund balances – budget (non-GAAP) and actual presented for the General Fund and the Municipal Trust Special Revenue Fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year-end encumbrances are treated as expenditures/expenses (budget basis) rather than as a reservation of fund balance for governmental fund types or note disclosure for proprietary fund types (GAAP basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund and Municipal Trust Special Revenue Fund.

Net Change in Fund Balance		
	General Fund	Municipal Trust Fund
GAAP Basis	\$ 666,547	\$ (305,603)
Revenue Accruals	94,573	305,603
Expenditure Accruals	(196,773)	-
Encumbrances	(151,149)	-
Transfers	522,155	-
Budgetary Basis	\$ 935,353	\$ -

NOTE 4 – CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF NET ASSETS:

For 2005, the City adopted the provisions of GASB Statement No. 40, Deposits and Investment Risk Disclosures. This statement modifies and expands existing disclosure requirements for deposits and investments. These additional disclosures can be found in Note 6.

The City also adopted the provisions of GASB Technical Bulletin 2004-002, Recognition of Pension and Other Postemployment Benefit Expenditures/Expenses and Liabilities by Cost Sharing Employers. This technical bulletin requires governments to recognize pension expenditures/expenses in the period in which a payment relates even if the payment is not due until the next fiscal period. The implementation of the technical bulletin had the following effect on the beginning fund balance of City:

CITY OF MIAMISBURG, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

	General	Municipal Trust	Capital Improvements	Other Governmental Funds	Total
Fund Balance, 12/31/2004	\$ 5,251,130	\$ 5,471,238	\$ 740,714	\$ 2,658,657	\$ 14,121,739
Implementation of GASB TB 2004-2	(224,655)	-	-	(48,754)	(273,409)
Fund Balance, 1/1/2005	\$ 5,026,475	\$ 5,471,238	\$ 740,714	\$ 2,609,903	\$ 13,848,330

NOTE 5 – COMPLIANCE AND ACCOUNTABILITY:

The Golf Fund had deficit net assets of \$116,098 at December 31, 2005. The deficit in the Golf Fund continues to be associated with the annual debt service requirements for the bonds used to finance the construction of the PipeStone Golf Course. The City continues to explore ways to increase revenues and/or decrease costs associated with the operations of the golf course, however, the City will transfer adequate funds to the Golf Fund as needed to continue providing this activity to its citizens.

NOTE 6 – DEPOSITS AND INVESTMENTS:

Monies of substantially all funds of the City are maintained or invested in a common group of bank accounts, STAROhio, and various federal securities. This is done in order to limit the risk associated with the investments while providing for a reasonable market rate of return. Interest income is distributed to the funds according to local ordinances and statutory requirements.

The provisions of the Charter and Codified Ordinances of the City and the Ohio Revised Code govern the investment and deposit of City monies. In accordance with these provisions, only financial institutions located in Ohio, as well as primary and regional securities dealers are eligible to hold public deposits. The provisions also permit the City to invest its monies in certificates of deposit, savings accounts, money market accounts, the State Treasurer's investment pool (STAROhio), obligations of the United States government or certain agencies thereof, bankers acceptance notes, and commercial paper. The City may also enter into repurchase agreements with any eligible depository for a period not exceeding five years.

Public depositories must give security for all public funds on deposit. According to the City's Deposit and Investment Policy, these institutions may either specifically collateralize individual accounts in lieu of amounts insured by the Federal Deposit Insurance Corporation (FDIC), or may pledge a pool of government securities, the face value of which is at least 105 percent of the total value of public monies on deposit at the institution.

Deposits

Custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned. Protection of the City's cash and deposits is provided by the Federal Deposit Insurance Corporation as well as qualified securities pledged by the institution holding the assets. By law, financial institutions must collateralize all public deposits. The face value of the pooled collateral must equal at least 105 percent of public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third parties of the financial institution.

At year end, the carrying amount of the City's deposits was \$2,887,534 and the bank balance was \$3,360,836. Of the bank balance, \$260,902 was covered by federal deposit insurance. Based on the criteria described in GASB Statement No. 40, "Deposits and Investments Risk Disclosures", \$3,099,934 of the City's bank balance was exposed to custodial risk and was collateralized with securities held by the pledging financial institutions trust department or agent but not in the City's name.

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Investments

At year-end, the City had the following investments:

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less than One Year	One to Five Years	Five to Ten Years
Federal Farm Credit Bank Bonds	\$ 3,913,130	\$ -	\$ 3,913,130	\$ -
Federal Home Loan Bank Bonds	6,880,006	-	6,880,006	-
Federal Home Loan Mortgage Corp Bonds	2,946,485	-	2,463,205	483,280
Federal National Mortgage Assoc. Bonds	5,154,524	488,150	4,177,779	488,595
Fifth Third US Treasury Money Market	28,320	28,320	-	-
STAR Ohio	49,922	49,922	-	-
Total	<u>\$ 18,972,387</u>	<u>\$ 566,392</u>	<u>\$ 17,434,120</u>	<u>\$ 971,875</u>

Interest Rate Risk – The City’s investment policy states that the maximum maturity for any investment is limited to a final stated maturity of five years. The investments of the Municipal Trust do not follow the City’s investment policy rather those investments are governed by requirements in the City’s Charter which sets no maximum maturity date.

Credit Risk – The City’s investment policy states that investment in corporate entities must have a debt rating of Aa or better by Standard & Pooors’ or Moody’s rating service. The City’s investments in US government agencies all have a rating of AAA by Standard & Pooors’. The City’s investment in Fifth Third US Treasury Money Market and STAR Ohio have an AAAM credit rating.

Concentration of Credit Risk – The City’s investment policy does not place any limit on investments in any single issuer. Five percent or more of the City’s investments are in the following:

Investment	Percent
Federal Home Loan Bank Bonds	36.26%
Federal National Mortgage Assoc. Bonds	27.17%
Federal Farm Credit Bank Bonds	20.63%
Federal Home Loan Mortgage Corp Bonds	15.53%

NOTE 7– RECEIVABLES:

Receivables at December 31, 2005 consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements, shared revenues, special assessments, accrued interest on investments and accounts (billing for utility services and various other charges for services). No allowances for doubtful accounts have been recorded because uncollectible amounts are expected to be insignificant.

Property Taxes

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

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2005 public utility property taxes became a lien December 31, 2004, are levied after October 1, 2005, and are collected in 2006 with real property taxes. 2005 tangible personal property taxes are levied after October 1, 2004, on the value as of December 31, 2004. Collections are made in 2005. Tangible personal property assessments are 25 percent of true value for capital assets and 24 percent of true value for inventory.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property currently is assessed at 88 percent of its true value; public utility real property is assessed at 35 percent of true value. Public utility property taxes are payable on the same dates as real property taxes described previously.

The full tax rate for all City operations for the year ended December 31, 2005 was \$7.03 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2005 property tax receipts were based are as follows:

Real Property Tax Assessed Valuation	\$ 369,890,660
Public Utility Real Property Tax Assessed Valuation	57,510
Public Utility Tangible Personal Property Assessed Valuation	28,417,130
Tangible Personal Property Assessed Valuation	<u>44,653,249</u>
Total	<u>\$ 443,018,549</u>

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

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

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Miamisburg. The County Auditor periodically remits to the City its portion of the taxes collected. Accrued property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2005, and for which there is an enforceable legal claim. In the general fund, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2006 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On the full accrual basis, collectible delinquent property taxes have been recorded as revenue.

CITY OF MIAMISBURG, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

Income Tax

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

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

Income tax proceeds are to be used to pay the cost of administering the tax, general fund operations, maintenance of equipment, new equipment, capital improvements, debt service and other governmental functions when needed, as determined by City Council.

Accounts Receivable

Accounts Receivable at December 31, 2005 consisted of billings for sewer and water services provided prior to December 31 but payment had not yet been received by the City. The City deems approximately two percent of the utilities receivables as uncollectible.

<u>Utility Accounts Receivables</u>	<u>Estimated Uncollectible</u>	<u>Net Account Receivables</u>
\$ 1,060,619	21,212	1,039,407

Due from Other Governments

A summary of the governmental activities intergovernmental receivables follows:

<u>Governmental Activities:</u>	
Inheritance tax shared tax	\$ 94,863
Homestead/Rollback property relief	101,869
Gasoline tax	327,564
Local government assistance	277,266
Motor vehicle license fees	107,178
Permissive motor vehicle license tax	<u>20,586</u>
Total	\$ <u>929,326</u>

NOTE 8 – CAPITAL ASSETS:

Capital asset activity for the year ended December 31, 2005 was as follows:

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	Balance 12/31/04	Additions	Deletions	Balance 12/31/05
<i><u>Governmental Activities</u></i>				
Non-depreciable capital assets:				
Land	\$ 6,966,048	\$ 636,126	\$ -	\$ 7,602,174
Depreciable capital assets:				
Buildings	4,913,066	-	-	4,913,066
Improvements	8,456,298	-	-	8,456,298
Equipment	3,799,170	100,827	-	3,899,997
Vehicles	3,144,569	55,774	-	3,200,343
Depreciable capital assets:	<u>20,313,103</u>	<u>156,601</u>	<u>-</u>	<u>20,469,704</u>
Less: accumulated depreciation				
Buildings	(2,314,701)	(95,036)	-	(2,409,737)
Improvements	(2,627,844)	(5,841)	-	(2,633,685)
Equipment	(2,397,766)	(225,869)	-	(2,623,635)
Vehicles	(1,488,667)	(282,369)	-	(1,771,036)
Accumulated depreciation	<u>(8,828,978)</u>	<u>(609,115) *</u>	<u>-</u>	<u>(9,438,093)</u>
Depreciable capital assets, net	<u>11,484,125</u>	<u>(452,514)</u>	<u>-</u>	<u>11,031,611</u>
Governmental activities capital assets, net	<u>\$ 18,450,173</u>	<u>\$ 183,612</u>	<u>\$ -</u>	<u>\$ 18,633,785</u>
<i><u>Business-Type Activities</u></i>				
Non-depreciable capital assets:				
Land	\$ 2,043,934	\$ -	\$ -	\$ 2,043,934
Construction in Progress	698,821	1,199,649	-	1,898,470
Non-depreciable capital assets	<u>2,742,755</u>	<u>1,199,649</u>	<u>-</u>	<u>3,942,404</u>
Depreciable capital assets:				
Buildings	13,935,606	-	-	13,935,606
Improvements	4,153,282	-	-	4,153,282
Equipment	4,152,828	-	-	4,152,828
Vehicles	600,122	-	-	600,122
Infrastructure	20,606,891	1,171,888	(4,900)	21,773,879
Depreciable capital assets:	<u>43,448,729</u>	<u>1,171,888</u>	<u>(4,900)</u>	<u>44,615,717</u>
Less: accumulated depreciation				
Buildings	(3,287,976)	(328,160)	-	(3,616,136)
Improvements	(857,132)	(70,769)	-	(927,901)
Equipment	(2,756,041)	(135,514)	-	(2,891,555)
Vehicles	(262,730)	(75,403)	-	(338,133)
Infrastructure	(5,225,062)	(345,665)	2,329	(5,568,398)
Accumulated depreciation	<u>(12,388,941)</u>	<u>(955,511)</u>	<u>2,329</u>	<u>(13,342,123)</u>
Depreciable capital assets, net	<u>31,059,788</u>	<u>216,377</u>	<u>(2,571)</u>	<u>31,273,594</u>
Business-type activities capital assets, net	<u>\$ 33,802,543</u>	<u>\$ 216,377</u>	<u>\$ (2,571)</u>	<u>\$ 35,215,998</u>

CITY OF MIAMISBURG, OHIO
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* - Depreciation expense was charged to governmental functions as follows:

General government	\$ 34,643
Security of person & property	205,480
Public health services	77
Basic utility services	64,854
Community environment	3,262
Transportation	140,684
Leisure time activities	102,808
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	57,307
Total depreciation expense - governmental activities	\$ 609,115

NOTE 9 – DEFINED BENEFIT PENSION PLANS:

Both the Ohio Police and Firemen’s Disability and Pension Fund and the Ohio Public Employees Retirement System are reported using GASB Statement No. 27 “Accounting for Pensions by State and Local Governmental Employers”. Substantially all City employees are covered by one of the two cost-sharing multiple-employer defined benefit pension plans, namely, the Police and Firemen’s Disability and Pension Fund or the Ohio Public Employees Retirement System of Ohio (OPERS). Both funds provide retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries.

Ohio Public Employees Retirement System

The City of Miamisburg participates in the Ohio Public Employees Retirement System of Ohio (OPERS), which administers three separate pension plans; the Traditional Pension Plan (TPP), the Member-Directed Plan (MDP) and the Combined Plan (CP). The TPP is a cost sharing, multiple-employer defined benefit pension plan. The MDP is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year), and members accumulate retirement assets equal to the value of member and (vested) employer contribution plus any investment earnings. The CP is a cost sharing, multiple-employer defined benefit plan where employer contributions are invested by OPERS to provide a formula retirement benefit similar to the TP benefit, but the member contribution is self-directed by the members and accumulate retirement assets in a manner similar to the MDP.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the TPP and CP Plans. Members of the MDP do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. OPERS issues a publicly available stand-alone financial report. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-6705 or 1-800-222-PERS (7377).

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2005, member and contribution rates were consistent across all three plans. The 2005 member contribution rate was 8.5 percent and the City’s contribution rate was 13.55 percent of covered payroll. The City’s contributions to the plans for the years ending December 31, 2005, 2004, and 2003 were \$819,098, \$793,331, and \$797,597, respectively. Total contributions for 2005 represented 92% of required contributions for the year, with 100% being contributed for 2004 and 2003.

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Ohio Police and Fire Pension Fund

The City of Miamisburg contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined pension plan. OP&F provides retirement and disability benefits, cost-of-living adjustments, and death benefits to plan member and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial statements and required supplementary information for the plan. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10.0 percent of their annual covered salary, while employers are required to contribute 19.5 and 24.0 percent respectively for police officers and firefighters. The City's contributions to OP&F for the years ending December 31, 2005, 2004 and 2003 were \$1,035,715, \$991,759 and \$929,394. Total contributions for 2005 represented 77 percent of required contributions for the year, with 100 percent being contributed for 2004 and 2003.

NOTE 10 – POSTEMPLOYMENT BENEFITS:

Ohio Public Employees Retirement System

In order to qualify for postretirement health care coverage, age and services retirees under the TPP and the CP plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualifying survivor benefit recipients is available. The health care coverage provided by PERS is considered to be an Other Postemployment Benefit (OPEB) as described in GASB Statement 12. A portion of each employer's contribution to PERS is set aside for the funding of postretirement health care. The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to OPERS. For 2005 the portion of the required contribution used to fund health care was 4.0 percent.

Benefits are advance-funded using the entry age normal cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2004, include a rate of return on investments of 8.00 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between 0.50 percent and 6.3 percent based on additional annual pay increases. Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from one to six percent for the next eight years. In subsequent years (nine and beyond) health care costs were assumed to increase at four (4) percent.

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

The number of active contributing participants was 376,109. The City's actual contributions for 2005 which were used to fund postemployment benefits were \$241,800. The actual contribution and the actuarially required contribution amounts are the same. PERS's net assets available for payment of benefits at December 31, 2004 (the latest information available) were \$10.8 billion. The actuarially accrued liability and the unfounded actuarial accrued liability were \$29.5 billion and \$18.7 billion, respectively.

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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, OPERS 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.

Ohio Police and Fire Pension Fund

The Ohio Police and Fire Pension Fund provides postretirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such persons. An eligible dependent child is any child under the age of eighteen whether or not he is attending school or under twenty-two if attending full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in *GASB Statement No. 12*. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution rate is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2005. 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.

The City's actual contributions for 2005 that were used to fund postemployment benefits were \$371,616. The OP&F's total health care expense for the year ended December 31, 2004, (the latest information available) was \$102,173,796, which was net of member contributions of \$55,665,341. The number of OP&F participants eligible to receive health care benefits as of December 31, 2004, was 13,812 for police and 10,528 for firefighters.

NOTE 11 – OTHER EMPLOYEE BENEFITS:

Deferred Compensation Plans

City employees and elected officials may participate in the International City Managers Association (ICMA) Deferred Compensation Plan or the Ohio Public Employees Deferred Compensation Plan. Both plans were created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plans permit deferral of compensation for income tax purposes until future years. According to the plans, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

Compensated Absences

Accumulated Unpaid Vacation

City employees earn vacation leave at varying rates based upon length of service. Employees are permitted to accumulate twice their yearly vacation accrual. In the case of death or retirement, and employee (or his estate) is paid for his unused vacation leave. Also, any employee that leaves the City after completion of the probationary period is eligible to receive payment for unused vacation leave. The total obligation for vacation leave for the City as a whole amounted to \$729,627 at December 31, 2005.

CITY OF MIAMISBURG, OHIO
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Accumulated Unpaid Sick Leave

City employees earn sick leave at the rate of four and six tenths hours per eighty hours of service. Sick leave is cumulative without limit. In the case of death, an employee's estate is paid for one-half of the employee's accumulated sick leave. Upon retirement an employee is paid for one-half of his accumulated sick leave within various limits. The total obligations for sick leave accrual for the City as a whole as of December 31, 2005 was \$1,138,353.

NOTE 12 – RISK MANAGEMENT:

The City is exposed to various risks of loss related to torts, thefts of, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. The City has joined the Miami Valley Risk Management Association, Inc. (MVRMA, Inc.) a joint insurance pool. The pool consists of nineteen municipalities who pool risk for property, crime, liability, boiler and machinery and public official liability.

The City pays an annual premium to MVRMA, Inc. for this coverage. The agreement provides that the MVRMA, Inc. will be self-sustaining through member premiums and the purchase of excess and stop-loss insurance. The deductible per occurrence for all types of claims is \$2,500. The self-insured retention is \$1 million for liability (an increase of \$500,000 from the prior year) and \$250,000 for property. Excess insurance coverage will cover additional claims up to the limits listed below:

General Liability (including law enforcement)	\$2 million per occurrence
Automobile Liability	\$2 million per occurrence
Public Officials Liability	\$2 million excess \$1 million (\$16 million aggregate per city)
Employment Practice Liability	\$2 million excess \$1 million SIR
Boiler and Machinery	\$100 million per occurrence
Property	\$100 million per occurrence
Flood and Earthquake (Property)	\$25,000,000 annual aggregate

The City joined a workers' compensation group rating plan, which allows local governments to group the experience of employers for workers' compensation rating purposes. The City pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. The City partially provides medical and life insurance for all full-time employees. Employees are required to share in the costs of their medical plan. Anthem Blue Cross/Blue Shield provides medical insurance and Community National provides life insurance. The City's liability for these benefits is limited to making the required premium payments.

There were no significant reductions in insurance coverage during the year in any category of risk. Settled claims have not exceeded insurance coverage in any of the past three years.

CITY OF MIAMISBURG, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 13 - LONG-TERM OBLIGATIONS:

Long-term obligation activity for the year ended December 31, 2005, was as follows.

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u> <u>Balance</u>	<u>Due within</u> <u>One Year</u>
<i><u>Governmental Activities:</u></i>					
Bonds Payable:					
General obligation bonds	\$ 3,910,000	\$ -	\$ 335,000	\$ 3,575,000	\$ 310,000
Special assessment debt with governmental commitment	<u>275,000</u>	<u>-</u>	<u>40,000</u>	<u>235,000</u>	<u>40,000</u>
Total Bonds Payable	4,185,000	-	375,000	3,810,000	350,000
Police and fire pension liability	259,347	-	4,285	255,062	4,469
Compensated absences	<u>1,581,843</u>	<u>1,648,551</u>	<u>1,636,464</u>	<u>1,593,930</u>	<u>239,090</u>
Total Governmental Activities	<u>\$ 6,026,190</u>	<u>\$ 1,648,551</u>	<u>\$ 2,015,749</u>	<u>\$ 5,658,992</u>	<u>\$ 593,559</u>
<i><u>Business-Type Activities:</u></i>					
Bonds Payable:					
General obligation bonds	\$ 6,760,000	\$ -	\$ 345,000	\$ 6,415,000	\$ 360,000
Revenue bonds	11,730,000	-	960,000	10,770,000	1,005,000
Less: Deferred charges	<u>(591,638)</u>	<u>-</u>	<u>(50,925)</u>	<u>(540,713)</u>	<u>-</u>
Total Bonds Payable	17,898,362	-	1,254,075	16,644,287	1,365,000
Long-term notes payable	167,905	-	15,562	152,343	15,563
Compensated absences	<u>291,950</u>	<u>219,429</u>	<u>237,329</u>	<u>274,050</u>	<u>41,108</u>
Total Business-Type Activities	<u>\$ 18,358,217</u>	<u>\$ 219,429</u>	<u>\$ 1,506,966</u>	<u>\$ 17,070,680</u>	<u>\$ 1,421,671</u>

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. General obligation bonds have been issued for both governmental and business-type activities.

All of the City's general obligation bonds were issued during prior periods. The original amount of general obligation bonds issued in prior periods was \$12,735,000. No additional general obligations bonds were issued during the year ended December 31, 2005. General obligation bonds currently outstanding are as follows:

<u>Issue</u> <u>Year</u>	<u>Purpose</u>	<u>Interest</u> <u>Rate</u>	<u>Original</u> <u>Issue</u> <u>Amount</u>
<i><u>Governmental Activities:</u></i>			
1998	Road Improvements	4.00%	\$740,000
2002	Various Purposes	2.25 – 4.15%	\$3,910,000
<i><u>Business-Type Activities:</u></i>			
1993	Refunding – Golf Course Construction	2.65 – 5.75%	\$5,890,000
2002	Refunding – Water System Improvements	2.25 – 4.00%	\$1,685,000

CITY OF MIAMISBURG, OHIO
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Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending December 31	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2006	\$ 310,000	\$ 135,361	\$ 360,000	\$ 315,910
2007	325,000	125,763	390,000	302,403
2008	335,000	115,032	405,000	286,852
2009	340,000	103,341	420,000	270,010
2010	355,000	90,839	440,000	249,910
2011-2015	1,560,000	263,647	1,935,000	917,364
2016-2020	350,000	14,525	2,015,000	434,010
2021	-	-	450,000	22,950
Total	<u>\$3,575,000</u>	<u>\$ 848,508</u>	<u>\$6,415,000</u>	<u>\$2,799,409</u>

Special Assessment Bonds

In 2000 the City issued \$410,000 of special assessment bonds to finance the City's sidewalks, curbs and gutters program. The bonds have a stated interest rate of 4.75 to 8.00 percent and will be repaid from amounts levied against the property owners benefited by the program. The special assessment bonds are backed by the full faith and credit of the City. In the event that an assessed property owner fails to make payments, the City will be required to pay the related debt. Annual debt service requirements to maturity for special assessment bonds are as follows:

Year Ending December 31	Governmental Activities	
	Principal	Interest
2006	\$ 40,000	\$ 11,620
2007	45,000	9,680
2008	50,000	7,475
2009	45,000	5,000
2010	<u>55,000</u>	<u>2,750</u>
Total	<u>\$ 235,000</u>	<u>\$ 36,525</u>

Revenue Bonds

The City also issues bonds where income generated by the operation benefiting from the bonds pays the annual debt service requirements. All revenue bonds are for business-type activities and outstanding revenue bonds at December 31, 2005 are as follows:

Issue Year	Purpose	Interest Rate	Original Issue Amount
1995	Refunding – Sewer System Improvements	2.85 – 5.65%	\$5,045,000
1995	Refunding – Water System Improvements	2.85 – 5.65%	\$2,220,000
2001	Wastewater Facilities Improvements	3.40 – 5.00%	\$4,500,000
2003	Wastewater Facilities Improvements	2.00 – 4.00%	\$2,970,000
2004	Water Works Facilities Improvements	2.00 – 4.38%	\$2,085,000

CITY OF MIAMISBURG, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

Annual debt service requirements to maturity for revenue bonds are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>
2006	\$ 1,005,000	\$ 458,286
2007	1,040,000	413,151
2008	1,095,000	365,416
2009	655,000	313,903
2010	435,000	284,387
2011-2015	2,425,000	1,172,934
2016-2020	2,965,000	640,007
2021-2024	<u>1,150,000</u>	<u>109,536</u>
Total	<u>\$10,770,000</u>	<u>\$3,757,620</u>

Long-Term Notes

In 1995 the City entered into two long-term notes with the Ohio Public Works Commission to finance certain sewer system improvements. The twenty-year notes had a zero percent interest rate and are reported in business-type activities.

Annual debt service requirements to maturity for the Ohio Public Works Commission notes are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>
2006	\$ 15,563	\$ -
2007	15,562	-
2008	15,563	-
2009	15,562	-
2010	15,563	-
2011-2015	<u>74,530</u>	-
Total	<u>\$152,343</u>	<u>\$ -</u>

Police and Fire Pension Liability

The police and fire pension obligation payable was entered into in 1981, with a total principal amount financed of \$303,983. These obligations payable were offered to assist governments throughout the State of Ohio to fund their unfunded pension costs associated with police and fire service. This obligation is being repaid by the police and fire pension fund through the use of local property tax revenues where the proceeds received are to be used to pay this pension obligation.

CITY OF MIAMISBURG, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

Annual debt service requirements to maturity for the police and fire pension liability are as follows:

Year Ending December 31	Governmental Activities	
	Principal	Interest
2006	\$ 4,469	\$ 10,793
2007	4,661	10,601
2008	4,862	10,401
2009	5,071	10,192
2010	5,288	9,974
2011-2015	30,050	46,263
2016-2020	37,082	39,231
2021-2025	45,760	30,553
2026-2030	56,469	19,845
2031-2035	61,350	6,645
Total	<u>\$255,062</u>	<u>\$194,498</u>

Compensated Absences

Compensated absences will be paid from the General Fund; the Fire Levy, Municipal Court Probation, Recreation, Street Maintenance, and State Highway special revenue funds; the Water and Sewer enterprise funds; and the Civic Center, City Garage, and Service Center internal service funds. Internal service funds predominantly serve the governmental funds. Accordingly, \$45,281 of compensated absences related to the internal service funds are include as part of the compensated absences liability reported for governmental activities.

NOTE 14 - SHORT-TERM OBLIGATIONS:

On December 16, 2005 the City issued a bond anticipation note in the amount of \$425,000, with an interest rate of 3.82 percent. The note will mature in one year. The note was issued to provide financing for the City's sidewalk, curb and gutter program. It is anticipated the note will be repaid with a special assessment general obligation bond. With the proceeds of this note, the City redeemed the \$350,000 bond anticipation note issued in 2004 for the sidewalk, curb and gutter special assessment project.

A summary of the short-term note transactions for the year ended December 31, 2005 follows:

<u>Issue</u>	Beginning Balance	Additions	Deletions	Ending Balance
<u>Governmental Activities</u>				
2004 Sidewalk, Curb and Gutter BAN – 2.51%	\$ 350,000	\$ -	\$ 350,000	\$ -
2005 Sidewalk, Curb and Gutter BAN – 3.82%	-	425,000	-	425,000

CITY OF MIAMISBURG, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 15 – INTERFUND BALANCES AND TRANSFERS:

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

<u>Transfer to Fund</u>	<u>Transfer from Fund</u>	<u>Amount</u>
Capital Improvement	Other Governmental	\$ 58,761
Golf Fund	Capital Improvement	200,000
Other Governmental	General	214,914
	Capital Improvement	283,527
	Water	175,005
	Other Governmental	37,093
	Internal Service	37,631
		<u>748,170</u>
Total		<u>\$ 1,006,931</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed. The \$200,000 transfer from the Capital Improvement Fund to the Golf Fund was to provide the Golf Fund with monies to help meet the current year debt service – interest requirement. The \$175,005 transfer from the Water Fund to the Clean Ohio capital project fund (other governmental) was to provide the local matching portion of a state grant. The remaining transfers were made to the Bond Retirement fund from the fund being used to finance the debt as well as \$112,500 in transfers from the General Fund to various street funds to finance road work projects throughout the year.

The \$1,040,856 advance from the General Fund to the Golf Fund was made prior to 2005 and was made to provide operating funds to the Golf Fund during the start-up phase of the PipeStone Golf Course. The advance is expected to be repaid to the General Fund, once the Golf Fund accumulates sufficient financial resources to repay the advance. The advance is not expected to be repaid during 2006, therefore, a reserve for long-term receivables has been established in the General Fund in a like amount to represent these funds are not available for appropriation or expenditure. In the government-wide financial statements, the advance is reported as a component of the internal balances line-item.

NOTE 16 – RELATED ORGANIZATION:

The Miamisburg Mound Community Improvement Corporation (CIC) was formed in 1994 to promote the industrial, economic, commercial, and civic development of the mound facility. The Board of Trustees for the CIC include seven members, of which four are appointed by the City Council and three are persons holding the position of Mayor, City Manager and Finance Director. Even though the City appoints a voting majority of the Board, it does not promote its will on the Board. The City has no authority to approve or modify any decisions made by the CIC Board regarding its budget, management of day-to-day activities, or hiring and firing of employees. The City receives no financial benefit from or has any financial obligation to the operation of the CIC.

CITY OF MIAMISBURG, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 17 – CONTINGENT LIABILITIES:

Litigation

The City is a defendant in various lawsuits and subject to various claims over which litigation has not yet commenced. Although the outcomes of these matters is not presently determinable, in the opinion of management and the law director, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

Federal and State Grants

For the period January 1, 2005 to December 31, 2005 the City received federal and state grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

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**COMBINING FINANCIAL STATEMENTS AND INDIVIDUAL
FUND SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

To account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are legally restricted to expenditure for specific purposes.

Conservancy

To account for the proceeds from a property tax levy used to pay the Miami Conservancy District for flood control of the Great Miami River.

Court Modernization

To account for court costs collected and used for the computerization of the municipal court.

Drug Law Enforcement

To account for fines and costs collected for felonious drug trafficking convictions and sentences. This money may be used in any drug law enforcement activity.

Enforcement and Education

To account for fines imposed by the municipal court for the purpose of education the public and enforcing the laws governing the operation of a motor vehicle while under the influence of alcohol.

FEMA Grant

To account for grant revenues associated with a FEMA grant the City received to assist with financing costs incurred during a declared emergency.

Fire Levy

To account for levy revenues for salaries, fire equipment purchases and various other operational expenditures related to the operations of the fire department.

Indigent Driver's Alcohol Treatment

To account for fines imposed by the municipal court for the purpose of paying costs of attendance of indigent OMVI offenders at alcohol and drug addiction treatment programs.

Law Enforcement

To account for the fines generated in the prosecution of those in possession of contraband and the proceeds gained from the sale of confiscated contraband. This money may be spent for any law enforcement activity.

Motor Vehicle License Tax

To account for \$2.50 of each \$5.00 levied by Montgomery County on each motor vehicle registration in the City. Allowable expenditures include planning, construction, improving, maintaining and repairing roads, bridges and streets.

Municipal Court Computer

To account for fines and forfeitures assessed to provide funding for the maintenance of the municipal court computer system.

**NONMAJOR GOVERNMENTAL FUNDS
(Continued)**

SPECIAL REVENUE FUNDS (Continued)

Municipal Court Probation

To account for the court cost collected and used to pay for the cost of probation services.

Municipal Court Special Projects

To account for fines and forfeitures assessed and collected to fund various special projects of the municipal court.

Police and Fire Pension

To account for property tax revenue used to pay the City's accrued liability for police and fire pension benefits.

Recreation Program

To account for fees and other charges paid by the participants of recreation programs to cover the cost of the various programs.

Senior Citizens Center Programs

To account for the revenues and expenses associated with the activities programs operated as the Senior Center.

State Highway

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

Street Maintenance and Repair

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

CAPITAL PROJECT FUNDS

To account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds.

Clean Ohio Grant

To account for state and local funding to be used to for open space and conservation projects associated with the Great Miami Riverfront Park and Wellhead Enhancement Project.

Issue II Capital Improvements

To account for state money used for capital improvements to the City's infrastructure.

Park Capital Improvement

To account for charges collected from developers on a per bedroom basis for each new house built in the City. The money collected is then used for park capital improvements.

**NONMAJOR GOVERNMENTAL FUNDS
(Continued)**

CAPITAL PROJECT FUNDS (Continued)

Roadway Improvement

To account for cash deposits from developers in lieu of partial physical improvements to roadways. The City will use the money for designing, planning, engineering and constructing the overall roadway system.

Sidewalks, Curbs and Gutter

To account for monies received from developers for future construction of sidewalks, curbs and gutters.

DEBT SERVICE FUNDS

To account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

General Obligation Bond Retirement

To account for transfers from other funds for the payment of general obligation bonded debt.

Special Assessment Bond Retirement

To account for special assessments collected for the payment of special assessment bonded debt with governmental commitment.

CITY OF MIAMISBURG, OHIO

Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2005

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Debt Service Funds	Total Nonmajor Governmental Funds
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$ 1,881,802	\$ 691,729	\$ 321,139	\$ 2,894,670
Cash and Cash Equivalents in Segregated Accounts	10,215	-	-	10,215
Receivables:				
Taxes	1,068,603	-	-	1,068,603
Accounts	7,183	-	-	7,183
Intergovernmental	494,728	-	-	494,728
Special Assessments	-	-	318,354	318,354
Accrued Interest	4	134	-	138
Supplies Inventory	122,130	-	-	122,130
 Total Assets and Other Debits	 <u>3,584,665</u>	 <u>691,863</u>	 <u>639,493</u>	 <u>4,916,021</u>
 <u>Liabilities and Fund Balances:</u>				
Liabilities:				
Accounts Payable	25,690	-	-	25,690
Accrued Salaries Payable	50,433	-	-	50,433
Intergovernmental Payable	57,095	-	-	57,095
Deferred Revenue	1,487,443	-	318,354	1,805,797
 Total Liabilities	 <u>1,620,661</u>	 <u>-</u>	 <u>318,354</u>	 <u>1,939,015</u>
 Fund Balances:				
Reserved for Encumbrances	68,315	9,722	-	78,037
Reserved for Supplies Inventory	122,130	-	-	122,130
Unreserved:				
Undesignated, Reported in:				
Special Revenue Funds	1,773,559	-	-	1,773,559
Debt Service Funds	-	-	321,139	321,139
Capital Project Funds	-	682,141	-	682,141
 Total Fund Balances	 <u>1,964,004</u>	 <u>691,863</u>	 <u>321,139</u>	 <u>2,977,006</u>
 Total Liabilities and Fund Balances	 <u>\$ 3,584,665</u>	 <u>\$ 691,863</u>	 <u>\$ 639,493</u>	 <u>\$ 4,916,021</u>

CITY OF MIAMISBURG, OHIO
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2005

	<u>Conservancy</u>	<u>Court Modernization</u>	<u>Drug Law Enforcement</u>
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 77,341	\$ 258,378	\$ 7,809
Cash and Cash Equivalents in Segregated Accounts	-	8,484	-
Receivables:			
Taxes	56,639	-	-
Accounts	-	-	-
Intergovernmental	2,461	-	-
Accrued Interest	-	-	-
Supplies Inventory	-	-	-
	<u>136,441</u>	<u>266,862</u>	<u>7,809</u>
Total Assets			
	<u>136,441</u>	<u>266,862</u>	<u>7,809</u>
Liabilities:			
Accounts Payable	-	210	-
Accrued Salaries Payable	-	675	-
Intergovernmental Payable	-	91	-
Deferred Revenue	59,100	-	-
	<u>59,100</u>	<u>976</u>	<u>-</u>
Total Liabilities			
	<u>59,100</u>	<u>976</u>	<u>-</u>
Fund Balances:			
Reserved for Encumbrances	-	50,183	-
Reserved for Supplies Inventory	-	-	-
Unreserved:			
Undesignated	77,341	215,703	7,809
	<u>77,341</u>	<u>265,886</u>	<u>7,809</u>
Total Fund Balances			
	<u>77,341</u>	<u>265,886</u>	<u>7,809</u>
Total Liabilities and Fund Balance			
	<u>\$ 136,441</u>	<u>\$ 266,862</u>	<u>\$ 7,809</u>

<u>Enforcement and Education</u>	<u>FEMA Grant</u>	<u>Fire Levy</u>	<u>Indigent Drivers' Alcohol Treatment</u>	<u>Law Enforcement</u>	<u>Motor Vehicle License Tax</u>
\$ 6,206	\$ -	\$ 247,533	\$ 268,829	\$ 11,416	\$ 17,147
-	-	-	371	-	-
-	-	750,550	-	-	-
-	-	7,183	-	-	-
-	-	25,580	-	-	20,586
-	-	-	-	-	4
-	-	-	-	-	-
<u>6,206</u>	<u>-</u>	<u>1,030,846</u>	<u>269,200</u>	<u>11,416</u>	<u>37,737</u>
-	-	129	-	-	-
-	-	28,353	-	-	-
-	-	46,895	-	-	-
-	-	776,130	-	-	17,155
-	-	851,507	-	-	17,155
-	-	6,570	-	-	-
-	-	-	-	-	-
<u>6,206</u>	<u>-</u>	<u>172,769</u>	<u>269,200</u>	<u>11,416</u>	<u>20,582</u>
<u>6,206</u>	<u>-</u>	<u>179,339</u>	<u>269,200</u>	<u>11,416</u>	<u>20,582</u>
<u>\$ 6,206</u>	<u>\$ -</u>	<u>\$ 1,030,846</u>	<u>\$ 269,200</u>	<u>\$ 11,416</u>	<u>\$ 37,737</u>

(Continued)

CITY OF MIAMISBURG, OHIO

Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2005
(Continued)

	Municipal Court Computer	Municipal Court Probation	Municipal Court Special Projects
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 114,052	\$ 149,417	\$ 166,868
Cash and Cash Equivalents in Segregated Accounts	-	-	1,360
Receivables:			
Taxes	-	-	-
Accounts	-	-	-
Intergovernmental	-	-	-
Accrued Interest	-	-	-
Supplies Inventory	-	-	-
Total Assets	<u>114,052</u>	<u>149,417</u>	<u>168,228</u>
Liabilities:			
Accounts Payable	-	-	-
Accrued Salaries Payable	-	1,496	390
Intergovernmental Payable	-	633	181
Deferred Revenue	-	-	-
Total Liabilities	<u>-</u>	<u>2,129</u>	<u>571</u>
Fund Balances:			
Reserved for Encumbrances	2,094	2,401	627
Reserved for Supplies Inventory	-	-	-
Unreserved:			
Undesignated	<u>111,958</u>	<u>144,887</u>	<u>167,030</u>
Total Fund Balances	<u>114,052</u>	<u>147,288</u>	<u>167,657</u>
Total Liabilities and Fund Balance	<u>\$ 114,052</u>	<u>\$ 149,417</u>	<u>\$ 168,228</u>

<u>Police and Fire Pension</u>	<u>Recreation Programs</u>	<u>Senior Citizen Programs</u>	<u>State Highway</u>	<u>Street Maintenance and Repair</u>	<u>Total</u>
\$ 63,866	\$ 23,462	\$ 143,415	\$ 57,933	\$ 268,130	\$ 1,881,802
-	-	-	-	-	10,215
261,414	-	-	-	-	1,068,603
-	-	-	-	-	7,183
11,359	-	-	29,490	405,252	494,728
-	-	-	-	-	4
-	-	-	1,117	121,013	122,130
<u>336,639</u>	<u>23,462</u>	<u>143,415</u>	<u>88,540</u>	<u>794,395</u>	<u>3,584,665</u>
-	30	1,033	-	24,288	25,690
-	620	1,340	1,277	16,282	50,433
-	350	587	569	7,789	57,095
<u>272,773</u>	<u>-</u>	<u>-</u>	<u>24,575</u>	<u>337,710</u>	<u>1,487,443</u>
<u>272,773</u>	<u>1,000</u>	<u>2,960</u>	<u>26,421</u>	<u>386,069</u>	<u>1,620,661</u>
-	927	2,814	2,699	-	68,315
-	-	-	1,117	121,013	122,130
<u>63,866</u>	<u>21,535</u>	<u>137,641</u>	<u>58,303</u>	<u>287,313</u>	<u>1,773,559</u>
<u>63,866</u>	<u>22,462</u>	<u>140,455</u>	<u>62,119</u>	<u>408,326</u>	<u>1,964,004</u>
<u>\$ 336,639</u>	<u>\$ 23,462</u>	<u>\$ 143,415</u>	<u>\$ 88,540</u>	<u>\$ 794,395</u>	<u>\$ 3,584,665</u>

CITY OF MIAMISBURG, OHIO
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2005

	<u>Clean Ohio Grant</u>	<u>Issue II</u>	<u>Park Capital Improvement</u>
Assets:			
Equity in Pooled Cash and and Cash Equivalents	\$ 29,937	\$ -	\$ 200,995
Accrued Interest Receivable	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Other Debits	<u>29,937</u>	<u>-</u>	<u>200,995</u>
Liabilities:			
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:			
Reserved for Encumbrances	500	-	9,222
Unreserved:			
Undesignated	<u>29,437</u>	<u>-</u>	<u>191,773</u>
Total Fund Balances	<u>29,937</u>	<u>-</u>	<u>200,995</u>
Total Liabilities and Fund Balances	<u>\$ 29,937</u>	<u>\$ -</u>	<u>\$ 200,995</u>

<u>Roadway Improvement</u>	<u>Sidewalk, Curb and Gutter</u>	<u>Total</u>
\$ 408,724	\$ 52,073	\$ 691,729
<u>119</u>	<u>15</u>	<u>134</u>
<u>408,843</u>	<u>52,088</u>	<u>691,863</u>
-	-	-
-	-	9,722
<u>408,843</u>	<u>52,088</u>	<u>682,141</u>
<u>408,843</u>	<u>52,088</u>	<u>691,863</u>
<u>\$ 408,843</u>	<u>\$ 52,088</u>	<u>\$ 691,863</u>

CITY OF MIAMISBURG, OHIO
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2005

	<u>General Obligation Bond Retirement</u>	<u>Special Assessment Bond Retirement</u>	<u>Total</u>
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 112,403	\$ 208,736	\$ 321,139
Special Assessment Receivable	<u>-</u>	<u>318,354</u>	<u>318,354</u>
Total Assets	<u>112,403</u>	<u>527,090</u>	<u>639,493</u>
Liabilities:			
Deferred Revenue	<u>-</u>	<u>318,354</u>	<u>318,354</u>
Total Liabilities	<u>-</u>	<u>318,354</u>	<u>318,354</u>
Fund Balances:			
Unreserved Undesignated	<u>112,403</u>	<u>208,736</u>	<u>321,139</u>
Total Fund Equity	<u>112,403</u>	<u>208,736</u>	<u>321,139</u>
Total Liabilities and Fund Equity	<u>\$ 112,403</u>	<u>\$ 527,090</u>	<u>\$ 639,493</u>

CITY OF MIAMISBURG, OHIO
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2005

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Debt Service Funds	Total Nonmajor Governmental Funds
Revenues:				
Property and Other Taxes	\$ 1,065,746	\$ -	\$ -	\$ 1,065,746
Intergovernmental	1,359,030	670,033	-	2,029,063
Special Assessments	-	-	78,291	78,291
Charges for Services	246,222	100,600	-	346,822
Fines, Licenses and Permits	380,066	-	-	380,066
Interest	3,283	8,091	-	11,374
Donations	58,736	-	-	58,736
Other	75,232	48,599	-	123,831
Total Revenues	3,188,315	827,323	78,291	4,093,929
Expenditures:				
Current:				
Security of Persons and Property	1,249,168	-	-	1,249,168
Leisure Time Activities	268,572	64,790	-	333,362
Transporation	1,025,332	-	-	1,025,332
General Government	387,068	-	10,694	397,762
Capital Outlay	-	845,124	-	845,124
Debt Service:				
Principal Retirement	4,285	-	375,000	379,285
Interest and Fiscal Charges	10,978	-	139,203	150,181
Total Expenditures	2,945,403	909,914	524,897	4,380,214
Excess of Revenues Over(Under)				
Expenditures	242,912	(82,591)	(446,606)	(286,285)
Other Financing Sources (Uses):				
Transfers-In	112,500	175,005	460,665	748,170
Transfers-Out	(50,000)	(37,093)	(8,761)	(95,854)
Total Other Financing Sources (Uses)	62,500	137,912	451,904	652,316
Net Change in Fund Balance	305,412	55,321	5,298	366,031
Fund Balance at Beginning of Year	1,657,520	636,542	315,841	2,609,903
Increase (Decrease) in Reserve for Inventory	1,072	-	-	1,072
Fund Balance at End of Year	\$ 1,964,004	\$ 691,863	\$ 321,139	\$ 2,977,006

CITY OF MIAMISBURG, OHIO
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005

	<u>Conservancy</u>	<u>Court Modernization</u>	<u>Drug Law Enforcement</u>
Revenues:			
Property and Other Taxes	\$ 52,487	\$ -	\$ -
Intergovernmental	11,369	-	-
Charges for Services	-	-	-
Fines, Licenses and Permits	-	149,335	1,652
Interest	-	-	-
Donations	-	-	-
Other	-	-	912
Total Revenues	<u>63,856</u>	<u>149,335</u>	<u>2,564</u>
Expenditures:			
Current:			
Security of Persons and Property	-	-	228
Leisure Time Activities	-	-	-
Transportation	-	-	-
General Government	68,740	125,891	-
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Total Expenditures	<u>68,740</u>	<u>125,891</u>	<u>228</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,884)</u>	<u>23,444</u>	<u>2,336</u>
Other Financing Sources (Uses):			
Transfers-In	-	-	-
Transfers-Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(4,884)	23,444	2,336
Fund Balance at Beginning of Year	82,225	242,442	5,473
Increase (Decrease) in Reserve for Inventory	-	-	-
Fund Balance at End of Year	<u>\$ 77,341</u>	<u>\$ 265,886</u>	<u>\$ 7,809</u>

<u>Enforcement and Education</u>	<u>FEMA Grant</u>	<u>Fire Levy</u>	<u>Indigent Drivers' Alcohol Treatment</u>	<u>Law Enforcement</u>	<u>Motor Vehicle License Tax</u>
\$ -	\$ -	\$ 771,013	\$ -	\$ -	\$ -
-	168,603	169,821	-	-	47,269
-	-	111,840	-	-	-
3,094	-	-	18,885	-	-
-	-	-	-	-	319
-	-	5,826	-	-	-
-	-	686	-	3,555	-
<u>3,094</u>	<u>168,603</u>	<u>1,059,186</u>	<u>18,885</u>	<u>3,555</u>	<u>47,588</u>
4,863	-	978,186	316	7,473	-
-	-	-	-	-	-
-	141,448	-	-	-	-
-	27,155	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>4,863</u>	<u>168,603</u>	<u>978,186</u>	<u>316</u>	<u>7,473</u>	<u>-</u>
<u>(1,769)</u>	<u>-</u>	<u>81,000</u>	<u>18,569</u>	<u>(3,918)</u>	<u>47,588</u>
-	-	-	-	-	-
-	-	-	-	-	(50,000)
-	-	-	-	-	(50,000)
(1,769)	-	81,000	18,569	(3,918)	(2,412)
7,975	-	98,339	250,631	15,334	22,994
-	-	-	-	-	-
<u>\$ 6,206</u>	<u>\$ -</u>	<u>\$ 179,339</u>	<u>\$ 269,200</u>	<u>\$ 11,416</u>	<u>\$ 20,582</u>

(Continued)

CITY OF MIAMISBURG, OHIO
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005
(Continued)

	Municipal Court Computer	Municipal Court Probation	Municipal Court Special Projects
Revenues:			
Property and Other Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for Services	-	-	-
Fines, Licenses and Permits	39,178	103,203	64,719
Interest	-	-	-
Donations	-	-	-
Other	-	-	-
Total Revenues	<u>39,178</u>	<u>103,203</u>	<u>64,719</u>
Expenditures:			
Current:			
Security of Persons and Property	-	-	-
Leisure Time Activities	-	-	-
Transportation	-	-	-
General Government	30,096	85,654	49,532
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Total Expenditures	<u>30,096</u>	<u>85,654</u>	<u>49,532</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>9,082</u>	<u>17,549</u>	<u>15,187</u>
Other Financing Sources (Uses):			
Transfers-In	-	-	-
Transfers-Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	9,082	17,549	15,187
Fund Balance at Beginning of Year	104,970	129,739	152,470
Increase (Decrease) in Reserve for Inventory	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 114,052</u></u>	<u><u>\$ 147,288</u></u>	<u><u>\$ 167,657</u></u>

<u>Police and Fire Pension</u>	<u>Recreation Programs</u>	<u>Senior Citizen Programs</u>	<u>State Highway</u>	<u>Street Maintenance and Repair</u>	<u>Total</u>
\$ 242,246	\$ -	\$ -	\$ -	\$ -	\$ 1,065,746
44,515	-	-	61,705	855,748	1,359,030
-	134,382	-	-	-	246,222
-	-	-	-	-	380,066
-	-	2,964	-	-	3,283
-	32,939	19,971	-	-	58,736
-	-	69,044	90	945	75,232
<u>286,761</u>	<u>167,321</u>	<u>91,979</u>	<u>61,795</u>	<u>856,693</u>	<u>3,188,315</u>
258,102	-	-	-	-	1,249,168
-	164,900	103,672	-	-	268,572
-	-	-	91,777	792,107	1,025,332
-	-	-	-	-	387,068
4,285	-	-	-	-	4,285
10,978	-	-	-	-	10,978
<u>273,365</u>	<u>164,900</u>	<u>103,672</u>	<u>91,777</u>	<u>792,107</u>	<u>2,945,403</u>
<u>13,396</u>	<u>2,421</u>	<u>(11,693)</u>	<u>(29,982)</u>	<u>64,586</u>	<u>242,912</u>
-	-	-	52,500	60,000	112,500
-	-	-	-	-	(50,000)
-	-	-	52,500	60,000	62,500
13,396	2,421	(11,693)	22,518	124,586	305,412
50,470	20,041	152,148	38,484	283,785	1,657,520
-	-	-	1,117	(45)	1,072
<u>\$ 63,866</u>	<u>\$ 22,462</u>	<u>\$ 140,455</u>	<u>\$ 62,119</u>	<u>\$ 408,326</u>	<u>\$ 1,964,004</u>

CITY OF MIAMISBURG, OHIO
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2005

	Clean Ohio Grant	Issue II	Park Capital Improvement
Revenues:			
Intergovernmental	\$ 366,024	\$ 304,009	\$ -
Charges for Services	-	-	100,600
Interest	-	-	-
Other	-	-	-
	<hr/>	<hr/>	<hr/>
Total Revenues	366,024	304,009	100,600
	<hr/>	<hr/>	<hr/>
Expenditures:			
Current:			
Leisure Time Activities	-	-	64,790
Capital Outlay	541,115	304,009	-
	<hr/>	<hr/>	<hr/>
Total Expenditures	541,115	304,009	64,790
	<hr/>	<hr/>	<hr/>
Excess of Revenues Over(Under) Expenditures	(175,091)	-	35,810
	<hr/>	<hr/>	<hr/>
Other Financing Sources (Uses):			
Transfers-In	175,005	-	-
Transfers-Out	-	-	(37,093)
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	175,005	-	(37,093)
	<hr/>	<hr/>	<hr/>
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	(86)	-	(1,283)
	<hr/>	<hr/>	<hr/>
Fund Balance at Beginning of Year	30,023	-	202,278
	<hr/>	<hr/>	<hr/>
Fund Balance at End of Year	\$ 29,937	\$ -	\$ 200,995
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

<u>Roadway Improvement</u>	<u>Sidewalk, Curb and Gutter</u>	<u>Total</u>
\$ -	\$ -	\$ 670,033
-	-	100,600
7,395	696	8,091
<u>27,801</u>	<u>20,798</u>	<u>48,599</u>
<u>35,196</u>	<u>21,494</u>	<u>827,323</u>
-	-	64,790
<u>-</u>	<u>-</u>	<u>845,124</u>
<u>-</u>	<u>-</u>	<u>909,914</u>
<u>35,196</u>	<u>21,494</u>	<u>(82,591)</u>
-	-	175,005
<u>-</u>	<u>-</u>	<u>(37,093)</u>
<u>-</u>	<u>-</u>	<u>137,912</u>
35,196	21,494	55,321
<u>373,647</u>	<u>30,594</u>	<u>636,542</u>
<u>\$ 408,843</u>	<u>\$ 52,088</u>	<u>\$ 691,863</u>

CITY OF MIAMISBURG, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Special Assessments	\$ -	\$ 78,291	\$ 78,291
	<u> </u>	<u> </u>	<u> </u>
Total Revenues	-	78,291	78,291
	<u> </u>	<u> </u>	<u> </u>
Expenditures:			
Current:			
General Government	4,742	5,952	10,694
Debt Service:			
Principal Retirement	335,000	40,000	375,000
Interest and Fiscal Charges	125,663	13,540	139,203
	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	465,405	59,492	524,897
	<u> </u>	<u> </u>	<u> </u>
Excess of Revenues Over(Under)			
Expenditures	(465,405)	18,799	(446,606)
	<u> </u>	<u> </u>	<u> </u>
Other Financing Sources (Uses)			
Transfers In	460,665	-	460,665
Transfers Out	-	(8,761)	(8,761)
	<u> </u>	<u> </u>	<u> </u>
Total Other Financing Sources (Uses)	460,665	(8,761)	451,904
	<u> </u>	<u> </u>	<u> </u>
Excess of Revenues and Other			
Financing Sources Over(Under)			
Expenditures and Other Financing Uses	(4,740)	10,038	5,298
	<u> </u>	<u> </u>	<u> </u>
Fund Balance at Beginning of Year	117,143	198,698	315,841
	<u> </u>	<u> </u>	<u> </u>
Fund Balance at End of Year	\$ 112,403	\$ 208,736	\$ 321,139
	<u> </u>	<u> </u>	<u> </u>

CITY OF MIAMISBURG, OHIO
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Capital Improvement Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive(Negative)
Revenues:				
Municipal Income Taxes	\$ 1,240,958	\$ 1,240,958	\$ 1,353,761	\$ 112,803
Intergovernmental	75,000	75,000	124,094	49,094
Charges for Services	30,000	30,000	42,710	12,710
Other	-	-	75,027	75,027
Total Revenues	<u>1,345,958</u>	<u>1,345,958</u>	<u>1,595,592</u>	<u>249,634</u>
Expenditures:				
Capital Outlay	<u>1,142,305</u>	<u>1,419,305</u>	<u>1,411,355</u>	<u>7,950</u>
Total Expenditures	<u>1,142,305</u>	<u>1,419,305</u>	<u>1,411,355</u>	<u>7,950</u>
Excess of Revenues Under Expenditures	<u>203,653</u>	<u>(73,347)</u>	<u>184,237</u>	<u>257,584</u>
Other Financing Sources (Uses):				
Proceeds from Sale of Notes	75,000	75,000	75,000	-
Transfers In	50,000	50,000	53,771	3,771
Transfers Out	<u>(508,527)</u>	<u>(508,527)</u>	<u>(508,527)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(383,527)</u>	<u>(383,527)</u>	<u>(379,756)</u>	<u>3,771</u>
Net Change in Fund Balances	(179,874)	(456,874)	(195,519)	261,355
Fund Balance at Beginning of Year	807,117	807,117	807,117	-
Prior Year Encumbrances Appropriated	<u>152,755</u>	<u>152,755</u>	<u>152,755</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 779,998</u>	<u>\$ 502,998</u>	<u>\$ 764,353</u>	<u>\$ 261,355</u>

CITY OF MIAMISBURG, OHIO
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Conservancy Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Property and Other Taxes	\$ 56,000	\$ 26,000	\$ 52,487	\$ 26,487
Intergovernmental	2,900	2,900	11,369	8,469
Total Revenues	<u>58,900</u>	<u>28,900</u>	<u>63,856</u>	<u>34,956</u>
Expenditures:				
Current:				
General Government	<u>67,400</u>	<u>70,400</u>	<u>68,740</u>	<u>1,660</u>
Total Expenditures	<u>67,400</u>	<u>70,400</u>	<u>68,740</u>	<u>1,660</u>
Net Change in Fund Balances	(8,500)	(41,500)	(4,884)	36,616
Fund Balance at Beginning of Year	<u>82,225</u>	<u>82,225</u>	<u>82,225</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 73,725</u>	<u>\$ 40,725</u>	<u>\$ 77,341</u>	<u>\$ 36,616</u>

CITY OF MIAMISBURG, OHIO
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Court Modernization Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Fines, Licenses and Permits	\$ 150,000	\$ 150,000	\$ 149,839	\$ (161)
Total Revenues	150,000	150,000	149,839	(161)
Expenditures:				
Current:				
General Government	53,357	73,357	65,483	7,874
Capital Outlay	28,198	28,198	34,615	(6,417)
Total Expenditures	81,555	101,555	100,098	1,457
Excess of Revenues Over Expenditures	68,445	48,445	49,741	1,296
Other Financing Uses:				
Transfers Out	(75,000)	(75,000)	(75,000)	-
Net Change in Fund Balances	(6,555)	(26,555)	(25,259)	1,296
Fund Balance at Beginning of Year	209,399	209,399	209,399	-
Prior Year Encumbrances Appropriated	24,055	24,055	24,055	-
Fund Balance at End of Year	226,899	206,899	208,195	1,296

CITY OF MIAMISBURG, OHIO
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Drug Law Enforcement Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Fines, Licenses and Permits	\$ 3,000	\$ 3,000	\$ 2,564	\$ (436)
Total Revenues	3,000	3,000	2,564	(436)
Expenditures:				
Capital Outlay	3,000	3,000	228	2,772
Total Expenditures	3,000	3,000	228	2,772
Net Change in Fund Balances	-	-	2,336	2,336
Fund Balance at Beginning of Year	5,473	5,473	5,473	-
Fund Balance at End of Year	<u>\$ 5,473</u>	<u>\$ 5,473</u>	<u>\$ 7,809</u>	<u>\$ 2,336</u>

CITY OF MIAMISBURG, OHIO
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Enforcement and Education Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Fines, Licenses and Permits	\$ 3,000	\$ 3,000	\$ 3,094	\$ 94
Total Revenues	3,000	3,000	3,094	94
Expenditures:				
Current:				
Security of Persons and Property	5,000	5,000	4,998	2
Total Expenditures	5,000	5,000	4,998	2
Net Change in Fund Balances	(2,000)	(2,000)	(1,904)	96
Fund Balance at Beginning of Year	8,111	8,111	8,111	-
Fund Balance at End of Year	<u>\$ 6,111</u>	<u>\$ 6,111</u>	<u>\$ 6,207</u>	<u>\$ 96</u>

CITY OF MIAMISBURG, OHIO
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
FEMA Grant Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 67,572	\$ 172,261	\$ 168,603	\$ (3,658)
Total Revenues	<u>67,572</u>	<u>172,261</u>	<u>168,603</u>	<u>(3,658)</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	67,572	172,261	168,603	(3,658)
Other Financing Uses:				
Transfers Out	<u>(67,572)</u>	<u>(172,261)</u>	<u>(168,603)</u>	<u>3,658</u>
Total Other Financing Uses	<u>(67,572)</u>	<u>(172,261)</u>	<u>(168,603)</u>	<u>3,658</u>
Net Change in Fund Balances	-	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF MIAMISBURG, OHIO
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Levy Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Property and Other Taxes	\$ 850,000	\$ 850,000	\$ 771,013	\$ (78,987)
Intergovernmental	67,000	67,000	208,086	141,086
Charges for Services	150,000	150,000	108,139	(41,861)
Donations	3,000	3,000	5,826	2,826
Other	-	-	686	686
Total Revenues	<u>1,070,000</u>	<u>1,070,000</u>	<u>1,093,750</u>	<u>23,750</u>
Expenditures:				
Current:				
Security of Persons and Property	1,050,219	1,050,219	980,954	69,265
Capital Outlay	13,335	13,335	19,345	(6,010)
Total Expenditures	<u>1,063,554</u>	<u>1,063,554</u>	<u>1,000,299</u>	<u>63,255</u>
Net Change in Fund Balances	6,446	6,446	93,451	87,005
Fund Balance at Beginning of Year	134,533	134,533	134,533	-
Prior Year Encumbrances Appropriated	12,851	12,851	12,851	-
Fund Balance at End of Year	<u>\$ 153,830</u>	<u>\$ 153,830</u>	<u>\$ 240,835</u>	<u>\$ 87,005</u>

CITY OF MIAMISBURG, OHIO
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Indigent Drivers' Alcohol Treatment Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Fines, Licenses and Permits	\$ 15,000	\$ 15,000	\$ 18,987	\$ 3,987
Total Revenues	15,000	15,000	18,987	3,987
Expenditures:				
Current:				
Security of Persons and Property	10,000	10,000	316	9,684
Total Expenditures	10,000	10,000	316	9,684
Net Change in Fund Balances	5,000	5,000	18,671	13,671
Fund Balance at Beginning of Year	250,158	250,158	250,158	-
Fund Balance at End of Year	\$ 255,158	\$ 255,158	\$ 268,829	\$ 13,671

CITY OF MIAMISBURG, OHIO
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Other	\$ 4,000	\$ 4,000	\$ 3,555	\$ (445)
Total Revenues	4,000	4,000	3,555	(445)
Expenditures:				
Current:				
Security of Persons and Property	7,793	7,793	7,473	320
Total Expenditures	7,793	7,793	7,473	320
Net Change in Fund Balances	(3,793)	(3,793)	(3,918)	(125)
Fund Balance at Beginning of Year	12,892	12,892	12,892	-
Prior Year Encumbrances Appropriated	2,443	2,443	2,443	-
Fund Balance at End of Year	\$ 11,542	\$ 11,542	\$ 11,417	\$ (125)

CITY OF MIAMISBURG, OHIO
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Motor Vehicle License Tax Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 54,000	\$ 54,000	\$ 47,362	\$ (6,638)
Interest	400	400	510	110
Total Revenues	<u>54,400</u>	<u>54,400</u>	<u>47,872</u>	<u>(6,528)</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	<u>54,400</u>	<u>54,400</u>	<u>47,872</u>	<u>(6,528)</u>
Other Financing Uses:				
Transfers Out	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Total Other Financing Uses	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Net Change in Fund Balances	4,400	4,400	(2,128)	(6,528)
Fund Balance at Beginning of Year	<u>19,474</u>	<u>19,474</u>	<u>19,474</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 23,874</u>	<u>\$ 23,874</u>	<u>\$ 17,346</u>	<u>\$ (6,528)</u>

CITY OF MIAMISBURG, OHIO
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Municipal Court Computer Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Fines, Licenses and Permits	\$ 38,000	\$ 38,000	\$ 39,178	\$ 1,178
Total Revenues	38,000	38,000	39,178	1,178
Expenditures:				
Current:				
General Government	25,628	32,828	32,190	638
Total Expenditures	25,628	32,828	32,190	638
Net Change in Fund Balances	12,372	5,172	6,988	1,816
Fund Balance at Beginning of Year	93,342	93,342	93,342	-
Prior Year Encumbrances Appropriated	11,628	11,628	11,628	-
Fund Balance at End of Year	\$ 117,342	\$ 110,142	\$ 111,958	\$ 1,816

CITY OF MIAMISBURG, OHIO
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Municipal Probation Services Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Fines, Licenses and Permits	\$ 100,000	\$ 100,000	\$ 103,203	\$ 3,203
Total Revenues	100,000	100,000	103,203	3,203
Expenditures:				
Current:				
General Government:	86,456	110,156	87,386	22,770
Total Expenditures	86,456	110,156	87,386	22,770
Net Change in Fund Balances	13,544	(10,156)	15,817	25,973
Fund Balance at Beginning of Year	132,006	132,006	132,006	-
Prior Year Encumbrances Appropriated	806	806	806	-
Fund Balance at End of Year	\$ 146,356	\$ 122,656	\$ 148,629	\$ 25,973

CITY OF MIAMISBURG, OHIO
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Municipal Court Special Projects Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Fines, Licenses and Permits	\$ 62,500	\$ 62,500	\$ 64,784	\$ 2,284
Total Revenues	62,500	62,500	64,784	2,284
Expenditures:				
Current:				
General Government	41,433	63,433	56,121	7,312
Total Expenditures	41,433	63,433	56,121	7,312
Net Change in Fund Balances	21,067	(933)	8,663	9,596
Fund Balance at Beginning of Year	141,145	141,145	141,145	-
Prior Year Encumbrances Appropriated	16,433	16,433	16,433	-
Fund Balance at End of Year	\$ 178,645	\$ 156,645	\$ 166,241	\$ 9,596

CITY OF MIAMISBURG, OHIO
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Police and Fire Pension Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Property and Other Taxes	\$ 265,000	\$ 265,000	\$ 242,246	\$ (22,754)
Intergovernmental	13,383	13,383	57,442	44,059
Total Revenues	<u>278,383</u>	<u>278,383</u>	<u>299,688</u>	<u>21,305</u>
Expenditures:				
Current:				
Security of Persons and Property	<u>275,000</u>	<u>275,000</u>	<u>273,365</u>	<u>1,635</u>
Total Expenditures	<u>275,000</u>	<u>275,000</u>	<u>273,365</u>	<u>1,635</u>
Net Change in Fund Balances	3,383	3,383	26,323	22,940
Fund Balance at Beginning of Year	<u>37,543</u>	<u>37,543</u>	<u>37,543</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 40,926</u>	<u>\$ 40,926</u>	<u>\$ 63,866</u>	<u>\$ 22,940</u>

CITY OF MIAMISBURG, OHIO
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation Programs Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 149,500	\$ 149,500	\$ 134,382	\$ (15,118)
Donations	24,000	24,000	32,939	8,939
Total Revenues	<u>173,500</u>	<u>173,500</u>	<u>167,321</u>	<u>(6,179)</u>
Expenditures:				
Current:				
Leisure Time Activities	174,051	174,051	167,014	7,037
Total Expenditures	<u>174,051</u>	<u>174,051</u>	<u>167,014</u>	<u>7,037</u>
Net Change in Fund Balances	(551)	(551)	307	858
Fund Balance at Beginning of Year	20,941	20,941	20,941	-
Prior Years Encumbrances Appropriated	1,286	1,286	1,286	-
Fund Balance at End of Year	<u>\$ 21,676</u>	<u>\$ 21,676</u>	<u>\$ 22,534</u>	<u>\$ 858</u>

CITY OF MIAMISBURG, OHIO
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Senior Citizens Programs Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 104,500	\$ 104,500	\$ 69,044	\$ (35,456)
Interest	5,000	5,000	5,003	3
Donations	13,000	13,000	19,971	6,971
Total Revenues	122,500	122,500	94,018	(28,482)
Expenditures:				
Current:				
Leisure Time Activities	129,196	129,196	105,981	23,215
Capital Outlay	1,747	1,747	997	750
Total Expenditures	130,943	130,943	106,978	23,965
Net Change in Fund Balances	(8,443)	(8,443)	(12,960)	(4,517)
Fund Balance at Beginning of Year	153,027	153,027	153,027	-
Prior Years Encumbrances Appropriated	2,672	2,672	2,672	-
Fund Balance at End of Year	\$ 147,256	\$ 147,256	\$ 142,739	\$ (4,517)

CITY OF MIAMISBURG, OHIO
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 61,000	\$ 61,000	\$ 59,904	\$ (1,096)
Other	-	-	90	90
Total Revenues	<u>61,000</u>	<u>61,000</u>	<u>59,994</u>	<u>(1,006)</u>
Expenditures:				
Current:				
Transportation	118,704	118,704	117,758	946
Total Expenditures	<u>118,704</u>	<u>118,704</u>	<u>117,758</u>	<u>946</u>
Excess of Revenues Under Expenditures	<u>(57,704)</u>	<u>(57,704)</u>	<u>(57,764)</u>	<u>(60)</u>
Other Financing Sources:				
Transfers In	52,500	52,500	63,943	11,443
Total Other Financing Sources	<u>52,500</u>	<u>52,500</u>	<u>63,943</u>	<u>11,443</u>
Net Change in Fund Balances	(5,204)	(5,204)	6,179	11,383
Fund Balance at Beginning of Year	43,832	43,832	43,832	-
Prior Years Encumbrances Appropriated	<u>5,224</u>	<u>5,224</u>	<u>5,224</u>	-
Fund Balance at End of Year	<u>\$ 43,852</u>	<u>\$ 43,852</u>	<u>\$ 55,235</u>	<u>\$ 11,383</u>

CITY OF MIAMISBURG, OHIO
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Maintenance and Repair Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 860,000	\$ 860,000	\$ 833,689	\$ (26,311)
Other	-	-	945	945
Total Revenues	860,000	860,000	834,634	(25,366)
Expenditures:				
Current:				
Transportation	947,674	947,674	915,900	31,774
Total Expenditures	947,674	947,674	915,900	31,774
Excess of Revenues Under Expenditures	(87,674)	(87,674)	(81,266)	6,408
Other Financing Sources:				
Transfers In	60,000	60,000	122,485	62,485
Total Other Financing Sources	60,000	60,000	122,485	62,485
Net Change in Fund Balances	(27,674)	(27,674)	41,219	68,893
Fund Balance at Beginning of Year	189,561	189,561	189,561	-
Prior Year Encumbrances Appropriated	13,864	13,864	13,864	-
Fund Balance at End of Year	\$ 175,751	\$ 175,751	\$ 244,644	\$ 68,893

CITY OF MIAMISBURG, OHIO
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Clean Ohio Grant Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 345,000	\$ 345,000	\$ 288,399	\$ (56,601)
Total Revenues	345,000	345,000	288,399	(56,601)
Expenditures:				
Capital Outlay	500,000	500,000	463,990	36,010
Total Expenditures	500,000	500,000	463,990	36,010
Excess of Revenues Under Expenditures	(155,000)	(155,000)	(175,591)	(20,591)
Other Financing Sources:				
Transfers In	155,000	155,000	175,005	20,005
Total Other Financing Sources	155,000	155,000	175,005	20,005
Net Change in Fund Balances	-	-	(586)	(586)
Fund Balance at Beginning of Year	30,023	30,023	30,023	-
Fund Balance at End of Year	\$ 30,023	\$ 30,023	\$ 29,437	\$ (586)

CITY OF MIAMISBURG, OHIO
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Issue II Capital Improvements Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 376,500	\$ 376,500	\$ 304,009	\$ (72,491)
Total Revenues	376,500	376,500	304,009	(72,491)
Expenditures:				
Capital Outlay	376,500	376,500	304,009	72,491
Total General Government	376,500	376,500	304,009	72,491
Total Expenditures	376,500	376,500	304,009	72,491
Net Change in Fund Balances	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	\$ -	\$ -	\$ -	\$ -

CITY OF MIAMISBURG, OHIO
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Park Capital Improvement Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 40,000	\$ 40,000	\$ 100,600	\$ 60,600
Total Revenues	40,000	40,000	100,600	60,600
Expenditures:				
Current:				
Leisure Time Activities	-	73,507	73,407	100
Capital Outlay	-	16,006	605	15,401
Total Expenditures	-	89,513	74,012	15,501
Excess of Revenues Over Expenditures	40,000	(49,513)	26,588	76,101
Other Financing Uses:				
Transfers Out	-	(37,093)	(37,093)	-
Total Other Financing Uses	-	(37,093)	(37,093)	-
Net Change in Fund Balances	40,000	(86,606)	(10,505)	76,101
Fund Balance at Beginning of Year	200,167	200,167	200,167	-
Prior Year Encumbrances Appropriated	2,112	2,112	2,112	-
Fund Balance at End of Year	\$ 242,279	\$ 115,673	\$ 191,774	\$ 76,101

CITY OF MIAMISBURG, OHIO
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Roadway Improvement Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Interest	\$ 11,000	\$ 11,000	\$ 13,361	\$ 2,361
Other	-	-	27,801	27,801
Total Revenues	11,000	11,000	41,162	30,162
Expenditures:				
Capital Outlay	100,000	100,000	-	-
Total Expenditures	100,000	100,000	-	100,000
Excess of Revenues Over Expenditures	(89,000)	(89,000)	41,162	130,162
Net Change in Fund Balances	373,725	373,725	373,725	-
Fund Balance at End of Year	\$ 284,725	\$ 284,725	\$ 414,887	\$ 130,162

CITY OF MIAMISBURG, OHIO
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Sidewalk, Curb and Gutter Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Special Assessments	\$ 3,000	\$ 3,000	\$ 20,798	\$ 17,798
Interest	1,000	1,000	1,470	470
Total Revenues	<u>4,000</u>	<u>4,000</u>	<u>22,268</u>	<u>18,268</u>
Expenditures:				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	4,000	4,000	22,268	18,268
Fund Balance at Beginning of Year	<u>30,601</u>	<u>30,601</u>	<u>30,601</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 34,601</u>	<u>\$ 34,601</u>	<u>\$ 52,869</u>	<u>\$ 18,268</u>

CITY OF MIAMISBURG, OHIO
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
General Obligation Bond Retirement Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
General Government	7,500	7,500	5,292	2,208
Debt Service:				
Principal Retirement	510,563	510,563	510,563	-
Interest and Fiscal Charges	394,625	394,625	394,625	-
Total Expenditures	912,688	912,688	910,480	2,208
Excess of Revenues Under Expenditures	(912,688)	(912,688)	(910,480)	2,208
Other Financing Sources:				
Transfers In	905,190	905,190	905,190	-
Total Other Financing Sources	905,190	905,190	905,190	-
Net Change in Fund Balance	(7,498)	(7,498)	(5,290)	2,208
Fund Balance at Beginning of Year	117,692	117,692	117,692	-
Fund Balance at End of Year	\$ 110,194	\$ 110,194	\$ 112,402	\$ 2,208

CITY OF MIAMISBURG, OHIO
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Assessment Bond Retirement Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Special Assessments	\$ 125,000	\$ 125,000	\$ 78,290	\$ (46,710)
Total Revenues	125,000	125,000	78,290	(46,710)
Expenditures:				
Current:				
General Government	8,250	8,250	5,952	2,298
Debt Service:				
Principal Retirement	390,000	390,000	390,000	-
Interest and Fiscal Charges	22,290	22,290	22,301	(11)
Total Expenditures	420,540	420,540	418,253	2,287
Excess of Revenues Under Expenditures	(295,540)	(295,540)	(339,963)	(44,423)
Other Financing Sources:				
Proceeds from the Sale of Notes	350,000	350,000	350,000	-
Total Other Financing Sources	350,000	350,000	350,000	-
Net Change in Fund Balances	54,460	54,460	10,037	(44,423)
Fund Balance at Beginning of Year	198,698	198,698	198,698	-
Fund Balance at End of Year	\$ 253,158	\$ 253,158	\$ 208,735	\$ (44,423)

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NONMAJOR PROPRIETARY FUNDS

INTERNAL SERVICE FUNDS

To account for the financing of goods and services provided by one department to other departments within the City.

City Garage

To account for the operation of the City garage in which all City vehicles are repaired and maintained.

Civic Center Building and Land

To account for the rent paid by all departments housed in the Civic Center which is then used to operate and maintain the Civic Center.

Service Center Building and Land

To account for the rent paid by all departments housed in the Service Center which is then used to operate and maintain the Service Center.

CITY OF MIAMISBURG, OHIO
COMBINING STATEMENT OF FUND NET ASSETS
INTERNAL SERVICE FUNDS
DECEMBER 31, 2005

	City Garage	Civic Center Building and Land	Service Center Building and Land	Total
<u>Assets:</u>				
Current Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 114,013	\$ 85,996	\$ 195,199	\$ 395,208
Supplies Inventory	100,246	5,579	1,150	106,975
Total Current Assets	<u>214,259</u>	<u>91,575</u>	<u>196,349</u>	<u>502,183</u>
Non-current Assets				
Capital Assets:				
Land	-	90,700	88,000	178,700
Buildings	8,211	1,328,911	516,794	1,853,916
Equipment	63,073	145,173	137,539	345,785
Less: Accumulated Depreciation	(52,732)	(972,544)	(417,549)	(1,442,825)
Total Capital Assets	<u>18,552</u>	<u>592,240</u>	<u>324,784</u>	<u>935,576</u>
Total Assets	<u>232,811</u>	<u>683,815</u>	<u>521,133</u>	<u>1,437,759</u>
<u>Liabilities:</u>				
Current Liabilities:				
Accounts Payable	7,024	15,162	10,101	32,287
Accrued Salaries Payable	6,465	1,372	159	7,996
Intergovernmental Payable	2,801	654	97	3,552
Total Current Liabilities	<u>16,290</u>	<u>17,188</u>	<u>10,357</u>	<u>43,835</u>
Long Term Liabilities				
Compensated Absences Payable	42,273	3,008	-	45,281
Total Long Term Liabilities	<u>42,273</u>	<u>3,008</u>	<u>-</u>	<u>45,281</u>
Total Liabilities	<u>58,563</u>	<u>20,196</u>	<u>10,357</u>	<u>89,116</u>
<u>Net Assets:</u>				
Invested in Capital Assets	18,552	592,240	324,784	935,576
Unrestricted	155,696	71,379	185,992	413,067
Total Net Assets	<u>\$ 174,248</u>	<u>\$ 663,619</u>	<u>\$ 510,776</u>	<u>\$ 1,348,643</u>

CITY OF MIAMISBURG, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	City Garage	Civic Center Building and Land	Service Center Building and Land	Total
Operating Revenues:				
Charges for Services	\$ 414,875	\$ 285,490	\$ 127,122	\$ 827,487
Total Operating Revenue	414,875	285,490	127,122	827,487
Operating Expenses:				
Personal Services	236,698	55,935	9,002	301,635
Contractual Services	57,330	192,760	63,391	313,481
Supplies and Materials	151,814	9,749	9,193	170,756
Depreciation	2,532	33,689	21,086	57,307
Total Operating Expenses	448,374	292,133	102,672	843,179
Operating Income (Loss)	(33,499)	(6,643)	24,450	(15,692)
Transfers Out	-	-	(37,631)	(37,631)
Change in Net Assets	(33,499)	(6,643)	(13,181)	(53,323)
Net Assets at Beginning of Year	207,747	670,262	523,957	1,401,966
Net Assets at End of Year	\$ 174,248	\$ 663,619	\$ 510,776	\$ 1,348,643

CITY OF MIAMISBURG, OHIO
COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>City Garage</u>	<u>Civic Center Building and Land</u>	<u>Service Center Building and Land</u>	<u>Total</u>
<u>Increase (Decrease) in Cash and Cash Equivalents</u>				
Cash Flows from Operating Activities:				
Cash Received from Quasi-External Transactions from Other Funds	\$ 414,875	\$ 285,490	\$ 127,122	\$ 827,487
Cash Payments to Employees for Services and Benefits	(235,092)	(55,107)	(9,107)	(299,306)
Cash Payments to Suppliers for Goods and Services	<u>(228,891)</u>	<u>(199,141)</u>	<u>(65,663)</u>	<u>(493,695)</u>
Net Cash Provided (Used) by Operating Activities	<u>(49,108)</u>	<u>31,242</u>	<u>52,352</u>	<u>34,486</u>
Cash Flows from Noncapital Financing Activities:				
Transfers Out	<u>-</u>	<u>-</u>	<u>(37,631)</u>	<u>(37,631)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(49,108)	31,242	14,721	(3,145)
Cash and Cash Equivalents Beginning of Year	<u>163,121</u>	<u>54,754</u>	<u>180,478</u>	<u>398,353</u>
Cash and Cash Equivalents End of Year	<u><u>\$ 114,013</u></u>	<u><u>\$ 85,996</u></u>	<u><u>\$ 195,199</u></u>	<u><u>\$ 395,208</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ (33,499)	\$ (6,643)	\$ 24,450	\$ (15,692)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation	2,532	33,689	21,086	57,307
Changes in Assets and Liabilities				
(Increase) Decrease in Supplies Inventory	(182)	(2,161)	4,826	2,483
Increase (Decrease) in Accounts Payable	(19,565)	5,529	2,095	(11,941)
Increase (Decrease) in Accrued Salaries Payable	(940)	174	(87)	(853)
Increase (Decrease) in Intergovernmental Payable	40	34	(18)	56
Increase in Compensated Absences Payable	<u>2,506</u>	<u>620</u>	<u>-</u>	<u>3,126</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (49,108)</u></u>	<u><u>\$ 31,242</u></u>	<u><u>\$ 52,352</u></u>	<u><u>\$ 34,486</u></u>

COMBINING STATEMENTS – FIDUCIARY FUNDS

AGENCY FUNDS

To account for assets held by the City as an agent for individuals, private organizations, other governmental units.

Board of Building Standard Assessment

To account for a State assessed fee collected for the acceptance and approval of plans and specifications and for making inspections. The monies are distributed to the State monthly.

Downtown Development

To account for grants and donations received to support the Downtown Development group who is responsible for planning downtown development and attracting new businesses to the City's downtown area.

Municipal Court

To account for the collection and distribution of court fines and forfeitures.

Satellite Juvenile Court

To account for the collection of court fines and forfeitures associated with the satellite juvenile court established within the City.

CITY OF MIAMISBURG, OHIO
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2005

	Balance 1/1/2005	Additions	Reductions	Balance 12/31/2005
<u>Board of Building Standards:</u>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 368	\$ 2,122	\$ 2,060	\$ 430
Total Assets	<u>\$ 368</u>	<u>\$ 2,122</u>	<u>\$ 2,060</u>	<u>\$ 430</u>
Liabilities:				
Undistributed Monies	\$ 368	\$ 2,122	\$ 2,060	\$ 430
Total Liabilities	<u>\$ 368</u>	<u>\$ 2,122</u>	<u>\$ 2,060</u>	<u>\$ 430</u>
<u>Downtown Development:</u>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 386,788	\$ 214,303	\$ 189,585	\$ 411,506
Total Assets	<u>\$ 386,788</u>	<u>\$ 214,303</u>	<u>\$ 189,585</u>	<u>\$ 411,506</u>
Liabilities:				
Accounts Payable	\$ 56,692	\$ 9,968	\$ 56,692	\$ 9,968
Undistributed Monies	330,096	204,335	132,893	401,538
Total Liabilities	<u>\$ 386,788</u>	<u>\$ 214,303</u>	<u>\$ 189,585</u>	<u>\$ 411,506</u>
<u>Municipal Court:</u>				
Assets:				
Cash and Cash Equivalents with Fiscal Agents	\$ 142,256	\$ 2,227,825	\$ 2,257,707	\$ 112,374
Total Assets	<u>\$ 142,256</u>	<u>\$ 2,227,825</u>	<u>\$ 2,257,707</u>	<u>\$ 112,374</u>
Liabilities:				
Due to Other Governments	\$ 54,673	\$ 562,562	\$ 566,302	\$ 50,933
Undistributed Monies	87,583	1,665,263	1,691,405	61,441
Total Liabilities	<u>\$ 142,256</u>	<u>\$ 2,227,825</u>	<u>\$ 2,257,707</u>	<u>\$ 112,374</u>
<u>Satellite Juvenile Court:</u>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 22,885	\$ 51,739	\$ 40,785	\$ 33,839
Total Assets	<u>\$ 22,885</u>	<u>\$ 51,739</u>	<u>\$ 40,785</u>	<u>\$ 33,839</u>
Liabilities:				
Accounts Payable	\$ 800	\$ -	\$ 800	\$ -
Undistributed Monies	22,085	51,739	39,985	33,839
Total Liabilities	<u>\$ 22,885</u>	<u>\$ 51,739</u>	<u>\$ 40,785</u>	<u>\$ 33,839</u>
<u>Total - All Agency Funds</u>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 410,041	\$ 268,164	\$ 232,430	\$ 445,775
Cash and Cash Equivalents with Fiscal Agents	142,256	2,227,825	2,257,707	112,374
Total Assets	<u>\$ 552,297</u>	<u>\$ 2,495,989</u>	<u>\$ 2,490,137</u>	<u>\$ 558,149</u>
Liabilities				
Accounts Payable	\$ 57,492	\$ 9,968	\$ 57,492	\$ 9,968
Due to Other Governments	54,673	562,562	566,302	50,933
Undistributed Monies	440,132	1,923,459	1,866,343	497,248
Total Liabilities	<u>\$ 552,297</u>	<u>\$ 2,495,989</u>	<u>\$ 2,490,137</u>	<u>\$ 558,149</u>

**STATISTICAL
SECTION**

STATISTICAL SECTION

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

CITY OF MIAMISBURG, OHIO
GENERAL FUND EXPENDITURES BY FUNCTION
LAST TEN YEARS

YEAR	SECURITY OF PERSON AND PROPERTY	PUBLIC HEALTH SERVICES	LEISURE TIME ACTIVITIES	COMMUNITY ENVIRONMENT	BASIC UTILITY SERVICES	TRANS-PORTATION	GENERAL GOVERNMENT	TOTAL
1996	\$ 4,277,276	\$ 2,720	\$ 966,212	\$ 538,672	\$ 683,810	\$ 138,514	\$ 2,392,764	\$ 8,999,968
1997	4,628,712	11,816	1,104,910	599,279	720,494	126,374	2,598,082	9,789,667
1998	4,676,464	26,218	1,277,859	660,781	715,999	140,567	2,571,314	10,069,202
1999	4,905,636	23,204	1,219,197	676,585	623,456	147,925	2,591,935	10,187,938
2000	5,264,451	25,124	1,079,645	673,566	713,346	214,965	2,743,022	10,714,119
2001	5,445,790	22,292	1,286,786	730,960	748,114	246,465	3,677,338	12,157,745
2002	5,628,019	18,721	1,348,663	749,570	785,388	249,786	4,646,817	13,426,964
2003	5,943,256	19,858	1,407,293	779,392	784,303	270,323	2,790,779	11,995,204
2004	6,271,275	9,512	1,300,920	770,468	785,056	265,731	3,148,825	12,551,787
2005	6,716,102	9,793	1,366,395	838,778	882,645	280,430	3,614,953	13,709,096

Source: City Financial Records

CITY OF MIAMISBURG, OHIO
GENERAL FUND REVENUES BY SOURCE
LAST TEN YEARS

YEAR	MUNICIPAL INCOME TAXES	PROPERTY AND OTHER TAXES	INTER- GOVERNMENTAL	CHARGES FOR SERVICES	FINES, LICENSES AND PERMITS	INTEREST	OTHER	TOTAL
1996	\$ 4,992,937	\$ 1,171,472	\$ 1,126,176	\$ 262,123	\$ 777,192	\$ 1,157,637	\$ 123,112	\$ 9,610,649
1997	5,126,981	1,250,034	1,174,302	472,321	798,617	996,178	197,887	10,016,320
1998	5,510,996	1,284,753	1,212,156	557,310	804,194	981,645	281,193	10,632,247
1999	5,788,811	1,312,266	1,184,860	606,152	807,564	511,865	298,104	10,509,622
2000	6,139,155	1,448,210	1,336,886	504,710	985,293	837,273	191,804	11,443,331
2001	6,346,594	1,451,860	1,681,577	506,814	1,025,985	1,088,598	188,568	12,289,996
2002	6,595,861	1,374,388	1,298,989	543,602	983,047	709,188	358,832	11,863,907
2003	6,354,295	1,490,196	1,263,531	511,105	945,143	551,467	150,060	11,265,797
2004	6,641,519	1,495,144	1,625,252	1,592,459	917,784	467,551	289,658	13,029,367
2005	7,134,503	1,524,094	2,025,689	1,864,728	963,238	611,782	466,523	14,590,557

Source: City Financial Records

CITY OF MIAMISBURG, OHIO
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

<u>COLLECTION YEAR</u>	<u>TOTAL TAX LEVY</u>	<u>CURRENT TAX COLLECTIONS</u>	<u>DELINQUENT TAX COLLECTIONS</u>	<u>TOTAL TAX COLLECTIONS</u>	<u>PERCENT OF TOTAL TAX COLLECTIONS TO TAX LEVY</u>	<u>ACCUMULATED OUTSTANDING DELINQUENT TAXES</u>	<u>PERCENTAGE OF ACCUMULATED DELINQUENT TAXES TO TOTAL TAX LEVY</u>
1996	\$ 1,684,655	\$ 1,541,933	\$ 29,974	\$ 1,571,907	93.31%	\$ 64,716	3.84%
1997	1,805,635	1,648,321	41,654	1,689,975	93.59%	85,987	4.76%
1998	1,846,183	1,682,705	52,267	1,734,972	93.98%	95,185	5.16%
1999	1,943,297	1,737,273	58,121	1,795,394	92.39%	96,346	4.96%
2000	2,040,699	1,995,969	49,543	2,045,512	100.24%	104,377	5.11%
2001	2,457,546	2,394,550	70,730	2,465,280	100.31%	96,691	3.93%
2002	2,373,983	2,288,975	58,277	2,347,252	98.87%	85,227	3.59%
2003	2,997,335	2,633,004	74,478	2,707,482	90.33%	158,854	5.30%
2004	2,573,905	2,498,471	70,981	2,569,452	99.83%	146,526	5.69%
2005	2,620,734	2,505,275	116,317	2,621,592	100.03%	85,523	3.26%

Source: Montgomery County Auditor

CITY OF MIAMISBURG, OHIO
ASSESSED VALUES AND ESTIMATED
TRUE VALUES OF TAXABLE PROPERTY
LAST TEN YEARS

COLLECTION YEAR	ASSESSED PUBLIC UTILITY		ASSESSED PUBLIC UTILITY		ASSESSED TANGIBLE PERSONAL	TOTAL ASSESSED VALUE	ESTIMATED TRUE VALUE (1)	PERCENTAGE OF ASSESSED VALUE TO ESTIMATED TRUE VALUE
	REAL	REAL	TANGIBLE	TANGIBLE				
1996	\$ 223,983,280	\$ 77,440	\$ 49,473,350	\$ 47,838,990	\$ 321,373,060	\$ 887,749,162	36.20%	
1997	252,804,950	82,960	49,742,440	44,307,558	346,937,908	956,292,618	36.28%	
1998	258,255,680	87,940	49,866,530	42,828,738	351,038,888	966,106,092	36.34%	
1999	262,998,880	91,010	51,647,310	42,828,738	357,565,938	981,690,477	36.42%	
2000	287,257,410	93,850	49,115,780	40,438,443	376,905,483	1,038,570,758	36.29%	
2001	297,955,850	87,900	50,072,020	49,992,696	398,108,466	1,108,424,378	35.92%	
2002	311,303,780	83,440	27,966,680	51,339,673	390,693,573	1,166,859,982	33.48%	
2003	357,029,050	54,420	30,849,610	40,567,400	428,500,480	1,099,465,886	38.97%	
2004	363,820,000	57,310	29,376,340	43,797,033	437,050,683	1,290,281,371	33.87%	
2005	369,890,660	57,510	28,417,130	44,653,249	443,018,549	1,620,169,688	27.34%	

Source: Montgomery County Auditor

Ohio Department of Taxation

(1) Estimated true value for real property is calculated by dividing the assessed value by the assessment percentage (35 percent). The State of Ohio has enacted legislation which reduces the assessment percentage associated with public utility tangible and tangible personal property over the next several years. The estimated true value for these categories were provided by the County Auditor's Office.

CITY OF MIAMISBURG, OHIO
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
 (PER \$1,000 OF ASSESSED VALUE)
 LAST TEN YEARS

YEAR	GENERAL FUND	FIRE LEVY FUND	CONSERVANCY FUND	POLICE AND FIRE PENSION FUND	TOTAL CITY	MIAMISBURG CITY SCHOOL DISTRICT	MONTGOMERY COUNTY	MONTGOMERY COUNTY JVS	MIAMI TOWNSHIP	LIBRARY
1996	3.30%	3.00%	0.13%	0.60%	7.03%	44.70%	16.64%	2.58%	0.18%	0.72%
1997	3.30%	3.00%	0.13%	0.60%	7.03%	43.95%	16.64%	2.58%	0.18%	0.72%
1998	3.30%	3.00%	0.13%	0.60%	7.03%	44.63%	16.64%	2.58%	0.18%	0.00%
1999	3.30%	3.00%	0.13%	0.60%	7.03%	46.88%	16.64%	2.58%	0.18%	0.26%
2000	3.30%	3.00%	0.13%	0.60%	7.03%	46.88%	16.64%	2.58%	0.18%	0.00%
2001	3.30%	3.00%	0.13%	0.60%	7.03%	46.52%	17.24%	2.58%	0.18%	0.26%
2002	3.30%	3.00%	0.13%	0.60%	7.03%	47.70%	17.24%	2.58%	0.18%	0.26%
2003	3.30%	3.00%	0.13%	0.60%	7.03%	47.02%	17.24%	2.58%	0.18%	0.26%
2004	3.30%	3.00%	0.13%	0.60%	7.03%	46.92%	18.24%	2.58%	0.18%	0.26%
2005	3.30%	3.00%	0.13%	0.60%	7.03%	47.78%	18.24%	2.58%	0.18%	1.25%

Source: Montgomery County Auditor

CITY OF MIAMISBURG, OHIO
SPECIAL ASSESSMENT BILLED AND COLLECTED
LAST TEN YEARS

<u>COLLECTION YEAR</u>	<u>AMOUNT BILLED (1)</u>	<u>AMOUNT COLLECTED (2)</u>	<u>PERCENTAGE COLLECTED</u>
1996	\$ 68,464	\$ 76,482	111.71%
1997	65,084	63,829	98.07%
1998	72,721	76,440	105.11%
1999	73,191	78,001	106.57%
2000	87,476	94,838	108.42%
2001	90,088	93,802	104.12%
2002	102,686	106,505	103.72%
2003	99,001	116,628	117.80%
2004	109,258	110,927	101.53%
2005	122,920	100,771	81.98%

Source: (1) Montgomery County Auditor

(2) City's Tax Settlement Sheets

Collections include lump-sum payments for which there are no comparable billed amounts.

CITY OF MIAMISBURG, OHIO
RATIO OF NET GENERAL BONDED DEBT
TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA (1)
LAST TEN YEARS

YEAR	POPULATION (2)	ASSESSED VALUE (3) (IN THOUSANDS)	GROSS BONDED DEBT (4)	DEBT SERVICE MONIES AVAILABLE	DEBT PAYABLE FROM PROPRIETARY REVENUES	DEBT PAYABLE FROM INCOME TAX REVENUE	NET BONDED DEBT (1)	RATIO OF NET BONDED DEBT TO ASSESSED VALUATION	NET BONDED DEBT PER CAPITA
1996	19,480	\$ 321,373	\$ 15,590,000	\$ -	\$ 15,355,000	\$ 235,000	\$ -	0.000%	\$ -
1997	19,480	346,938	14,975,000	-	14,765,000	210,000	-	0.000%	-
1998	19,860	351,039	15,080,000	-	14,155,000	925,000	-	0.000%	-
1999	18,640	357,565	14,375,000	-	13,525,000	850,000	-	0.000%	-
2000	19,489	376,905	13,640,000	-	12,865,000	775,000	-	0.000%	-
2001	19,489	398,108	17,215,000	-	16,515,000	700,000	-	0.000%	-
2002	19,489	390,694	21,820,000	94,781	15,605,000	620,000	5,500,219	1.408%	282.22
2003	19,789	428,500	21,825,000	115,129	16,005,000	540,000	5,164,871	1.205%	261.00
2004	19,789	437,051	22,400,000	117,143	17,060,000	450,000	4,772,857	1.092%	241.19
2005	19,809	443,019	20,760,000	112,403	15,915,000	360,000	4,372,597	0.987%	220.74

(1) Includes only general obligation bonded debt payable from property taxes

(2) City of Miamisburg Development and Planning Department; U.S. Census

(3) Montgomery County Auditor

(4) Excludes special assessment bonded debt

CITY OF MIAMISBURG, OHIO
COMPUTATION OF OVERALL LEGAL DEBT MARGIN
DECEMBER 31, 2005

Assessed Value		<u>\$ 443,018,549</u>
Overall Debt Limitation (10 1/2% of assessed valuation)		\$ 46,516,948
Total Debt Outstanding at December 31, 2004	\$	21,572,343
Less: Exempt Debt		
General Obligation Bonds Issued in Anticipation of the Collection of Special Assessments	235,000	
General Obligation Bonds Issued in Anticipation of the Collection of Lawfully available Municipal Income Tax to be Applied to Debt Service	1,270,000	
General Obligation Bonds to be Paid from Proprietary Funds Revenue	8,515,000	
Mortgage Revenue Refunding Bonds to be Paid from Enterprise Fund Revenues	7,400,000	
Notes Issued in Anticipation of the Collection of Lawfully available Municipal Income Tax to be Applied to Debt Service	425,000	
Notes to be Paid from Enterprise Fund Revenue	<u>152,343</u>	
Total Debt Subject to Limitation	3,575,000	
Less: G.O. Debt Retirement Fund Balance	<u>112,403</u>	
Net Subject to 10 1/2% Limitation		<u>3,462,597</u>
Legal Debt Margin within 10 1/2% Limitation		<u>\$ 43,054,351</u>

Source : Montgomery County Auditor and City Financial Records

CITY OF MIAMISBURG, OHIO
COMPUTATION OF UNVOTED LEGAL DEBT MARGIN
DECEMBER 31, 2005

Assessed Value		\$ 443,018,549
Overall Debt Limitation (5 1/2% of assessed valuation)		\$ 24,366,020
Total Debt Outstanding at December 31, 2004	\$	21,572,343
Less: Exempt Debt		
General Obligation Bonds Issued in Anticipation of the Collection of Special Assessments		235,000
General Obligation Bonds Issued in Anticipation of the Collection of Lawfully available Municipal Income Tax to be Applied to Debt Service		1,270,000
General Obligation Bonds to be Paid from Proprietary Funds Revenue		8,515,000
Mortgage Revenue Refunding Bonds to be Paid from Enterprise Fund Revenues		7,400,000
Notes Issued in Anticipation of the Collection of Lawfully available Municipal Income Tax to be Applied to Debt Service		425,000
Notes to be Paid from Enterprise Fund Revenue		<u>152,343</u>
Total Debt Subject to Limitation		3,575,000
Less: G.O. Debt Retirement Fund Balance		<u>112,403</u>
Net Subject to 5 1/2% Limitation		<u>3,462,597</u>
Legal Debt Margin within 5 1/2% Limitation		<u>\$ 20,903,423</u>

Source : Montgomery County Auditor and City Financial Records

CITY OF MIAMISBURG, OHIO
COMPUTATION OF DIRECT AND OVERLAPPING GENERAL BONDED DEBT
DECEMBER 31, 2005

JURISDICTION	NET DEBT (1) OUTSTANDING	PERCENTAGE APPLICABLE TO CITY OF MIAMISBURG	AMOUNT APPLICABLE TO CITY OF MIAMISBURG
City of Miamisburg	\$ 3,462,597	100.00%	\$ 3,462,597
Miamisburg City School District	8,170,000	48.34%	3,949,378
Montgomery County	49,512,232	4.40%	2,178,538
Total			<u>\$ 9,590,513</u>

(1) Includes only general obligation bonded debt payable from property taxes.

Note: The percentage of net indebtedness of the City's overlapping political subdivisions was determined by dividing each overlapping subdivision's assessed value within the City by the subdivision's total assessed value.

CITY OF MIAMISBURG, OHIO
RATIO OF ANNUAL DEBT PRINCIPAL AND INTEREST EXPENDITURES
FOR GENERAL OBLIGATION BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES
LAST TEN YEARS

YEAR	DEBT SERVICE REQUIREMENTS (1)			GENERAL FUND EXPENDITURES	RATIO OF DEBT PRINCIPAL AND INTEREST TO GENERAL FUND EXPENDITURES
	PRINCIPAL	INTEREST	TOTAL		
1996	\$ -	\$ -	\$ -	\$ 8,999,968	0.00%
1997	-	-	-	9,789,668	0.00%
1998	-	-	-	10,069,202	0.00%
1999	-	-	-	10,187,938	0.00%
2000	-	-	-	10,714,119	0.00%
2001	-	-	-	12,157,745	0.00%
2002	-	-	-	13,426,964	0.00%
2003	315,000	189,420	504,420	11,995,204	4.21%
2004	390,000	182,332	572,332	12,551,787	4.56%
2005	405,000	173,557	578,557	13,709,096	4.22%

(1) Includes only General Obligation Bonded Debt Payable from Property Taxes.

CITY OF MIAMISBURG, OHIO
DEMOGRAPHIC STATISTICS
LAST TEN YEARS

YEAR	POPULATION (1)	SCHOOL ENROLLMENT (2)	UNEMPLOYMENT RATE MONGOMERY COUNTY (3)
1996	19,480	4,619	3.4%
1997	19,480	4,605	3.7%
1998	19,860	4,651	3.3%
1999	18,640	4,702	3.8%
2000	19,489	4,715	3.7%
2001	19,489	4,832	5.8%
2002	19,489	4,923	6.1%
2003	19,789	5,021	5.6%
2004	19,789	5,110	5.8%
2005	19,809	5,216	5.8%

Sources: (1) City of Miamisburg Development and Planning Department

(2) Miamisburg City School District/Ohio Department of Education

(3) Ohio Bureau of Employment Services, Division of Labor
Market Information

CITY OF MIAMISBURG, OHIO
PROPERTY VALUES, CONSTRUCTION AND BANK DEPOSITS
LAST TEN YEARS

YEAR	PROPERTY VALUES (1)	RESIDENTIAL CONSTRUCTION (2)		NUMBER OF PERMITS	COMMERCIAL CONSTRUCTION (2)		CITY BANK (3) DEPOSITS (4)	COUNTY BANK (3) DEPOSITS (4)
		NUMBER OF PERMITS	VALUE (3)		NUMBER OF PERMITS	VALUE (3)		
1996	\$ 639,952,229	221	\$ 14,570	100	\$ 12,121	\$ 55,664	\$ 3,899,145	
1997	722,299,857	248	13,384	123	10,441	58,447	3,530,314	
1998	737,873,371	274	16,887	93	2,654	64,186	3,264,705	
1999	751,685,400	377	23,585	105	9,319	57,758	2,994,378	
2000	821,003,600	332	20,300	88	19,352	62,779	191,473	
2001	851,302,429	280	16,365	101	21,499	65,253	224,099	
2002	889,439,371	254	13,425	98	5,375	66,496	239,117	
2003	1,020,083,000	246	12,846	103	14,023	68,710	249,614	
2004	1,039,485,714	227	12,259	95	3,413	68,493	252,759	
2005	1,056,830,457	129	18,512	4	5,663	65,109	264,569	

Sources: (1) Estimated true values for real property

(2) City of Miamisburg Building Inspection Office

(3) Amounts are in thousands

(4) Federal Reserve Bank of Cleveland

CITY OF MIAMISBURG, OHIO
PRINCIPAL TAXPAYERS
DECEMBER 31, 2005

TAXPAYER	ASSESSED VALUATION	PERCENTAGE OF TOTAL ASSESSED VALUATION
1. Dayton Power and Light	\$ 28,766,400	6.49%
2. Paxar Americas, Inc.	6,242,830	1.41%
3. Kettering Medical Center	6,081,120	1.37%
4. Interstate Ford	4,194,860	0.95%
5. Hieronymus Management	3,226,870	0.73%
6. One Prestige Place Office	3,151,800	0.71%
7. Ohio Bell	2,834,230	0.64%
8. Dayton Theater, LLC.	2,783,480	0.63%
9. Plaza Associates	2,745,720	0.62%
10. Dayton Corners Associates	<u>2,547,810</u>	<u>0.58%</u>
TOTAL	<u>\$ 62,575,120</u>	<u>14.12%</u>

Source: Montgomery County Auditor's Office

CITY OF MIAMISBURG, OHIO
MORTGAGE REVENUE REFUNDING BOND COVERAGE
LAST TEN YEARS

YEAR	REVENUES (1)		EXPENSES (2)		NET REVENUE AVAILABLE FOR DEBT SERVICE		DEBT SERVICE REQUIREMENTS			COVERAGE (3)			
					DEBT SERVICE		PRINCIPAL	INTEREST	TOTAL				
SEWER													
1996	\$	2,040,043	\$	1,008,497	\$	1,031,546	\$	310,000	\$	208,765	\$	518,765	2.0
1997		1,982,816		962,191		1,020,625		325,000		196,985		521,985	2.0
1998		1,994,815		1,113,706		881,109		335,000		184,147		519,147	1.7
1999		2,197,854		1,417,256		780,598		350,000		171,398		521,398	1.5
2000		2,500,112		1,484,514		1,015,598		350,000		170,748		520,748	2.0
2001		2,853,643		1,896,797		956,846		365,000		156,398		521,398	1.8
2002		2,494,575		1,370,019		1,124,556		380,000		141,068		521,068	2.2
2003		2,661,579		1,483,991		1,177,588		395,000		124,538		519,538	2.3
2004		1,764,670		1,924,755		(160,085)		680,000		383,555		1,063,555	-0.2
2005		2,381,016		1,444,000		937,016		705,000		356,305		1,061,305	0.9
WATER													
1996	\$	1,822,765	\$	1,282,294	\$	540,471	\$	110,000	\$	135,003	\$	245,003	2.2
1997		1,843,263		1,259,338		583,925		120,000		128,678		248,678	2.3
1998		2,277,414		1,414,132		863,282		125,000		121,717		246,717	3.5
1999		2,548,485		1,576,730		971,755		130,000		114,343		244,343	4.0
2000		2,187,248		1,495,019		692,229		130,000		114,342		244,342	2.8
2001		2,264,636		1,455,062		809,574		140,000		106,608		246,608	3.3
2002		2,344,156		1,779,158		564,998		150,000		98,138		248,138	2.3
2003		2,235,810		1,641,637		594,173		155,000		88,838		243,838	2.4
2004		2,628,873		2,493,415		135,458		165,000		79,073		244,073	0.6
2005		2,706,715		1,826,046		880,669		255,000		144,197		399,197	2.2

(1) Revenues are equal to operating revenues and income tax revenues used to pay mortgage revenue debt.

(2) Expenses are equal to operating expenses less depreciation.

(3) Cash reserves accumulated over the years are used for debt payments in years current year revenues are not sufficient to meet requirements until rates can be reviewed.

CITY OF MIAMISBURG, OHIO
WATER AND SEWER DEBT SERVICE COVERAGE PER BOND INDENTURE
LAST FIVE YEARS

<u>YEAR</u>	<u>REVENUES (1)</u>	<u>INCOME TAX RECEIPTS (2)</u>	<u>TOTAL</u>	<u>EXPENSES (3)</u>	<u>NET REVENUE AVAILABLE FOR DEBT SERVICE</u>	<u>REVENUE BOND DEBT SERVICE</u>	<u>REVENUE BOND COVERAGE (4)</u>	<u>REVENUE BOND AND OTHER DEBT SERVICE</u>	<u>ALL BOND COVERAGE (4)</u>
SEWER									
2001	\$ 2,526,134	\$ 1,154,851	\$ 3,680,985	\$ 1,896,797	\$ 1,784,188	\$ 521,398	3.42	\$ 881,717	2.02
2002	1,942,929	944,765	2,887,694	1,370,019	1,517,675	521,068	2.91	886,165	1.71
2003	1,831,970	920,265	2,752,235	1,483,991	1,268,244	911,503	1.39	1,094,971	1.16
2004	1,308,858	529,459	1,838,317	1,924,755	(86,438)	1,063,555	-0.08	1,079,118	-0.08
2005	1,775,775	697,363	2,473,138	1,444,000	1,029,138	1,061,305	0.97	1,076,867	0.96
WATER									
2001	\$ 1,975,216	\$ 366,666	\$ 2,341,882	\$ 1,455,062	\$ 886,820	\$ 246,608	3.60	\$ 482,308	1.84
2002	2,053,419	411,867	2,465,286	1,779,158	686,128	248,138	2.77	481,533	1.42
2003	1,801,779	434,326	2,236,105	1,641,637	594,468	243,838	2.44	398,026	1.49
2004	1,858,781	828,715	2,687,496	2,493,415	194,081	244,073	0.80	451,010	0.43
2005	1,989,883	780,330	2,770,213	1,826,046	944,167	399,197	2.37	607,647	1.55

(1) Revenues are equal to operating revenues and nonoperating revenue excluding income tax receipts.

(2) Income tax receipts allocated per the various water and sewer bond indentures.

(3) Expenses are equal to operating expenses less depreciation.

(4) Cash reserves accumulated over the years are used for debt payments in years current year revenues are not sufficient to meet requirements until rates can be reviewed.

CITY OF MIAMISBURG, OHIO
MISCELLANEOUS STATISTICS
DECEMBER 31, 2005

Year of Incorporation	1832
Form of Government	Charter - Council/Manager
Area	11.8 Square Miles
Miles of Streets	126
Number of Street Lights	1,634
Number of Traffic Lights	28
Police Protection:	
Number of Stations	1
Number of Policemen and Officers	41
Education (K-12) (public only)	
Attendance Centers	13
Number of Classrooms	288
Number of Teachers	346
Number of Students	5,548
Municipal Water Department	
Miles of Water Mains	88
Sewers:	
Miles of Sanitary Sewers	76
Miles of Storm Sewers	47
Building Permits Issued	
Residential	185
Commercial	62
Recreation and Culture:	
Number of Parks	20
Number of Golf Courses	2
Number of Libraries	1
Number of Employees	
Full-Time	190
Part-Time	26

Source: City of Miamisburg



**Auditor of State
Betty Montgomery**

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800-282-0370

Facsimile 614-466-4490

CITY OF MIAMISBURG

MONTGOMERY COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
OCTOBER 5, 2006**