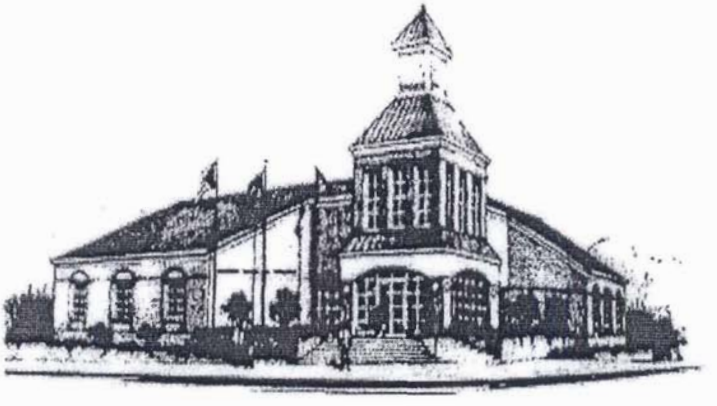
THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

CITY OF MADEIRA

STATE OF OHIO

FOR THE YEAR ENDED DECEMBER 31, 2006



CITY OF MADEIRA, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2006

Prepared by:

Treasurer's Office

City of Madeira, Ohio
Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2006

TABLE OF CONTENTS

INTRODUCTORY SECTION PAGE

Letter of Transmittal 3
GFOA Certificate of Achievement 8
Organizational Chart 9
List of Elected and Appointed Officials 10

FINANCIAL SECTION 11

Independent Auditor's Report 13
Management's Discussion and Analysis 15
Basic Financial Statements:
Government-wide Financial Statements:
Statement of Net Assets 29
Statement of Activities 30
Fund Financial Statements:
Balance Sheet - Governmental Funds 31
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds 32
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities 33
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual - General Fund 34
Statement of Net Assets - Proprietary Fund 35
Statement of Revenues, Expenses, and Changes in
Fund Net Assets - Proprietary Fund 36
Statement of Cash Flows - Proprietary Fund 37
Statement of Fiduciary Assets and Liabilities - Agency Fund 38
Notes to the Financial Statements 39
Combining and Individual Fund Statements and Schedules:
Combining Balance Sheet - Nonmajor Governmental Funds 59
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Nonmajor Governmental Funds 60
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual:
Debt Service Fund 61
Street Repair Special Revenue Fund 62
Recreation & Parks Special Revenue Fund 63
Street Dance Special Revenue Fund 64
Police Trust Special Revenue Fund 65

Police Forfeitures Special Revenue Fund 66
DUI Special Revenue Fund 67
Computer Special Revenue Fund 68
State & Federal Grants Fund 69
Veteran's War Memorial Capital Projects Fund 70
Stormwater Capital Projects Fund 71
Central Business District Capital Project Fund 72
Capital Improvement & Reserve Capital Project Fund 73
Statement of Changes in Fiduciary Net Assets - Fiduciary Fund 74

Capital Assets Used in the Operation of Governmental Funds:
Comparative Schedule by Source 76
Schedule by Function and Activity 77
Schedule of Changes by Function and Activity 78

STATISTICAL SECTION

Net Assets by Component 81
Changes in Net Assets 82
Fund Balances, Governmental Funds 84
Changes in Fund Balances, Governmental Funds 85
Assessed Valuation and Estimated Actual Values of Taxable Property 86
Property Tax Rates - Direct and Overlapping Governments 87
Property Tax Levies and Collections 88
Principal Taxpayers - Real Estate Tax 89
Income Tax Revenue Base and Collections 90
Ratio of Outstanding Debt to Total Personal Income and Debt Per Capita 91
Ratio of General Obligation Bonded Debt to Assessed Value and Bonded
Debt Per Capita 92
Computation of Direct and Overlapping Governmental Activities Debt 93
Legal Debt Margin 94
Demographic and Economic Statistics 95
Principal Employers 96
Full-Time Equivalent City Government Employees by Function/Program 97
Operating Indicators by Function/Program 98
Capital Assets Statistics by Function/Program 99

INTRODUCTORY SECTION

CITY OF MADEIRA

7141 Miami Avenue • Cincinnati, Ohio 45243-2699
(513) 561-7228 • Fax (513) 272-4211

June 27, 2007

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, 2006.

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, 2006, 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, 2006, 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 2007 transportation-related project is expected to be the replacement of several streets. The cost of the street improvements are anticipated to be $600,000.

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 5 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, 2005. This was the twelfth 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, 2005

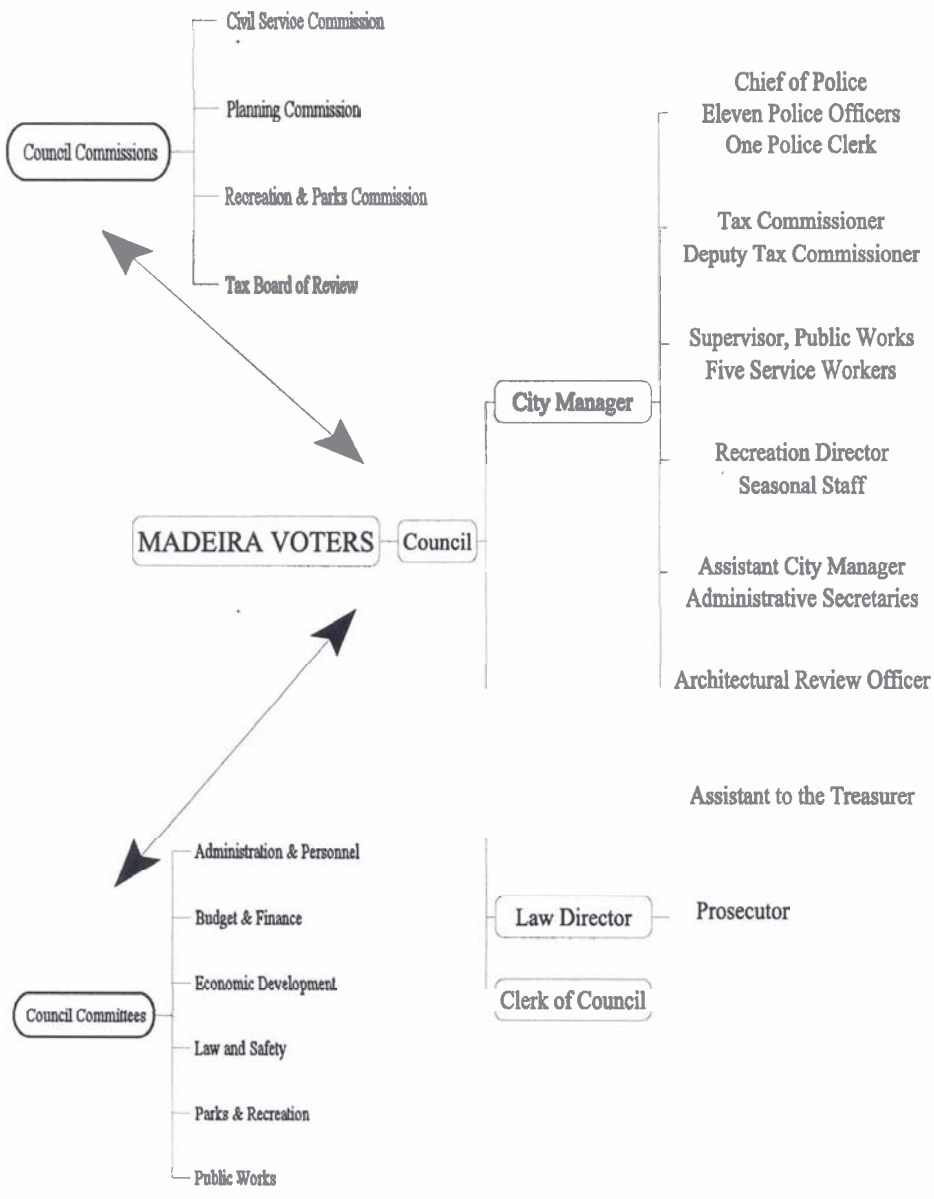
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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

President

Executive Director

City of Madeira

Organizational Chart



City of Madeira, Ohio
List of Elected and Appointed Officials
December 31, 2006

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

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

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, 2006, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Madeira, Ohio as of December 31, 2006, 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 26, 2007, 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 26, 2007

Management's Discussion and Analysis

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, 2006. 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 $6,364,576 (net assets). Of this amount, $3,565,715 (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 $1,814,055.
As of the close of the current fiscal year, the City of Madeira's governmental funds reported combined ending fund balances of $3,048,502, an increase of $741,479 in comparison with the prior year. Approximately 99 percent of this total amount,$3,047,910 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 $2,557,550, or 52 percent of total general fund expenditures.
The City of Madeira's total debt decreased by $230,000 (15 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 $6,364,576 at the close of the most recent fiscal year.

A portion of the City of Madeira's net assets (39 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	
	2006	2005	2006	2005	2006	2005
Current and other assets	$6,495	$5,644	$42	$37	$6,538	$5,681
Capital Assets	3,400	2,535	367	383	3,767	2,918
Total Assets	9,895	8,179	409	420	10,305	8,599
Long-term liabilities outstanding	1,454	1,720	0	0	1,454	1,720
Other liabilities	2,483	2,325	3	3	2,486	2,328
Total Liabilities	3,937	4,045	3	3	3,940	4,048
Net assets:						
Invested in capital assets, net of related debt	2,095	1,000	367	383	2,462	1,383
Restricted	337	485	0	0	337	485
Unrestricted	3,526	2,649	39	34	3,565	2,683
Total Net Assets	$5,958	$4,134	$406	$417	$6,365	$4,551

An additional portion of the City of Madeira's net assets (5 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets ($3,565) 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 $1,814 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 and Property Taxes.

Governmental activities. Governmental activities increased the City of Madeira's net assets by $1,824, 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	
	2006	2005	2006	2005	2006	2005
Revenues:						
Program revenues:						
Charges for Services	$488	$456	$28	$27	$515	$483
Operating Grants and Contributions	558	485	0	0	558	485
General revenues:						
Property Taxes	2,046	1,684	0	0	2,046	1,684
Other Taxes	2,465	1,983	0	0	2,465	1,983
Grants & Contributions not Restricted to Specific Programs	1,292	1,291	0	0	1,292	1,291
Investment Earnings	118	52	0	0	118	52
Total Revenues	6,967	5,951	28	27	6,995	5,978
Expenses:						
General Government	990	942	0	0	990	942
Public Safety	2,720	2,352	0	0	2,720	2,352
Transportation	648	765	0	0	648	765
Sanitation	420	375	0	0	420	375
Community Environment	111	132	0	0	111	132
Recreation	195	172	0	0	195	172
Interest on Long-Term Debt	59	68	0	0	59	68
Rental Property	0	0	38	34	38	34
Total Expenses	5,143	4,806	38	34	5,181	4,840
Increase/(Decrease) in net assets	1,824	1,145	(10)	(7)	1,814	1,138
Net Assets - 1/1/05	4,134	2,989	416	424	4,550	3,413
Net Assets - 12/31/05	$5,958	$4,134	$406	$417	$6,364	$4,551

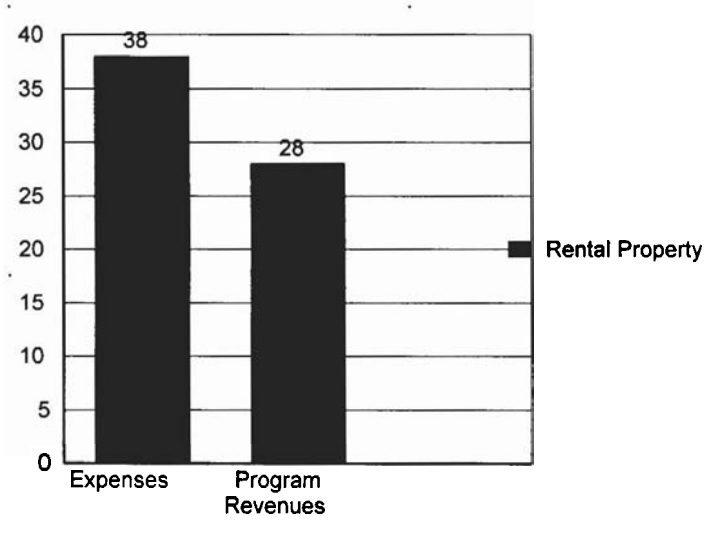
Property tax collections increased $362, from the previous year due to reassessments. The Income tax increased by the amount of $479, due to a reduction in credit allowed for tax paid to other cities.

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

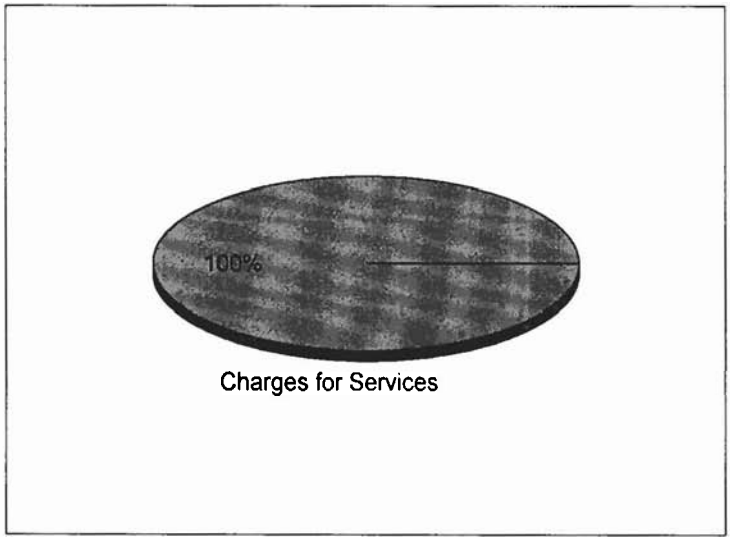
Business-type activities. Business-type activities decreased the City of Madeira's net assets by $10,000. Key elements of this decrease are as follows.

- 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 $3,048,502, an increase of $741,479 in comparison with the prior year. Approximately all of this total amount, $3,047,910, 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 ($592).

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 $2,557,550. 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 52 percent of total general fund expenditures.

The fund balance of the City of Madeira's general fund increased by $743,865 during the current fiscal year. Key factors in this increase are as follows:

- Increase in Intergovernmental Revenue and Taxes of $1,225,409
- Increase in transfers out of $509,196.
- Increased operating costs of $384,767.

The debt service fund has a total fund balance of $592, 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 $882, 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 $39,580. The decrease in net assets was $10,446. 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 ($446,229 increase in appropriations) and can be briefly summarized as follows:

- $271,229 in increases in fire contract and police expense.
- $145,000 in increases in improvements

Of this increase, $446,229 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, 2006 amounts to $3,766,851 (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 29 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 $600,000.
- $310,000 for park improvement projects.

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

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Land	$645	$645	$134	$134	$779	$779
Buildings and Improvements	1,308	1,073	232	249	1,540	1,322
Vehicles	127	112	0	0	127	112
Furniture and Software	256	194	0	0	256	194
Infrastructure	1,064	511	0	0	1,064	511
Total	$3,400	$2,535	$366	$383	$3,766	$2,918

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 $1,305,000.

All $1,305,000 is backed by the full faith and credit of the government.

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

	Governmental Activities	
	2006	2005
General obligation bonds	$1,305	$1,535

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 $230,000 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 2007 fiscal year.

During the current fiscal year, unreserved fund balance in the general fund increased to $2,557,550. The City of Madeira has not appropriated any of this amount for spending in the 2007 fiscal year budget. Council voted to reduce income tax for the 2007 fiscal year, by reducing the credit to .8% 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, 2006

	Governmental Activities	Business-type Activities	Total
ASSETS:			
Cash and Cash Equivalents	$1,757,532	$42,237	$1,799,769
Investments	693,277	0	693,277
Receivables Net of Allowance for Uncollectible Accounts:			
Taxes Receivable	2,996,178	0	2,996,178
Intergovernmental Receivable	977,049	0	977,049
Accounts Receivables	48,319	1,000	49,319
Inventory of Supplies	22,582	0	22,582
Capital Assets - Land	645,000	134,008	779,008
Capital Assets, Net of Accumulated Depreciation	2,755,268	232,575	2,987,843
Total Assets	9,895,205	409,820	10,305,025
LIABILITIES:			
Accounts Payable	226,696	3,657	230,353
Accrued Payroll	208,121	0	208,121
Deferred Revenues	2,033,227	0	2,033,227
Accrued Interest	14,057	0	14,057
Noncurrent Liabilities:			
Due within one year	346,539	0	346,539
Due in more than one year	1,108,152	0	1,108,152
Total Liabilities	3,936,792	3,657	3,940,449
NET ASSETS			
Investment in Capital Assets, net of related debt	2,095,268	366,583	2,461,851
Restricted for:			
Transportation	337,010	0	337,010
Unrestricted	3,526,135	39,580	3,565,715
Total Net Assets	$5,958,413	$406,163	$6,364,576

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, 2006

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	$989,770	$238	$350	($989,182)	$0	($989,182)
Public Safety	2,719,800	342,579	16,680	(2,360,541)	0	(2,360,541)
Transportation	647,718	0	448,526	(199,192)	0	(199,192)
Sanitation	419,973	41,584	0	(378,389)	0	(378,389)
Community Environment	111,598	91,316	0	(20,282)	0	(20,282)
Recreation	195,499	12,688	92,647	(90,164)	0	(90,164)
Interest on Long Term Debt	58,553	0	0	(58,553)	0	(58,553)
Total Governmental Activities	5,142,911	488,405	558,203	(4,096,303)	0	(4,096,303)
Business-Type Activities:						
Rental Property	38,273	27,827	0	0	(10,446)	(10,446)
Total Business-Type Activities	38,273	27,827	0	0	(10,446)	(10,446)
Total - Primary Government	$5,181,184	$516,232	$558,203	(4,096,303)	(10,446)	(4,106,749)
General Revenues						
Property Taxes				2,046,117	0	2,046,117
Income Taxes				2,370,486	0	2,370,486
Franchise Taxes				94,151	0	94,151
Grants and Contributions Not Restricted to Specific Programs				1,291,881	0	1,291,881
Unrestricted Investment Earnings				118,169	0	118,169
Total General Revenues				5,920,804	0	5,920,804
Change in Net Assets				1,824,501	(10,446)	1,814,055
Net Assets Beginning of Year				4,133,912	416,609	4,550,521
Net Assets End of Year				$5,958,413	$406,163	$6,364,576

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

CITY OF MADEIRA, OHIO

Balance Sheet
Governmental Funds
December 31, 2006

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	$1,367,845	$592	$389,095	$1,757,532
Investments	693,277	0	0	693,277
Taxes Receivable	2,996,178	0	0	2,996,178
Intergovernmental Receivable	691,261	0	285,788	977,049
Other Receivables	48,204	0	115	48,319
Inventory of Supplies	22,582	0	0	22,582
Total Assets	5,819,347	592	674,998	6,494,937
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	171,099	0	55,597	226,696
Accrued Payroll	208,121	0	0	208,121
Deferred Revenues	2,882,577	0	129,041	3,011,618
Total Liabilities	3,261,797	0	184,638	3,446,435
Fund Balances:				
Reserved for:				
Debt Service	0	592	0	592
Unreserved, Reported in:				
General Fund	2,557,550			2,557,550
Special Revenue Funds			386,196	386,196
Capital Project Funds			104,164	104,164
Total Fund Balances	2,557,550	592	490,360	3,048,502
Total Liabilities and Fund Balances	$5,819,347	$592	$674,998	

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.	3,400,268
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	978,391
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(1,468,748)
Net Assets of Governmental Activities	$5,958,413

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, 2006

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	$4,384,410	$0	$0	$4,384,410
Licenses & Permits	91,317	0	0	91,317
Intergovernmental Revenue	1,374,941	0	534,955	1,909,896
Charges for Services	65,532	0	13,688	79,220
Investment Earnings	111,423	0	6,747	118,170
Fines & Forfeitures	191,214	0	19,215	210,429
All Other Revenues	219,836	0	4,540	224,376
Total Revenues	6,438,673	0	579,145	7,017,818
EXPENDITURES				
Current				
Public Safety	2,729,078	0	8,588	2,737,666
Recreation	136,107	0	142,428	278,535
Community Environment	93,258	0	18,340	111,598
Transportation	577,056	0	603,127	1,180,183
Sanitation	419,973	0	0	419,973
General Government	944,340	0	0	944,340
Capital Outlay	0	0	313,162	313,162
Debt Service				
Principal Retirement	0	230,000	0	230,000
Interest	0	60,882	0	60,882
Total Expenditures	4,899,812	290,882	1,085,645	6,276,339
Excess/(Deficiency) of Revenues over (under) Expenditures	1,538,861	(290,882)	(506,500)	741,479
OTHER FINANCING SOURCES/(USES)				
Transfers In	0	290,000	504,996	794,996
Transfers Out	(794,996)	0	0	(794,996)
Total Other Financing Sources and Uses	(794,996)	290,000	504,996	0
Net Change in Fund Balances	743,865	(882)	(1,504)	741,479
Fund Balance - Beginning	1,813,685	1,474	491,864	2,307,023
Fund Balance - Ending	$2,557,550	$592	$490,360	$3,048,502

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, 2006

Net Change in Fund Balances - Total Governmental Funds		$741,479
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.		865,377
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property Taxes	($260)	
Income Tax	32,453	
Intergovernmental Revenues	(82,599)	
Total		(50,406)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		230,000
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		2,329
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		35,722
Change in Net Assets of Governmental Activities		$1,824,501

CITY OF MADEIRA, OHIO

General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance from Final Budget
REVENUES				
Taxes	$4,158,000	$4,508,000	$4,384,410	($123,590)
Licenses & Permits	91,000	111,000	91,317	(19,683)
Intergovernmental Revenue	698,200	1,419,700	1,374,941	(44,759)
Charges for Services	61,100	72,100	65,532	(6,568)
Investment Earnings	80,000	115,000	111,423	(3,577)
Fines & Forfeitures	102,000	197,000	191,214	(5,786)
All Other Revenues	172,200	227,200	219,836	(7,364)
Total Revenues	5,362,500	6,650,000	6,438,673	(211,327)
EXPENDITURES				
Current:				
Public Safety	2,517,400	2,788,629	2,729,078	59,551
Recreation	129,600	129,600	136,107	(6,507)
Community Environment	127,700	147,700	93,258	54,442
Transportation	671,650	681,650	577,056	104,594
Sanitation	420,000	420,000	419,973	27
General Government	891,425	1,036,425	944,340	92,085
Total Expenditures	4,757,775	5,204,004	4,899,812	304,192
Excess of Revenues Over Expenditures	604,725	1,445,996	1,538,861	92,865
OTHER FINANCING SOURCES/(USES)				
Transfers Out	(276,000)	(795,996)	(794,996)	(1,000)
Total Other Financing Sources/(Uses)	(276,000)	(795,996)	(794,996)	(1,000)
Net Change in Fund Balance	328,725	650,000	743,865	91,865
Fund Balance - Beginning	1,813,685	1,813,685	1,813,685	0
Fund Balance - Ending	$2,142,410	$2,463,685	$2,557,550	$93,865

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, 2006

	Business-type Activities Enterprise Fund
	Rental Property
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	$42,237
Receivables:	
Accounts	1,000
Total Current Assets	43,237
Noncurrent Assets:	
Capital Assets:	
Land	134,008
Depreciable Capital Assets, Net	232,575
Total Noncurrent Assets	366,583
Total Assets	409,820
LIABILITIES:	
Current Liabilities:	
Accounts Payable	3,657
Total Current Liabilities	3,657
Total Liabilities	3,657
Net Assets	
Invested in Capital Assets	366,583
Unrestricted	39,580
Total Net Assets	$406,163

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, 2006

	Business-type Activities Enterprise Fund
	Rental Property
Operating Revenues	
Rents	$27,827
Total Operating Revenues	27,827
Operating Expenses	
Insurance	9,691
Professional Services	4,630
Repairs & Maintenance	1,832
Property Taxes	5,329
Depreciation	16,791
Total Operating Expenses	38,273
Operating Income (Loss)	(10,446)
Total Net Assets Beginning of Year	416,609
Total Net Assets End of Year	$406,163

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, 2006

	Business-Type Activities Enterprise Fund
	Rental Property
Cash Flows from Operating Activities	
Cash Received from Customers	$26,827
Cash Payments for Goods and Services	(20,789)
Net Cash Provided by Operating Activities	6,038
Net Increase in Cash and Cash Equivalents	6,038
Cash and Cash Equivalents Beginning of Year	36,199
Cash and Cash Equivalents End of Year	42,237
Reconciliation of Operating (Loss) to Net Cash Provided by Operating Activities	
Operating (Loss)	(10,446)
Adjustments:	
Depreciation	16,791
Increase in Assets:	
Accounts Receivable	(1,000)
Increase in Liabilities:	
Accounts Payable	693
Net Cash Provided by Operating Activities	$6,038

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, 2006

ASSETS	
Cash with Fiscal Agent	$13,924
Total Assets	13,924
LIABILITIES	
Due to Other Governments	13,924
Total Liabilities	$13,924

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.

The government reports the following fiduciary fund:

> The fiduciary fund type consists of only one Agency Fund. This fund accounts for Mayor's Court.

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.

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, 2006, 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 2005.

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 - 2006 Collections

Lien Date	January 1, 2005
Levy Date	October 31, 2005
First Installment Payment Due	January 31, 2006
Second Installment Payment Due	June 20, 2006

The full tax rate applied to real property for the fiscal year ended December 31, 2006, 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 $1,468,748 difference are as follows:

Bonds Payable	$1,305,000
Accrued Interest Payable	14,057
Compensated Absences	149,691
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	$1,468,748

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	$1,080,843
Depreciation Expense	(215,466)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	$865,377

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, two supplemental appropriation measures were 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, $60,239 of the City's bank balance of $865,119 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, 2006 are as summarized as follows:

	Fair Value	Average Maturity Years
Star Ohio	$1,676,145	n/a
U. S. Money Market Funds	4	n/a
	$1,676,149	

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, 2006, 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, 2006.

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	$1,813,693	$693,277
Investments:		
Certificates of Deposit	693,277	(693,277)
Money Market	(4)	4
Star Ohio	(1,676,145)	1,676,145
GASB Statement 3	$830,821	$1,676,149

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.

Capital assets

Capital asset activity for the year ended December 31, 2006 was as follows:

Governmental Activities	Balance at 1/1/06	Increases	Decreases	Balance at 12/31/06
Land - not being depreciated	$645,000	$0	$0	$645,000
Capital Assets - being depreciated				
Building & Land Improvements	2,509,547	308,864	0	2,818,411
Vehicles	487,052	80,503	(18,016)	549,539
Infrastructure	538,719	598,304	0	1,137,023
Furniture, Equipment and Software	499,834	93,172	(2,376)	590,630
Total Capital Assets	$4,680,152	$1,080,843	($20,392)	$5,740,603
Less Accumulated Depreciation				
Building & Land Improvements	(1,436,817)	(73,213)	0	(1,510,030)
Vehicles	(374,917)	(65,695)	18,016	(422,596)
Infrastructure	(27,597)	(45,968)	0	(73,565)
Furniture, Equipment and Software	(305,930)	(30,590)	2,376	(334,144)
Total Accumulated Depreciation	(2,145,261)	(215,466)	20,392	(2,340,335)
Total Capital Assets, being depreciated, net	1,889,891	865,377	0	2,755,268
Governmental Activities Capital Assets, Net	$2,534,891	$865,377	$0	$3,400,268

Business-type Activities	Balance at 1/1/06	Increases	Decreases	Balance at 12/31/06
Land - not being depreciated	$134,008	$0	$0	$134,008
Capital assets being depreciated:				
Land Improvements	88,442	0	0	88,442
Buildings	304,491	0	0	304,491
Subtotal	526,941	0	0	526,941
Less Accumulated Depreciation:				
Land Improvements	(15,782)	(5,543)	0	(21,325)
Buildings	(127,785)	(11,248)	0	(139,033)
Total Accumulated Depreciation	(143,567)	(16,791)	0	(160,358)
Total Capital Assets, being depreciated, net	249,366	(16,791)	0	232,575
Net Capital Assets	$383,374	($16,791)	$0	$366,583

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

Governmental activities:	
General government	$60,146
Public Safety	44,653
Highways and streets, including depreciation of general infrastructure assets	85,091
Recreation	25,576
Total depreciation expense - governmental activities	$215,466
Business-type activities:	
Enterprise	$16,791

D. Interfund transfers

Interfund transfers:

	Transfers In:		
	Debt Service	Nonmajor Governmental	Total
Transfer out:			
General Fund	$290,000	$504,996	$794,996

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

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, 2006.

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, 2006 was as follows:

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable					
General Obligation Bonds	$1,535,000	$0	($230,000)	$1,305,000	$240,000
Compensated Absence	185,413	85,684	(121,406)	149,691	106,539
Governmental Activity Long-term Liabilities	$1,720,413	$85,684	($351,406)	$1,454,691	$346,539

Debt Service Requirements to Maturity

Year End	Principal	Interest	Total
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	$1,305,000	$147,913	$1,452,913

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 2006, the City contracted with Miami Valley Risk Management Association for vehicle, property and general liability insurance. There has been no reduction in coverage from the prior years and claims have not exceeded coverage in any of the past three years. 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, 2006, 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:

	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

	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 2006 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 2006 was $1,198,200.

The City also contracts with CSI for solid waste collection. The contract fee for 2006 was $393,576.

Health Department services are provided through Hamilton County. The cost of $14,819 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, 2006 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 2006.

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 9.0% of covered salary. The 2006 employer pension contribution rate for the City was 13.70% of covered payroll. The City's required contributions for pension obligations for the years ending December 31, 2006, 2005 and 2004 were $93,594, $94,615, and $87,573, 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, 2006, 2005, and 2004 were $162,279, $141,387, and $136,814, 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 2006 local government employer contribution rate was 13.70% of covered payroll; of that amount 4.5% was the portion that was used to fund health care for 2006.

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, 2005, include a rate of return on investments of 6.5%, 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 .5 to 6% for the next 9 years. In subsequent years (10 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 was369,214. The City's actual contributions for 2006 which were used to fund postemployment benefits were $53,309. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2005, (the latest information available) were $11.1 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were $31.3 billion and $20.2 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 2006. 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 2006 that were used to fund postemployment benefits were $64,425. The OP&F's total health care expenses for the year ended December 31, 2005, (the latest information available) were $108,039,449, which was net of member contributions of $55,271,881. The total number of participants eligible to receive health care benefits as of December 31, 2005 were 13,922 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, 2006

	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	Central Business District	Capital Improvement & Reserve	Total	Total Nonmajor Governmental Funds
ASSETS:															
Cash and Cash Equivalents	$138,196	$9,505	$3,132	$1,811	$13,154	$4,253	$5,411	$55,384	$230,846	$9,595	$18,040	$8,398	$122,216	$158,249	$389,095
Receivables Net of Allowance for Uncollectible Accounts:															
Intergovernmental Receivable	198,898	0	0	0	0	0	0	86,890	285,788	0	0	0	0	$0	285,788
Other Receivables	115	0	0	0	0	0	0	0	115	0	0	0	0	0	115
Total Assets	$337,209	$9,505	$3,132	$1,811	$13,154	$4,253	$5,411	$142,274	516,749	$9,595	$18,040	$8,398	$122,216	$158,249	$674,998
LIABILITIES															
Accounts Payable	199	818	0	0	73	27	395	0	1,512	0	0	1,739	52,346	54,085	55,597
Deferred Revenue	129,041	0	0	0	0	0	0	0	129,041	0	0	0	0	0	129,041
Total Liabilities	129,240	818	0	0	73	27	395	0	130,553	0	0	1,739	52,346	54,085	184,638
FUND BALANCES															
Unreserved and Undesignated	207,969	8,687	3,132	1,811	13,081	4,226	5,016	142,274	386,196	9,595	18,040	6,659	69,870	104,164	490,360
Total Fund Balances	207,969	8,687	3,132	1,811	13,081	4,226	5,016	142,274	386,196	9,595	18,040	6,659	69,870	104,164	490,360
Total liabilities and fund balances	$337,209	$9,505	$3,132	$1,811	$13,154	$4,253	$5,411	$142,274	$516,749	$9,595	$18,040	$8,398	$122,216	$158,249	$674,998

CITY OF MADEIRA, OHIO

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

	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	Central Business District	Capital Improvement & Reserve	Total	Total Nonmajor Governmental Funds
REVENUES															
Intergovernmental Revenue	$448,065	$0	$0	$0	$0	$0	$0	$86,890	$534,955	$0	$0	$0	$0	$0	$534,955
Charges for Services	0	10,594	3,094	0	0	0	0	0	13,688	0	0	0	0	0	13,688
Investment Earnings	6,747	0	0	0	0	0	0	0	6,747	0	0	0	0	0	6,747
Fines & Forfeitures	0	0	0	0	11,770	420	7,025	0	19,215	0	0	0	0	0	19,215
All Other Revenues	0	0	0	0	0	0	0	0	0	4,540	0	0	0	4,540	4,540
TOTAL REVENUES	454,812	10,594	3,094	0	11,770	420	7,025	86,890	574,605	4,540	0	0	0	4,540	579,145
EXPENDITURES															
Current															
Public Safety	0	0	0	0	1,058	321	7,209	0	8,588	0	0	0	0	0	8,588
Recreation	0	27,639	6,177	0	0	0	0	108,612	142,428	0	0	0	0	0	142,428
Transportation	603,127	0	0	0	0	0	0	0	603,127	0	0	0	0	0	603,127
Community Environment	0	0	0	0	0	0	0	0	0	0	0	18,340	0	18,340	18,340
Capital Improvements	0	0	0	0	0	0	0	0	0	33,556	351	0	279,255	313,162	313,162
TOTAL EXPENDITURES	603,127	27,639	6,177	0	1,058	321	7,209	108,612	754,143	33,556	351	18,340	279,255	331,502	1,085,645
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(148,315)	(17,045)	(3,083)	0	10,712	99	(184)	(21,722)	(179,538)	(29,016)	(351)	(18,340)	(279,255)	(326,962)	(506,500)
OTHER FINANCING SOURCES/(USES)															
Transfers In	0	20,000	5,000	0	0	0	0	163,996	188,996	0	0	16,000	300,000	316,000	504,996
Transfers Out	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES/(USES)	0	20,000	5,000	0	0	0	0	163,996	188,996	0	0	16,000	300,000	316,000	504,996
Net Change in Fund Balance	(148,315)	2,955	1,917	0	10,712	99	(184)	142,274	9,458	(29,016)	(351)	(2,340)	20,745	(10,962)	(1,504)
Fund Balance - Beginning	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
Fund Balance - Ending	$207,969	$8,687	$3,132	$1,811	$13,081	$4,226	$5,016	$142,274	386,196	$9,595	$18,040	$6,659	$69,870	104,164	490,360

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, 2006

	Original Budget	Final Budget	Actual	Variance from Final Budget
REVENUES				
Taxes	$0	$0	$0	$0
TOTAL REVENUES	0	0	0	0
EXPENDITURES				
Current:				
Principal Retirement	230,000	230,000	230,000	0
Interest and Fiscal Charges	61,000	61,000	60,882	118
TOTAL EXPENDITURES	291,000	291,000	290,882	118
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(291,000)	(291,000)	(290,882)	118
OTHER FINANCING SOURCES/(USES)				
Transfers In	291,000	291,000	290,000	(1,000)
TOTAL OTHER FINANCING SOURCES/(USES)	291,000	291,000	290,000	(1,000)
Excess/(Deficiency) of Revenues and Financing Sources Over Expenditures and Other Uses	0	0	(882)	(882)
Fund Balance - Beginning	1,474	1,474	1,474	0
Fund Balance - Ending	$1,474	$1,474	$592	($882)

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, 2006

	Original Budget	Final Budget	Actual	Variance from Final Budget
REVENUES				
Intergovernmental Revenue	$425,000	$475,000	$448,065	($26,935)
Investment Earnings	0	0	6,747	6,747
TOTAL REVENUES	425,000	475,000	454,812	(20,188)
EXPENDITURES				
Current				
Transportation	424,500	625,000	603,127	21,873
TOTAL EXPENDITURES	424,500	625,000	603,127	21,873
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	500	(150,000)	(148,315)	1,685
Excess/(Deficiency) of Revenues and Financing Sources Over Expenditures and Other Uses	500	(150,000)	(148,315)	1,685
Fund Balance - Beginning	356,284	356,284	356,284	0
Fund Balance - Ending	$356,784	$206,284	$207,969	$1,685

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, 2006

	Original Budget	Final Budget	Actual	Variance from Final Budget
REVENUES				
Charges for Services	$9,000	$14,000	$10,594	($3,406)
TOTAL REVENUES	9,000	14,000	10,594	(3,406)
EXPENDITURES				
Current				
Leisure Time Activity	40,000	30,000	27,639	2,361
TOTAL EXPENDITURES	40,000	30,000	27,639	2,361
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(31,000)	(16,000)	(17,045)	1,045
OTHER FINANCING SOURCES/(USES)				
Transfers In	5,000	20,000	20,000	0
TOTAL OTHER FINANCING SOURCES/(USES)	5,000	20,000	20,000	0
Excess/(Deficiency) of Revenues and Financing Sources Over Expenditures and Other Uses	(26,000)	4,000	2,955	(1,045)
Fund Balance - Beginning	5,732	5,732	5,732	0
Fund Balance - Ending	($20,268)	$9,732	$8,687	($1,045)

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, 2006

	Original Budget	Final Budget	Actual	Variance from Final Budget
REVENUES				
Charges for Services	$2,000	$4,000	$3,094	($906)
TOTAL REVENUES	2,000	4,000	3,094	(906)
EXPENDITURES				
Current				
Leisure Time Activity	8,000	8,000	6,177	1,823
TOTAL EXPENDITURES	8,000	8,000	6,177	1,823
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(6,000)	(4,000)	(3,083)	917
OTHER FINANCING SOURCES/(USES)				
Transfers In	5,000	5,000	5,000	0
TOTAL OTHER FINANCING SOURCES/(USES)	5,000	5,000	5,000	0
Excess/(Deficiency) of Revenues and Financing Sources Over Expenditures and Other Uses	(1,000)	1,000	1,917	917
Fund Balance - Beginning	1,215	1,215	1,215	0
Fund Balance - Ending	$215	$2,215	$3,132	$917

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, 2006

	Original Budget	Final Budget	Actual	Variance from Final Budget
REVENUES				
Fines & Forfeitures	$1,000	$1,000	$0	($1,000)
TOTAL REVENUES	1,000	1,000	0	(1,000)
EXPENDITURES				
Current				
Security of Persons and Property	1,000	1,000	0	1,000
TOTAL EXPENDITURES	1,000	1,000	0	1,000
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	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, 2006

	Original Budget	Final Budget	Actual	Variance from Final Budget
REVENUES				
Fines & Forfeitures	$1,000	$13,000	$11,770	($1,230)
TOTAL REVENUES	1,000	13,000	11,770	(1,230)
EXPENDITURES				
Current				
Security of Persons and Property	1,000	6,000	1,058	4,942
TOTAL EXPENDITURES	1,000	6,000	1,058	4,942
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	0	7,000	10,712	3,712
Excess/(Deficiency) of Revenues and Financing Sources Over Expenditures and Other Uses	0	7,000	10,712	3,712
Fund Balance - Beginning	2,369	2,369	2,369	0
Fund Balance - Ending	$2,369	$9,369	$13,081	$3,712

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, 2006

	Original Budget	Final Budget	Actual	Variance from Final Budget
REVENUES				
Fines & Forfeitures	$1,000	$1,000	$420	($580)
TOTAL REVENUES	1,000	1,000	420	(580)
EXPENDITURES				
Current				
Security of Persons and Property	1,000	1,000	321	679
TOTAL EXPENDITURES	1,000	1,000	321	679
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	0	0	99	99
Excess/(Deficiency) of Revenues and Financing Sources Over Expenditures and Other Uses	0	0	99	99
Fund Balance - Beginning	4,127	4,127	4,127	0
Fund Balance - Ending	$4,127	$4,127	$4,226	$99

CITY OF MADEIRA, OHIO

Computer Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance from Final Budget
REVENUES				
Fines & Forfeitures	$5,000	$10,000	$7,025	($2,975)
TOTAL REVENUES	5,000	10,000	7,025	(2,975)
EXPENDITURES				
Current				
Security of Persons and Property	4,000	8,000	7,209	791
TOTAL EXPENDITURES	4,000	8,000	7,209	791
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	1,000	2,000	(184)	(2,184)
Excess/(Deficiency) of Revenues and Financing Sources Over Expenditures and Other Uses	1,000	2,000	(184)	(2,184)
Fund Balance - Beginning	5,200	5,200	5,200	0
Fund Balance - Ending	$6,200	$7,200	$5,016	($2,184)

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, 2006

	Original Budget	Final Budget	Actual	Variance from Final Budget
REVENUES				
Intergovernmental Revenue	$171,150	$171,150	$86,890	($84,260)
TOTAL REVENUES	171,150	171,150	86,890	(84,260)
EXPENDITURES				
Current				
Leisure Time Activity	0	204,000	108,612	95,388
TOTAL EXPENDITURES	0	204,000	108,612	95,388
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	171,150	(32,850)	(21,722)	11,128
OTHER FINANCING SOURCES/(USES)				
Transfers In	0	32,850	163,996	131,146
TOTAL OTHER FINANCING SOURCES/(USES)	0	32,850	163,996	131,146
Excess/(Deficiency) of Revenues and Financing Sources Over Expenditures and Other Uses	171,150	0	142,274	142,274
Fund Balance - Beginning	0	0	0	0
Fund Balance - Ending	$171,150	$0	$142,274	$142,274

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, 2006

	Original Budget	Final Budget	Actual	Variance from Final Budget
REVENUES				
All Other Revenues	$5,000	$5,000	$4,540	($460)
TOTAL REVENUES	5,000	5,000	4,540	0
EXPENDITURES				
Current:				
Capital Improvements	40,000	40,000	33,556	6,444
TOTAL EXPENDITURES	40,000	40,000	33,556	6,444
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(35,000)	(35,000)	(29,016)	(5,984)
Excess/(Deficiency) of Revenues and Financing Sources Over/(Under) Expenditures and Other Uses	(35,000)	(35,000)	(29,016)	5,984
Fund Balance - Beginning	38,611	38,611	38,611	0
Fund Balance - Ending	$3,611	$3,611	$9,595	$5,984

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, 2006

	Original Budget	Final Budget	Actual	Variance from Final Budget
REVENUES				
All Other Revenues	$0	$0	$0	$0
TOTAL REVENUES	0	0	0	0
EXPENDITURES				
Current:				
Capital Improvements	20,000	20,000	351	19,649
TOTAL EXPENDITURES	20,000	20,000	351	0
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(20,000)	(20,000)	(351)	19,649
OTHER FINANCING SOURCES				
Transfers In	20,000	20,000	0	(20,000)
TOTAL OTHER FINANCING SOURCES	20,000	20,000	0	(20,000)
Excess/(Deficiency) of Revenues and Financing Sources Over/(Under) Expenditures and Other Uses	0	0	(351)	(351)
Fund Balance - Beginning	18,391	18,391	18,391	0
Fund Balance - Ending	$18,391	$18,391	$18,040	($351)

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, 2006

	Original Budget	Final Budget	Actual	Variance from Final Budget
REVENUES				
All Other Revenues	$0	$0	$0	$0
TOTAL REVENUES	0	0	0	0
EXPENDITURES				
Community Environment	3,000	21,600	18,340	3,260
TOTAL EXPENDITURES	3,000	21,600	18,340	3,260
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(3,000)	(21,600)	(18,340)	3,260
OTHER FINANCING SOURCES				
Transfers In	16,000	16,000	16,000	0
TOTAL OTHER FINANCING SOURCES	16,000	16,000	16,000	0
Excess/(Deficiency) of Revenues and Financing Sources Over/(Under) Expenditures and Other Uses	13,000	(5,600)	(2,340)	3,260
Fund Balance - Beginning	8,999	8,999	8,999	0
Fund Balance - Ending	$21,999	$3,399	$6,659	$3,260

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, 2006

	Original Budget	Final Budget	Actual	Variance from Final Budget
REVENUES				
All Other Revenues	$0	$0	$0	$0
TOTAL REVENUES	0	0	0	0
EXPENDITURES				
Capital Improvements	0	300,000	279,255	20,745
TOTAL EXPENDITURES	0	300,000	279,255	20,745
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	0	(300,000)	(279,255)	20,745
OTHER FINANCING SOURCES				
Transfers In	0	300,000	300,000	0
TOTAL OTHER FINANCING SOURCES	0	300,000	300,000	0
Excess/(Deficiency) of Revenues and Financing Sources Over/(Under) Expenditures and Other Uses	0	0	20,745	20,745
Fund Balance - Beginning	49,125	49,125	49,125	0
Fund Balance - Ending	$49,125	$49,125	$69,870	$20,745

CITY OF MADEIRA, OHIO

Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended December 31, 2006

	Agency Fund
ADDITIONS	
Contributions:	
Mayors Court Collections	$234,625
DEDUCTIONS	
State Costs	32,602
City Disbursements	198,359
Total Deductions	230,961
Change in Net Assets	
Net assets - beginning	10,260
Net assets - ending	$13,924

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, 2006 and 2005

	2006	2005
Governmental funds capital assets:		
Land	$645,000	$645,000
Buildings and Land Improvements	2,818,411	2,509,547
Furniture, Equipment and Software	590,630	499,834
Vehicles	549,539	487,052
Infrastructure	1,137,023	538,719
Total Governmental Funds Capital Assets	$5,740,603	$4,680,152
Investments in governmental funds capital assets by source:		
General fund	$4,603,580	$4,141,433
Special revenue fund	1,137,023	538,719
Total Governmental Funds Capital Assets	$5,740,603	$4,680,152

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, 2006

By Function and Activity:	Land	Building & Land Improvements	Furniture	Equipment	Software	Furniture, Equipment & Software	Vehicles	Infrastructure	Total
Public Safety	$0	$0	$5,418	$130,439	$0	$135,857	$182,281	$0	$318,138
Transportation	0	202,900	0	93,737	0	93,737	363,918	1,137,023	1,797,578
Recreation	460,000	947,285	3,565	260,495	0	264,060	3,340	0	1,674,685
General Government	185,000	1,668,227	5,610	74,920	16,445	96,975	0	0	1,950,202
Total Governmental Funds Capital Assets	$645,000	$2,818,411	$14,593	$559,592	$16,445	590,630	$549,539	$1,137,023	$5,740,603

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, 2006

Function and Activity	Governmental Funds Capital Assets 01/01/06	Additions	Deletions	Governmental Funds Capital Assets 12/31/06
Public Safety	$244,540	$93,990	($20,392)	$318,138
Transportation	1,131,556	666,022	0	1,797,578
Recreation	1,452,261	222,424	0	1,674,685
General Government	1,851,795	98,407	0	1,950,202
Total Governmental Funds Capital Assets	$4,680,152	$1,080,843	($20,392)	$5,740,603

STATISTICAL SECTION

CITY OF MADEIRA, OHIO

Net Assets By Component
Last Three Years
(Accrual Basis of Accounting)
(In Thousands)

	2006	2005	2004
Governmental Activities			
Invested in Capital Assets, Net of Related Debt	$2,095	$1,000	$613
Restricted:			
Transportation	337	485	390
Unrestricted	3,526	2,649	1,985
Total Governmental Activities Net Assets	$5,958	$4,134	$2,988
Business Type - Activities			
Invested in Capital Assets, Net of Related Debt	$367	$383	$398
Unrestricted	39	33	26
Total Business-Type Activities Net Assets	$406	$416	$424
Primary Government			
Invested in Capital Assets, Net of Related Debt	$2,462	$1,383	$1,011
Restricted	337	485	390
Unrestricted	3,565	2,682	2,011
Total Primary Government Net Assets	$6,364	$4,550	$3,412

CITY OF MADEIRA, OHIO

Changes in Net Assets

Last Three Years

(Accrual Basis of Accounting)

(In Thousands)

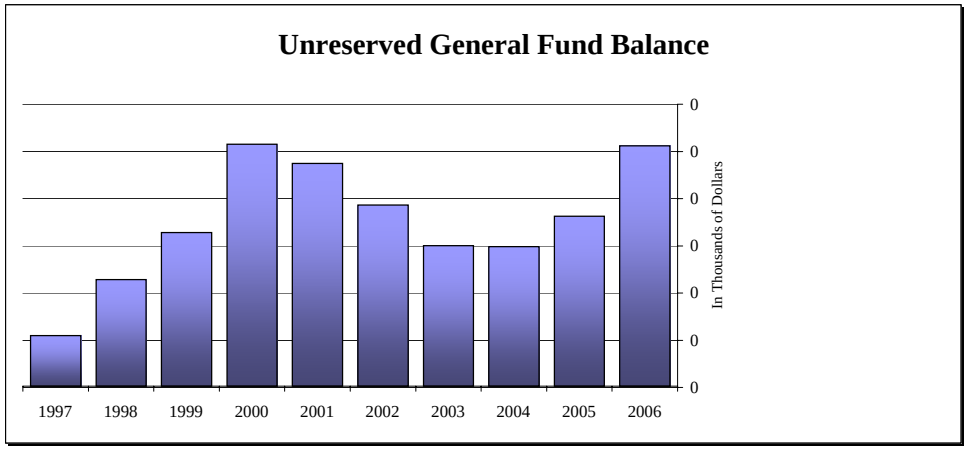
	2006	2005	2004
Program Revenues			
Governmental Activities:			
Charges for Services:			
General Government	$0	$31	$35
Public Safety	343	155	60
Sanitation	42	43	39
Recreation	12	11	16
Community Environment	91	215	139
Transportation	0	0	93
Subtotal - Charges for Services	488	455	382
Operating Grants and Contributions:			
General Government	0	1	1
Public Safety	17	3	8
Recreation	92	33	14
Transportation	449	448	417
Subtotal - Operating Grants and Contributions	558	485	440
Total Governmental Activities Program Revenues	1,046	940	822
Business-Type Activities:			
Charges for Services:			
Rental Property	28	27	19
Total Business-Type Activities Program Revenues	28	27	19
Total Primary Government Program Revenues	$1,074	$967	$841

CITY OF MADEIRA, OHIO
Changes in Net Assets (continued)
Last Three Years
(Accrual Basis of Accounting)
(In Thousands)

	2006	2005	2004
Expenses			
Governmental Activities:			
General Government	$990	$943	$903
Public Safety	2,720	2,350	2,286
Sanitation	420	374	360
Recreation	195	173	235
Community Environment	112	132	103
Transportation	648	765	720
Interest and Fiscal Charges	58	68	77
Total Governmental Activities Expenses	5,143	4,805	4,684
Business-Type Activities			
Rental Property	38	35	31
Total Business-Type Activities Expenses	38	35	31
Total Primary Government Program Expenses	5,181	4,840	4,715
Net (Expense)/Revenue			
Governmental Actvities	(4,097)	(3,865)	(3,862)
Business-Type Activities	(10)	(8)	(12)
Total Primary Government Net Expense	(4,107)	(3,873)	(3,874)
General Revenues and Other Changes in Net Assets			
Governmental Activities			
Taxes:			
Property Taxes Levied For:			
General Purposes	$2,046	$1,684	$1,685
Municipal Income Taxes levied for:			
General Purposes	2,376	1,891	1,693
Franchise Fees	94	93	91
Grants and Entitlements not Restricted to Specific Programs	1,292	1,291	735
Investment Income	118	52	21
Total Governmental Activites	5,926	5,011	4,225
Total Primary Government General Revenues and Other Changes in Net Assets	5,926	5,011	4,225
Change in Net Assets			
Governmental Activities	1,829	1,146	363
Business-Type Activities	(10)	(8)	(12)
Total Primary Government Change in Net Assets	$1,819	$1,138	$351

CITY OF MADEIRA, OHIO
Fund Balances, Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)
(In Thousands)

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
General Fund										
Reserved	$0	$0	$0	$17	$6	$3	$3	$5	$4	$5
Unreserved	2,558	1,814	1,492	1,502	1,931	2,372	2,576	1,642	1,142	548
Total General Fund	2,558	1,814	1,492	1,519	1,937	2,375	2,579	1,647	1,146	553
All Other Governmental Funds										
Reserved										
Unreserved, Undesignated, Reported in:										
Special Revenue funds	386	377	269	163	193	177	310	387	73	102
Debt Service funds	1	1	2	16	8	3	21	140	13	9
Capital Projects funds	104	115	79	76	87	411	52	108	9	365
Permanent funds										
Total All Other Governmental Funds	491	493	350	255	288	591	383	635	95	476
Total Governmental Funds	$3,049	$2,307	$1,842	$1,774	$2,225	$2,966	$2,962	$2,282	$1,241	$1,029



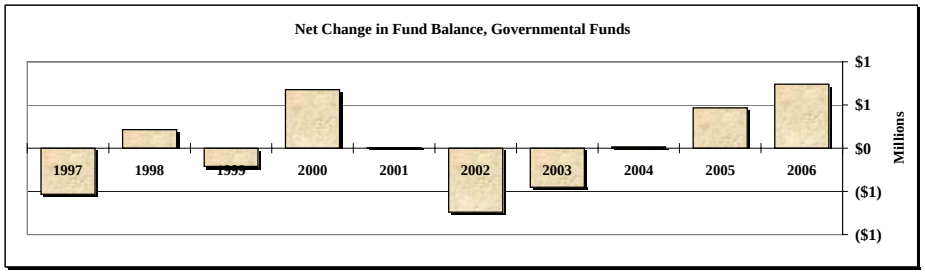
CITY OF MADEIRA, OHIO

Changes in Fund Balances, Governmental Funds

Last Ten Years

(Modified Accrual Basis of Accounting)

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Revenues										
Property and Other Taxes	$2,008,428	$1,650,893	1,660,081	$1,608,609	$1,441,486	$1,429,226	$1,395,445	$2,345,541	$2,597,992	$2,340,917
Municipal Income Taxes	2,375,982	1,875,897	1,658,728	1,737,772	1,666,816	1,536,900	1,480,911	1,409,629	1,282,708	1,204,736
Charges for Services	79,220	75,374	82,816	71,565	63,573	89,407	81,120	79,461	69,654	58,166
Fees, Licenses and Permits	91,317	215,230	138,871	95,474	55,012	56,523	42,141	91,100	96,778	63,713
Fines and Forfeitures	210,429	132,954	58,424	65,642	48,905	59,734	59,140	40,463	37,120	32,995
Intergovernmental	1,909,896	1,472,955	1,107,955	997,437	1,476,324	1,289,236	2,124,951	209,628	290,595	512,808
Interest	118,170	52,259	20,928	22,642	51,002	120,323	146,716	123,897	88,750	113,413
Other	224,376	151,473	216,028	90,078	123,736	87,126	174,011	122,220	488,541	152,676
Total Revenues	7,017,818	5,627,035	4,943,831	4,689,219	4,926,854	4,668,475	5,504,435	4,421,939	4,952,138	4,479,424
Expenditures										
Current:										
General Government	944,340	870,637	801,346	887,493	828,094	729,755	693,370	632,188	664,676	656,357
Police	2,737,666	2,336,996	2,274,701	2,138,544	2,146,004	1,930,936	1,915,127	1,780,028	1,641,502	1,585,327
Sanitation	419,973	374,555	360,059	0	0	0	0	0	0	0
Recreation	278,535	135,411	133,933	199,148	145,453	143,300	267,643	385,250	352,574	138,182
Community Environment	111,598	131,862	103,255	64,174	128,920	49,592	140,401	217,906	393,412	609,611
Transportation	1,180,183	1,015,368	937,064	1,293,657	1,472,638	1,383,813	1,327,555	1,394,773	1,358,019	1,673,207
Capital Outlay	313,162	7,302	23,393	265,831	650,978	134,998	188,500	0	0	0
Principal Retirement	230,000	220,000	215,000	205,000	200,000	190,000	185,000	47,056	187,813	193,145
Interest and Fiscal Charges	60,882	69,940	78,533	86,671	94,368	101,632	108,535	133,928	141,049	157,350
Bond Issuance Costs	0	0	0	0	0	0	0	40,543	0	0
Total Expenditures	6,276,339	5,162,071	4,927,284	5,140,518	5,666,455	4,664,026	4,826,131	4,631,672	4,739,045	5,013,179
Excess of Revenues Over (Under) Expenditures	741,479	464,964	16,547	(451,299)	(739,601)	4,449	678,304	(209,733)	213,093	(533,755)
Other Financing Sources (Uses)										
Transfers In	794,996	325,800	193,336	480,006	688,000	731,600	185,000	710,700	184,000	473,500
Transfers Out	(794,996)	(325,800)	(193,336)	(480,006)	(688,000)	(731,600)	(185,000)	(710,700)	(184,000)	(473,500)
Total Other Financing Sources (Uses)	0	0	0	0	0	0	0	0	0	0
Net Change in Fund Balances	$741,479	$464,964	$16,547	($451,299)	($739,601)	$4,449	$678,304	($209,733)	$213,093	($533,755)
Debt Service as a Percentage of Noncapital Expenditures										



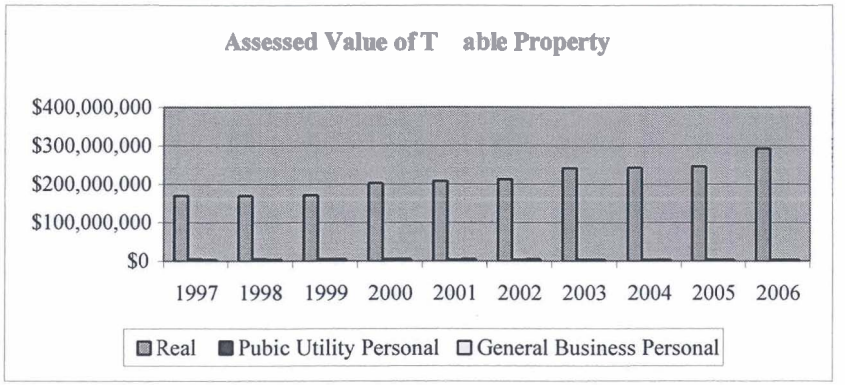
CITY OF MADEIRA, OHIO

Assessed Valuation and Estimated Actual Values of Taxable Property

Last Ten Years

	Real Property		Tangible Personal Property		Tangible Personal Property				
			Public Utility		Personal Property		Total		
Collection Year	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio
2006	$292,479,760	$835,656,457	$4,489,330	$5,101,511	$4,336,660	$23,128,853	$301,305,750	$863,886,822	34.88%
2005	245,947,700	702,707,714	4,846,340	5,507,205	4,911,050	19,644,200	255,705,090	727,859,119	35.13
2004	243,653,130	696,151,800	4,479,680	5,090,545	4,756,840	19,027,360	252,889,650	720,269,705	35.11
2003	241,898,190	691,137,686	4,358,670	4,953,034	4,702,060	18,808,240	250,958,920	714,898,960	35.10
2002	212,432,810	606,950,886	4,263,690	4,845,102	6,112,850	24,451,400	222,809,350	636,247,388	35.02
2001	207,726,660	593,504,743	5,378,630	6,112,080	6,233,650	24,934,600	219,338,940	624,551,422	35.12
2000	203,624,260	581,783,600	5,625,350	6,392,443	6,393,780	25,575,120	215,643,390	613,751,163	35.14
1999	171,589,780	490,256,514	5,581,030	6,342,080	5,588,720	22,354,880	182,759,530	518,953,474	35.22
1998	170,491,690	487,119,114	5,564,880	6,323,727	4,809,140	19,236,560	180,865,710	512,679,402	35.28
1997	170,437,910	486,965,457	5,854,900	6,653,295	4,696,210	18,784,840	180,989,020	512,403,593	35.32

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal. The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax is being phased out beginning in 2006. For collection year 2006 both types of general business tangible personal property were assessed at 18.75 percent. The percentage will be 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009.



The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10%, 2 1/2% and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10% rollback for commercial/industrial property has been eliminated.

Source: Hamilton County Auditor

CITY OF MADEIRA, OHIO

Property Tax Rates - Direct and Overlapping Governments
(Per $1,000 of Assessed Valuation)
Last Ten Years

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Charter Millage										
1959 Charter/Current Expense	7.5000	7.5000	7.5000	7.5000	7.5000	7.5000	7.5000	7.5000	7.5000	7.5000
Total Charter Millage	7.5000	7.5000	7.5000	7.5000	7.5000	7.5000	7.5000	7.5000	7.5000	7.5000
Total Millage	7.5000	7.5000	7.5000	7.5000	7.5000	7.5000	7.5000	7.5000	7.5000	7.5000
Overlapping Rates by Taxing District										
Madeira City School District	85.6700	86.3400	79.4700	79.4700	80.0400	80.2200	71.7100	72.1300	72.1300	72.1300
Cincinnati City School District	59.7700	60.8300	60.7500	56.2500	57.1500	56.9300	51.9400	53.1300	53.1300	53.1900
Great Oaks Joint Vocational School District	2.7000	2.7000	2.7000	2.7000	2.7000	2.7000	2.7000	2.7000	2.7000	2.7000
Indian Hill City School District	46.5200	46.5400	46.7000	47.1000	47.1000	47.1000	42.9200	42.9200	44.5100	44.4800
Hamilton County	20.8100	21.0600	21.5100	21.8700	21.4700	19.9200	20.8300	19.5400	19.0100	19.4400

Source: Hamilton County Auditor

Notes: The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year. The City's basic property tax rate may be increased only by a majority vote of the City's residents.

Charter millage is consistently applied to all types of property.

The real property tax rates for the voted levies of the overlapping taxing districts are reduced so that inflationary increases in value do not generate additional revenue.

Overlapping rates are those of local and county governments that apply to property owners within the City.

CITY OF MADEIRA, OHIO

Property Tax Levies And Collections

Last Ten Years

Year	Total Tax Levy	Current Tax Collections (1)	Total Tax Collections	Percent of Total Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Total Tax Levy
2006	$2,226,473	$2,181,683	$2,181,683	97.99%	$60,060	2.70
2005	1,882,582	1,795,298	1,795,298	95.36	54,699	2.91
2004	1,860,170	1,883,118	1,883,118	101.23	53,204	2.86
2003	1,845,045	1,837,098	1,837,098	99.57	57,875	3.14
2002	1,624,168	1,625,522	1,625,522	100.08	46,932	2.89
2001	1,595,833	1,597,438	1,597,438	100.10	44,811	2.81
2000	1,562,538	1,557,263	1,557,263	99.66	64,440	4.12
1999	1,327,229	1,330,445	1,330,445	100.24	50,487	3.80
1998	1,324,589	1,316,182	1,316,182	99.37	48,769	3.68
1997	1,318,765	1,318,439	1,318,113	99.95	37,914	2.87

Source: Hamilton County Auditor

(1) State reimbursement of rollback and homestead exemptions are included.

Note: The County does not identify delinquent collections by the year for which the tax was levied.

CITY OF MADEIRA, OHIO

Principal Taxpayers - Real Estate Tax
2006 and 1997

	2006	
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Kenwood Country Club	$4,361,390	1.49 %
Cincinnati Gas & Electric	3,613,480	1.24
Kenwood Galleria Corporation	3,518,170	1.20
Lamb Realty, LLC	2,100,010	0.72
Edgewood Investment Company	1,772,420	0.61
Kugler Mill Partners, LLC	1,522,500	0.52
Steigler Road Realty, LLC	1,427,090	0.49
Americana Health Care	946,650	0.32
Shawnee Woods, LLC	942,150	0.32
Cole WG Madeira OH, LLC	931,470	0.32
Total	$21,135,330	7.23 %
Total Assessed Valuation	$292,479,760	

	1997	
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Kenwood Country Club	$2,797,670	1.64 %
Kenwood Galleria Corporation	1,522,680	0.89
Americana Health Care	1,288,420	0.76
Edgewood Investment	1,200,560	0.70
Camargo Manor Realty Company	1,026,200	0.60
Madeira Nursing Home, Inc.	947,960	0.56
Burnett Square	610,300	0.36
T & K Partners	505,160	0.29
Camargo Racquet Club, Inc.	499,650	0.29
Ruthland, Inc.	451,670	0.27
Total	$10,850,270	6.37 %
Total Assessed Valuation	$170,437,910	

Source: Hamilton County Auditor

(1) The amounts presented represent the assessed values upon which 2006 and 1997 collections were based.

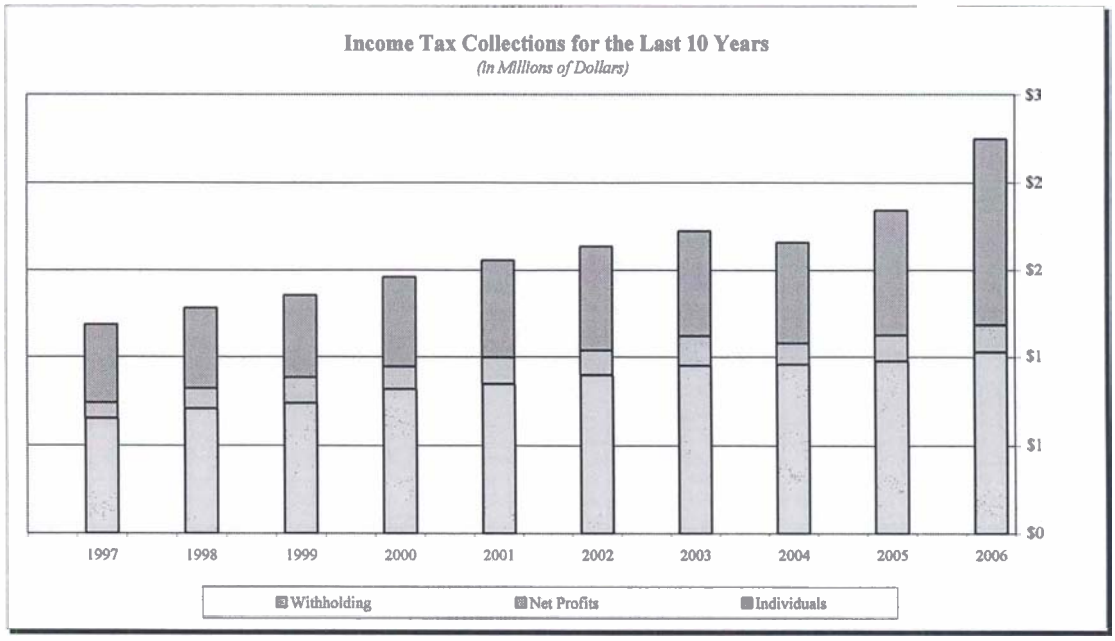
CITY OF MADEIRA, OHIO
Income Tax Revenue Base and Collections
Last Ten Years

Tax Year (1)	Tax Rate (2)	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individuals	Percentage of Taxes from Individuals
2006	1.00%	$2,247,219	$1,027,672	45.73%	$154,987	6.90%	$1,064,560	47.37%
2005	1.00	1,842,967	976,790	53.00	149,047	8.09	717,130	38.91
2004	1.00	1,658,839	957,527	57.72	120,601	7.27	580,711	35.01
2003	1.00	1,724,149	950,428	55.12	169,825	9.85	603,896	35.03
2002	1.00	1,635,242	898,197	54.93	138,308	8.46	598,737	36.61
2001	1.00	1,555,849	846,414	54.40	150,573	9.68	558,862	35.92
2000	1.00	1,459,730	815,802	55.89	129,206	8.85	514,722	35.26
1999	1.00	1,355,113	737,805	54.45	145,465	10.73	471,843	34.82
1998	1.00	1,281,209	705,758	55.09	114,328	8.92	461,123	35.99
1997	1.00	1,184,594	652,002	55.04	86,949	7.34	445,643	37.62

(1) 2002 through 2006 are on an Accrual Basis and 1997 through 2001 are on a Modified Accrual Basis

(2) Effective January 1, 2000 City Electors voted to increase the City income tax by .25% to ....

Note: The City is prohibited by statute from presenting information regarding individual taxpayers.

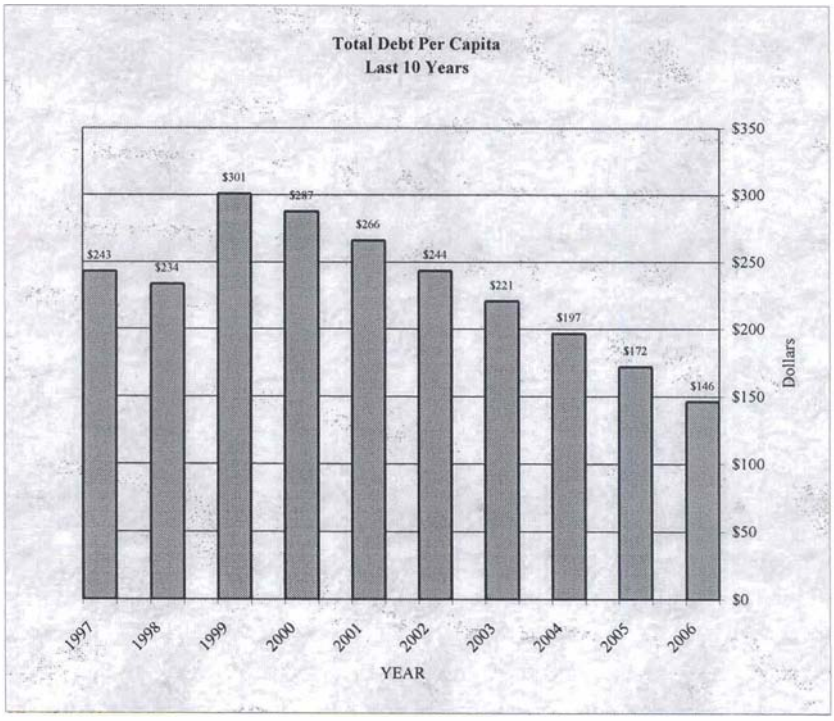


CITY OF MADEIRA, OHIO

Ratio of Outstanding Debt to
Total Personal Income and Debt Per Capita
Last Ten Years

Governmental Activities

Year	General Obligation Bonds	Total Debt	Percentage of Personal Income	Per Capita
2006	$1,305,000	$1,305,000	0.48%	$146
2005	1,535,000	1,535,000	0.56	172
2004	1,755,000	1,755,000	0.64	197
2003	1,970,000	1,970,000	0.72	221
2002	2,175,000	2,175,000	0.79	244
2001	2,375,000	2,375,000	0.87	266
2000	2,565,000	2,565,000	0.94	287
1999	2,750,000	2,750,000	1.66	301
1998	2,135,000	2,135,000	1.29	234
1997	2,220,000	2,220,000	1.34	243



CITY OF MADEIRA, OHIO

Ratio of General Obligation Bonded Debt to Assessed Value and Bonded Debt Per Capita
Last Ten Years

Year	Population (1)		Estimated Actual Value of Taxable Property (2)	Gross Bonded Debt (3)	Ratio of Net Bonded Debt to Estimated Actual Value of Taxable Property	Net Bonded Debt Per Capital
2006	8,923	b	$863,886,822	$1,305,000	0.15 %	$146.25
2005	8,923	b	$727,859,119	1,535,000	0.21	$172.03
2004	8,923	b	$720,269,705	1,755,000	0.24	$196.68
2003	8,923	b	$714,898,960	1,970,000	0.28	$220.78
2002	8,923	b	$636,247,388	2,175,000	0.34	$243.75
2001	8,923	b	$624,551,422	2,375,000	0.38	$266.17
2000	8,923	a	$613,751,163	2,565,000	0.42	$287.46
1999	9,141	a	$518,953,474	2,750,000	0.53	$300.84
1998	9,141	a	$512,679,402	2,135,000	0.42	$233.56
1997	9,141	a	$512,403,593	2,220,000	0.43	$242.86

Sources:

(1) U. S. Bureau of Census, Census of Population.
(a) 1990 Federal Census
(b) 2000 Federal Census

(2) Hamilton County Auditor

(3) Includes all general obligation bonded debt with the exception of Special Assessment debt.

CITY OF MADEIRA, OHIO

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

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct - City of Madeira			
General Obligation Bonds	$1,305,000	100.00 %	$1,305,000
Total Direct Debt	1,305,000		1,305,000
Overlapping			
Hamilton County	119,515,000	1.41%	1,685,162
Madeira City School District	29,677,912	97.80%	29,024,998
Cincinnati City School District	638,530,000	0.01%	63,853
Indian Hill XV School District	41,275,000	0.95%	392,113
Great Oaks Career Center Joint Vocational School District	13,325,000	1.53%	203,873
Total Overlapping Debt	842,322,912		31,369,997
Total	$843,627,912		$32,674,997

Source: Ohio Municipal Advisory Council

CITY OF MADEIRA, OHIO

Legal Debt Margin

Last Ten Years

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Total Assessed Property Value	$301,305,750	$255,705,090	$252,889,650	$250,958,920	$222,809,350	$219,338,940	$215,643,390	$182,759,530	$180,865,710	$170,437,910
Overall Legal Debt Limit										
(10 ½ % of Assessed Valuation)	31,637,104	26,849,034	26,553,413	26,350,687	23,394,982	23,030,589	22,642,556	19,189,751	18,990,900	17,895,981
Debt Outstanding:										
General Obligation Bonds	$1,305,000	$1,535,000	$1,755,000	$1,970,000	$2,175,000	$2,375,000	$2,565,000	$2,750,000	$1,510,000	$1,645,000
Special Assessment Bonds	0	0	0	0	0	0	0	0	0	0
Bond Anticipation Notes	0	0	0	0	0	0	0	0	625,000	575,000
Total Gross Indebtedness	1,305,000	1,535,000	1,755,000	1,970,000	2,175,000	2,375,000	2,565,000	2,750,000	2,135,000	2,220,000
Less:										
Debt Outside Limitations	0	0	0	0	0	0	0	0	(625,000)	(575,000)
General Obligation Bond Retirement Fund Balance	(592)	(1,474)	(1,575)	(16,382)	(8,032)	(3,119)	(21,063)	(139,900)	(13,282)	(8,829)
Total Net Debt Applicable to Debt Limit	1,304,408	1,533,526	1,753,425	1,953,618	2,166,968	2,371,881	2,543,937	2,610,100	1,496,718	1,636,171
Legal Debt Margin Within 10 ½ % Limitations	$30,332,696	$25,315,508	$24,799,988	$24,397,069	$21,228,014	$20,658,708	$20,098,619	$16,579,651	$17,494,182	$16,259,810
Legal Debt Margin as a Percentage of the Debt Limit	95.88%	94.29%	93.40%	92.59%	90.74%	89.70%	88.76%	86.40%	92.12%	90.86%
Unvoted Debt Limitation	$16,571,816	$14,063,780	$13,908,931	$13,802,741	$12,254,514	$12,063,642	$11,860,386	$10,051,774	$9,947,614	$9,374,085
(5 ½ % of Assessed Valuation)										
Total Gross Indebtedness	1,305,000	1,535,000	1,755,000	1,970,000	2,175,000	2,375,000	2,565,000	2,750,000	2,135,000	2,220,000
Less:										
Debt Outside Limitations	0	0	0	0	0	0	0	0	(625,000)	(575,000)
General Obligation Bond Retirement Fund Balance	(592)	(1,474)	(1,575)	(16,382)	(8,032)	(3,119)	(21,063)	(139,900)	(13,282)	(8,829)
Net Debt Within 5 ½ % Limitations	1,304,408	1,533,526	1,753,425	1,953,618	2,166,968	2,371,881	2,543,937	2,610,100	1,496,718	1,636,171
Unvoted Legal Debt Margin Within 5 ½ % Limitations	$15,267,408	$12,530,254	$12,155,506	$11,849,123	$10,087,546	$9,691,761	$9,316,449	$7,441,674	$8,450,896	$7,737,914
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	92.13%	89.10%	87.39%	85.85%	82.32%	80.34%	78.55%	74.03%	84.95%	82.55%

Source: City Financial Records

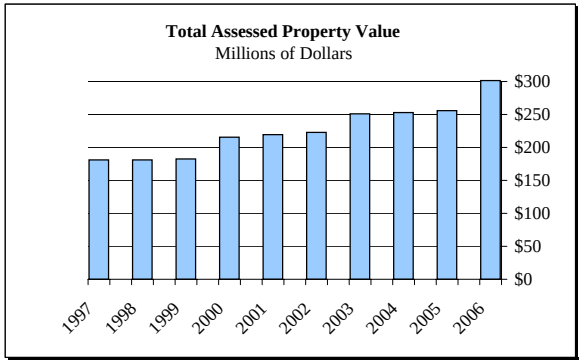
CITY OF MADEIRA, OHIO

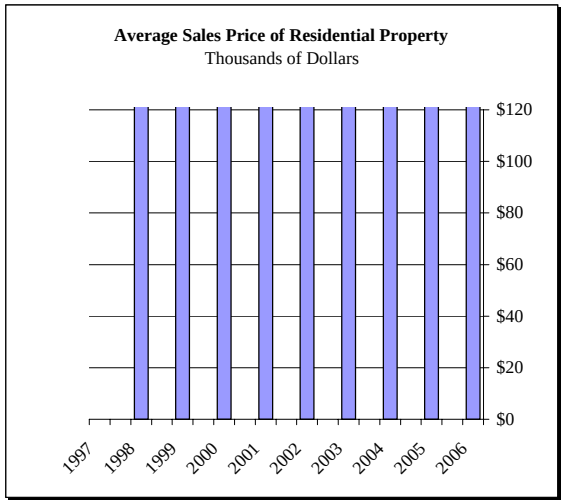
Demographic and Economic Statistics

Last Ten Years

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)	Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Hamilton County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (4)
2006	8,923	$273,721,948	$30,676	$59,626	41.6	44.6%	1,552	5.0%	$265,533	$301,305,750
2005	8,923	273,721,948	$30,676	$59,626	41.6	44.6%	1,491	5.5	286,581	255,705,090
2004	8,923	273,721,948	$30,676	$59,626	41.6	44.6%	1,508	5.7	220,859	252,889,650
2003	8,923	273,721,948	$30,676	$59,626	41.6	44.6%	1,491	5.4	238,624	250,958,920
2002	8,923	273,721,948	$30,676	$59,626	41.6	44.6%	1,514	5.5	211,375	222,809,350
2001	8,923	273,721,948	$30,676	$59,626	41.6	44.6%	1,487	4.0	194,964	219,338,940
2000	8,923	273,721,948	$30,676	$59,626	41.6	44.6%	1,487	3.7	234,693	215,643,390
1999	9,141	165,406,395	18,095	41,833	39.4	n/a	1,449	3.6	196,373	182,759,530
1998	9,141	165,406,395	18,095	41,833	39.4	n/a	1,498	3.6	161,216	180,865,710
1997	9,141	165,406,395	18,095	41,833	39.4	n/a	n/a	3.7	n/a	180,989,020

(1) Source: U. S. Census
(a) Years 2000 through 2006 - 2000 Federal Census
(b) Years 1997 through 1999 - 1990 Federal Census
(2) Source: Ohio Department of Education Website: **"http://www.ode.state.oh.us"**
(3) Source: Ohio Labor Market Info Website: **"http://lmi.state.oh.us"**
(4) Source: Hamilton County Auditor
(5) Computation of per capita personal income multiplied by population





CITY OF MADEIRA, OHIO
Principal Employers
Current Year and Nine Years Ago

2006

Employer	Employees	Percentage of Total City Employment
Kenwood Country Club	360	8.14%
Heartland Employment	355	8.02
Madeira City Schools	339	7.66
kroger Company	239	5.40
Madeira Health Care	221	5.00
TGI Fridays	171	3.87
Kutol Products	163	3.68
Embers	143	3.23
Mitchell's	136	3.07
St. Gertrude	110	2.49
Total	2,237	50.57%
Total Employment within the City	4,424	

1997

Employer	Employees
TGI Fridays	320
Rio Bravo	281
Kenwood Country Club	265
Madeira City Schools	240
Heartland Employment	222
Kroger Company	207
Madeira Health Care	205
Camargo Manor	162
Kutol	118
Mitchell's	112
Total	2,132
Total Employment within the City	n/a

Source: Number of employees obtained from the W2's
from the City Tax Department

n/a - Information not available

CITY OF MADEIRA, OHIO

Full-Time Equivalent City Government Employees by Function/Program

Last Five Years (1)

Function/Program	2006	2005	2004	2003	2002
General Government					
Council	3.50	3.50	3.50	3.50	3.50
Finance	1.50	1.50	1.50	1.50	1.50
Tax	2.00	2.00	2.00	2.00	2.00
City Manager	1.00	1.00	1.00	1.00	1.00
Administration	2.00	2.00	2.00	2.00	2.00
Security of Persons and Property					
Police	12.00	11.00	11.00	12.00	12.00
Police - Auxiliary/Guards	3.00	3.00	3.00	3.00	3.00
Police - Dispatchers/Office/Other	2.00	2.00	2.00	2.00	2.00
Leisure Time Activities					
Recreation	5.00	5.00	5.00	5.00	5.00
Transportation					
Service	6.00	6.00	6.00	6.00	6.00
Totals:	38.00	37.00	37.00	38.00	38.00

Source: City Payroll Department W2 Audit Listing

Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee at year end.

(1) Information prior to 2002 is not available

CITY OF MADEIRA, OHIO
Operating Indicators by Function/Program
Last Five Years (1)

Function/Program	2006	2005	2004	2003	2002
General Government					
Council and Clerk					
Number of Ordinances Passed	48	41	38	39	44
Number of Resolutions Passed	7	8	12	11	10
Number of Planning Commission docket items	45	63	56	46	62
Zoning Board of Appeals docket items	26	41	33	29	32
Finance Department					
Number of checks/ vouchers issued	3,232	3,072	3,044	n/a	n/a
Amount of checks written	$4,868,670	$4,587,095	$3,709,953	n/a	n/a
Interest earnings for fiscal year	$118,170	$52,259	$20,927	$22,642	$51,002
Number of Budget Adjustments issued	2	1	1	1	1
Agency Ratings - Moody's Financial Services	AA	AA	AA	AA	AA
General Fund Receipts (in thousands)	$6,439	$5,112	$4,407	$4,198	$4,231
General Fund Expenditures (in thousands)	$4,900	$4,505	$4,299	$4,176	$3,980
General Fund Cash Balances (in thousands)	$1,368	$719	$674	$939	$1,147
Income Tax Department					
Number of Individual Returns	3,971	3,537	3,143	2,833	2,572
Number of Business Returns	647	587	491	429	385
Number of business withholding accounts	568	435	349	306	277
Amount of Penalties and Interest Collected	$8,385	$10,578	$7,574	$11,175	$12,816
Annual number of Corporate withholding forms processed	2,400	2,131	2,125	2,128	2,089
Annual number of balance due statements forms processed	476	354	370	359	396
Annual number of estimated payment forms processed	4,788	2,263	2,149	2,102	2,157
Annual number of reconciliations of withholdings processed	569	548	518	529	529
Civil Service					
Number of police entry tests administered	0	1	0	1	0
Number of police promotional tests administered	0	0	0	0	0
Number of hires of Police Officers from certified lists	0	2	2	2	1
Number of promotions from police certified lists	0	0	0	0	0
Building Department Indicators					
Number of permits issued	301	318	303	338	336
Estimated Value of Construction (In Thousands)	$10,466	$24,776	$14,284	$7,990	$8,162
Amount of Revenue generated from permits	$91,317	$215,230	$138,871	$95,474	$55,012
Security of Persons & Property					
Police					
Number of traffic citations issued	1,439	1,131	n/a	n/a	n/a
Number of parking citations issued	137	81	n/a	n/a	n/a
Number of criminal arrests	469	108	n/a	n/a	n/a
DUI Arrests	16	26	31	32	46
Motor Vehicle Accidents	206	208	230	226	195
Fatalities from Motor Vehicle Accidents	0	0	0	0	0
Gasoline costs of fleet	$31,672	$23,337	$15,577	$14,763	$15,643
Basic Utility Services					
Refuse disposal per year (in tons)	400	400	400	400	400
Refuse disposal costs per year	$419,972	$396,770	$347,987	$396,996	n/a
Annual recycling tonnage (excluding leaf, and compost items)	100	100	100	100	400
Percentage of waste recycled	257.00%	257.00%	257.00%	257.00%	257.00%
Transportation					
Street Improvements - asphalt overlay (linear feet)	5,750	7,350	2,950	4,500	7,800
Leaf collection (hours)	860	860	860	860	860
Tons of snow melting salt purchased	396	994	689	1,397	n/a
Cost of salt purchased	$20,691	$41,952	$26,129	$48,921	n/a

(1) Information prior to 2002 is not available, some information based on estimates
n/a Information not available

CITY OF MADEIRA, OHIO

Capital Assets Statistics by Function/Program

Last Five Years

Function/Program	2006	2005	2004	2003	2002
General Government					
Square Footage Occupied	9,000	9,000	9,000	9,000	9,000
Police					
Stations	1	1	1	1	1
Square Footage of Building	3,000	3,000	3,000	3,000	3,000
Vehicles	6	6	6	6	6
Recreation					
Number of Parks	4	4	4	4	4
Number of Tennis Courts	4	4	4	4	4
Number of Baseball Diamonds	3	3	3	3	3
Number of Tot Lots	2	2	2	2	2
Number of Soccer Fields	4	4	4	4	4
Other Public Works					
Streets (miles)	47	47	47	47	47
Service Vehicles	9	9	9	9	9
Wastewater					
Storm Sewers (miles)	20	20	20	20	20