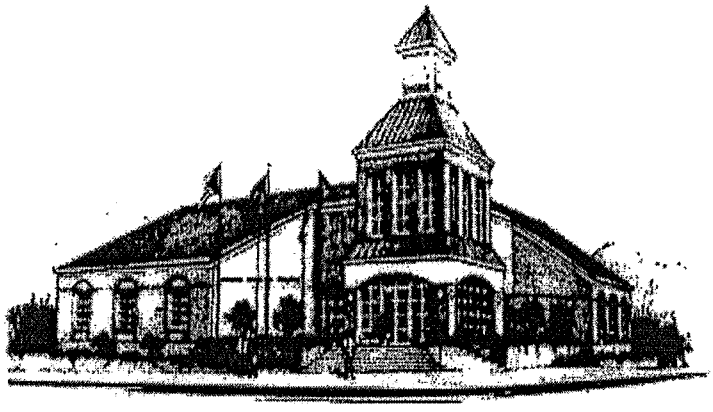
THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

CITY OF MADEIRA

STATE OF OHIO

FOR THE YEAR ENDED DECEMBER 31, 2005



CITY OF MADEIRA, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2005

Prepared by:

Treasurer's Office

City of Madeira, Ohio
Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2005

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INTRODUCTORY SECTION

CITY OF MADEIRA

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(513) 561-7228 • Fax (513) 272-4211

June 21, 2006

To the Honorable Mayor, Members of the Governing Council, and Citizens of the City of Madeira:

State law requires that all general-purposes local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP). Pursuant to that requirements, we hereby issue the comprehensive annual financial report of the City of Madeira for the fiscal year ended December 31, 2005.

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

The City of Madeira's financial statements have been audited by Clark, Schaefer, Hackett & Co., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Madeira for the fiscal year ended December 31, 2005, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Madeira's financial statements for the fiscal year ended December 31, 2005, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the Government

The City of Madeira, incorporated in 1910 as a village, is located in the southwestern part of the state. The City of Madeira currently occupies a land area of 3.4 square miles and serves a population of 8,923. The City of Madeira is empowered to levy a property tax on both real and personal properties located within its boundaries.

The City of Madeira has operated under the council-manager form of government since 1959. Policy-making and legislative authority are vested in a governing council consisting of the mayor and six other members. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the government's manager and attorney. The City's manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day to day operations of the government, and for appointing the heads of the various departments. The council is elected on a non-partisan basis. Council members are elected at large and serve four-year staggered terms, with elections every two years. The Madeira Home Rule Charter specifies term limits of three consecutive terms.

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

The City of Madeira provides a full range of services, including police and fire protection; the construction and maintenance of highways, streets, and other infrastructure; and recreational activities and cultural events.

The annual budget serves as the foundation for the financial planning and control. The government's manager presents his proposed budget to the council for review prior to December 31. The council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than December 31, the close of the City of Madeira's fiscal year. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Budget to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented as part of the basic financial statements for the governmental funds. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Madeira operates.

Local economy. The City of Madeira currently enjoys a favorable economic environment and local indicators point to continued stability. The region has a varied manufacturing and industrial base that adds to the relative stability of the unemployment rate. Major industries with headquarters or

divisions located within the City's boundaries or in close proximity include consumer product manufacturers, jet engine and automobile component manufacturers, and several financial and insurance institutions.

The City's central business district is expected to maintain its current high occupancy rate with a variety of stores, specialty shops, and commercial businesses. Meanwhile, there continues to be a discernable trend toward steady residential growth.

Long-term financial planning. The City Council plans to improve park space and obtain an improvement grant from the state.

The 2006 transportation-related project is expected to be the replacement of several streets. The cost of the street improvements are anticipated to be $500,000.

Cash management policies and practices. Cash temporarily idle during the year was invested in certificates of deposit, and the State Treasurer's investment pool. The maturities of the investments range from 30 days to 1 year, with an average maturity of 7 months. The average yield on investments was 3 percent for the City.

Pension and other postemployment benefits. The City of Madeira provides pension benefits for its employees. These benefits are provided through state-wide plans managed by the Ohio Public Employees Retirement System and Ohio Police and Fire Pension Fund Pension Board. The City of Madeira has no obligation in connection with employee benefits offered through this plan beyond its annual contractual payment to the state retirement systems.

The City of Madeira also provides postretirement health care benefits for certain retirees and other dependents. These benefits are provided through the above mentioned state-wide plans. Additional information on the City of Madeira's pension arrangements and postemployment benefits can be found in the notes to the financial statements.

Awards and Acknowledgments

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Madeira for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2004. This was the eleventh consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP 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.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance and administration department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation

of this report. Credit also must be given to the mayor and the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Madeira's finances.

Respectfully submitted,

Steven A. Soper
Treasurer

Thomas W. Moeller
City Manager

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Madeira, Ohio

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

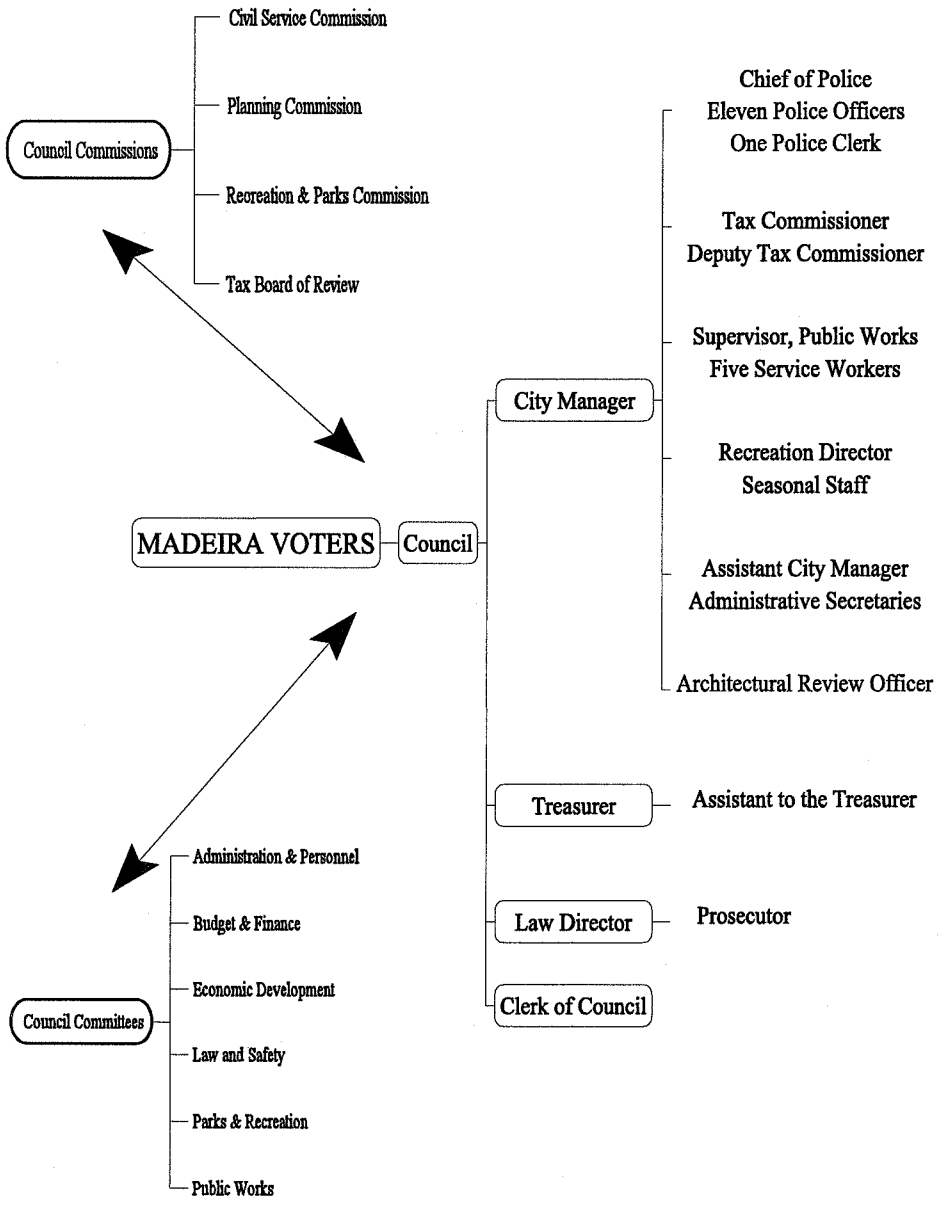
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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

President

Executive Director

City of Madeira

Organizational Chart



City of Madeira, Ohio
List of Elected and Appointed Officials
December 31, 2005

ELECTED OFFICIALS:

MAYOR	**David Sams**	**Term on Council: 12/1/99-11/30/07**
VICE MAYOR	**Sarah Evans**	**Term on Council: 12/1/01-11/30/07**
MEMBERS OF COUNCIL:		
	Ken Born	**Term on Council: 11/22/04-11/30/07**
	John Dobbs	**Term on Council: 12/1/03-11/30/07**
	Rick Brasington	**Term on Council: 12/1/05 to 11/30/09**
	Rick Staubach	**Term on Council: 12/1/05 to 11/30/09**
	Tim Dickie	**Term on Council: 12/1/05 to 11/30/09**

APPOINTED OFFICIALS:

CITY MANAGER	**Thomas W. Moeller, M.P.A.**	**Hired 3/6/89 for Indefinite Term**
TREASURER	**Steven A. Soper, CPA**	**Term of Office: 12/1/97-11/30/07**
PROSECUTOR	**Bradley Greenberg**	**Term of Office: 3/1/98-11/30/07**
LAW DIRECTOR	**Robert Malloy, LLP**	**Term of Office: 12/1/89-11/30/07**
ARCHITECTURAL REVIEW OFFICER		
	David H. Ballweg	**Term of Office: 7/1/94-1/1/07**

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of Madeira, Ohio:

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 Madeira, 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 Madeira, Ohio as of December 31, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 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 read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis on pages 15-25, 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 Madeira, 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 & Co.

Cincinnati, Ohio
June 8, 2006

As management of the City of Madeira, we offer readers of the City of Madeira's financial statements this narrative overview and analysis of the financial activities of the City of Madeira for the fiscal year ended December 31, 2005. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in this report.

Financial Highlights

- The assets of the City of Madeira exceeded its liabilities at the close of the most recent fiscal year by $4,550,521 (net assets). Of this amount, $2,682,393 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by $1,137,379.
- As of the close of the current fiscal year, the City of Madeira's governmental funds reported combined ending fund balances of $2,307,023, an increase of $464,965 in comparison with the prior year. Approximately 99 percent of this total amount,$2,305,549 is available for spending at the government's discretion (unreserved fund balance).
- At the end of the current fiscal year, unreserved fund balance for the general fund was $1,813,685, or 40 percent of total general fund expenditures.
- The City of Madeira's total debt decreased by $220,000 (12 Percent) during the current fiscal year.

Overview of the Financial Statements

The discussion and analysis are intended to serve as an introduction to the City of Madeira's basic financial statements. The City of Madeira's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Madeira's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the City of Madeira's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Madeira is improving or deteriorating.

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Madeira that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Madeira include general government, public safety, transportation, sanitation, community environment, and recreation. The business-type activity of the City of Madeira is rental property.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Madeira, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Madeira can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Madeira maintains fourteen individual governmental funds. Information is presented separately in the governmental fund balance sheet in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the debt service fund, both of which are considered to be major funds. Data from the other twelve governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Madeira adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary fund. The City of Madeira maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Madeira uses an enterprise fund to account for its rental property operation.

Proprietary funds provide the same type of information as the governmental-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the rental property operation, which is considered to be a major fund of the City of Madeira.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Madeira's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Madeira, assets exceeded liabilities by $4,550,521 at the close of the most recent fiscal year.

A portion of the City of Madeira's net assets (30 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets to provide services to citizens consequently, these assets are not available for future spending. Although the City of Madeira's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Madeira's Net Assets
(In Thousands)

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Current and other assets	$5,644	$4,525	$37	$29	$5,681	$4,554
Capital Assets	2,535	2,368	383	398	2,918	2,766
Total Assets	8,179	6,893	420	427	8,599	7,320
Long-term liabilities outstanding	1,720	1,912	0	0	1,720	1,912
Other liabilities	2,325	1,992	3	3	2,328	1,995
Total Liabilities	4,045	3,904	3	3	4,048	3,907
Net assets:						
Invested in capital assets, net of related debt	1,000	613	383	398	1,383	1,011
Restricted	485	486	0	0	485	486
Unrestricted	2,649	1,890	34	26	2,683	1,916
Total Net Assets	$4,134	$2,989	$417	$424	$4,551	$3,413

An additional portion of the City of Madeira's net assets (11 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets ($2,683) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Madeira is able to report positive balances in all three categories of net assets, both for the government as whole , as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The government's net assets increased by $1,137,379 during the current fiscal year. About two thirds of this increase represents a one-time infusion of resources from grants. The remainder of this growth largely reflects increases in Income Taxes.

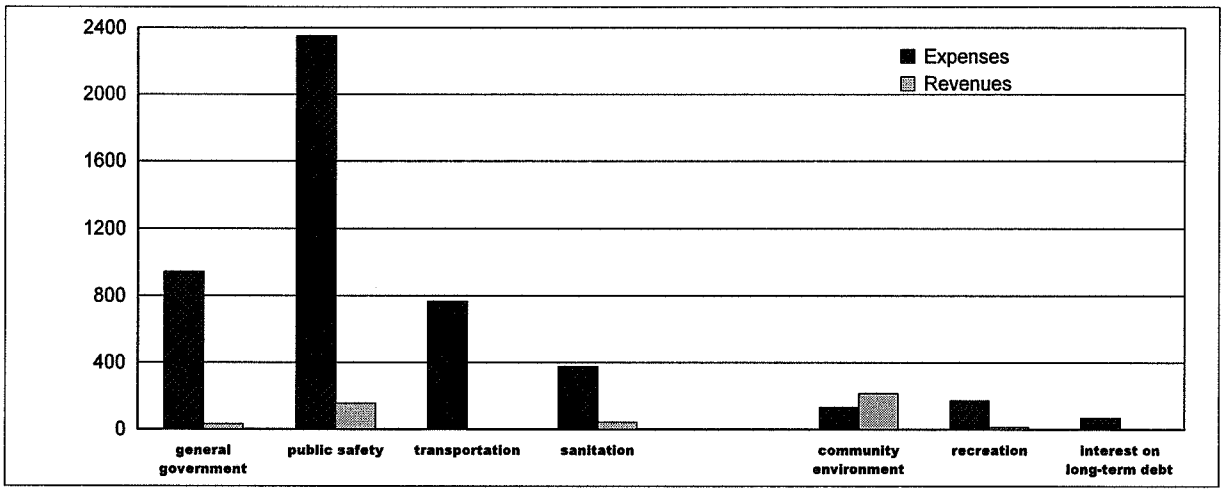
Governmental activities. Governmental activities increased the City of Madeira's net assets by $1,145,128, thereby accounting for all of the growth in the net assets of the City of Madeira Key elements of this increase are as follows:

City of Madeira's Changes in Net Assets
(In Thousands)

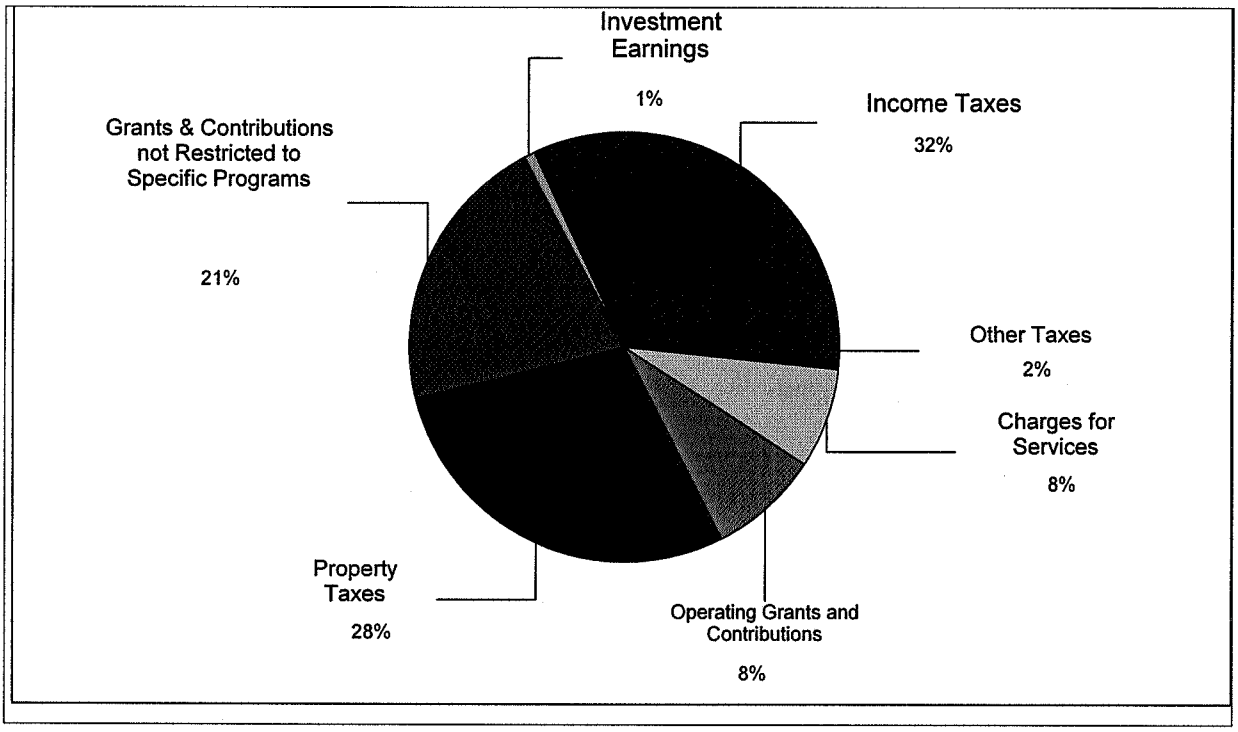
	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Revenues:						
Program revenues:						
Charges for Services	$456	$382	$27	$19	$483	$401
Operating Grants and Contributions	485	441	0	0	485	441
General revenues:						
Property Taxes	1,684	1,685	0	0	1,684	1,685
Other Taxes	1,983	1,784	0	0	1,983	1,784
Grants & Contributions not Restricted to Specific Programs	1,291	735	0	0	1,291	735
Investment Earnings	52	21	0	0	52	21
Total Revenues	5,951	5,048	27	19	5,978	5,067
Expenses:						
General Government	942	904	0	0	942	904
Public Safety	2,352	2,287	0	0	2,352	2,287
Transportation	765	719	0	0	765	719
Sanitation	375	360	0	0	375	360
Community Environment	132	103	0	0	132	103
Recreation	172	235	0	0	172	235
Interest on Long-Term Debt	68	77	0	0	68	77
Rental Property	0	0	34	31	34	31
Total Expenses	4,806	4,685	34	31	4,840	4,716
Increase/(Decrease) in net assets	1,145	363	(7)	(12)	1,138	351
Net Assets - 1/1/05	2,989	2,626	424	436	3,413	3,062
Net Assets - 12/31/05	$4,134	$2,989	$417	$424	$4,551	$3,413

- Property tax collections were relatively unchanged from the previous year. The Income tax increased by the amount of $198, due to larger payrolls located in the City.
- Large increases in Grants and Contributions, specifically estate tax of $556, was a one time event.

Expenses and Program Revenues - Governmental Activities
(In thousands)



Revenues by Source - Governmental Activities

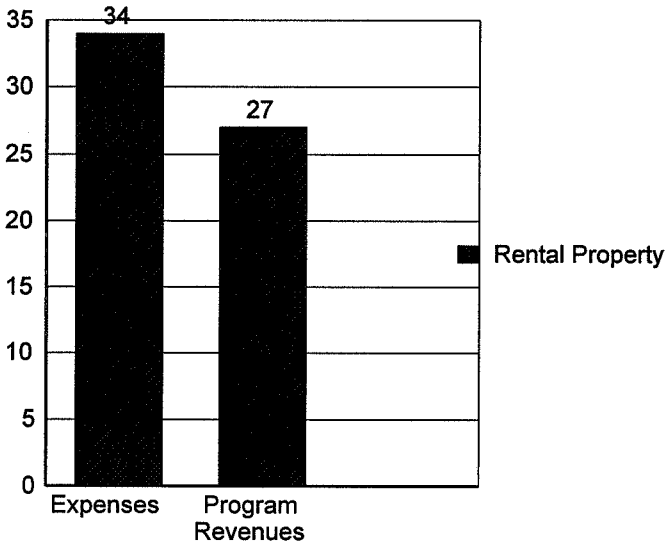


For the most part, increases in expenses closely paralleled inflation and growth in the demand for services.

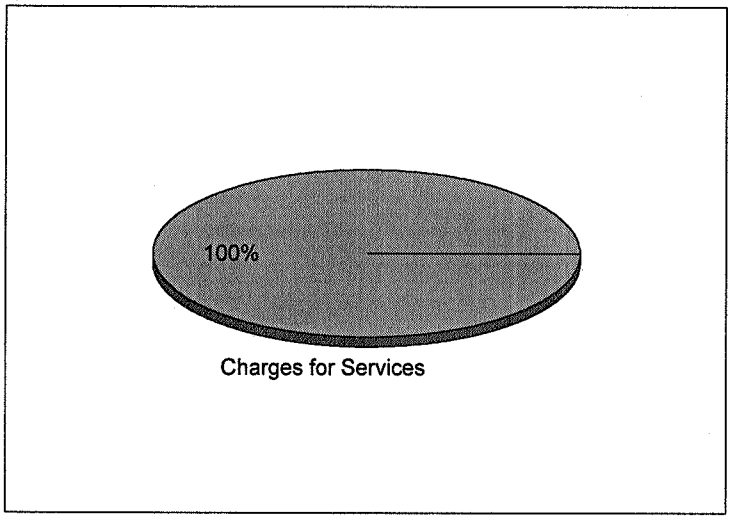
Business-type activities. Business-type activities decreased the City of Madeira's net assets by $7,000. Key elements of this decrease are as follows.

- Property maintenance expenses and depreciation exceeding rental income.

Expenses and Program Revenues - Business-type Activities
(In Thousands)



Revenues by Source - Business-type Activities



Financial analysis of the City of Madeira's Funds

As noted earlier, the City of Madeira uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City of Madeira's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Madeira's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a governments's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Madeira's governmental funds reported combined ending fund balances of $2,307,023, an increase of $464,965 in comparison with the prior year. Approximately all of this total amount, $2,305,549, constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to pay debt service ($1,474).

The general fund is the chief operating fund of the City of Madeira. At the end of the current fiscal year, unreserved fund balance and total fund balance of the general fund was $1,813,685. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved and total fund balance represents 40 percent of total general fund expenditures.

The fund balance of the City of Madeira's general fund increased by $321,441 during the current fiscal year. Key factors in this increase are as follows:

- Increase in Intergovernmental Revenue and Taxes of $610,351.
- Increase in transfers out of $132,464.
- Increased operating costs of $205,657.

The debt service fund has a total fund balance of $1,474, all of which is reserved for the payment of debt service. The net decrease in fund balance during the current year in the debt service fund was $101, for which there was no significant reasons for the change.

Proprietary Funds. The City of Madeira's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the rental property at the end of the year amounted to $33,235. The decrease in net assets was $7,749. Other factors concerning the finances of this fund have already been addressed in the discussion of the City of Madeira business-type activities.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were relatively minor ($150,000 increase in appropriations) and can be briefly summarized as follows:

- $150,000 in increases in improvements.

Of this increase, $150,000 was to be funded out of intergovernmental revenues. During the year, however, revenues exceeded budgetary estimates and expenditures were less than budgetary estimates, thus reducing the amount to be drawn upon the existing fund balance.

Capital Asset and Debt Administration

Capital assets. The City of Madeira's investment in capital assets for its governmental and business type activities as of December 31, 2005 amounts to $2,918,000 (net of accumulated depreciation). This investment in capital assets includes vehicles, improvements, furniture and equipment and roads. The total increase in the City of Madeira's investment in capital assets for the current fiscal year was 5 percent.

Major capital asset events during the current fiscal year included the following:

- A variety of street construction projects related to resurfacing of existing streets totaling $283,000.

City of Madeira's Capital Assets
(net of deprecation)
(In thousands)

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Land	$645	$645	$134	$134	$779	$779
Buildings and Improvements	1,073	1,153	249	264	1,322	1,417
Vehicles	112	115	0	0	112	115
Furniture and Software	194	207	0	0	194	207
Infrastructure	511	248	0	0	511	248
Total	$2,535	$2,368	$383	$398	$2,918	$2,766

Additional information on City of Madeira's capital assets can be found in note IV.C.

Long-term debt. At the end of the current year, the City of Madeira had total bonded debt outstanding of $1,535,000.

All $1,535,000 is backed by the full faith and credit of the government.

City of Madeira's Outstanding Debt
General Obligation Bonds
(In thousands)

	Governmental Activities	
	2005	2004
General obligation bonds	$1,535	$1,755

Additional information on City of Madeira's long-term debt can be found in note IV.E.

The City of Madeira's total debt decreased be $220,000 during the current fiscal year. The key factor in this decrease was the scheduled principal retirement.

Economic Factors and Next Year's Budgets and Rates

- The occupancy rate of the City's central business district has remained at a high percent for the past three years.
- Inflationary trends in the region compare favorably to national indices.
- Building permits have increased in the last two years.

All of these factors were considered in preparing the City of Madeira's budget for the 2006 fiscal year.

During the current fiscal year, unreserved fund balance in the general fund increased to $1,813,685. The City of Madeira has not appropriated any of this amount for spending in the 2006 fiscal year budget. Council voted to raise more income tax for the 2006 fiscal year, by reducing the credit to .6%, in order to prevent appropriating any of the fund balance.

Requests for Information

This financial report is designed to provide a general overview of the City of Madeiras finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the Treasurer, 7141 Miami Avenue, Madeira, Ohio, 45243.

BASIC FINANCIAL STATEMENTS

CITY OF MADEIRA, OHIO

Statement of Net Assets
December 31, 2005

	Governmental Activities	Business-type Activities	Total
ASSETS:			
Cash and Cash Equivalents	$1,129,127	$36,199	$1,165,326
Investments	590,886	0	590,886
Receivables Net of Allowance for Uncollectible Accounts:			
Taxes Receivable	2,861,599	0	2,861,599
Intergovernmental Receivable	974,393	0	974,393
Accounts Receivables	65,272	0	65,272
Inventory of Supplies	22,582	0	22,582
Capital Assets - Land	645,000	134,008	779,008
Capital Assets, Net of Accumulated Depreciation	1,889,891	249,366	2,139,257
Total Assets	8,178,750	419,573	8,598,323
LIABILITIES:			
Accounts Payable	123,761	2,964	126,725
Accrued Payroll	133,938	0	133,938
Unearned Revenues	2,050,341	0	2,050,341
Accrued Interest	16,385	0	16,385
Noncurrent Liabilities:			
Due within one year	336,905	0	336,905
Due in more than one year	1,383,508	0	1,383,508
Total Liabilities	4,044,838	2,964	4,047,802
NET ASSETS			
Investment in Capital Assets, net of related debt	999,891	383,374	1,383,265
Restricted for:			
Transportation	484,863	0	484,863
Unrestricted	2,649,158	33,235	2,682,393
Total Net Assets	$4,133,912	$416,609	$4,550,521

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

CITY OF MADEIRA, OHIO

Statement of Activities
For the Year Ended December 31, 2005

Functions/Programs	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants, Contributions and Interest	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Business-Type Activities	Net (Expense) Revenue and Changes in Net Assets: Total
Primary Government						
Governmental Activities:						
General Government	$942,886	$31,373	$610	($910,903)	$0	($910,903)
Public Safety	2,351,555	155,165	2,600	(2,193,790)	0	(2,193,790)
Transportation	765,219	0	448,235	(316,984)	0	(316,984)
Sanitation	374,555	42,839	0	(331,716)	0	(331,716)
Community Environment	131,862	215,231	0	83,369	0	83,369
Recreation	172,635	11,188	33,095	(128,352)	0	(128,352)
Interest on Long Term Debt	67,740	0	0	(67,740)	0	(67,740)
Total Governmental Activities	4,806,452	455,796	484,540	(3,866,116)	0	(3,866,116)
Business-Type Activities:						
Rental Property	34,447	26,698	0	0	(7,749)	(7,749)
Total Business-Type Activities	34,447	26,698	0	0	(7,749)	(7,749)
Total - Primary Government	$4,840,899	$482,494	$484,540	(3,866,116)	(7,749)	(3,873,865)
General Revenues						
Property Taxes				1,683,639	0	1,683,639
Income Taxes				1,891,454	0	1,891,454
Franchise Taxes				92,620	0	92,620
Grants and Contributions Not Restricted to Specific Programs				1,291,272	0	1,291,272
Unrestricted Investment Earnings				52,259	0	52,259
Total General Revenues				5,011,244	0	5,011,244
Change in Net Assets				1,145,128	(7,749)	1,137,379
Net Assets Beginning of Year				2,988,784	424,358	3,413,142
Net Assets End of Year				$4,133,912	$416,609	$4,550,521

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

CITY OF MADEIRA, OHIO

Balance Sheet
Governmental Funds
December 31, 2005

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	$719,107	$1,474	$408,546	$1,129,127
Investments	590,886	0	0	590,886
Taxes Receivable	2,861,599	0	0	2,861,599
Intergovernmental Receivable	762,277	0	212,116	974,393
Other Receivables	65,157	0	115	65,272
Inventory of Supplies	22,582	0	0	22,582
Total Assets	5,021,608	1,474	620,777	5,643,859
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	123,428	0	333	123,761
Accrued Payroll	133,938	0	0	133,938
Deferred Revenues	2,950,557	0	128,580	3,079,137
Total Liabilities	3,207,923	0	128,913	3,336,836
Fund Balances:				
Reserved for:				
Debt Service	0	1,474	0	1,474
Unreserved, Reported in:				
General Fund	1,813,685			1,813,685
Special Revenue Funds			376,738	376,738
Capital Project Funds			115,126	115,126
Total Fund Balances	1,813,685	1,474	491,864	2,307,023
Total Liabilities and Fund Balances	$5,021,608	$1,474	$620,777	

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.	2,534,891
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	1,028,796
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(1,736,798)
Net Assets of Governmental Activities	$4,133,912

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

CITY OF MADEIRA, OHIO

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

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	$3,526,262	$528	$0	$3,526,790
Licenses & Permits	215,230	0	0	215,230
Intergovernmental Revenue	1,007,680	17	465,258	1,472,955
Charges for Services	64,185	0	11,189	75,374
Investment Earnings	52,259	0	0	52,259
Fines & Forfeitures	127,472	0	5,482	132,954
All Other Revenues	119,198	0	32,275	151,473
Total Revenues	5,112,286	545	514,204	5,627,035
EXPENDITURES				
Current				
Public Safety	2,336,751	0	245	2,336,996
Recreation	113,379	0	22,032	135,411
Community Environment	117,774	0	14,088	131,862
Transportation	711,012	0	304,355	1,015,367
Sanitation	374,555	0	0	374,555
General Government	851,574	6	19,057	870,637
Capital Outlay	0	0	7,302	7,302
Debt Service				
Principal Retirement	0	220,000	0	220,000
Interest	0	69,940	0	69,940
Total Expenditures	4,505,045	289,946	367,079	5,162,070
Excess/(Deficiency) of Revenues over (under) Expenditures	607,241	(289,401)	147,125	464,965
OTHER FINANCING SOURCES/(USES)				
Transfers In	0	289,300	36,500	325,800
Transfers Out	(285,800)	0	(40,000)	(325,800)
Total Other Financing Sources and Uses	(285,800)	289,300	(3,500)	0
Net Change in Fund Balances	321,441	(101)	143,625	464,965
Fund Balance - Beginning	1,492,244	1,575	348,239	1,842,058
Fund Balance - Ending	$1,813,685	$1,474	$491,864	$2,307,023

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

CITY OF MADEIRA, OHIO

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

Net Change in Fund Balances - Total Governmental Funds		$464,964
Amounts reported for governmental activities in the statement of activities are different because		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		166,974
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property Taxes	$3,463	
Income Tax	44,839	
Intergovernmental Revenues	276,245	
Total		324,547
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		220,000
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		2,200
Some expenses reported in the statement of activities, such as compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated Absences		(33,557)
Change in Net Assets of Governmental Activities		$1,145,128

CITY OF MADEIRA, OHIO

General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance from Final Budget
REVENUES				
Taxes	$3,407,200	$3,407,200	$3,526,262	$119,062
Licenses & Permits	164,000	224,000	215,230	(8,770)
Intergovernmental Revenue	638,200	838,200	1,007,680	169,480
Charges for Services	54,600	54,600	64,185	9,585
Investment Earnings	20,000	60,000	52,259	(7,741)
Fines & Forfeitures	71,000	71,000	127,472	56,472
All Other Revenues	77,100	127,100	119,198	(7,902)
Total Revenues	4,432,100	4,782,100	5,112,286	330,186
EXPENDITURES				
Current:				
Public Safety	2,381,400	2,381,400	2,336,751	44,649
Recreation	126,450	126,450	113,379	13,071
Community Environment	108,700	108,700	117,774	(9,074)
Transportation	617,750	767,750	711,012	56,738
Sanitation	400,000	400,000	374,555	25,445
General Government	827,625	827,625	851,574	(23,949)
Total Expenditures	4,461,925	4,611,925	4,505,045	106,880
Excess of Revenues Over Expenditures	(29,825)	170,175	607,241	437,066
OTHER FINANCING SOURCES/(USES)				
Transfers Out	(315,940)	(315,940)	(285,800)	(30,140)
Total Other Financing Sources/(Uses)	(315,940)	(315,940)	(285,800)	(30,140)
Net Change in Fund Balance	(345,765)	(145,765)	321,441	406,926
Fund Balance - Beginning	1,492,244	1,492,244	1,492,244	0
Fund Balance - Ending	$1,146,479	$1,346,479	$1,813,685	$467,206

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

CITY OF MADEIRA, OHIO

Statement of Net Assets
Proprietary Fund
December 31, 2005

	Business-type Activities Enterprise Fund
	Rental Property
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	$36,199
Total Current Assets	36,199
Noncurrent Assets:	
Capital Assets:	
Land	134,008
Depreciable Capital Assets, Net	249,366
Total Noncurrent Assets	383,374
Total Assets	419,573
LIABILITIES:	
Current Liabilities:	
Accounts Payable	2,964
Total Current Liabilities	2,964
Total Liabilities	2,964
Net Assets	
Invested in Capital Assets, Net of Related Debt	383,374
Unrestricted	33,235
Total Net Assets	$416,609

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

CITY OF MADEIRA, OHIO

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

	Business-type Activities Enterprise Fund
	Rental Property
Operating Revenues	
Rents	$26,698
Total Operating Revenues	26,698
Operating Expenses	
General Operating Supplies	1,330
Insurance	5,641
Professional Services	4,825
Repairs & Maintenance	1,354
Property Taxes	4,794
Depreciation	16,503
Total Operating Expenses	34,447
Operating Income (Loss)	(7,749)
Total Net Assets Beginning of Year	424,358
Total Net Assets End of Year	$416,609

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

CITY OF MADEIRA, OHIO

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

	Business-Type Activities Enterprise Fund
	Rental Property
Cash Flows from Operating Activities	
Cash Received from Customers	$26,698
Cash Payments for Goods and Services	(17,783)
Net Cash Provided by Operating Activities	8,915
Cash Flows from Capital and Related Financing Activities	
Property Improvements	(2,162)
Net Cash Provided by (Used) by Capital and Related Financing Activities	(2,162)
Net Increase in Cash and Cash Equivalents	6,753
Cash and Cash Equivalents Beginning of Year	29,446
Cash and Cash Equivalents End of Year	36,199
Reconciliation of Operating (Loss) to Net Cash Provided by Operating Activities	
Operating (Loss)	(7,749)
Adjustments:	
Depreciation	16,503
Decrease in Assets:	
Accounts Receivable	0
Increase in Liabilities:	
Accounts Payable	161
Net Cash Provided by Operating Activities	$8,915

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

CITY OF MADEIRA, OHIO

Statement of Fiduciary Assets & Liabilities
Agency Fund
December 31, 2005

ASSETS	
Cash with Fiscal Agent	$10,260
Total Assets	10,260
LIABILITIES	
Due to Other Governments	10,260
Total Liabilities	$10,260

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

I. Summary of significant accounting policies

A. Reporting Entity

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

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

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

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements, however interfund services provided and used are not eliminated in the process of consolidating. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate

columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. However, Agency fund has no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

> The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
>
> The debt service fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The government reports the following proprietary fund:

> The proprietary fund type consists of only one Enterprise Fund. This fund accounts for operations of rental properties.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund in rent. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Fiduciary funds use the economic resources measurement focus to indicate that agency funds have no measurement focus.

D. Assets, liabilities, and net assets or equity

1. Deposits and investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the City to invest in obligations of the U.S. Treasury, Certificates of Deposit, repurchase agreements, and the State Treasurer's Investment Pool

Investments for the government are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

2. Receivables

All trade and property tax receivables are considered collectable at December 31, 2005, and the allowance for uncollectible amounts receivable is zero.

Real property taxes are levied on assessed values which equal 35% of appraised value. The county auditor reappraises all real property every six years with a triennial update. The last update was completed for tax year 2004.

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

Property Tax Calendar - 2005 Collections

Lien Date	January 1, 2004
Levy Date	October 31, 2004
First Installment Payment Due	January 31, 2005
Second Installment Payment Due	June 20, 2005

The full tax rate applied to real property for the fiscal year ended December 31, 2005, was $7.50 per $1,000 of assessed valuation. Real property owners' tax bills are further reduced by homestead and rollback deductions, when applicable. The amount of these homestead and rollback reductions is reimbursed to the City by the State of Ohio.

The Hamilton County Treasurer collects property tax on behalf of all taxing districts within the County. The Hamilton County Auditor periodically remits to the taxing districts their portions of the taxes collected.

Tangible personal property used in business, other than public utilities, is currently assessed for ad valorem taxation purposes at 25% of its true value. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30 with the remainder payable by September 20.

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

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

3. Inventories and prepaid items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather that when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $1,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are

recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant, and equipment of the City is depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Building & Improvements	27
Infrastructure	15
Police Vehicles	3
All Other Vehicles	5
Office Furniture & Software	3-5

Infrastructure assets acquired prior to 2004 have not been capitalized.

5. Compensated absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government, unless they are eligible to retire. If they are eligible to retire, a liability is recorded for 40 percent of their accrued sick leave up to a maximum of 480 hours. All vacation pay is accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

6. Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

7. Fund equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

II. Reconciliation of government-wide and fund financial statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between fund balance

- total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this $1,736,798 difference are as follows:

Bonds Payable	$1,535,000
Accrued Interest Payable	16,385
Compensated Absences	185,413
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	$1,736,798

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The government fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statements of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this difference are as follows:

Capital Outlay	$356,846
Depreciation expense	(189,872)
Net adjustment to increase net changes in fund balances-total governmental funds to arrive at changes in net assets of governmental activities	$ 166,974

III. Stewardship, compliance, and accountability

A. Budgetary information

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

Budgetary Process

Annual budgets are adopted for all governmental funds. The City adopts an annual budget for the proprietary fund; however, budgetary data is not presented for the proprietary fund due to the nature of the fund. There is no legal requirement to report on such budget. The budgetary process is prescribed by provisions of the Ohio Revised Code. The legal level of budgetary control under Ohio law is the level at which the appropriation measure is passed by the legislative authority of a local government. For the City, the legal level of control is the fund level for each fund. Management may not amend the budget without council approval. Budgetary modifications may only be made by resolution of the City council. The major documents prepared are:

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

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

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

IV. Detailed notes on all funds

A. Deposits and investments

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

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's custodial credit risk policy requires that deposits be collateralized as required by ORC Chapter 135. Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

At year-end, $60,097 of the City's bank balance of $750,983 was exposed to custodial credit risk since it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the City's name.

Investments

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

		Fair Value	Average Maturity Years
Star Ohio	$	1,035,350	n/a
US Money Market Funds		641	n/a
	$	1,035,991	

Credit Risk

It is the City's policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have a credit quality rating of the top 2 ratings by nationally recognized statistical rating organizations. The City's investments in the U.S. Money Market Funds were rated AAA by Standard & Poor's. Investments in STAR Ohio were rated AAAm by Standard & Poor's.

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City is required to disclose the amount of investments with any one issuer that represent five percent of more of total investments. Investments issued by the U.S. government, investments, and investments in external investment pools are excluded from this requirement. At December 31, 2005, 99.9% of the City's investments are STAR Ohio which is an external investment pool.

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

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

	Cash and Cash Equivalents	Investments
GASB Statement 9	$ 1,175,586	$ 590,886
Investments:		
Certificates of Deposit	590,886	(590,886)
Money Market	(641)	641
Star Ohio	(1,035,350)	1,035,350
GASB Statement 3	$ 730,481	$ 1,035,991

B. Receivables

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

C. Capital assets

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

Governmental Activities	Balance at 1/1/05	Increases	Decreases	Balance at 12/31/05
Land - not being depreciated	$ 645,000	$ -0-	$ -0-	$645,000
Capital Assets - being depreciated				
Bldg. & Land Improvements	2,503,365	6,182	-0-	2,509,547
Vehicles	475,419	51,633	(40,000)	487,052
Infrastructure	255,159	283,560	- 0 -	538,719
Furniture, Equipment and Software	487,543	15,471	(3,180)	499,834
Total Capital Assets	$4,366,486	$356,846	($43,180)	$ 4,680,152
Less Accumulated Depreciation:				
Bldg. & Land Improvements	(1,350,255)	(86,562)	- 0 -	(1,436,817)
Vehicles	(360,914)	(54,003)	(40,000)	(374,917)
Infrastructure	(7,088)	(20,509)	- 0 -	(27,597)
Furniture, Equipment and Software	(280,312)	(28,798)	(3,180)	(305,930)
Total Accumulated Depreciation	(1,998,569)	(189,872)	(43,180)	(2,145,261)
Total Capital Assets, being depreciated, net	1,722,917	166,974	-0-	1,889,891
Governmental Activities Capital Assets, Net	$2,367,917	$166,974	- 0 -	$2,534,891

Business-type Activities	Balance at 1/01/05	Additions	Deletions	Balance at 12/31/05
Land - not being depreciated	$134,008	- 0 -	- 0 -	$134,008
Capital assets being depreciated:				
Land Improvements	86,279	2,163	- 0 -	88,442
Buildings	304,489	- 0 -	- 0 -	304,489
Subtotal	$524,776	2,163	- 0 -	$526,939
Less Accum. Depreciation:				
Land Improvement	(10,527)	(5,255)	- 0 -	(15,782)
Buildings	(105,287)	(11,248)	- 0 -	(127,785)
Total Accum. Depreciation	(127,062)	(16,503)	- 0 -	(143,567)
Total Capital Assets, being depreciated, net	263,706	(14,340)	- 0 -	249,366
Net Capital Assets	$397,714	(14,340)	- 0 -	$383,374

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	$63,427
Public Safety	33,298
Highways and streets, including depreciation of general infrastructure assets	54,448
Recreation	38,699
Total depreciation expense - governmental activities	$189,872
Business-type activities:	
Enterprise	$16,503

D. Interfund transfers

Interfund transfers:

	Transfers In:		
	Debt Service	Nonmajor Governmental	Total
Transfer out:			
General Fund	$249,300	$36,500	$285,800
Nonmajor governmental funds	40,000	- 0 -	40,000
Total transfers out	$289,300	$36,500	$325,800

Transfers were made to fund debt service, capital improvements and subsidize recreation programs.

E. Long-term debt

General Obligation Bonds

General obligation bonds are direct obligations and pledge the full faith and credit of the City.

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

The City had no conduit debt obligations at December 31, 2005.

Compensated absences have been liquidated from the General Fund in the past.

Changes in long-term liabilities

Long-term liability activity for the year ended December 31, 2005 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds Payable					
General Obligation Bonds	$1,755,000	-$0 -	$220,000	$1,535,000	$230,000
Compensated absences	157,056	82,551	54,194	185,413	106,905
Governmental Activity					
Long-term liabilities	$1,912,056	$82,551	$274,194	$1,720,413	$336,905

Debt Service Requirements to Maturity

Year End	Principal	Interest	Total
2006	$230,000	$60,882	$290,882
2007	240,000	51,305	291,305
2008	250,000	41,135	291,135
2009	260,000	30,295	290,295
2010	270,000	18,765	288,765
2011	285,000	6,413	291,413
Total	$1,535,000	$208,795	$1,743,795

F. Change in Accounting Principles

For the year ended December 31, 2005, the City implemented GASB Statement No. 40, Deposit and Investment Risk Disclosures. GASB 40 establishes and modifies disclosure requirements related to custodial credit risk, credit risk and interest rate risk.

V. Other information

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; injuries to employees and natural disasters. During 2005 the City contracted with Miami Valley Risk Management Association for vehicle, property and general liability insurance. The City provided medical insurance through Humana Health Insurance, dental insurance through Dental Care Plus and life insurance through Humana Health Insurance.

Insurance Pool

Miami Valley Risk Management Association, Inc. (MVRMA, Inc.) is a consortium of municipalities located in southwest Ohio which, beginning in 1988, formed an Association under Section 2744.081 of the Ohio Revised Code (ORC) to act collectively in addressing its members' risk management and risk financing needs. At December 31, 2005 Madeira's participation was limited to coverage for all property, crime liability, boiler and machinery and public official liability up to the limits stated below. MVRMA provides broad-based coverage, through self-insurance and commercial reinsurance, up to the limits stated below, with increased emphasis on safety and loss prevention and to create an opportunity for other local governments to participate.

MVRMA, Inc. is a corporation governed by a board of trustees, consisting of a representative appointed by each of the member cities. The board of trustees elects the officers of the corporation, with each trustee having a single vote. The board is responsible

for its own financial matters and the corporation maintains its own books of account. Budgeting and financing of MVRMA, Inc. is subject to the approval of the board. The City of Madeira does not hold an equity interest in MVRMA, Inc.

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

1.	General Liability Automobile Liability	$7,000,000/occurrence $7,000,000/occurrence MVRMA coverage: $2 million/occurrence with $1 million excess $1 million reinsured by Government Entities Mutual Inc. (GEM) Excess insurance: $5 million/occurrence excess $2 million insured by Illinois Union Insurance Co. (ACE) - Annual Aggregate $15 million per member
2.	Police Professional Liability	MVRMA coverage: 2 million/occurrence with $1 million excess $1 million reinsured by Government Entities Mutual Inc. (GEM) Excess insurance: $5 million/occurrence excess $2 million insured by Illinois Union Insurance Co. (ACE) - Annual aggregate $10 million per member*
3.	Employment Practices Liability and Public Officials Liability	MVRMA coverage: $2million/occurrence and annual aggregate per member with $1 million excess $1 million reinsured by GEM Excess insurance: $5 million/occurrence excess $2 million insured by Illinois Union Insurance Co. (ACE) - Annual aggregate 10 million per member

4.	Property	$1 billion/occurrence MVRMA SIR: $200,000 occurrence Coverage excess SIR provided by PEPIP USA with carriers as follows: Lexington Insurance Company (Primary $10 million) Excess carriers ($990 million excess $10 million): AXIS Specialty Insurance Corp. Lloyds of London Great Lakes Commonwealth Ins. Co. Essex Insurance Corp. Arch Insurance Insurance Company of the West
5.	Boiler & Machinery (included in PEPIP Program)	$100,000,000 per occurrence MVRMA SIR: $5,000/occurrence Coverage excess SIR provided by Continental Casualty
6	Flood (included in property policy)	$25 million/occurrence and annual aggregate (Flood Zone A & V - $5million/occurrence and annual aggregate) MVRMA SIR: $100,000/occurrence excluding Flood Zones A & V MVRMA SIR: $25,000/occurrence Flood Zones A & V
7.	Earthquake (included in property policy)	$25,000,000/occurrence and annual aggregate MVRMA SIR: $100,000/occurrence

*Note: Police Professional, Employment Practices $ Public Officials Liability are combined in a single aggregate limit of $10 million per member by Illinois union Insurance Co. (ACE)

The deductible per occurrence for all types is $2,500.

MVRMA prepares annual financial statements. Additional information can be obtained from their Comprehensive Annual Financial Report for 2005 by writing MVRMA, 1450 E. David Road, Suite 1B, Kettering, OH 45429-5706.

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

B. Contingent liabilities

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

C. Contractual commitments

The City contracts with the Madeira/Indian Hill Joint Fire District for fire protection and emergency medical services. The contract fee for 2005 was $1,130,220.

The City also contracts with CSI for solid waste collection. The contract fee for 2005 was $385,020.

Health Department services are provided through Hamilton County. The cost of $14,470 was deducted from property tax receipts collected by the County.

D. Resolution of legal claim

In March 1992, an employee of the City suffered a fatal accident while working on City business. In February of 1993, Council approved Resolution 10-93 which approved an agreement concerning a settlement with the employee's widow. The settlement provided for a guaranteed amount of $88,400, payable to the widow (or her estate) in monthly installments of $737 from February of 1993 through February of 2003. The guaranteed amount was paid off in February of 2003 and no liability exists at December 31, 2005 relative to the guaranteed settlement.

In addition, the agreement provided for monthly payments of $650 to the widow after February of 2003, contingent upon death or remarriage. The City made all such required payments to the widow from January through December 2005.

E. Employee retirement systems and pension plans

Ohio Public Employees Retirement System

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

employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

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

The Ohio Revised Code provides statutory authority for employee and employer contributions. Plan members are required to contribute at an actuarially determined rate of 8.5% of covered salary. The 2005 employer pension contribution rate for the City was 13.55% of covered payroll. The City's required contributions for pension obligations for the years ending December 31, 2005, 2004 and 2003 were $94,615, $87,573, and $87,089, respectively, equal to the required contributions each year.

Ohio Police and Fire Pension Fund

The City of Madeira contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10% of their annual covered salary to fund pension obligations while employers are required to contribute 19.5% for police officers. Contributions are authorized by state statute. The City's contributions to OP&F for the years ended December 31, 2005, 2004, and 2003 were $141,387, $136,814, and $127,097, respectively, equal to the required contributions each year.

F. Other Postemployment benefits

Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage

provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of post retirement health care based on authority granted by State statute. The 2005 local government employer contribution rate was 13.55% of covered payroll; of that amount 4.0% was the portion that was used to fund health care for 2005.

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 8.0%, an annual increase in active employee total payroll of 4.0% compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50% and 6.30% 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 1% to 6% for the next 8 years. In subsequent years (9 and beyond) health care costs were assumed to increase at 4% (the projected wage inflation rate).

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

The number of active contributing participants was 376,109. The City's actual contributions for 2005 which were used to fund postemployment benefits were $27,930. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2004, (the latest information available) were $10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were $29.5 billion and $18.7 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to skyrocketing health care costs.

Under the HCPP, retirees eligible for health care coverage will receive a graded monthly allocation based on their years of service at retirement. The Plan incorporates a cafeteria approach, offering a broad range of health care options that allow benefit recipients to use their monthly allocation to purchase health care coverage customized to meet their individual needs. If the monthly allocation exceeds the cost of the options selected, the excess is deposited into a Retiree Medical Account that can be used to fund future health care expenses.

Ohio Police and Fire Pension Fund

The Ohio Police and Fire Pension Fund (OP&F) provides post-retirement health care coverage to any person who received or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child

under the age of 18 whether or not the child is attending school or under the age of 22 if attending school full-time or on a two-thirds basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code 742 provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the Ohio Police and Fire Pension Fund shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution rate is 19.5% of covered payroll, of which 7.75% of covered payroll was applied to the postemployment health care program during 2005. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The City's actual contributions for 2005 that were used to fund postemployment benefits were $56,131. The OP&F's total health care expenses for the year ended December 31, 2004, (the latest information available) were $102,173,796, which was net of member contributions of $55,665,341. The total number of participants eligible to receive health care benefits as of December 31, 2004 were 13,812 for police.

Nonmajor Governmental Funds
Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

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

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

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

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

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

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

Computer Fund: Receives fines for the operation and maintenance of the computer system for the police department.

State & Federal Grants Fund: To receive grants from State & Federal Government Programs.

Capital Projects Funds

Veteran's War Memorial Fund: Accounts for collection of public donations for the construction of the Veteran's Memorial at McDonald Commons.

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

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

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

CITY OF MADEIRA, OHIO

Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2005

	Special Revenue								Capital Projects					
	Street Repair	Recreation and Parks	Street Dance	Police Trust	Police Forfeitures	DUI	Computer Fund	Total	Veteran's War Memorial	Stormwater	Central Business District	Capital Improvement & Reserve	Total	Total Nonmajor Governmental Funds
ASSETS:														
Cash and Cash Equivalents	$272,633	$5,732	$1,215	$1,811	$2,369	$4,127	$5,200	$293,087	$38,661	$18,391	$9,282	$49,125	$115,459	$408,546
Receivables Net of Allowance for Uncollectible Accounts:														
Intergovernmental Receivable	212,116	0	0	0	0	0	0	212,116	0	0	0	0	0	212,116
Other Receivables	115	0	0	0	0	0	0	115	0	0	0	0	0	115
Total Assets	$484,864	$5,732	$1,215	$1,811	$2,369	$4,127	$5,200	505,318	$38,661	$18,391	$9,282	$49,125	$115,459	$620,777
LIABILITIES														
Accounts Payable	0	0	0	0	0	0	0	0	50	0	283	0	333	333
Deferred Revenue	128,580	0	0	0	0	0	0	128,580	+	0	0	0	0	128,580
Total Liabilities	128,580	0	0	0	0	0	0	128,580	50	0	283	0	333	128,913
FUND BALANCES														
Unreserved and Undesignated	356,284	5,732	1,215	1,811	2,369	4,127	5,200	376,738	38,611	18,391	8,999	49,125	115,126	491,864
Total Fund Balances	356,284	5,732	1,215	1,811	2,369	4,127	5,200	376,738	38,611	18,391	8,999	49,125	115,126	491,864
Total liabilities and fund balances	$484,864	$5,732	$1,215	$1,811	$2,369	$4,127	$5,200	$505,318	$38,661	$18,391	$9,282	$49,125	$115,459	$620,777

CITY OF MADEIRA, OHIO

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

	Special Revenue									Capital Projects					
	Street Repair	Recreation and Parks	Street Dance	Police Trust	Police Forfeitures	DUI	Computer Fund	State & Federal Grant Fund	Total	Veteran's War Memorial	Stormwater	CBD	CI&R	Total	Total Nonmajor Governmental Funds
REVENUES															
Intergovernmental Revenue	$446,201	$0	$0	$0	$0	$0	$0	$19,057	$465,258	$0	$0	$0	$0	$0	$465,258
Charges for Services	0	9,397	1,792	0	0	0	0	0	11,189	0	0	0	0	0	11,189
Investment Earnings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fines & Forfeitures	0	0	0	0	174	483	4,825	0	5,482	0	0	0	0	0	5,482
All Other Revenues	0	0	0	0	0	0	0	0	0	32,265	0	10	0	32,275	32,275
TOTAL REVENUES	446,201	9,397	1,792	0	174	483	4,825	19,057	481,929	32,265	0	10	0	32,275	514,204
EXPENDITURES															
Current															
Public Safety	0	0	0	0	219	26	0	0	245	0	0	0	0	0	245
Recreation	0	14,935	7,097	0	0	0	0	0	22,032	0	0	0	0	0	22,032
Transportation	304,355	0	0	0	0	0	0	0	304,355	0	0	0	0	0	304,355
Community Environment	0	0	0	0	0	0	0	0	0	0	0	14,088	0	14,088	14,088
Capital Improvements	0	0	0	0	0	0	0	0	0	6,182	1,120	0	0	7,302	7,302
General Government	0	0	0	0	0	0	0	19,057	19,057	0	0	0	0	0	19,057
TOTAL EXPENDITURES	304,355	14,935	7,097	0	219	26	0	19,057	345,689	6,182	1,120	14,088	0	21,390	367,079
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	141,846	(5,538)	(5,305)	0	(45)	457	4,825	0	136,240	26,083	(1,120)	(14,078)	0	10,885	147,125
OTHER FINANCING SOURCES/(USES)															
Transfers In	0	6,000	5,500	0	0	0	0	0	11,500	0	10,000	15,000	0	25,000	36,500
Transfers Out	(40,000)	0	0	0	0	0	0	0	(40,000)	0	0	0	0	0	(40,000)
TOTAL OTHER FINANCING SOURCES/(USES)	(40,000)	6,000	5,500	0	0	0	0	0	(28,500)	0	10,000	15,000	0	25,000	(3,500)
Net Change in Fund Balance	101,846	462	195	0	(45)	457	4,825	0	107,740	26,083	8,880	922	0	35,885	143,625
Fund Balance - Beginning	254,438	5,270	1,020	1,811	2,414	3,670	375	0	268,998	12,528	9,511	8,077	49,125	79,241	348,239
Fund Balance - Ending	$356,284	$5,732	$1,215	$1,811	$2,369	$4,127	$5,200	$0	376,738	$38,611	$18,391	$8,999	$49,125	115,126	491,864

CITY OF MADEIRA, OHIO

Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance from Final Budget
REVENUES				
Taxes	$0	$0	$528	$528
Intergovernmental Revenue	0	0	17	17
TOTAL REVENUES	0	0	545	545
EXPENDITURES				
Current:				
General Government	0	100	6	94
Debt Service				
Principal Retirement	220,000	220,000	220,000	0
Interest and Fiscal Charges	69,940	69,940	69,940	0
TOTAL EXPENDITURES	289,940	290,040	289,946	94
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(289,940)	(290,040)	(289,401)	639
OTHER FINANCING SOURCES/(USES)				
Transfers In	289,940	289,940	289,300	(640)
TOTAL OTHER FINANCING SOURCES/(USES)	289,940	289,940	289,300	(640)
Excess/(Deficiency) of Revenues and Financing Sources Over Expenditures and Other Uses	0	(100)	(101)	(1)
Fund Balance - Beginning	1,575	1,575	1,575	0
Fund Balance - Ending	$1,575	$1,475	$1,474	($1)

CITY OF MADEIRA, OHIO

Street Repair Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance from Final Budget
REVENUES				
Intergovernmental Revenue	$345,000	$425,000	$446,201	$21,201
Charges for Services	0	0	0	0
Investment Earnings	0	0	0	0
Fines & Forfeitures	0	0	0	0
All Other Revenues	0	0	0	0
TOTAL REVENUES	345,000	425,000	446,201	21,201
EXPENDITURES				
Current				
Security of Persons and Property	0	0	0	0
Leisure Time Activity	0	0	0	0
Transportation	324,500	324,500	304,355	20,145
General Government	0	0	0	0
TOTAL EXPENDITURES	324,500	324,500	304,355	20,145
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	20,500	100,500	141,846	41,346
OTHER FINANCING SOURCES/(USES)				
Transfers Out	(40,000)	(40,000)	(40,000)	0
TOTAL OTHER FINANCING SOURCES/(USES)	(40,000)	(40,000)	(40,000)	0
Excess/(Deficiency) of Revenues and Financing Sources Over Expenditures and Other Uses	(19,500)	60,500	101,846	41,346
Fund Balance - Beginning	254,438	254,438	254,438	0
Fund Balance - Ending	$234,938	$314,938	$356,284	$41,346

CITY OF MADEIRA, OHIO

Recreation & Parks Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance from Final Budget
REVENUES				
Intergovernmental Revenue	$0	$0	$0	$0
Charges for Services	11,000	11,000	9,397	(1,603)
Investment Earnings	0	0	0	0
Fines & Forfeitures	0	0	0	0
All Other Revenues	0	0	0	0
TOTAL REVENUES	11,000	11,000	9,397	(1,603)
EXPENDITURES				
Current				
Security of Persons and Property	0	0	0	0
Leisure Time Activity	58,000	28,000	14,935	13,065
Transportation	0	0	0	0
General Government	0	0	0	0
TOTAL EXPENDITURES	58,000	28,000	14,935	13,065
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(47,000)	(17,000)	(5,538)	(11,462)
OTHER FINANCING SOURCES/(USES)				
Transfers In	41,000	6,000	6,000	0
Transfers Out	0	0	0	0
TOTAL OTHER FINANCING SOURCES/(USES)	41,000	6,000	6,000	0
Excess/(Deficiency) of Revenues and Financing Sources Over Expenditures and Other Uses	(6,000)	(11,000)	462	11,462
Fund Balance - Beginning	5,270	5,270	5,270	0
Fund Balance - Ending	($730)	($5,730)	$5,732	$11,462

CITY OF MADEIRA, OHIO

Street Dance Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance from Final Budget
REVENUES				
Intergovernmental Revenue	$0	$0	$0	$0
Charges for Services	2,500	2,500	1,792	(708)
Investment Earnings	0	0	0	0
Fines & Forfeitures	0	0	0	0
All Other Revenues	0	0	0	0
TOTAL REVENUES	2,500	2,500	1,792	(708)
EXPENDITURES				
Current				
Security of Persons and Property	0	0	0	0
Leisure Time Activity	8,000	8,000	7,097	903
Transportation	0	0	0	0
General Government	0	0	0	0
TOTAL EXPENDITURES	8,000	8,000	7,097	903
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(5,500)	(5,500)	(5,305)	195
OTHER FINANCING SOURCES/(USES)				
Transfers Out	0	0	0	0
TOTAL OTHER FINANCING SOURCES/(USES)	5,000	5,000	5,500	500
Excess/(Deficiency) of Revenues and Financing Sources Over Expenditures and Other Uses	(500)	(500)	195	695
Fund Balance - Beginning	1,020	1,020	1,020	0
Fund Balance - Ending	$520	$520	$1,215	$695

CITY OF MADEIRA, OHIO

Police Trust Fund Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance from Final Budget
REVENUES				
Intergovernmental Revenue	$0	$0	$0	$0
Charges for Services	0	0	0	0
Investment Earnings	0	0	0	0
Fines & Forfeitures	1,000	1,000	0	(1,000)
All Other Revenues	0	0	0	0
TOTAL REVENUES	1,000	1,000	0	(1,000)
EXPENDITURES				
Current				
Security of Persons and Property	1,000	1,000	0	1,000
Leisure Time Activity	0	0	0	0
Transportation	0	0	0	0
General Government	0	0	0	0
TOTAL EXPENDITURES	1,000	1,000	0	1,000
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	0	0	0	0
OTHER FINANCING SOURCES/(USES)				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
TOTAL OTHER FINANCING SOURCES/(USES)	0	0	0	0
Excess/(Deficiency) of Revenues and Financing Sources Over Expenditures and Other Uses	0	0	0	0
Fund Balance - Beginning	1,811	1,811	1,811	0
Fund Balance - Ending	$1,811	$1,811	$1,811	$0

CITY OF MADEIRA, OHIO

Police Forfeitures Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance from Final Budget
REVENUES				
Intergovernmental Revenue	$0	$0	$0	$0
Charges for Services	0	0	0	0
Investment Earnings	0	0	0	0
Fines & Forfeitures	1,000	1,000	174	(826)
All Other Revenues	0	0	0	0
TOTAL REVENUES	1,000	1,000	174	(826)
EXPENDITURES				
Current				
Security of Persons and Property	1,000	1,000	219	781
Leisure Time Activity	0	0	0	0
Transportation	0	0	0	0
General Government	0	0	0	0
TOTAL EXPENDITURES	1,000	1,000	219	781
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	0	0	(45)	(45)
OTHER FINANCING SOURCES/(USES)				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
TOTAL OTHER FINANCING SOURCES/(USES)	0	0	0	0
Excess/(Deficiency) of Revenues and Financing Sources Over Expenditures and Other Uses	0	0	(45)	(45)
Fund Balance - Beginning	2,414	2,414	2,414	0
Fund Balance - Ending	$2,414	$2,414	$2,369	($45)

CITY OF MADEIRA, OHIO

DUI Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance from Final Budget
REVENUES				
Intergovernmental Revenue	$0	$0	$0	$0
Charges for Services	0	0	0	0
Investment Earnings	0	0	0	0
Fines & Forfeitures	1,000	1,000	483	(517)
All Other Revenues	0	0	0	0
TOTAL REVENUES	1,000	1,000	483	(517)
EXPENDITURES				
Current				
Security of Persons and Property	1,000	1,000	26	974
Leisure Time Activity	0	0	0	0
Transportation	0	0	0	0
General Government	0	0	0	0
TOTAL EXPENDITURES	1,000	1,000	26	974
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	0	0	457	457
OTHER FINANCING SOURCES/(USES)				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
TOTAL OTHER FINANCING SOURCES/(USES)	0	0	0	0
Excess/(Deficiency) of Revenues and Financing Sources Over Expenditures and Other Uses	0	0	457	457
Fund Balance - Beginning	3,670	3,670	3,670	0
Fund Balance - Ending	$3,670	$3,670	$4,127	$457

CITY OF MADEIRA, OHIO

Computer Fund Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance from Final Budget
REVENUES				
Intergovernmental Revenue	$0	$0	$0	$0
Charges for Services	0	0	0	0
Investment Earnings	0	0	0	0
Fines & Forfeitures	0	5,000	4,825	(175)
All Other Revenues	0	0	0	0
TOTAL REVENUES	0	5,000	4,825	(175)
EXPENDITURES				
Current				
Security of Persons and Property	0	4,000	0	4,000
Leisure Time Activity	0	0	0	0
Transportation	0	0	0	0
General Government	0	0	0	0
TOTAL EXPENDITURES	0	4,000	0	4,000
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	0	1,000	4,825	3,825
OTHER FINANCING SOURCES/(USES)				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
TOTAL OTHER FINANCING SOURCES/(USES)	0	0	0	0
Excess/(Deficiency) of Revenues and Financing Sources Over Expenditures and Other Uses	0	1,000	4,825	3,825
Fund Balance - Beginning	375	375	375	0
Fund Balance - Ending	$375	$1,375	$5,200	$3,825

CITY OF MADEIRA, OHIO

State & Federal Grants Fund Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance from Final Budget
REVENUES				
Intergovernmental Revenue	$0	$20,000	$19,057	($943)
Charges for Services	0	0	0	0
Investment Earnings	0	0	0	0
Fines & Forfeitures	0	0	0	0
All Other Revenues	0	0	0	0
TOTAL REVENUES	0	20,000	19,057	(943)
EXPENDITURES				
Current				
Security of Persons and Property	0	0	0	0
Leisure Time Activity	0	0	0	0
Transportation	0	0	0	0
General Government	0	20,000	19,057	943
TOTAL EXPENDITURES	0	20,000	19,057	943
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	0	0	0	0
OTHER FINANCING SOURCES/(USES)				
Transfers Out	0	0	0	0
TOTAL OTHER FINANCING SOURCES/(USES)	0	0	0	0
Excess/(Deficiency) of Revenues and Financing Sources Over Expenditures and Other Uses	0	0	0	0
Fund Balance - Beginning	0	0	0	0
Fund Balance - Ending	$0	$0	$0	$0

CITY OF MADEIRA, OHIO

Veteran's War Memorial Fund Capital Project Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance from Final Budget
REVENUES				
Intergovernmental Revenue	$0	$0	$0	$0
All Other Revenues	0	35,000	32,265	(2,735)
TOTAL REVENUES	0	35,000	32,265	0
EXPENDITURES				
Current:				
Community Environment	0	0	0	0
Capital Improvements	0	15,000	6,182	8,818
TOTAL EXPENDITURES	0	15,000	6,182	8,818
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	0	20,000	26,083	(6,083)
OTHER FINANCING SOURCES				
Transfers In	0	0	0	0
TOTAL OTHER FINANCING SOURCES	0	0	0	0
Excess/(Deficiency) of Revenues and Financing Sources Over/(Under) Expenditures and Other Uses	0	20,000	26,083	6,083
Fund Balance - Beginning	12,528	12,528	12,528	0
Fund Balance - Ending	$12,528	$32,528	$38,611	$6,083

CITY OF MADEIRA, OHIO

Stormwater Capital Project Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance from Final Budget
REVENUES				
Intergovernmental Revenue	$0	$0	$0	$0
All Other Revenues	0	0	0	0
TOTAL REVENUES	0	0	0	0
EXPENDITURES				
Current:				
Community Environment	0	0	0	0
Capital Improvements	20,000	20,000	1,120	18,880
TOTAL EXPENDITURES	20,000	20,000	1,120	0
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(20,000)	(20,000)	(1,120)	18,880
OTHER FINANCING SOURCES				
Transfers In	20,000	10,000	10,000	0
TOTAL OTHER FINANCING SOURCES	20,000	10,000	10,000	0
Excess/(Deficiency) of Revenues and Financing Sources Over/(Under) Expenditures and Other Uses	0	(10,000)	8,880	18,880
Fund Balance - Beginning	9,511	9,511	9,511	0
Fund Balance - Ending	$9,511	($489)	$18,391	$18,880

CITY OF MADEIRA, OHIO

Central Business District Capital Project Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance from Final Budget
REVENUES				
Intergovernmental Revenue	$0	$0	$0	$0
All Other Revenues	0	100	10	(90)
TOTAL REVENUES	0	100	10	(90)
EXPENDITURES				
Current:				
Community Environment	3,000	16,000	14,088	1,912
Capital Improvements	0	0	0	0
TOTAL EXPENDITURES	3,000	16,000	14,088	1,912
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(3,000)	(15,900)	(14,078)	1,822
OTHER FINANCING SOURCES				
Transfers In	0	15,000	15,000	0
TOTAL OTHER FINANCING SOURCES	0	15,000	15,000	0
Excess/(Deficiency) of Revenues and Financing Sources Over/(Under) Expenditures and Other Uses	(3,000)	(900)	922	1,822
Fund Balance - Beginning	8,077	8,077	8,077	0
Fund Balance - Ending	$5,077	$7,177	$8,999	$1,822

CITY OF MADEIRA, OHIO

Capital Improvement & Reserve Capital Project Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance from Final Budget
REVENUES				
Intergovernmental Revenue	$0	$0	$0	$0
All Other Revenues	0	0	0	0
TOTAL REVENUES	0	0	0	0
EXPENDITURES				
Current:				
Community Environment	0	0	0	0
Capital Improvements	0	0	0	0
TOTAL EXPENDITURES	0	0	0	0
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	0	0	0	0
OTHER FINANCING SOURCES				
Transfers In	0	0	0	0
TOTAL OTHER FINANCING SOURCES	0	0	0	0
Excess/(Deficiency) of Revenues and Financing Sources Over/(Under) Expenditures and Other Uses	0	0	0	0
Fund Balance - Beginning	49,125	49,125	49,125	0
Fund Balance - Ending	$49,125	$49,125	$49,125	$0

CITY OF MADEIRA, OHIO

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

	Agency Fund
ADDITIONS	
Contributions:	
Mayors Court Collections	$153,246
DEDUCTIONS	
State Costs	19,428
City Disbursements	133,608
Total Deductions	153,036
Change in Net Assets	
Net assets - beginning	10,050
Net assets - ending	$10,260

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

CITY OF MADEIRA, OHIO

Capital Assets Used in the Operation of Governmental Funds
Comparative Schedules By Source
December 31, 2005 and 2004

	2005	2004
Governmental funds capital assets:		
Land	$645,000	$645,000
Buildings	2,509,547	2,503,365
Furniture, Equipment and Software	499,834	487,543
Vehicles	487,052	475,419
Infrastructure	538,719	255,159
Total Governmental Funds Capital Assets	$4,680,152	$4,366,486
Investments in governmental funds capital assets by source:		
General fund	$4,141,433	$4,111,327
Special revenue fund	538,719	255,159
Total Governmental Funds Capital Assets	$4,680,152	$4,366,486

This schedule presents only the capital asset balances related to governmental funds.

CITY OF MADEIRA, OHIO

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

By Function and Activity:	Land	Building & Land Improvements	Furniture	Equipment	Software	Furniture, Equipment & Software	Vehicles	Infrastructure	Total
Public Safety	$0	$0	$5,418	$78,135	$0	$83,553	$160,987	$0	$244,540
Transportation	0	202,900	0	67,212	0	67,212	322,725	538,719	1,131,556
Recreation	460,000	724,860	3,565	260,496	0	264,061	3,340	0	1,452,261
General Government	185,000	1,581,787	5,610	62,953	16,445	85,008	0	0	1,851,795
Total Governmental Funds Capital Assets	$645,000	$2,509,547	$14,593	$468,796	$16,445	499,834	$487,052	$538,719	$4,680,152

CITY OF MADEIRA, OHIO

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

Function and Activity	Governmental Funds Capital Assets 01/01/05	Additions	Deletions	Governmental Funds Capital Assets 12/31/05
Public Safety	$212,310	$32,230	$0	$244,540
Transportation	857,777	316,959	(43,180)	1,131,556
Recreation	1,444,604	7,657	0	1,452,261
General Government	1,851,795	0	0	1,851,795
Total Governmental Funds Capital Assets	$4,366,486	$356,846	($43,180)	$4,680,152

STATISTICAL SECTION

CITY OF MADEIRA, OHIO

Governmental Funds Expenses by Function
(Last Ten Fiscal Years)

Year	Public Safety	Recreation	Community Environment	Transportation	Sanitation	General Government	Capital Outlay	Bond Issuance Costs	Debt Retirement	Interest & Fiscal Charges	Total
1996	$1,441,376	$173,799	$172,720	$1,363,810	$0	$578,185	$0	$0	$195,350	$161,491	$4,086,731
1997	1,585,327	138,182	609,611	1,673,207	0	656,357	0	0	193,145	157,350	5,013,179
1998	1,641,502	352,574	393,412	1,358,019	0	664,676	0	0	187,813	141,049	4,739,045
1999	1,780,028	385,250	217,906	1,394,773	0	632,188	0	40,543	47,056	133,928	4,631,672
2000	1,915,127	267,643	140,401	1,327,555	0	693,370	188,500	0	185,000	108,535	4,826,131
2001	1,930,936	143,300	49,592	1,383,813	0	729,755	134,998	0	190,000	101,632	4,664,026
2002	2,146,004	145,453	128,920	1,472,638	0	828,094	650,978	0	200,000	94,368	5,666,455
2003	2,138,544	199,148	64,174	1,293,657	0	887,493	265,831	0	205,000	86,671	5,140,518
2004	2,274,701	133,933	103,255	937,064	360,059	801,346	23,393	0	215,000	78,533	4,927,284
2005	2,336,996	135,411	131,862	1,015,368	374,555	870,637	7,302	0	220,000	69,940	5,162,070

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

CITY OF MADEIRA, OHIO

Governmental Funds Revenues by Source
(Last Ten Fiscal Years)

Year	Taxes	Licenses and Permits	Inter-governmental Revenues	Charges for Services	Investment Earnings	Fines and Forfeitures	Other Revenues	Total
1996	$3,332,124	$46,223	$216,307	$48,310	$127,397	$35,828	$59,567	$3,865,756
1997	3,545,653	63,713	512,808	58,166	113,413	32,995	152,676	4,479,424
1998	3,880,700	96,778	290,595	69,654	88,750	37,120	488,541	4,952,138
1999	3,755,170	91,100	209,628	79,461	123,897	40,463	122,220	4,421,939
2000	2,876,356	42,141	2,124,951	81,120	146,716	59,140	174,011	5,504,435
2001	2,966,126	56,523	1,289,236	89,407	120,323	59,734	87,126	4,668,475
2002	3,108,302	55,012	1,476,324	63,573	51,002	48,905	123,736	4,926,854
2003	3,346,381	95,474	997,437	71,565	22,642	65,642	90,078	4,689,219
2004	3,318,809	138,871	1,107,955	82,816	20,928	58,424	216,028	4,943,831
2005	3,526,790	215,230	1,472,955	75,374	52,259	132,954	151,473	5,627,035

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

CITY OF MADEIRA, OHIO

General Fund Expenditures by Function
(Last Ten Fiscal Years)

Year	Public Safety	Recreation	Community Environment	Transportation	Sanitation	General Government	Debt Retirement	Interest & Fiscal Charges	Total
1996	$1,437,220	$95,639	$19,181	$770,620	$0	$576,983	$55,350	$8,751	$2,963,744
1997	1,585,175	92,492	17,154	720,105	0	654,628	58,145	6,502	3,134,201
1998	1,636,990	140,229	19,661	738,078	0	649,021	52,813	3,464	3,240,256
1999	1,779,869	78,125	9,970	839,699	0	615,594	37,056	897	3,361,210
2000	1,913,927	98,731	16,806	920,558	0	680,279	0	0	3,630,301
2001	1,930,067	97,034	19,637	951,894	0	714,361	0	0	3,712,993
2002	2,145,082	112,969	24,623	886,230	0	811,542	0	0	3,980,446
2003	2,137,394	163,652	38,891	950,866	0	885,524	0	0	4,176,327
2004	2,267,672	112,898	97,009	661,755	360,059	799,995	0	0	4,299,388
2005	2,336,751	113,379	117,774	711,012	374,555	851,574	0	0	4,505,045

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

CITY OF MADEIRA, OHIO

General Fund Revenues by Source
(Last Ten Fiscal Years)

Year	Taxes	Licenses and Permits	Inter-governmental Revenues	Charges for Services	Investment Earnings	Fines and Forfeitures	Other Revenues	Total
1996	$2,955,502	$46,223	$173,317	$35,092	$66,709	$30,401	$57,622	$3,364,866
1997	3,143,389	63,713	207,681	45,112	30,285	32,245	74,119	3,596,544
1998	3,482,731	96,778	215,890	41,706	38,891	36,255	105,321	4,017,572
1999	3,343,069	91,100	209,628	44,079	92,517	38,921	76,678	3,895,992
2000	2,787,080	42,141	1,591,624	46,395	122,535	56,370	60,065	4,706,210
2001	2,882,095	56,523	950,860	48,571	120,323	57,390	66,647	4,182,409
2002	3,019,423	55,012	892,464	51,095	51,002	47,024	115,192	4,231,212
2003	3,248,254	95,474	622,821	54,454	22,642	64,395	89,898	4,197,938
2004	3,219,972	138,871	703,619	63,391	20,928	57,102	203,061	4,406,944
2005	3,526,262	215,230	1,007,680	64,185	52,259	127,472	119,198	5,112,286

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

CITY OF MADEIRA, OHIO

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

Tax Year/ Collection Year	Current Levy	Collection Including Delinquencies	Total Collections As Percent of Current Year	Accumulated Delinquency
1995/1996	$1,173,097	$1,169,884	99.73%	$39,707
1996/1997	1,318,765	1,318,439	99.98%	37,914
1997/1998	1,324,589	1,316,182	99.37%	48,769
1998/1999	1,327,229	1,330,445	100.24%	50,487
1999/2000	1,562,538	1,557,263	99.66%	64,440
2000/2001	1,595,833	1,597,438	100.10%	44,811
2001/2002	1,624,168	1,625,522	100.08%	46,932
2002/2003	1,845,045	1,837,098	99.57%	57,875
2003/2004	1,860,170	1,883,118	101.23%	53,204
2004/2005	1,882,582	1,795,298	95.36%	54,699

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

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

CITY OF MADEIRA, OHIO

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

Tax Year/ Collection Year	Real Property Assessed Value	Real Property Estimated Actual Value (a)	Personal Property Assessed Value	Public Utilities Assessed Value	Total Assessed Value
1995/1996	$150,604,480	$430,299,000	$4,366,080	$5,790,480	$160,761,040
1996/1997	170,437,910	486,965,000	4,696,210	5,854,900	180,989,020
1997/1998	170,491,690	487,119,114	4,809,140	5,564,880	180,865,710
1998/1999	171,589,780	490,526,510	5,588,720	5,581,030	182,759,530
1999/2000	203,624,260	581,783,600	6,393,780	5,625,350	215,643,390
2000/2001	207,726,660	593,504,743	6,233,650	5,378,630	219,338,940
2001/2002	212,432,810	606,950,886	6,112,850	4,263,690	222,809,350
2002/2003	241,898,190	691,137,686	4,702,060	4,358,670	250,958,920
2003/2004	243,653,130	696,151,800	4,756,840	4,479,680	252,889,650
2004/2005	245,947,700	702,707,714	4,911,050	4,846,340	255,705,090

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

Source: Hamilton County Auditor

CITY OF MADEIRA, OHIO

PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
(Last Ten Fiscal Years)

Tax Year/ Collection Year	**City of Madeira**	Madeira City School District	Hamilton County	Cincinnati City School District	Great Oaks Joint Vocational School District	Indian Hill City School District
1995/1996	7.50	68.97	18.30	53.52	2.70	44.58
1996/1997	7.50	72.13	19.44	53.19	2.70	44.48
1997/1998	7.50	72.13	19.01	53.13	2.70	44.51
1998/1999	7.50	72.13	19.54	53.13	2.70	42.92
1999/2000	7.50	71.71	20.83	51.94	2.70	42.92
2000/2001	7.50	80.22	19.92	56.93	2.70	47.10
2001/2002	7.50	80.04	21.47	57.15	2.70	47.10
2002/2003	7.50	79.47	21.87	56.25	2.70	47.10
2003/2004	7.50	79.47	21.51	60.75	2.70	46.70
2004/2005	7.50	86.34	21.06	60.83	2.70	46.54

Source: Hamilton County Auditor

CITY OF MADEIRA, OHIO

Principal Real Estate Taxpayers
December 31, 2005

Real Estate Taxpayer	Assessed Valuation (a)	% of Total
Kenwood Country Club	$4,076,810	1.7%
Cincinnati Gas & Electric	3,839,200	1.6%
Kenwood Galleria Corp.	3,381,990	1.4%
Oviform Investment LLC	1,815,800	0.7%
Edgewood Investment Co.	1,706,500	0.7%
Kugler Mill Partners, LLC	1,328,780	0.5%
Steigler Road Realty LLC	1,325,300	0.5%
Americana Health Care	1,208,870	0.5%
Anchor Highland Heights	910,000	0.4%
Cincinnati Bell Telephone	791,200	0.3%
Park Place of Cincinnati LLC	743,860	0.3%
Lucero Cortez Properties LTD	606,000	0.2%
Total	$21,734,310	8.8%
All Other Assessed Properties	224,213,390	91.2%
Total Assessed Value as of 12/31/05	$245,947,700	100.0%

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

Source: Hamilton County Auditor
as of 12/05

CITY OF MADEIRA, OHIO

Computation of Legal Debt Margin
December 31, 2005

	Debt Outstanding	Overall Debt Limitation 10.5% of Assessed Valuation	Un-Voted Debt Limitation 5.5% of Assessed Valuation
Overall Debt Limitations		$26,849,034	$14,063,780
Gross Indebtedness	$1,535,000		
Less: Bond Retirement Fund Balance	(1,474)		
Net Debt Within Limitations		1,533,526	1,533,526
Legal Debt Margin Within Limitations		$25,315,508	$12,530,254

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

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

CITY OF MADEIRA, OHIO

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

Year	Population (a)	Assessed Value (b)	Gross General Bonded Debt (c)	Less Balance In General Obligation Bond Retirement Fund (c)	Net General Bonded Debt (c)	Ratio of Net Bonded Debt To Assessed Value	Net Bonded Debt Per Capita
1996	9,141	$150,604,480	$1,780,000	($3,113)	$1,783,113	0.0118	$195.07
1997	9,141	170,437,910	1,645,000	8,829	1,636,171	0.0096	178.99
1998	9,141	170,491,690	1,510,000	13,282	1,496,718	0.0088	163.74
1999	9,141	171,589,780	2,750,000	139,900	2,610,100	0.0152	285.54
2000	8,923	203,624,260	2,565,000	21,063	2,543,937	0.0125	285.10
2001	8,923	207,726,660	2,375,000	3,119	2,371,881	0.0114	265.82
2002	8,923	212,432,810	2,175,000	8,032	2,166,968	0.0102	242.85
2003	8,923	241,898,190	1,970,000	16,382	1,953,618	0.0081	218.94
2004	8,923	243,653,130	1,755,000	1,575	1,753,425	0.0072	196.51
2005	8,923	245,947,700	1,535,000	1,474	1,533,526	0.0062	171.86

(a) Source: Federal Census
(b) Source: Hamilton County Auditor
(c) Source: Treasurer's Office, City of Madeira, Ohio

CITY OF MADEIRA, OHIO

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

Year	Principal	Interest	Total Debt Service	General Fund Expenditures	Ratio of Debt Service to General Fund Expenditures
1996	$140,000	$136,238	$276,238	$2,963,744	0.0932
1997	135,000	126,450	261,450	3,134,201	0.0834
1998	135,000	116,956	251,956	3,240,256	0.0778
1999	10,000	125,407	135,407	3,361,210	0.0403
2000	185,000	108,385	293,385	3,630,301	0.0808
2001	190,000	101,632	291,632	3,712,993	0.0785
2002	200,000	94,368	294,368	3,980,446	0.0740
2003	205,000	86,671	291,671	4,176,327	0.0698
2004	215,000	78,533	293,533	4,299,388	0.0683
2005	220,000	69,940	289,940	4,505,045	0.0644

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

CITY OF MADEIRA, OHIO

Computation of Direct and Overlapping Debt
December 31, 2005

	Debt Outstanding	Percentage Applicable to City of Madeira	Amount Applicable to City of Madeira
Direct Debt			
City of Madeira	$1,535,000	100.00%	$1,535,000
Overlapping Debt			
Hamilton County	111,605,000	1.36%	1,517,828
Madeira City School District	31,121,926	98.07%	30,521,273
Cincinnati City School District	713,365,000	0.01%	71,337
Indian Hill XV School District	44,855,000	1.11%	497,891
Great Oaks Career Center Joint Vocation School District	4,340,000	1.46%	63,364
Subtotal	905,286,926		32,671,692
TOTAL	$906,821,926		$34,206,692

CITY OF MADEIRA, OHIO

2000 U.S. Census
Demographic Statistics

Population (2000)	8,923
Per Capita Income (1989)	$18,095
Median Household Income (1989)	$41,833
Median Family Income (1989)	$48,614
Number of Housing Units (2000)	3,484
Persons Per Household (2000)	3
Land Area (1990)	3.4 Sq. Miles
Persons Per Square Mile (2000)	2,624
Family Income Distribution (1990):	
Less than $50,000	85
$50,000-$99,999	1,351
$100,000-$149,999	873
$150,000-$199,999	290
$200,000-$299,999	140
$300,000 or More	39

Age Distribution (2000):

Under 5 Years	542
5 to 14 Years	1,379
15 to 19 Years	622
20 to 24 Years	226
25 to 44 Years	2,230
45 to 54 Years	1,392
55 to 59 Years	431
60 to 64 Years	372
65 to 74 Years	772
75 to 84 Years	707
85 Years and Over	250
Median Age	41.6

Source: U.S. Census of Population and Housing

CITY OF MADEIRA, OHIO

Construction in Madeira
(Last Ten Fiscal Years)

	Residential Construction		Commercial Construction	
Year	Number of Permits	Value	Number of Permits	Value
1996	272	$2,617,317	36	$1,442,354
1997	274	3,271,230	38	2,784,255
1998	303	8,696,187	40	5,706,873
1999	271	7,058,757	57	7,636,090
2000	250	3,631,317	47	1,612,650
2001	264	6,511,502	33	1,353,816
2002	293	5,171,657	43	2,989,930
2003	290	5,824,790	48	2,164,605
2004	266	7,456,828	37	6,827,436
2005	259	5,036,166	59	19,740,415

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

CITY OF MADEIRA, OHIO

General Information
December 31, 2005

Year of Incorporation	1910
Adopted Charter Form of Government	1959
Year Achieved City Status	1960
Form of Government	Council/Manager
Area	3.4 Square Miles
Miles of Streets	47
City Parks	Sellman and McDonald Commons
Residential Property Values	$54,200 to $900,000
Percent of Land Zoned for Business	15%
Full-Time Employees	23
Police Protection	
Number of Police Personnel	13
Number of patrol units	5
Number of Law Violations:	
Physical Arrests	108
Traffic Violations	1131
Parking Violations	81

Services Provided by Other Organizations/Agencies:

Fire	Madeira/Indian Hill Joint Fire District
Library	Hamilton County Public Library
Recreational Facilities	Madeira Swim and Tennis Kenwood Hills Swim Club Kenwood Country Club
Sewer	Metropolitan Sewer District
Schools	Madeira Public Schools St. Gertrude Elementary School
Water	Indian Hill Cincinnati

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