

THE CITY OF ROSSFORD, OHIO

WOOD COUNTY



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2002



**Auditor of State
Betty Montgomery**

Mayor and Members of Council
City of Rossford
133 Osborn Street
Rossford, Ohio 43460

We have reviewed the Independent Auditor's Report of the City of Rossford, Wood County, prepared by Clark, Johnson & Robson, for the audit period January 1, 2002 to December 31, 2002. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

November 12, 2003

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WOOD COUNTY

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2002

Prepared by:
Laurie Sabin
Director of Finance

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INTRODUCTORY SECTION



City of Rossford, Ohio

133 Osborn Street

Rossford, Ohio 43460-1236

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June 18, 2003

To the Mayor and Members of City Council and
All Citizens of the City of Rossford, Ohio:

We are pleased to present this Comprehensive Annual Financial Report for the City of Rossford, Ohio for the fiscal year ended December 31, 2002. The report has been prepared in conformity with generally accepted accounting principles (GAAP) and guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

INTRODUCTION

This report represents a commitment by the City of Rossford (the "City") to conform to nationally recognized standards of excellence in financial reporting. The City is responsible for both the accuracy of the presented data and the completeness of the presentation, including all disclosures. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and includes all disclosures necessary to illustrate the financial activity of the City in 2002.

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

1. The Introductory Section includes; this letter of transmittal, which presents the City's organization, operational structure and accomplishments; an organizational chart; and a list of principal officials.
2. The Financial Section contains the City's general purpose financial statements and explanatory notes thereto; the combining and individual fund and account group financial statements and schedules; and the Independent Auditors' Report.
3. The Statistical Section presents social, economic and historical data in a multi-year format which can be used to identify financial trends and data relative to the fiscal capacity of the City.

The Reporting Entity

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

The reporting entity of the City includes all funds, account groups, agencies, boards and commissions that are part of the primary government. As authorized by its Charter, the City provides the following services: police and fire protection, parks and recreation, street maintenance, refuse pickup, curbside recycling, snow removal and other governmental services. The City owns the water distribution system, the wastewater collection system and a marina, all of which are reported as enterprise funds. Water and wastewater treatment services are purchased by the City on a contractual basis from the City of Toledo.

In June 1994, the Rossford Economic Growth Corporation, Inc. (the "REGC") was created in accordance with Chapter 1702 of the Ohio Revised Code. As a legally separate non-profit corporation, the REGC's purpose is to promote economic growth and development in the City of Rossford. With City Council's approval, the Mayor of the City appoints a majority of the members of the governing board, but the City's accountability for the REGC does not extend beyond making the appointments.

In May 1997, the Wood County Commissioners approved formation of the Rossford Transportation Improvement District (TID) as permitted under Chapter 5540 of the Ohio Revised Code. The TID is a component unit of Wood County and is governed by a board of trustees consisting of the following members: five members appointed by the board of county commissioners, one nonvoting member appointed by the speaker of the house of representatives of the general assembly and one nonvoting member appointed by the president of the senate of the general assembly. In July 2002, at the request of the Wood County Commissioners, the membership and appointments section of the TID bylaws was amended to eliminate the TID as a component unit of Wood County. The board of trustees consists of the following members: two voting members appointed by Wood County, three voting members appointed by the City of Rossford, two voting members appointed by Perrysburg Township, the Wood County Engineer as a voting member, and two nonvoting members of the general assembly in whose legislative district the TID is located. It is empowered to provide for the construction, improvement, alteration or repair of any road, highway, public place or other infrastructure within the limits of the City and to issue bonds. The debt service for the bonds is to be paid for by special assessments levied by the TID against the parcels of land and lots that are benefited by the project. The initial project, which began in June of 1998, is a four-lane parkway from State Route 795 to State Route 20. As of December 1998, two miles of the parkway from State Route 795 to Deimling Road were completed. The remaining one half mile section was completed in 1999. Water and sewer lines have been extended south along the Parkway. The TID also completed a project to install traffic lights at both ends of the parkway in 1999.

In December 1998, the Rossford/Perrysburg Township Joint Economic Development Authority/Port Authority (JEDA/Port Authority) was created jointly with Perrysburg Township, pursuant to Ohio Revised Code Sections 4582.21 to 4582.59. The JEDA/Port Authority was created for the benefit of the people of the State of Ohio. Its jurisdiction includes all of the area of the City of Rossford and all of the unincorporated area of Perrysburg Township. The JEDA/Port Authority has five directors, two appointed by the City of Rossford, two appointed by Perrysburg Township and one jointly appointed by the City of Rossford and Perrysburg Township. The directors appointed by the City are appointed by the mayor subject to the approval of the Council, but the City's accountability for the JEDA/Port Authority does not extend beyond making the appointments.

In February 1999, the Rossford Arena Amphitheater Authority (RAAA), a component unit of the City of Rossford, Ohio, was created in accordance with Chapter 1702 of the Ohio Revised Code. As a legally separate non-profit corporation, the RAAA's purpose is to further the growth and development at the property located at the intersection of I-75 and I-80/90, which will increase tourism and convention activities in the City and benefit all of Northwestern Ohio. Specifically, its purpose is to finance, construct, own, operate and maintain an arena and amphitheater facility and such other activities as permissible under Ohio law. The trustees and members of the RAAA were set by ordinance to be the Mayor of the City of Rossford, the President of Council of the City of Rossford, the Municipal Administrator of the City of Rossford and the Recreation Director of the City of Rossford. The City has no ongoing right to add or remove members or appoint other members. The City has indicated its willingness to participate in the arena/amphitheater project by devoting 100% of its admission tax revenues and 25% of its hotel/motel tax, subject to annual appropriation by City Council, to the project. The City has no legal obligation to finance the deficits of or provide support to the RAAA.

Historical Information

The City of Rossford, Wood County, Ohio was founded in 1898 by Edward Ford. Mr. Ford, founder of the Edward Ford Plate Glass Company, constructed his plant across the Maumee River from Toledo in what is today the City of Rossford. The Edward Ford Plate Glass Company, now Libbey-Owens-Ford Company, attracted workers to the area who established a community around the facility. Rossford was incorporated as a village in 1939 and became a city in 1971. The City, with a 2000 census population of 6,406, is a very ethnic community with a population mix consisting primarily of Middle Eastern European nationalities (i.e., Polish, Czechoslovakian, German, Ukrainian). Most of the early residents were employed at the glass plant and today, several generations later, many of the descendants of the original settlers continue to work for the company.

Location

Located on the banks of the Maumee River, Rossford abuts the southeast boundary of the City of Toledo and is in northern Wood County. North-south interstate highway I-75 and east-west interstate I-80/90, the longest interstate highway in the U.S., intersect within the City. Interstate highway I-75 has three interchanges within the City, and I-80/90 (the Ohio Turnpike) Gate 4A is located in an area known as the Crossroads, which was annexed to Rossford in 1994. The City is also served by State Highways 65 and 795. CSX rail lines are located within the City and the Toledo Area Regional Transit Authority provides local bus service. Toledo Express Airport, 15 miles west, Detroit Metro Airport, 60 miles north, and Metcalf Field, 5 miles east, all provide air transportation. Burlington Air Express located at Toledo Express Airport provides ready access to International Air Cargo service.

Form of Government

The City is a home-rule municipal corporation created under the laws of the State of Ohio. The City operates under its own Charter. The current Charter, which provides for a Council/Mayor form of government, was adopted in 1970, became effective in 1971 and was amended in 1991 and 1993.

Legislative authority is vested in a seven member City Council. All members are elected at-large to four-year terms. The Council sets compensation of City officials and employees and enacts ordinances and resolutions relating to City services, tax levies, appropriating and borrowing money, licensing and regulating businesses and trades, and other municipal purposes. The presiding officer is the Mayor who has no vote unless there is a tie vote of the members of City Council. The Charter establishes certain administrative departments and the City Council may establish divisions of those departments and/or additional departments.

The City's chief executive and administrative officer is the Mayor. The Mayor appoints, subject to the approval of City Council, the City Administrator and all the directors of the City's departments for a term of four years or for such lesser period of time as stated at the time of appointment. The City Administrator also serves as the City's chief fiscal officer, the Safety-Service Director and the Economic Development Director.

The Clerk of City Council is appointed by City Council. The City Treasurer is a part-time, four-year elected position.

Basis of Accounting

Except for that used for budgetary purposes, the basis of accounting utilized by the City is in conformity with generally accepted accounting principles (GAAP) applicable to governmental units and is consistent with GASB Codified Section 1600, "Basis of Accounting." All governmental funds are accounted for using a current financial resources (current assets and current liabilities) measurement focus. The modified accrual basis of accounting is utilized for the governmental and agency funds. Revenues are recognized when they are susceptible to accrual, both measurable and available. Expenditures are recognized when the related liability is incurred, except for interest on long-term debt which is recorded when due.

The measurement focus for the City's proprietary funds is on the flow of total economic resources (all assets and all liabilities). The accrual basis of accounting is utilized which recognizes revenues when earned and expenses when incurred.

The City's basis of accounting for budgetary purposes differs from generally accepted accounting principles in that revenues are recognized when received, rather than when susceptible to accrual (measurable and available) and encumbrances are recorded as expenditures rather than as reservation of fund balances. A reconciliation of the results of these two methods appears in Note 1. During 2002, all accounting policies were applied consistently with those of 2001. Accounting policies are further explained in Note 1.

Economic Outlook

The City of Rossford annexed 660 acres in August of 1994, 300 acres in May of 1997 and 192 acres in 2000 known locally as the "Crossroads of America." The annexed area is primarily farmland located at the intersection of Interstate I-80/90 and Interstate I-75. State Route 795 provides unlimited direct access to the area. As part of the annexation agreement, the City agreed to provide water and sanitary sewer services to the area. In order to accomplish this, the City entered into a Joint Economic Development Zone (JEDZ) agreement with the City of Toledo, whereby, in exchange for the City of Toledo's agreement to sell water to the area, the City of Rossford would share with the City of Toledo 0.615% of the 2.25% income tax revenue generated as a result of new businesses locating in the JEDZ. When the Crossroads of America area is fully developed, preliminary projections indicate over 1,400 jobs will be created with an estimated annual payroll of \$25 million. Annual tax revenues to cities, county, state and local schools are projected to exceed \$9 million.

The City of Rossford also entered into an agreement with Perrysburg Township, whereby, in exchange for the Township's approval of the annexation, the City of Rossford pays the Township (for a 15 year period) the unencumbered real estate taxes that the City receives on all annexed property. Similar reciprocal agreements were entered into with the City of Perrysburg and Wood County.

A combination of sports, leisure activities, entertainment and retail will be featured in the Crossroads of America. Construction was completed during 1997 on a Courtyard by Marriott motel, a BP Mini-mart service station in the Crossroads and a 24 acre private development site north of State Route 795. The RAAA began construction of an arena with athletic event seating of 9,200 and concert seating of 12,000 and an amphitheater with 6,500 fixed seats and 7,500 lawn seats in May 1999. When financing could not be secured, construction was halted in November 1999. In 2003 the RAAA consented to foreclosure.

To encourage development in the Crossroads of America area, in April 2000 the City exempted improvements in the area from real property taxation for a period of thirty years and provided for payments in lieu of taxes to be made and deposited in a tax equivalent fund, pursuant to Sections 5709.40 and 5709.42 of the Ohio Revised Code. This is a financing technique known as tax increment financing. The Rossford Exempted Village Board of Education and the Penta County Joint Vocational School District are to receive payments in lieu of taxes in the amount that taxes would have been paid to the school district if the improvements had not been exempted from taxation. The balance of funds deposited in the tax equivalent fund shall be used to pay for improvements in the Crossroads area. Improvements are defined as "the construction and installation of infrastructure improvements in the Crossroads of America area of the City, including streets, curbs, gutters, sidewalks, walkways, trails, street lighting, traffic signals, signage, storm drainage, water and sanitary sewer improvements, parking facilities, and the construction of public service buildings necessary for purposes of delivering fire, emergency medical and police services within the Crossroads area and other improvements related thereto, directly benefit or once made will directly benefit properties in the Crossroads."

In May 2000 the City entered into a tax increment financing agreement with Ramco-Gershenson, Inc., who proposed the development of a 78.7 acre parcel of property consisting of a commercial shopping center located at the northeast corner of US Route 20 and Parkway Boulevard. Stores in the center include Target, Home Depot, Giant Eagle, Linens 'N Things, Michaels Arts & Crafts, Shoe Carnival, Payless Shoe Source, Bath & Body Works, The Dress Barn and Fashion Bug. Outlet stores include Pier 1 Imports, Pet Supply Plus and Mattress Firm, which opened in 2001 and Chili's Restaurant,

which opened in August 2002. Twelve outlet locations are still available. When all 78.7 acres are developed, Ramco-Gershenson projects 960 employees with annual payrolls of \$18 million, annual retail sales of \$96 million and annual tax revenues to cities, county, state and local schools to exceed \$9 million. In 2002, annual payrolls exceeded \$10 million. The service payments made by Ramco-Gershenson will be used to pay all costs of public road and storm drainage improvements including the principal and interest on the \$1,950,000 in bonds the City borrowed to finance the improvements.

As demonstrated by the cooperative efforts noted herein, the City of Rossford is dedicated to the concept of collective economic development stressing regional cooperation for all of northwest Ohio. The cities of Rossford and Northwood, along with private property owners, the Wood County Economic Development Commission, the Toledo Area Growth Partnership and others have begun a cooperative development effort to market approximately 540 acres of property located adjacent to and near Interstate I-75. The project site, known as Access Pointe, offers opportunities for both light and heavy industrial and office park developments. Interstate Brands constructed a \$27 million Bakery on a 24-acre parcel within a JEDZ between the cities of Rossford and Northwood. The plant employs over 200 and the payroll tax revenue is shared by both cities. State grants were awarded to assist in necessary road improvements, water and sewer extensions to Wales Road and an access road to the site. The costs of these improvements were also shared.

The major employers presently located within the City are Libbey-Owens-Ford Company, Target Corporation, the Rossford Board of Education, Tamarken Company (Giant Eagle Grocery Stores), and Home Depot USA. Many residents are employed at the Chrysler Machining Plant and at several companies located in Ampoint Industrial Park, which is adjacent to the City. Ampoint employers include Crown Cork & Seal, Calphalon Corporation and Owens Community College.

Employee Relations

The City has 37 full-time and approximately 67 part-time employees. A statewide public employee collective bargaining law applies to public employee relations and collective bargaining.

Employees are represented by the following bargaining units:

<u>Bargaining Unit</u>	<u>Agreement Expiration Date</u>	<u>Number of Employees Covered</u>
AFSCME, Ohio Council 8 Local 2954	August 2003	9
MEBA, District 2A	March 2003	19
MEBA, District 2A-Fire (Volunteers)	December 2003	31
OPBA, Rossford, Ohio Unit: Patrol Officers and Command Officers	December 2003	18

Compensation for all other employees is governed by legislative action of City Council. Historically, negotiations and ongoing relations between the City and its employees have been amicable.

Unemployment Rates

According to the Ohio Bureau of Employment services, the 2002 annual average unemployment rate for Wood County was 4.63%, which was significantly below the state unemployment rate of 5.3% and the national unemployment rate of 6.0%.

MAJOR CITY INITIATIVES

Project Funding

During 2002, the City remained focused on improving the quality of life and employment opportunities for its residents and taxpayers. Where possible, the City continues to actively pursue and apply for possible assistance such as State Issue II funds and other federal, state and local grant funds. The City has been very successful in obtaining such funds as evidenced by the State Issue II Grants for Phases I, II, III and IV sewer replacement and the road and bridge widening of Buck Road and I-75. The City has also obtained the Ohio Department of Development Community Housing Improvement Program Grant, the Ohio Department of Public Safety Emergency Medical Services Grant and the COPS Fast Grant and the Ohio Department of Natural Resources, Division of Watercraft Waterways Safety Fund Grant and Clean Vessel Act Grant.

Continuing and Future Projects

In 1996, the City granted a 10 year 100% real estate and personal property tax abatement to Libbey-Owens-Ford Glass Company, the City's largest employer, for a glass furnace replacement project with an estimated cost of over \$80 million. While this project will not increase employment in the City, the company has agreed to retain an employment level of 300, with an annual payroll in excess of \$22 million.

In April 1998, implementing Sections 3735.65 through 3735.70 of the Ohio Revised Code, the City established a Community Reinvestment Area in which the maintenance of existing and construction of new structures will serve to encourage economic stability, maintain real property values and generate new employment opportunities. Exemptions will be granted for up to 100% of the increase in the assessed value for a time limit of up to 15 years for the remodeling of existing structures or construction of new structures. A Tax Review Council was established to review the compliance of all agreements and make written recommendations as to continuing, modifying or terminating said agreements based on the performance of the agreement.

In September 1999, the City was awarded a 24 month \$645,000 Grant from the Ohio Department of Development for a Community Housing Improvement Program (CHIP). Program activities include full rehabilitation services to bring houses up to state residential rehab standards in the form of 0% deferred loans, home repair addressing one or two health or safety concerns in the house in the form of grants and home buyer assistance for down payment and closing costs in the form of 0% deferred loans. Program participants must meet certain low to moderate income limits and work is completed solely by program approved contractors. In 2000 five homes were rehabilitated at a cost of \$87,622, three households were assisted with down payments at a cost of \$15,100 and one home received emergency repairs totaling \$4,755. In 2001 eight homes were rehabilitated at a cost of \$142,775 and two home buyers were assisted with down payments totaling \$10,400. An additional 24 month grant was not awarded to the City in 2002. Because two grantees paid off their loans, \$24,715 remains in the CHIP fund and can be used to aide Rossford residents in need of emergency home repairs.

In August 2000, the City entered into a 20 year road improvements lease-purchase agreement with the TID and issued a \$2,550,000 note to finance the first payment, pursuant to the provisions of Article XVII, Section 3 of the Ohio Constitution. Further lease payments are \$1 per year, ending December 1, 2020. The TID constructed a north-south collector boulevard from the intersection of State Route 795 and Simmons Road, which extends south beginning at State Route 795 and ending at US 20 (The Parkway) and the east-west road know as Arena Drive. The costs of the roads are to be paid by the levy and collection of special assessments from the property owners who benefited by the improvements. In consideration of the agreement the TID has agreed to assign 35.84% of the assessments and other amounts connected therewith to the City. Proceeds from the assessments, which the City began receiving in 2001, will be used to pay the interest and principal of the \$2,550,000 note. In 2001 and 2002 assessments received covered note interest and note sale expenses, leaving a \$72,846 fund balance.

In September 2000, the City entered into a 15 year water system improvements lease-purchase agreement and a 15 year sewer system improvements lease-purchase with the TID and issued two \$300,000 notes to finance the first payments, pursuant to the provisions of Article XVII, Section 3 of the Ohio Constitution. Further lease payments on each are \$1 per year, ending December 1, 2015. The TID acquired and installed approximately 11,653 feet of polyvinyl chloride water main along the west side of The Parkway and the south side of Arena Drive. The water main runs from US 20 to State Route 795 along The Parkway and along Arena Drive from its intersection with The Parkway to Lime City Road and is connected to the Wood County Regional Water and Sewer District and the City's water mains at US 20 and State Route 795, respectively, and dead ends at the Arena Drive/Lime City Road intersection. It also acquired and installed approximately 11,692 feet of polyvinyl and concrete sewer line. Along The Parkway there is approximately 280 feet of 15 inch pipe, 976 feet of 18 inch pipe, 4205 feet of 21 inch pipe and 3,084 feet of 24 inch pipe. Along Arena Drive there is approximately 3,136 feet of 12 inch pipe. The sewer line is connected to an existing City sewer on the north side and is conveying sewage from the south northward. The cost of the water and sewer improvements are to be paid by connection fees, tap-in fees, capacity fees, user fees and other similar fees paid by users of the improvements. In consideration of the agreement the TID has agreed to assign 31.8% of the water and sewer fees and other amounts connected therewith to the City. The City will use these proceeds to pay the interest and principal of the two \$300,000 notes. As of December 31, 2002, the TID water and sewer lines have not generated fees of any kind. Note interest and note sale expenses have been paid by the City's Water and Sewer funds.

FINANCIAL INFORMATION

Internal Control, Budgetary and the Accounting System

Development of the City's accounting system included substantial consideration of the adequacy of the internal accounting controls. Internal accounting controls are designed to provide reasonable but not absolute assurance that:

1. The City's assets are protected against loss, theft or unauthorized use or disposition; and
2. Adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles.

The concept of reasonable assurance states that internal controls should be evaluated applying the following criteria:

1. The expense associated with providing the internal controls should not exceed the benefits likely to be derived from their implementation; and
2. The evaluation of the offsetting costs and benefits involves estimates and judgment by the City administration and the Finance Director's Office.

All internal control evaluations occur within this framework. It is the belief of the administrative and financial management personnel that the City's financial controls adequately safeguard existing assets and provide reasonable assurance of the proper recording of financial transactions. The Finance Director is responsible for the auditing and analysis of all purchase orders and vouchers of the City. The Finance Director carefully reviews requisitions and purchases to ensure the availability of monies in the proper funds and accounts prior to the certification and payment of approved invoices. The City utilizes a fully automated accounting system as well as an automated system of controls for payroll. These systems coupled with the review and examination performed by the Finance Director ensure that the financial information generated is both accurate and reliable.

Budgetary control is maintained at the object level for each department within each fund by legislation approved by City Council. The various objects are:

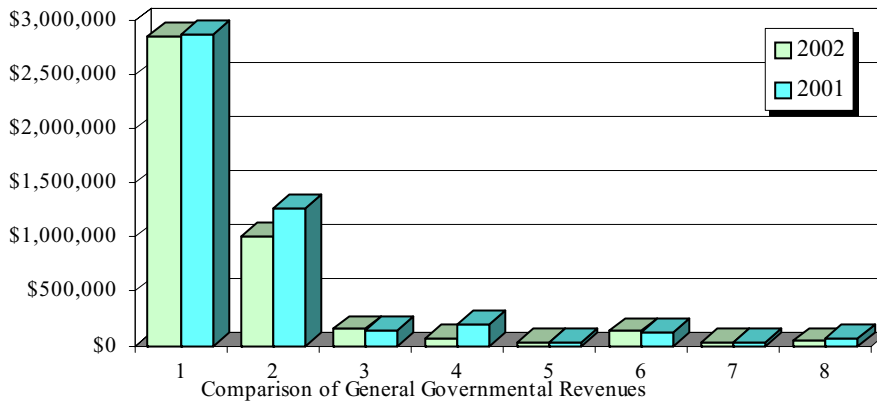
- Personal Services
- Contractual Services
- Other (Miscellaneous)
- Transfers
- Materials and Supplies
- Capital Outlay
- Debt Service:
 - Principal
 - Interest

Lower levels within each object are accounted for and reported internally for management control purposes. Such lower levels are referred to as line items of expenditure. Estimated amounts must be encumbered prior to final approval of purchase orders or other contracts to vendors. Encumbrances in excess of the available object level appropriations are not approved unless additional appropriations are authorized by City Council. Unencumbered appropriations return (lapse) to the unappropriated balances in the individual funds at the end of each fiscal year, which coincides with the calendar year. Appropriations, both original and supplemental, must be authorized by City Council.

General Government Functions

The following schedule presents a summary of general governmental revenues (including general, special revenue and debt service funds) for the years ended December 31, 2002 and 2001, the percentage of total revenues for each year and the amount and percentage of increase/(decrease) in relation to 2001 revenue.

Revenue Source	2002 Total	Percent of Total	2001 Total	Increase (Decrease) over 2001	Percent of Change
1. Taxes	\$2,852,728	66.35%	\$2,876,327	(\$23,599)	(0.82%)
2. Intergovernmental Revenues	1,009,615	23.49%	1,265,406	(255,791)	(20.21%)
3. Charges for Services	149,742	3.48%	139,019	10,723	7.71%
4. Licenses and Permits	70,198	1.63%	201,775	(131,577)	(65.21%)
5. Investment Earnings	20,852	0.48%	36,700	(15,848)	(43.18%)
6. Special Assessments	130,409	3.03%	123,844	6,565	5.30%
7. Fines and Forfeitures	29,386	0.68%	30,495	(1,109)	(3.64%)
8. All Other Revenues	37,069	0.86%	61,521	(24,452)	(39.75%)
Total	\$4,299,999	100.00%	\$4,735,087	(\$435,088)	



Revenue Narrative

The City's income tax continues to be its primary source of revenue. Ohio law authorizes a municipal income tax on both corporate profits and employee wages at a rate of up to 1.0% without voter authorization, and above 1.0% with voter authorization. In 1961, City Council imposed an income tax at the rate of 0.5%. Subsequent voter authorizations have increased the tax to 1.0% in 1968, 1.5% in 1976 and to the present rate of 2.25% in 1988. The tax is in effect for a continuing period of time. The tax could be reduced or terminated by action of the Council, or by vote of the electors initiated by petition of 10% of the number of electors in the City who voted for the Governor at the last preceding general election for the Office of Governor following initiated ordinance procedures, or 10% of the electors of the City following charter amendment procedures.

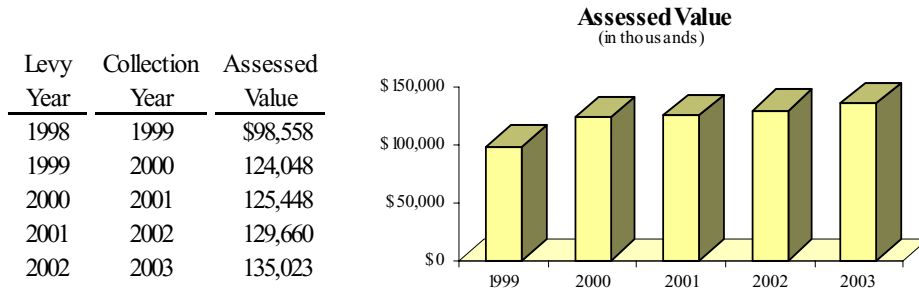
All income tax proceeds are allocated to the General Fund for the current year for general municipal operations and may be allocated to the Capital Improvement Fund or other funds by City Council. Approximately 83% of the City's income tax collected in 2002 was collected through employer withholdings from employee wages. Income tax collections decreased 0.82% from 2001 to 2002.

Property taxes are levied and collected by the Wood County Treasurer and remitted periodically to the City by the County Auditor. Property tax rates for the City per \$1,000 of taxable valuation (assessed value of property located within the City, which is approximately 35% of true value) are as follows:

Not Voted:	General Fund Operations	1.80 mils
Voted:	Recreation	0.40
Voted:	Fire Capital Improvement	0.60
Voted:	Permanent Recreation Improvement	0.40

The voted levies were approved in 1999 for an additional five-year period and are subject to renewal in 2004.

Total assessed values in the City over the past five years are shown below:



Investment earnings as a source of revenue do not lend well to year to year comparisons. Percentage increases or decreases in comparison to previous years are not necessarily indicative of future year estimates. Investment earnings decreased by \$15,848 in 2002 primarily because interest rates dropped substantially during the year. The City's investment policies are discussed in more detail later in this letter under the topic "Cash Management."

Intergovernmental revenues include state levied shared taxes consisting primarily of local government assistance provided by the State of Ohio through reimbursement for real and personal property tax reductions, gasoline tax, state levied motor vehicle license tax, inheritance tax, permissive motor vehicle license tax, local government and revenue assistance allocations. These revenues are collected by the State or County and partially redistributed to the City or other political subdivisions. This revenue category also includes grant funds received from county, state or federal sources. Intergovernmental revenues decreased \$255,791 in comparison to 2001 primarily due to a \$237,145 decrease in revenue from the expiration of the City's CHIP Grant and an \$18,616 decrease in funds received for local government shared revenue in 2002 compared to 2001.

Charges for services include ambulance transports, emergency medical treatment, recreation center membership and program fees, civil service test fees and charges for photocopies. Ambulance fees are billed by an outside collection service and remitted directly to the City. The 2002 increase in charges for services is due to increased collection of ambulance billings.

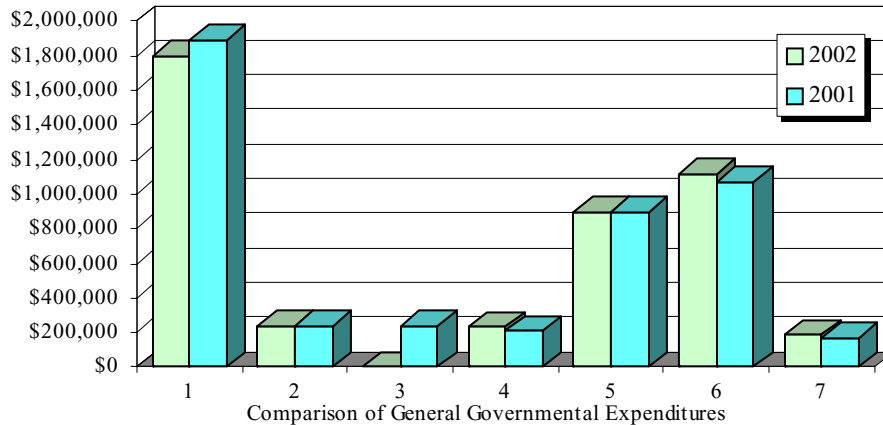
Licenses and permits are fees received for franchise cablevision, building trade licenses, zoning permits and other fees for plan review, easements and parcel splits. License and permit fees decreased \$131,577 from 2001 to 2002 due to one time easement fees received in 2001 from the City of Perrysburg for permanent and temporary easements for a Perrysburg sewer line partially located in Rossford.

Other revenues decreased in 2002 primarily because of an accounting change. In 2001, the employee paid portion of health care premiums was posted to other revenue. In 2002, these revenues were netted health care costs by department to reflect the City's true cost of health care premiums.

Expenditure Narrative

Expenditures for general government purposes (including general, special revenue and debt service funds) totaled \$4,462,309, a decrease of \$247,408 from 2001. The following schedule presents a summary of general governmental expenditures for the years ended December 31, 2002 and 2001, the percentage of total expenditures for each year and the amount and percentage of increase/(decrease) in relation to 2001 expenditures.

Function	2002 Total	Percent of Total	2001 Total	Increase (Decrease) over 2001	Percent of Change
1. Security of Persons and Property	\$1,795,309	40.23%	\$1,887,972	(\$92,663)	(4.91%)
2. Leisure Time Activities	237,125	5.31%	236,888	237	0.10%
3. Community Environment	0	0.00%	240,586	(240,586)	(100.00%)
4. Basic Utility Services	232,469	5.21%	208,181	24,288	11.67%
5. Transportation	898,680	20.14%	897,282	1,398	0.16%
6. General Government	1,112,502	24.92%	1,067,504	44,998	4.22%
7. Debt Service	186,224	4.17%	171,304	14,920	8.71%
Total	<u>\$4,462,309</u>	<u>100.00%</u>	<u>\$4,709,717</u>	<u>(\$247,408)</u>	



Security of persons and property includes the cost of operations of the Police and Fire Divisions and the cost of street lighting. Leisure time activities include the cost of the Parks Division and the Recreation Center. Community environment is primarily the cost of the CHIP Grant program. Basic utility services include costs related to refuse collection and disposal. Transportation reflects the cost of the Street and Public Works Division.

The majority of the decrease in security of persons and property results from a decrease in capital outlays for police and fire vehicles. With no major program changes, leisure time activities expenses remained relatively the same. The decrease in community environment expenditures is attributable to the expiration of the City's CHIP Grant Program in 2001. The increase in basic utility services is due to an increase in refuse pick up expenses. Increases in general government expenditures were mainly due to wage and fringe benefit increases, dispatch cost increases, legal expense increases and decreases in contractual services.

Proprietary Operations

Enterprise Funds

The City's enterprise operations include the City's water distribution and wastewater collection system and the marina fund. The City of Toledo provides water and wastewater treatment services. The City of Toledo also bills and collects from customers of the City of Rossford for a contractual fee. They remit the sewer surcharge to the City of Rossford on a quarterly basis. The revenue derived from the surcharge is used to fund maintenance and necessary repairs to the City's sanitary sewer lines.

The majority of the marina revenue is from seasonal dock space rental with the remainder from daily launches and other services.

Certain pertinent data relating to the enterprise operations of the City is presented below.

	<u>Total Assets</u>	<u>Total Equity</u>	<u>Net Income (Loss)</u>	<u>Return on Assets</u>	<u>Return on Equity</u>
Water	\$2,475,001	\$360,562	(\$10,453)	(0.42%)	(2.90%)
Sewer	5,043,823	1,494,387	(55,139)	(1.09%)	(3.69%)
Marina	162,623	159,751	32,031	19.70%	20.05%

Debt Administration

The debt service fund accumulates resources for the payment of principal and interest on the City's long-term debt. Resources are derived from the transfer of tax revenues from the City's General Fund. Prior to issuance of the Community Recreation Center Bond in 1993, the City had not had any outstanding long-term debt for more than a decade. In fact, the debt service fund was created in 1993 to facilitate the accounting for the accumulation of resources to retire the outstanding principal and interest on the Community Recreation Center Bond.

The City's general obligation bond is not rated. The total bonded debt of the City at December 31, 2002 was \$655,000 for the Community Recreation Center, \$1,800,740 for water lines, \$1,519,260 for sewer lines and \$3,995,000 for Capital Projects.

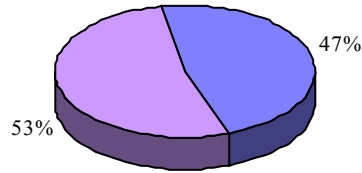
Cash Management

Cash management is a vital component of the City of Rossford's overall financial strategy. The primary objective of the City's investment activity is the preservation of capital and the protection of invested principal. The City pools its cash for maximum investment efficiency.

Public funds are invested to achieve maximum return without assuming unreasonable risk. Investments are diversified to avoid incurring unreasonable risk to a specific type of security or a particular individual financial institution. Portfolio investments remain sufficiently liquid to ensure that all operating requirements are satisfied on a timely basis.

The City's cash resources were invested at December 31, 2002 as follows:

2002		
Cash Resources	2002	Percent
Cash	\$565,936	47%
STAR Ohio	632,527	53%
Total Resources	<u>\$1,198,463</u>	100%



The City earned general governmental interest of \$20,852 on investments for fiscal year 2002. Interest earned was allocated to the General Fund. An additional \$7,095 in interest was earned on capital improvement fund balances.

At December 31, 2002, the City had deposits of \$565,936. Federal depository insurance covered \$174,639 of the bank balance and the rest of the deposits were classified as Category 3. 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. Based upon criteria described in GASB Statement No. 3, "*Deposits With Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements*," collateral held in single financial collateral pools with securities being held by the pledging financial institution's agent in the pool's name are classified as Category 3 (see Note 5 of the financial statements). All deposits are made under contracts with local banking institutions pursuant to statute.

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The proactive approach that the City employs in its ongoing operation is reflected in the composition of the City's insurance and favorable loss experience.

The City has contracted with Ohio Government Risk Management for all liability including bodily injury, personal injury, property damage, police and fire liability, boiler and machinery and public officials.

Deductible levels have been selected so as not to expose the City to excessive "first dollar" claims. Deductibles for property and coverage are:

	Occurrence Limits	Aggregate Limit	Deductible
Property	\$5,550,120	\$5,550,120	\$1,000
Liability	5,000,000	7,000,000	
Wrongful Acts	5,000,000	7,000,000	2,500
Law Enforcement	5,000,000	6,000,000	2,500
Automobile	5,000,000		100/1,000
Bond	100,000		
Crime	2,500		
Inland Marine	579,300		500
Fire Vehicle	1,202,000		100
Electronic Data Processing	101,521		500

OTHER INFORMATION

Independent Audit

The general purpose financial statements of the City of Rossford were audited by Clark Johnson & Robson, CPAs. The independent auditors' unqualified opinion has been included in this report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Rossford, Ohio for its comprehensive annual financial report for the fiscal year ended December 31, 2001. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government finance reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The City of Rossford has received a Certificate of Achievement for the fiscal years ended 1994 - 2001. We believe that this, our ninth Comprehensive Annual Financial Report, meets the high standards set by GFOA for a Certificate of Achievement for Excellence in Financial Reporting, and we are submitting it to GFOA.

Public Disclosure

The publication of this report represents an important achievement in the ability of the City of Rossford to provide significantly enhanced financial information and accountability to the citizens, its elected officials, City administration and investors. In addition to the citizens of Rossford, the recipients of this report will include city, state and federal officials, schools, libraries, newspapers, investment banking firms, banks and rating agencies. The report is made available to any person or organization requesting it. The extensive effort to prepare and distribute this report is indicative of the continued efforts of the City to improve its overall financial accounting, management and reporting capabilities.


Acknowledgments

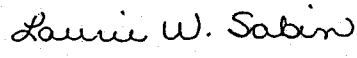
Sincere appreciation is extended to the individuals who have contributed their time and effort in gathering data for this report, particularly the staff of the Finance Department and the Office of the Auditor of Wood County.

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

Finally, special thanks to Mayor Mark G. Zuchowski, the members of the Rossford City Council and the City Administration whose support is necessary for the City of Rossford to conform to reporting requirements established for municipal governments to maintain the financial position that the City has enjoyed for many years.

Respectfully,


Vincent H. Langevin
City Administrator


Laurie W. Sabin
Finance Director

**THE CITY OF ROSSFORD, OHIO
LIST OF PRINCIPAL OFFICIALS
AS OF DECEMBER 31, 2002**

ELECTED OFFICIAL

<u>NAME</u>	<u>OFFICE</u>	<u>TERM EXPIRES</u>	<u>YEARS IN OFFICE</u>	<u>SURETY</u>
Mark G. Zuchowski	Mayor	11/30/2003	11	A
William Verbosky	Council President	11/30/2005	4	A
Robert Watrol	Council Member	11/30/2003	15	A
Chuck Duricek	Council Member	11/30/2003	4	A
Molly Jakubec	Council Member	11/30/2005	17	A
James Richards	Council Member	11/30/2005	1	A
Gregory Marquette	Council Member	11/30/2003	4	A
Richard Kovach	Council Member	11/30/2005	6	A
Kenneth Hermes	Treasurer (appointed)	11/30/2005	5	A, B

ADMINISTRATIVE PERSONNEL

<u>NAME</u>	<u>OFFICE</u>	<u>TERM EXPIRES</u>	<u>YEARS OF SERVICE</u>	<u>SURETY</u>
Vincent H. Langevin	City Administrator	Indefinite	11	A, B
Laurie Sabin	Director of Finance	Indefinite	5	A, B
David Jones	Superintendent of Public Works	Indefinite	22	A
Patricia Sloan	Director of Recreation	Indefinite	22	A
Dennis Foy, Sr.	Police Chief	Indefinite	4	A
James Verbosky	Fire Chief	Indefinite	5	A
Keith Wilkowski	Director of Law	11/30/2003	6	A
Edward Tucholski	Clerk of Council	11/30/2003	26	A

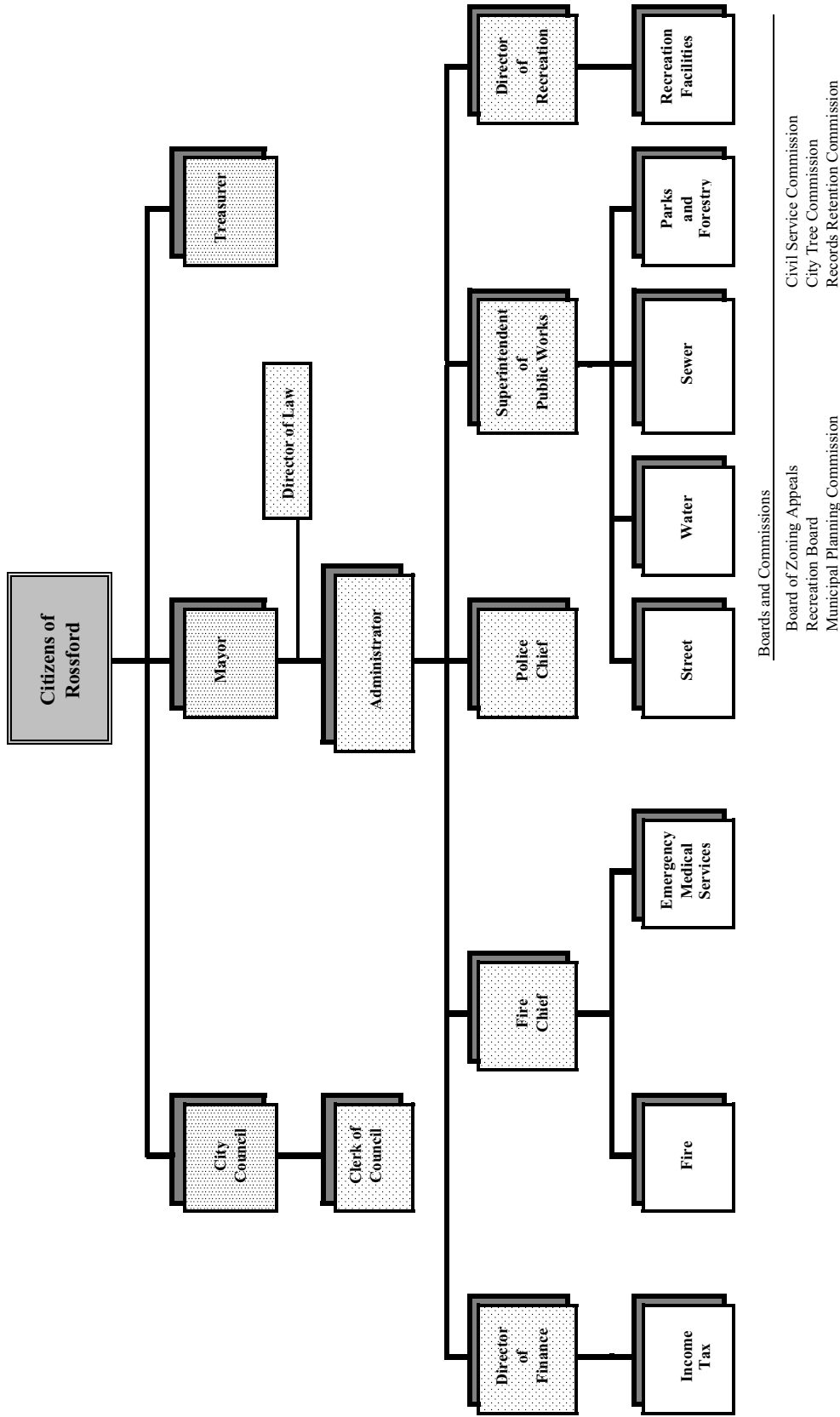
(A) Public Officials \$5 million per occurrence, \$6 million aggregate general liability.

(B) Public Official Bond - \$100,000.

Insurance term: September 5, 2002 through September 5, 2003

The City of Rossford, Ohio

Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Rossford,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2001

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.



William Patrick Barta

President

Jeffrey R. Emery

Executive Director



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FINANCIAL SECTION

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CLARK JOHNSON & ROBSON

Certified Public Accountants
7854 West Central Avenue, Toledo, OH 43617

Independent Auditors' Report

The Honorable Mayor and
Members of Council
City of Rossford, Ohio

We have audited the accompanying general purpose financial statements of the City of Rossford, Wood County, as of and for the year ended December 31, 2002 as listed in the table of contents. These general purpose financial statements are the responsibility of the City of Rossford's management. Our responsibility is to express an opinion on these general purpose 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Rossford, as of December 31, 2002, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America .

The accompanying financial statements have been prepared assuming the Rossford Arena Amphitheater Authority (a discretely presented component unit) will continue as a going concern. As discussed in Note 2, the Authority has been unable to pay debt obligations when due. Accordingly, there is substantial doubt about its ability to continue as a going concern. Management's plans in regards to these matters are also discussed in Note 2.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of Rossford. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued reports dated June 18, 2003 on our consideration of the City of Rossford's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Those reports are 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.

We did not audit the introductory and statistical information as listed in the table of contents and therefore express no opinion on either.

Clark Johnson & Robson
June 18, 2003



GENERAL PURPOSE FINANCIAL STATEMENTS

THE FOLLOWING GENERAL PURPOSE FINANCIAL STATEMENTS, ALONG WITH THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS, PRESENT AN OVERVIEW OF THE CITY'S FINANCIAL POSITION AT DECEMBER 31, 2002 AND THE RESULTS OF OPERATIONS AND CASH FLOWS OF ITS PROPRIETARY FUNDS FOR THE YEAR THEN ENDED.

**THE CITY OF ROSSFORD, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
AND DISCRETELY PRESENTED COMPONENT UNIT
DECEMBER 31, 2002**

	<u>Governmental Fund Types</u>			<u>Proprietary Fund Type</u>		<u>Fiduciary Fund Type</u>		<u>Account Groups</u>			<u>Component Unit</u>
	General Fund	Special Revenue Funds	Capital Projects Funds	Enterprise Funds	Agency Fund	General Fixed Assets	Long-Term Obligations	Totals Primary Government (Memorandum Only)			
	\$123,630	\$63,641	\$563,025	\$447,410	\$0	\$0	\$0	\$0	\$0	\$1,197,706	\$1,605
	620,703	41,910	104,773	0	0	0	0	0	0	767,386	0
	51,862	72	0	0	0	0	0	0	0	51,934	0
	132,325	326	2,487,054	0	0	0	0	0	0	2,619,705	0
	0	0	0	80,000	0	0	0	0	0	80,000	0
	495,231	112,805	5,260	346,770	0	0	0	0	0	960,066	0
	0	32,245	0	0	0	0	0	0	0	32,245	0
	16,508	0	0	0	0	0	0	0	0	16,508	0
	0	0	0	0	757	0	0	0	0	757	0
	0	0	0	6,807,267	0	6,581,586	0	0	0	13,388,853	5,691,040
	0	0	0	0	0	0	0	0	0	5,646,201	0
	\$1,440,259	\$250,999	\$3,160,112	\$7,681,447	\$757	\$6,581,586	\$5,646,201	\$24,761,361	\$5,692,645		

Assets and Other Debits:

Assets:
Cash and Cash Equivalents
Receivables (net of allowance for doubtful accounts):
Taxes
Accounts
Special Assessments
Interfund Loan Receivable
Intergovernmental Receivables
Inventory of Supplies at Cost
Prepaid Items
Restricted Assets:
Cash and Cash Equivalents
Fixed Assets
(net of accumulated depreciation)
Other Debits:
Amount to be Provided for
General Long-Term Obligations
Total Assets and Other Debits

(Continued)

**THE CITY OF ROSSFORD, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
AND DISCRETELY PRESENTED COMPONENT UNIT
DECEMBER 31, 2002**

	Governmental Fund Types			Proprietary Fund Type		Fiduciary Fund Type		Account Groups			Component Unit	
	General Fund	Special Revenue Funds	Capital Projects Funds	Enterprise Funds	Agency Fund	General Fixed Assets	Long-Term Obligations	Totals Primary Government (Memorandum Only)	Rossford Arena Amphitheater Authority			
Liabilities, Equity and Other Credits:												
Liabilities:												
Accounts Payable	\$133,493	\$24,445	\$4,000	\$23,713	\$0	\$0	\$0	\$185,651	\$5,885,344			
Accrued Wages and Benefits	168,343	21,201	0	7,132	0	0	0	196,676	0			
Interfund Loan Payable	80,000	0	0	0	0	0	0	80,000	0			
Retainage Payable	0	0	0	0	0	0	0	0	502,492			
Due to Others	0	0	0	0	757	0	0	757	0			
Accrued Interest Payable	0	0	28,626	19,434	0	0	0	48,060	2,204,632			
Deferred Revenue	773,905	118,140	2,597,087	0	0	0	0	3,489,132	0			
General Obligation Notes Payable	0	0	2,550,000	600,000	0	0	0	3,150,000	0			
Compensated Absences Payable	0	0	0	0	0	0	192,397	192,397	0			
Capital Leases Payable	0	0	0	0	0	0	194,046	194,046	0			
Loans Payable	0	0	0	0	0	0	0	0	11,030,953			
Landfill Postclosure Care	0	0	0	0	0	0	369,758	369,758	0			
General Obligation Bonds Payable	0	0	0	3,320,000	0	0	4,650,000	7,970,000	0			
Special Assessment Bonds Payable with Governmental Commitment	0	0	0	0	0	0	240,000	240,000	0			
Ohio Public Works Commission Loan	0	0	0	79,810	0	0	0	79,810	0			
Ohio Water Development Authority Loan Payable	0	0	0	1,616,658	0	0	0	1,616,658	0			
Total Liabilities	1,155,741	163,786	5,179,713	5,666,747	757	0	5,646,201	17,812,945	19,623,421			
Equity and Other Credits:												
Investment in General Fixed Assets	0	0	0	0	0	6,581,586	0	6,581,586	0			
Contributed Capital	0	0	0	3,527,558	0	0	0	3,527,558	0			
Retained Earnings/Accumulated Deficit	0	0	0	(1,512,858)	0	0	0	(1,512,858)	(13,930,776)			
Fund Balances:												
Reserved for Encumbrances	14,524	6,039	68,488	0	0	0	0	89,051	0			
Reserved for Supplies Inventory	0	32,245	0	0	0	0	0	32,245	0			
Reserved for Prepaid Items	16,508	0	0	0	0	0	0	16,508	0			
Undesignated	253,486	48,929	(2,088,089)	0	0	0	0	(1,785,674)	0			
Total Equity and Other Credits	284,518	87,213	(2,019,601)	2,014,700	0	6,581,586	0	6,948,416	(13,930,776)			
Total Liabilities, Equity and Other Credits	\$1,440,259	\$250,999	\$3,160,112	\$7,681,447	\$757	\$6,581,586	\$5,646,201	\$24,761,361	\$5,692,645			

The notes to the general purpose financial statements are an integral part of this statement.



THE CITY OF ROSSFORD, OHIO
COMBINED STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
YEAR ENDED DECEMBER 31, 2002

	Governmental Fund Types				Totals (Memorandum Only)
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	
Revenues:					
Taxes	\$2,817,190	\$35,538	\$0	\$79,446	\$2,932,174
Intergovernmental Revenues	767,742	241,873	0	5,217	1,014,832
Charges for Services	66,802	82,940	0	0	149,742
Licenses and Permits	70,198	0	0	0	70,198
Investment Earnings	20,852	0	0	7,095	27,947
Special Assessments	126,265	4,144	0	486,125	616,534
Fines and Forfeitures	27,887	1,499	0	0	29,386
All Other Revenues	733	36,336	0	2,770	39,839
Total Revenues	<u>3,897,669</u>	<u>402,330</u>	<u>0</u>	<u>580,653</u>	<u>4,880,652</u>
Expenditures:					
Current:					
Security of Persons and Property	1,790,987	4,322	0	0	1,795,309
Leisure Time Activities	38,875	198,250	0	0	237,125
Basic Utility Services	232,469	0	0	0	232,469
Transportation	481,503	417,177	0	0	898,680
General Government	1,112,502	0	0	0	1,112,502
Capital Outlay	0	0	0	138,857	138,857
Debt Service:					
Principal Retirement	45,766	0	95,000	38,828	179,594
Interest and Fiscal Charges	7,993	0	37,465	381,435	426,893
Total Expenditures	<u>3,710,095</u>	<u>619,749</u>	<u>132,465</u>	<u>559,120</u>	<u>5,021,429</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	187,574	(217,419)	(132,465)	21,533	(140,777)
Other Financing Sources (Uses):					
Proceeds from General Obligation Bonds	0	0	0	1,995,000	1,995,000
Proceeds from Special Assessment Bonds	0	0	0	250,000	250,000
Operating Transfers In	82,332	237,946	132,465	164,740	617,483
Operating Transfers Out	(535,151)	(4,144)	0	(78,188)	(617,483)
Total Other Financing Sources (Uses)	<u>(452,819)</u>	<u>233,802</u>	<u>132,465</u>	<u>2,331,552</u>	<u>2,245,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(265,245)	16,383	0	2,353,085	2,104,223
Restated Fund Balance (Deficit) Beginning of Year	549,763	57,453	0	(4,372,686)	(3,765,470)
Increase in Inventory Reserve	0	13,377	0	0	13,377
Fund Balance (Deficit) End of Year	<u>\$284,518</u>	<u>\$87,213</u>	<u>\$0</u>	<u>(\$2,019,601)</u>	<u>(\$1,647,870)</u>

The notes to the general purpose financial statements are an integral part of this statement.

THE CITY OF ROSSFORD, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002

	<i>General Fund</i>			<i>Special Revenue Funds</i>		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:						
Taxes	\$3,292,562	\$3,009,874	(\$282,688)	\$45,710	\$35,538	(\$10,172)
Intergovernmental Revenues	801,771	779,727	(22,044)	224,600	243,332	18,732
Charges for Services	60,400	59,025	(1,375)	81,500	82,918	1,418
Licenses and Permits	56,000	198,328	142,328	0	0	0
Investment Earnings	40,000	20,852	(19,148)	0	0	0
Special Assessments	130,000	126,265	(3,735)	0	4,144	4,144
Fines and Forfeitures	28,100	26,093	(2,007)	1,500	1,449	(51)
All Other Revenues	11,500	733	(10,767)	48,000	36,336	(11,664)
Total Revenues	<u>4,420,333</u>	<u>4,220,897</u>	<u>(199,436)</u>	<u>401,310</u>	<u>403,717</u>	<u>2,407</u>
Expenditures:						
Current:						
Security of Persons and Property	1,893,763	1,830,511	63,252	5,000	4,322	678
Leisure Time Activities	39,189	38,943	246	227,377	203,710	23,667
Community Environment	0	0	0	43,689	43,689	0
Basic Utility Services	232,700	232,469	231	0	0	0
Transportation	563,907	494,711	69,196	483,348	424,305	59,043
General Government	1,200,206	1,168,246	31,960	0	0	0
Capital Outlay	0	0	0	0	0	0
Debt Service:						
Principal Retirement	45,766	45,766	0	0	0	0
Interest and Fiscal Charges	7,993	7,993	0	0	0	0
Total Expenditures	<u>3,983,524</u>	<u>3,818,639</u>	<u>164,885</u>	<u>759,414</u>	<u>676,026</u>	<u>83,388</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	436,809	402,258	(34,551)	(358,104)	(272,309)	85,795
Other Financing Sources (Uses):						
Proceeds from General Obligation Notes	0	0	0	0	0	0
Proceeds from General Obligation Bonds	0	0	0	0	0	0
Proceeds from Special Assessment Bonds	0	0	0	0	0	0
Operating Transfers In	82,332	82,332	0	329,180	237,946	(91,234)
Operating Transfers Out	(644,949)	(535,151)	109,798	(4,144)	(4,144)	0
Other Financing Sources - Capital Leases	70,000	0	(70,000)	0	0	0
Total Other Financing Sources (Uses)	<u>(492,617)</u>	<u>(452,819)</u>	<u>39,798</u>	<u>325,036</u>	<u>233,802</u>	<u>(91,234)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(55,808)	(50,561)	5,247	(33,068)	(38,507)	(5,439)
Fund Balance at Beginning of Year	35,376	35,376	0	48,821	48,821	0
Prior Year Encumbrances	92,472	92,472	0	39,394	39,394	0
Fund Balance at End of Year	<u>\$72,040</u>	<u>\$77,287</u>	<u>\$5,247</u>	<u>\$55,147</u>	<u>\$49,708</u>	<u>(\$5,439)</u>

The notes to the general purpose financial statements are an integral part of this statement.

THE CITY OF ROSSFORD, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002

<i>Debt Service Fund</i>			<i>Capital Projects Funds</i>			<i>Totals (Memorandum Only)</i>		
Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
\$0	\$0	\$0	\$114,025	\$79,446	(\$34,579)	\$3,452,297	\$3,124,858	(\$327,439)
0	0	0	5,000	10,447	5,447	1,031,371	1,033,506	2,135
0	0	0	30,000	0	(30,000)	171,900	141,943	(29,957)
0	0	0	0	0	0	56,000	198,328	142,328
0	0	0	60,367	7,095	(53,272)	100,367	27,947	(72,420)
0	0	0	353,944	486,125	132,181	483,944	616,534	132,590
0	0	0	0	0	0	29,600	27,542	(2,058)
0	0	0	0	2,770	2,770	59,500	39,839	(19,661)
0	0	0	563,336	585,883	22,547	5,384,979	5,210,497	(174,482)
0	0	0	0	0	0	1,898,763	1,834,833	63,930
0	0	0	0	0	0	266,566	242,653	23,913
0	0	0	0	0	0	43,689	43,689	0
0	0	0	0	0	0	232,700	232,469	231
0	0	0	0	0	0	1,047,255	919,016	128,239
0	0	0	0	0	0	1,200,206	1,168,246	31,960
0	0	0	413,776	373,087	40,689	413,776	373,087	40,689
95,000	95,000	0	4,751,815	4,738,828	12,987	4,892,581	4,879,594	12,987
37,465	37,465	0	384,631	374,077	10,554	430,089	419,535	10,554
132,465	132,465	0	5,550,222	5,485,992	64,230	10,425,625	10,113,122	312,503
(132,465)	(132,465)	0	(4,986,886)	(4,900,109)	86,777	(5,040,646)	(4,902,625)	138,021
0	0	0	2,550,000	2,550,000	0	2,550,000	2,550,000	0
0	0	0	1,900,000	1,900,000	0	1,900,000	1,900,000	0
0	0	0	0	250,000	250,000	0	250,000	250,000
132,465	132,465	0	391,749	164,740	(227,009)	935,726	617,483	(318,243)
0	0	0	(78,188)	(78,188)	0	(727,281)	(617,483)	109,798
0	0	0	0	0	0	70,000	0	(70,000)
132,465	132,465	0	4,763,561	4,786,552	22,991	4,728,445	4,700,000	(28,445)
0	0	0	(223,325)	(113,557)	109,768	(312,201)	(202,625)	109,576
0	0	0	339,646	339,646	0	423,843	423,843	0
0	0	0	264,793	264,793	0	396,659	396,659	0
\$0	\$0	\$0	\$381,114	\$490,882	\$109,768	\$508,301	\$617,877	\$109,576

THE CITY OF ROSSFORD, OHIO
COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS/ACCUMULATED DEFICIT
PROPRIETARY FUND TYPE AND DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED DECEMBER 31, 2002

	<u>Proprietary Fund Type</u>	<u>Component Unit</u>
	Enterprise Funds	Rossford Arena Amphitheater Authority
<u>Operating Revenues:</u>		
Charges for Services	\$703,964	\$4,800
Other Operating Revenues	16,531	0
Total Operating Revenues	<u>720,495</u>	<u>4,800</u>
<u>Operating Expenses:</u>		
Personal Services	103,383	0
Materials and Supplies	96,718	0
Contractual Services	152,419	5,000
Depreciation	183,951	0
Other Operating Expenses	3,225	1,646
Total Operating Expenses	<u>539,696</u>	<u>6,646</u>
Operating Income (Loss)	180,799	(1,846)
<u>Nonoperating Revenues (Expenses):</u>		
Interest and Fiscal Charges	(260,289)	10
Capital Contributions	45,929	0
Write Down of Assets	0	(14,125,376)
Total Nonoperating Revenues (Expenses)	<u>(214,360)</u>	<u>(14,125,366)</u>
Net Loss	(33,561)	(14,127,212)
Retained Earnings/ Accumulated Deficit at Beginning of Year	<u>(1,479,297)</u>	<u>196,436</u>
Accumulated Deficit at End of Year	<u><u>(\$1,512,858)</u></u>	<u><u>(\$13,930,776)</u></u>

The notes to the general purpose financial statements are an integral part of this statement.

THE CITY OF ROSSFORD, OHIO
COMBINED STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE AND DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED DECEMBER 31, 2002

	<i>Proprietary Fund Type</i>	<i>Component Unit</i>
	Enterprise Funds	Rossford Arena Amphitheater Authority
<u>Cash Flows from Operating Activities:</u>		
Cash Received from Customers	\$719,013	\$4,800
Cash Payments for Goods and Services	(265,434)	(9,103)
Cash Payments to Employees	(103,419)	0
Net Cash Provided (Used) by Operating Activities	350,160	(4,303)
<u>Cash Flows from Capital and Related Financing Activities:</u>		
Intergovernmental Grants	45,929	0
Proceeds from the General Obligation Notes	600,000	0
Principal Paid on General Obligation Notes	(600,000)	0
Principal Paid on Ohio Water Development Authority Loans	(81,258)	0
Principal Paid on Ohio Public Works Commission Loan	(4,695)	0
Interest Paid on All Debt	(273,942)	0
Net Cash Used by Capital and Related Financing Activities	(313,966)	0
<u>Cash Flows from Investing Activities:</u>		
Receipts of Interest	0	10
Net Cash Provided by Investing Activities	0	10
Net Increase (Decrease) in Cash and Cash Equivalents	36,194	(4,293)
Cash and Cash Equivalents at Beginning of Year	411,216	5,898
Cash and Cash Equivalents at End of Year	\$447,410	\$1,605
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</u>		
Operating Income (Loss)	\$180,799	(\$1,846)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation Expense	183,951	0
Changes in Assets and Liabilities:		
Increase in Intergovernmental Receivables	(1,482)	0
Decrease in Accounts Payable	(13,134)	(2,457)
Increase in Accrued Wages and Benefits	26	0
Total Adjustments	169,361	(2,457)
Net Cash Provided (Used) by Operating Activities	\$350,160	(\$4,303)

Schedule of Noncash Investing, Capital and Financing Activities:

During 2002, the Rossford Arena Amphitheater Authority reduced the carrying value of its fixed assets.

The notes to the general purpose financial statements are an integral part of this statement.

THE CITY OF ROSSFORD, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Rossford, Ohio (the "City") is a home-rule municipal corporation created under the laws of the State of Ohio. The City operates under its own Charter. The current Charter, which provides for a Mayor/Administrator form of government, was adopted in 1970 and became effective in 1971.

The accompanying general purpose financial statements of the City present the financial position of the various fund types and account groups, the results of operations of the various fund types and the cash flows of the proprietary funds. The financial statements are presented as of December 31, 2002 and for the year then ended and have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the "GASB") is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

A. Reporting Entity

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

Based on the foregoing, the City's financial reporting includes all funds, account groups, agencies, boards and commissions that are part of the primary government, which include the following services: police and fire protection, recreation, street maintenance and general administrative services. The City also operates a water distribution, wastewater collection system and a marina as enterprise funds. Water and wastewater treatment services are provided by the City of Toledo.

Jointly Governed Organizations

Rossford Transportation Improvement District: In May 1997, the Wood County Commissioners approved formation of the Rossford Transportation Improvement District (TID) as permitted under Chapter 5540 of the Ohio Revised Code. In July 2002, at the request of the Wood County Commissioners, the membership and appointments section of the TID bylaws was amended to eliminate the TID as a component unit of Wood County. The board of trustees consists of the following members: two voting members appointed by Wood County, three voting members appointed by the City of Rossford, two voting members appointed by Perrysburg Township, the Wood County Engineer as a voting member, and two nonvoting members of the general assembly in whose legislative district the TID is located. It is empowered to provide for the construction, improvement, alteration or repair of any road, highway, public place or other infrastructure within the limits of the City and to issue bonds. See Note 22 "Jointly Governed Organizations."

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

Jointly Governed Organizations (Continued)

Rossford/Perrysburg Township Joint Economic Development Authority/Port Authority: In December 1998, the Rossford/Perrysburg Township Joint Economic Development Authority/Port Authority (JEDA/Port Authority) was created jointly with Perrysburg Township, pursuant to Ohio Revised Code Sections 4582.21 to 4582.59. The JEDA/Port Authority was created for the benefit of the people of the State of Ohio. Its jurisdiction includes all of the area of the City of Rossford and all of the unincorporated area of Perrysburg Township. The JEDA/Port Authority has five directors, two appointed by the City of Rossford, two appointed by Perrysburg Township and one jointly appointed by the City of Rossford and Perrysburg Township. The directors appointed by the City are appointed by the mayor subject to the approval of the Council, but the City's accountability for the JEDA/Port Authority does not extend beyond making the appointments. See Note 22 "Jointly Governed Organizations."

The accounting policies and financial reporting practices of the City conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of its significant accounting policies:

B. Basis of Presentation - Fund Accounting

The accounting system is organized and operated on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures (expenses). The various funds are summarized by type in the general purpose financial statements. The following fund types and account groups are used by the City:

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

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

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

Debt Service Fund - This fund is used for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Capital Projects Funds - These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by the proprietary funds).

Proprietary Funds

Enterprise Funds - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, whereby the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The proprietary funds are accounted for on an "economic resources" measurement focus. This measurement focus provides that all assets and liabilities associated with the operation of the proprietary funds are included on the balance sheet. Fund equity (i.e., net assets) is segregated into contributed capital and retained earnings components. The proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Fiduciary Fund

Agency Fund - This fund is used to account for assets held by a government unit as an agent for individuals, private organizations, other governmental units and/or other funds. The City maintains one agency fund. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups

To make a clear distinction between fixed assets related to specific funds and those of general government and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group - This account group is established to account for fixed assets of the City other than those accounted for in the proprietary funds.

General Long-Term Obligations Account Group - This account group is established to account for all long-term debt and other long-term liabilities of the City except those accounted for in the proprietary funds.

C. Basis of Accounting

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

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

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

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

Special assessment installments which are measurable, but not available at December 31, are recorded as deferred revenue. Property taxes measurable as of December 31, 2002 but which are not intended to finance 2002 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred revenue as further described in Note 6, "Taxes."

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

Pursuant to GASB Statement No. 20, *"Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting,"* the City follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process

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

All funds other than agency funds are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. The legal level of budgetary control is by fund at the major object level (personal services, materials and supplies, contractual services, capital outlay and transfers) by department. Budgetary control is maintained by not permitting expenditures to exceed appropriations at the major object level for each department within each fund without the approval of City Council. Administrative control is maintained through the establishment of more detailed line-item budgets. Budgetary modifications may only be made by ordinance of the City Council. During 2002, all appropriations were approved as required and all funds and departments completed the year within the legally authorized appropriations.

1. Estimated Revenues

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2002.

2. Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 through March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 through December 31. The appropriation ordinance establishes spending controls at the fund, department and object level, and may be modified during the year by Ordinance of the City Council. Total fund appropriations may not exceed the current estimated resources as certified by the County Budget Commission. Expenditures may not legally exceed budgeted appropriations at the object level. During the year, appropriation adjustments were necessary to budget for the widening of Buck Road and the I-75 bridge at the Buck Road exit. The supplemental appropriations increased year end appropriations by 4.88% over the appropriation ordinance approved in December, 2001.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process (Continued)

2. Appropriations (Continued)

Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual--All Governmental Fund Types are provided on the budgetary basis to provide a comparison of actual results with the final budget, including all amendments and modifications.

3. Encumbrances

As part of formal budgetary control, purchase orders, contracts and other commitments for expenditures are encumbered and recorded as the equivalent of expenditures (budget basis) in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. However, on the GAAP basis of accounting, encumbrances do not constitute expenditures or liabilities and are reported as reservations of fund balances for governmental funds in the accompanying general purpose financial statements.

4. Lapsing of Appropriations

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

5. Budgetary Basis of Accounting

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process (Continued)5. **Budgetary Basis of Accounting** (Continued)

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the governmental funds:

	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses			
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds
GAAP Basis (as reported)	(\$265,245)	\$16,383	\$0	\$2,353,085
Increase (Decrease):				
Accrued Revenues at December 31, 2002 received during 2003	(526,216)	(36,973)	0	0
Accrued Revenues at December 31, 2001 received during 2002	849,444	38,360	0	5,230
Accrued Expenditures at December 31, 2002 paid during 2003	381,836	45,646	0	32,626
Accrued Expenditures at December 31, 2001 paid during 2002	(485,157)	(87,990)	0	(282,355)
2001 Prepays for 2002	57,628	0	0	0
2002 Prepays for 2003	(16,508)	0	0	0
Fund Debt:				
Note Proceeds	0	0	0	2,550,000
Note Retirement	0	0	0	(4,700,000)
Outstanding Encumbrances	(46,343)	(13,933)	0	(72,143)
Budget Basis	<u>(\$50,561)</u>	<u>(\$38,507)</u>	<u>\$0</u>	<u>(\$113,557)</u>

E. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits, certificates of deposit with original maturities of three months or less and the State Treasury Asset Reserve (STAR Ohio). The STAR Ohio is considered an investment for purposes of GASB Statement No. 3, but it is reported as a cash equivalent in the general purpose financial statements because it is a highly liquid instrument which is readily convertible to cash.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Cash and Cash Equivalents (Continued)

The City pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintained its own cash and investment account. For purposes of the statement of cash flows, the proprietary funds' shares of equity in pooled certificates of deposit are considered to be cash equivalents. See Note 5, "Cash, Cash Equivalents and Investments."

F. Investments

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", the City records all its investments at fair value except for nonparticipating investment contracts which are reported at cost, which approximates fair value. All investment income, including changes in the fair value of investments, are recognized as revenue in the operating statements. Fair value is determined by quoted market prices. The City deposits interest earned on investments directly into the General Fund. See Note 5, "Cash, Cash Equivalents and Investments."

The City has invested funds in the STAR Ohio during 2002. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2002.

G. Inventory

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

H. Fixed Assets and Depreciation

The accounting and reporting treatment applied to fixed assets is determined by the ultimate use:

1. Property, Plant and Equipment - General Governmental Purposes

Fixed assets acquired or constructed for general governmental purposes are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years) in the General Fixed Assets Account Group. Contributed fixed assets are recorded at fair market value at the date received.

Fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, have not been capitalized. Such assets normally are immovable and of value only to the City; therefore, the purpose of stewardship for capital expenditures can be satisfied without recording these assets.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Fixed Assets and Depreciation (Continued)

1. Property, Plant and Equipment - General Governmental Purposes (Continued)

General fixed asset values were initially determined at December 31, 1992 by American Appraisal Associates of Milwaukee, Wisconsin at estimated historical cost. For certain fixed assets (land, water and sewer infrastructure), the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition.

The City has elected not to record depreciation in the General Fixed Assets Account Group.

2. Property, Plant and Equipment - Proprietary Funds

Property, plant and equipment acquired by the proprietary funds are stated at cost (or estimated historical cost), including interest capitalized during construction and architectural and engineering fees when applicable. Contributed fixed assets are recorded at fair market value at the date received.

Depreciation has been provided using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives (Years)</u>
Buildings	25 - 45
Infrastructure	50
Machinery, Equipment, Furniture and Fixtures	5 - 15

I. Long-Term Obligations

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

<u>Obligation</u>	<u>Fund</u>
Compensated Absences	General Fund Street Construction, Maintenance and Repair Fund Recreation Fund
Capital Leases	General Fund Fire Capital Improvement Fund
General Obligation Bonds	General Obligation Debt Service Fund Water Fund Sewer Fund
OWDA Loan	Sewer Fund
OPWC Loan	Sewer Fund
Landfill Postclosure Care Liability	Landfill Closure Fund

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Compensated Absences

Employees of the City earn vacation leave at various rates within limits specified under collective bargaining agreements or under statute. Vacation earned in a calendar year must be used during the current year. Vacation time cannot carry over into the subsequent year. Therefore, no long-term liability for vacation time is accrued in the General Long-Term Obligations Account Group. At termination or retirement, employees are paid at their full rate for 100% of their unused vacation leave.

Sick leave is accrued by all employees at the rate of 1.25 work days per completed month of service for a total of fifteen days of accrued sick leave per year. Any sick leave accrued but not used in any year is accumulated in succeeding years with no maximum of such accumulation. Employees who retire with five or more years of service may convert 25% of their accrued sick leave into cash at the employee's rate of pay at the time of retirement. Employees who retire with ten or more years of service may convert 50% of their total accrued sick leave into cash at the employee's rate of pay at the time of retirement.

In accordance with GASB Statement No. 16, "*Accounting for Compensated Absences*," the City records a liability for vacation time and sick leave when the obligation is attributable to services previously rendered or to rights that vest or accumulate, and when payment of the obligation is probable and can be reasonably determined. For governmental funds, the portion of unpaid compensated absences expected to be paid using expendable, available resources is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected as "Compensated Absences Payable." The remaining portion of the liability is reported in the General Long-Term Obligations Account Group.

Compensated absences are expensed in the Sewer and Marina Enterprise Funds when earned, and the related liability is reported within the fund.

K. Pensions

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

L. Interfund Transactions

During the course of normal operations, the City has numerous transactions between funds. Interfund transactions are generally classified as follows:

- Operating transfers are reported as "Other Financing Sources and Uses" in the governmental funds, as "Operating Transfers In" by the recipient fund, and "Operating Transfers Out" by the disbursing fund.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Interfund Transactions (Continued)

- Residual Equity Transfers are nonroutine or nonrecurring transfers between funds and are reported as additions to or deductions from the fund equity balance. There were no residual equity transfers during 2002.

Transactions that would be treated as revenues and expenditures if the transactions involved organizations external to the City are similarly treated when involving other funds of the City. The City also advances cash from one fund to another as necessary to meet current obligations.

M. Reservations of Fund Balance

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

N. Contributed Capital

Proprietary fund type contributed capital is recorded at the fair market value of the related assets at the date received. Depreciation on contributed fixed assets resulting from grants, entitlements and shared revenues is recorded as an operating expense and closed along with other operating expenses directly to retained earnings. Capital contributions received after December 31, 2000 are recorded as revenue in the proprietary funds.

O. Total Columns on Combined Financial Statements - Overview

Total columns on the "Combined Financial Statements - Overview" are captioned "Memorandum Only" to indicate they are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles, nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2 – DISCRETELY PRESENTED COMPONENT UNIT

Organization (Rossford Arena Amphitheater Authority)

The Rossford Arena Amphitheater Authority, a component unit of the City of Rossford, Ohio, is a not-for-profit Ohio corporation incorporated in February 1999 to develop, finance, construct and operate an arena and amphitheater in Rossford, Ohio. The Authority was created under an ordinance passed by the City's Council to further the growth and development of the City and surrounding areas. The ordinance specified that the Trustees of the Authority are to be the City's Mayor, President of Council, City Administrator and the Director of Parks and Recreation. Construction of the facilities was started in May 1999. The Authority also has acquired land, contiguous to the Arena Amphitheater project property, intended to be sold for commercial development. Complete financial statements for RAAA may be obtained at the City of Rossford's administrative offices at 133 Osborn Street, Rossford, Ohio 43460.

NOTE 2 – DISCRETELY PRESENTED COMPONENT UNIT (Continued)

A. Basis of Accounting

Following the governmental financial model, the Authority operates one enterprise fund within the proprietary fund type. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, in which the intent is that the costs and expenses (including depreciation) of providing services to the public, be financed or recovered primarily through user charges. Accordingly, the Authority prepares its financial statements on the accrual basis of accounting using generally accepted accounting principles in all material respects. The Authority applies Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board opinions issued on or before November 30, 1989 unless those pronouncements conflict with Governmental Accounting Standards Board (GASB) pronouncements, in which case GASB prevails.

B. Revenue Sources

The Authority has agreements with the City of Rossford and Perrysburg Township under which the City will contribute 25% of its Hotel/Motel tax revenues and all of its admission tax revenues. The Township will contribute 50% of its Hotel/Motel tax revenues. The agreements are subject to annual appropriations by the City and Township governing bodies. In 2000, Perrysburg Township discontinued the contributions pending the continuation of the project. In 2000, the City of Rossford also discontinued its contributions.

C. Going Concern

The Authority's financial statements are presented on the basis that the Authority is a going concern. Going concern contemplates the realization of assets and the satisfaction of liabilities in the normal course of business over a reasonable length of time. As more fully described in paragraphs F and H, the Authority's loan agreements require periodic interest payments with principal to be paid from the proceeds of an anticipated debt issue. Through June 18, 2003, management has been unable to obtain the financing on terms sufficiently favorable to help insure the financial success of the project. As a result, construction of the facilities was stopped in November 1999 and the Authority has been unable to make its semiannual interest payments of \$200,000 on its loan payable to Perrysburg Township. In 2001, the Township trustees passed a motion calling the loan and accrued interest and filed a lawsuit against the authority and the City of Rossford. In February 2002, the lawsuit was dismissed and the township is appealing. In May 2002, the parties agreed to engage in mediation. In March 2000, the Authority was unable to pay off its loan from the Rossford, Ohio Transportation Improvement District and its terms were extended indefinitely. In May 2000, the Authority was unable to commence monthly interest payments on the debt described in paragraph F.

The authority has, in 2003, been served with notice of forfeiture legal action by several of its debtors. The authority has initiated legal action against its financial consultant who advised it regarding the feasibility of the project. The outcome of these lawsuits is unknown.

While management continues efforts to obtain financing to complete the project or a portion of the project and pay off its loans, efforts are being made to sell the project in part or in entirety. As a result of the uncertainty, management has written down the value of the project, leaving only the original cost of the land remaining.

NOTE 2 – DISCRETELY PRESENTED COMPONENT UNIT (Continued)

D. Cash

At year end, the carrying amount of the Authority's deposits was \$1,605 and the bank balance was \$1,605. Federal depository insurance covered \$1,605 of the bank balance.

E. Fixed Assets

Summary by Category at December 31, 2002:

	<u>Component Unit</u>
	Rossford Arena Amphitheater Authority
Land	\$5,691,040

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NOTE 2 – DISCRETELY PRESENTED COMPONENT UNIT (Continued)

F. Loans Payable

Loans payable consist of amounts borrowed temporarily to purchase land and fund construction project costs. The loans were intended to be repaid from the proceeds of a \$48 million bond issue. At December 31, 2002, the loans payable comprised the following:

Rossford, Ohio Transportation Improvement District promissory note dated December 1999, originally due March 1, 2000 (extended by the holder), with interest at 6% per annum, secured by a second mortgage on approximately 19 acres of land.	\$250,000
FirstEnergy Corp. promissory note due July 1, 2004 or before based on the sale of property purchased in 2000 (see paragraph H) noninterest bearing, secured by a mortgage, dated in 2000, on approximately 73 acres of land.	550,000
Perrysburg, Ohio Township loan, payable through the Rossford/Perrysburg Township Joint Economic Development Authority/Port Authority, dated June 1999, originally due June 2001 or when proceeds of bond issue are received, with interest at 8% per annum, payable semiannually, starting in December 1999.	5,000,000
Northwest Ohio District Council of Carpenters Pension Fund promissory note (administered by the Leader Mortgage Company) dated March 1999, originally due February 2001, with interest at 7% per annum payable quarterly starting in July 1999, secured by a mortgage on approximately 60 acres of land and buildings and improvements thereon.	2,400,000
Brimacombe Family promissory note, dated September 1999. \$566,000 due when proceeds of bond issue are received and \$471,040 due July 2002, with interest at 7% per annum, payable quarterly starting in October 1999, secured by a mortgage on approximately 48 acres of land.	1,037,040
Carpenter Success promissory note, dated March 2000. Principal payable upon demand, with interest at prime plus one percent, payable monthly, starting May 2000, secured by a mortgage on approximately 55 acres of land.	1,704,000
Advances from the REGC (\$5,000) and the City of Rossford (\$84,913), payable upon securing financing.	89,913
Total loans payable	<u><u>\$11,030,953</u></u>

NOTE 2 – DISCRETELY PRESENTED COMPONENT UNIT (Continued)

F. Loans Payable (Continued)

In October 1999, the Authority agreed to grant a junior mortgage in favor of the prime contractor on the project. The \$4,000,000 mortgage is secured by approximately 90 acres of project property and improvements and structures thereon. The liability to the contractor is included in accounts payable.

G. Risk Management

The Authority maintains commercial insurance coverage against most normal hazards. There have been no claims against that coverage. The Authority has no employees at this point, so there is no health care workers compensation coverage.

H. Commercial Development Property

In March, 2000, the Authority purchased approximately 55 acres of land contiguous to the project property for \$1,704,636. The land is intended to be sold for commercial development. The purchase was financed with the proceeds of a loan from a Michigan entity, Carpenters Success, L.L.C. The loan is evidenced by a promissory note payable on demand with interest at the prime rate (determined by National City Bank of Cleveland, Ohio) plus 1%, scheduled to start May 1, 2000 and continuing monthly thereafter. Interest payments have not been made and Carpenters Success is a party to the proposed creditor agreement referred to in paragraph C. The loan is secured by a first mortgage on approximately 55 acres of land and a junior mortgage on approximately 19 acres of land.

NOTE 3 – PRIOR PERIOD ADJUSTMENT

During 2002, the beginning fund balance of the Blocks Grant Fund (special revenue fund) has been restated to correct an error in accounting for accounts payable. The accounting error has required a restatement of beginning fund balance at December 31, 2001.

NOTE 4 - COMPLIANCE AND ACCOUNTABILITY

A. Fund/Retained Earnings Deficits

The fund deficit at December 31, 2002 of \$6,916 in the Recreation Fund (special revenue fund) was created by the recognition of expenditures on the modified accrual basis which are greater than expenditures on a budgetary basis. The fund deficit of \$2,505,779 in the TID Road Acquisition Fund (capital projects fund) was created by the recognition of notes payable within the funds and expenditures on the modified accrual basis which are greater than expenditures on a budgetary basis. Deficits do not exist under the budgetary basis of accounting. The retained earnings deficits at December 31, 2002 of \$1,311,706 in the Water Fund and \$360,903 in the Sewer Fund (enterprise funds) were created by the recognition of notes payable and the recognition of expenses on the accrual basis which are greater than expenses on a cash basis. Deficits do not exist under the cash basis of accounting. The General Fund provides operating transfers when cash is required, not when accruals occur.

B. Excess of Appropriations Over Estimated Resources

For the year ended December 31, 2002 appropriations exceeded estimated resources in the Downtown Streetscape Fund, Electrical Industrial Court Fund and the TID Road Acquisition Fund.

NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash resources of several individual funds are combined to form a pool of cash, cash equivalents and investments. Statutes require the classification of funds held by the City into three categories:

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

Category 2 consists of "inactive" funds - those funds not required for use within the current five year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing no later than the end of the current period of designation of depositories.

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

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

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. Based upon criteria described in GASB Statement No. 3, "*Deposits With Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements*," collateral held in single financial institution collateral pools with securities being held by the pledging financial institution's agent in the pool's name are classified as Category 3.

The GASB has established risk categories for deposits and investments as follows:

Deposits:

- Category 1 Insured or collateralized with securities held by the City or by its agent in the City's name.
- Category 2 Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.
- Category 3 Collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name.

Investments:

- Category 1 Insured or registered, with securities held by the City or its agent in the City's name.
- Category 2 Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name.
- Category 3 Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the City's name.

A. Deposits

At year end the carrying amount of the City's deposits was \$565,936 and the bank balance was \$626,261. The Federal Deposit Insurance Corporation (FDIC) covered \$174,639 of the bank balance. All remaining deposits were classified as Category 3. In addition, the City had \$300 petty cash on hand.

Investment earnings of \$18,700 earned by other funds were credited to the General Fund as required by state statute.

NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

B. Investments

The City's investments at December 31, 2002 are summarized below:

<u>Non-Categorized Investments</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
STAR Ohio	\$632,527	\$632,527
Total Investments	<u>\$632,527</u>	<u>\$632,527</u>

C. Reconciliation of Cash, Cash Equivalents and Investments

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

	<u>Cash and Cash Equivalents *</u>	<u>Investments</u>
Per Combined Balance Sheet	\$1,198,463	\$0
Investments:		
STAR Ohio	<u>(632,527)</u>	<u>632,527</u>
Per GASB Statement No. 3	<u>\$565,936</u>	<u>\$632,527</u>

* Includes Petty Cash

NOTE 6 - TAXES

A. Property Taxes

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the City. Real property taxes (other than public utility) collected during 2002 were levied after October 1, 2001 on assessed values as of January 1, 2001, the lien date. Assessed values were established by the County Auditor at 35 percent of appraised market value. All property is required to be revalued every six years and equalization adjustments made in the third year following reappraisal. The last revaluation was completed in 1999 and the last equalization adjustment was completed in 2002. Real property taxes are payable annually or semi-annually. The first payment is due January 20; the remainder is payable by June 20.

NOTE 6 – TAXES (Continued)

A. Property Taxes (Continued)

Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of that calendar year, and at the tax rates determined in the preceding year. Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25 percent of its true value. Amounts paid by multi-county taxpayers are due September 20 of the year assessed. Single county taxpayers may pay annually or semi-annually: the first payment is due April 30; the remainder payable by September 20.

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

The County Treasurer collects property taxes on behalf of all taxing districts in the County including the City of Rossford. The County Auditor periodically remits to the City its portion of the taxes collected.

The full property tax rate for all City operations for the year ended December 31, 2002 was \$3.20 per \$1,000 of assessed value. The assessed value upon which the 2002 tax receipts were based was \$129,660,233. This amount constitutes \$111,281,150 in real property assessed value, \$3,129,510 in public utility assessed value and \$15,249,573 in tangible personal property assessed value.

Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people. Under current procedures, the City's share is .32% (3.2 mills) of assessed value.

B. Income Tax

The City levies a tax of 2.25% on all salaries, wages, commissions and other compensation and on net profits earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of 100% of the tax paid to another municipality to a maximum of the total amount assessed. Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City monthly or quarterly, as required. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually.

NOTE 7 - RECEIVABLES

Receivables at December 31, 2002 consisted of taxes, interest, special assessments, accounts receivable, interfund receivables and intergovernmental receivables.

NOTE 8 - INTERFUND BALANCES

The following is a summary of interfund receivables and payables for all funds for 2002:

Fund	Interfund Loan Receivable	Interfund Loan Payable
General Fund	\$0	\$80,000
Enterprise Fund:		
Water Fund	80,000	0
Totals	<u>\$80,000</u>	<u>\$80,000</u>

NOTE 9 - FIXED ASSETS**A. General Fixed Assets**

Summary by category of changes in general fixed assets:

Category	December 31, 2001	Additions	Deletions	December 31, 2002
Land	\$324,152	\$0	\$0	\$324,152
Buildings	3,187,714	0	0	3,187,714
Improvements Other than Buildings	148,970	0	0	148,970
Machinery and Equipment	2,786,864	137,899	(4,013)	2,920,750
Totals	<u>\$6,447,700</u>	<u>\$137,899</u>	<u>(\$4,013)</u>	<u>\$6,581,586</u>

Schedule of General Fixed Assets at December 31, 2002:

General Fixed Assets		Investment in General Fixed Assets	
		Acquired Prior to 1994	\$4,616,629
Land	\$324,152	General Fund	691,576
Buildings	3,187,714	Special Revenue Funds	310,654
Improvements Other than Buildings	148,970	Capital Projects Funds	951,227
Machinery and Equipment	2,920,750	Donated	11,500
Total	<u>\$6,581,586</u>	Total	<u>\$6,581,586</u>

B. Proprietary Fixed Assets

Summary by Category at December 31, 2002:

Category	Historic Cost	Accumulated Depreciation	Book Value
Land	\$6,261	\$0	\$6,261
Buildings	297,324	(121,143)	176,181
Infrastructure	9,067,507	(2,459,549)	6,607,958
Machinery and Equipment	218,019	(201,152)	16,867
Property, Plant and Equipment	<u>\$9,589,111</u>	<u>(\$2,781,844)</u>	<u>\$6,807,267</u>

NOTE 10 – DEFINED BENEFIT PENSION PLANS

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

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

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

All employees of the City, except full-time uniformed police officers and full-time firefighters, participate in the Ohio PERS, a cost-sharing multiple employer defined benefit pension plan. The Ohio PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Ohio Public Employees Retirement System issues a stand-alone financial report that includes financial statements and required supplementary information for the Ohio PERS. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6705 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate is 8.5%. The 2002 employer contribution rate for local government employer units was 13.55%, of covered payroll, 8.55% to fund the pension and 5.0% to fund health care. The contribution requirements of plan members and the City are established and may be amended by the Public Employees Retirement Board. The City's contributions to the Ohio PERS for the years ending December 31, 2002, 2001 and 2000 were \$140,672, \$81,693 and \$88,037, respectively, which were equal to the required contributions for each year.

The Ohio PERS provides postemployment health care benefits to age and service retirants with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirants. Health care coverage for disability recipients is also available. The health care coverage provided by the Ohio PERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to the Ohio PERS is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority requiring public employers to fund postemployment health care through their contributions to the Ohio PERS. The portion of the 2002 employer contribution rate (identified above) that was used to fund health care for the year 2002 was 5.0% of covered payroll which amounted to \$51,908.

The significant actuarial assumptions and calculations relating to postemployment health care benefits were based on the Ohio Public Employees Retirement System’s latest actuarial review performed as of December 31, 2001. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets. The investment assumption rate for 2001 was 8.0%. An annual increase of 4.0% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.0% base increase, were assumed to range from 0.5% to 6.3%. Health care costs were assumed to increase 4.0% annually.

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

Benefits are advanced-funded on an actuarially determined basis. The number of active contributing participants was 402,041. The actuarial value of the Ohio PERS net assets available for OPEB at December 31, 2001 is \$11.6 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$16.4 billion and \$4.8 billion, respectively.

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

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

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5%. The City's contributions to the OP&F Fund for the years ending December 31, 2002, 2001 and 2000 were \$148,875, \$145,299 and \$147,837, which were equal to the required contributions for each year.

The OP&F Fund provides postemployment health care coverage to any person who received or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school on a full-time or two-thirds basis. The health care coverage provided by the OP&F Fund is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides that health care costs paid from the funds of the OP&F Fund shall be included in the employer's contribution rate. The Ohio Revised Code also provides statutory authority allowing the Fund's Board of Trustees to provide postemployment health care coverage to all eligible individuals from the employer's contributions to the OP&F Fund.

The portion of the 2002 covered payroll that was used to fund postemployment health care benefits was \$59,168 representing 7.75% of covered payroll. Health care funding and accounting was on a pay-as-you-go basis. In addition, since July 1, 1992 most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. As of December 31, 2001, the date of the last actuarial evaluation available, the number of participants eligible to receive health care benefits was 13,174 for police. The OP&F Fund does not provide separate data on the funded status and funding progress of postemployment health care benefits. The Fund's total health care expenses for the year ended December 31, 2001 were \$122,298,771, which was net of member contributions of \$6,874,699.

NOTE 11 - COMPENSATED ABSENCES

The City provides a liability for accumulated unpaid sick leave benefits when earned by employees. Accrued employee benefits for governmental funds not currently due and payable at year end are recorded in the General Long-Term Obligations Account Group. The liability decreased \$2,980 from the beginning of the year balance of \$195,377 to a year end balance of \$192,397.

At December 31, 2002, the total accumulated unpaid sick leave time recorded in the General Long-Term Obligations Account Group was as follows:

	<u>Hours</u>	<u>Amount</u>
Sick Leave	<u>9,911</u>	<u>\$192,397</u>
Total	<u><u>9,911</u></u>	<u><u>\$192,397</u></u>

There was no liability for accumulated unpaid sick leave benefits attributable to the enterprise funds.

NOTE 12 - OPERATING TRANSFERS

Following is a summary of operating transfers in and out for all funds for 2002:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$82,332	\$535,151
Special Revenue Funds:		
Street Construction, Maintenance and Repair Fund	189,962	0
Enforcement and Education Fund	1,526	0
Recreation Fund	46,458	0
Downtown Streetscape Fund	<u>0</u>	<u>4,144</u>
Total Special Revenue Funds	237,946	4,144
Debt Service Fund:		
General Obligation Debt Service Fund	132,465	0
Capital Projects Funds:		
Landfill Closure Fund	84,551	0
Capital Improvement Fund	75,723	0
Arena Drainage Ditch Fund	4,466	0
TID-Road Acquisition Fund	<u>0</u>	<u>78,188</u>
Total Capital Projects Funds	<u>164,740</u>	<u>78,188</u>
Total All Funds	<u><u>\$617,483</u></u>	<u><u>\$617,483</u></u>

NOTE 13 - NOTES PAYABLE

The Ohio Revised Code provides that notes including renewal notes issued in anticipation of the issuance of general obligation bonds may be issued and outstanding from time to time up to a maximum period of 20 years from the date of issuance of the original notes. The maximum maturity for notes anticipating general obligation bonds payable from special assessments is five years. Any period in excess of five years must be deducted from the permitted maximum maturity of the bonds anticipated, and portions of the principal amount of notes outstanding for more than five years must be retired in amounts at least equal to, and payable no later than, those principal maturities required if the bonds had been issued at the expiration of the initial five year period. The following general obligation notes were payable at December 31, 2002:

	Issue Date	Balance January 1, 2002	Issued (Retired)	Balance December 31, 2002
Capital Projects Notes Payable:				
5.90% Electrical Industry Improvements	07/30/01	\$250,000	(\$250,000)	\$0
3.70% Crossroads Improvements	06/27/01	1,900,000	(1,900,000)	0
5.90% T.I.D. Road Acquisition	07/30/01	2,550,000	(2,550,000)	0
2.75% Electrical Industry Improvements	07/30/02	0	2,550,000	2,550,000
Total Capital Projects Notes Payable		<u>4,700,000</u>	<u>(2,150,000)</u>	<u>2,550,000</u>
Enterprise Notes Payable:				
5.90% T.I.D. Water System	07/30/01	300,000	(300,000)	0
2.75% T.I.D. Water System	07/30/02	0	300,000	300,000
Total Water Fund Notes Payable		<u>300,000</u>	<u>0</u>	<u>300,000</u>
5.90% T.I.D. Sewer System	07/30/01	300,000	(300,000)	0
2.75% T.I.D. Sewer System	07/30/02	0	300,000	300,000
Total Sewer Fund Notes Payable		<u>300,000</u>	<u>0</u>	<u>300,000</u>
Total Enterprise Notes Payable		<u>600,000</u>	<u>0</u>	<u>600,000</u>
Total Notes Payable		<u>\$5,300,000</u>	<u>(\$2,150,000)</u>	<u>\$3,150,000</u>

NOTE 14 - LONG-TERM DEBT OBLIGATIONS

Long-term debt and other long-term obligations of the City at December 31, 2002 were as follows:

	Balance January 1, 2002	Issued (Retired)	Balance December 31, 2002
Enterprise Funds:			
General Obligation Bonds:			
4.85% SR 795 to Perrysburg Waterline	\$1,417,500	\$0	\$1,417,500
4.63% Interstate Brands Waterline	223,686	0	223,686
4.62% Wales/Fairfield Water	159,554	0	159,554
4.85% Crossroads Sewerline	860,000	0	860,000
4.63% Interstate Brands Sewerline	162,680	0	162,680
4.62% Wales/Fairfield Sewer	184,580	0	184,580
4.84% Glenwood Road Sewer Phase III	312,000	0	312,000
Total General Obligation Bonds	3,320,000	0	3,320,000
4.12% Ohio Water Development Authority Loan	1,697,916	(81,258)	1,616,658
0.00% Ohio Public Works Commission Loan	84,505	(4,695)	79,810
Total Enterprise Long-Term Debt	<u>\$5,102,421</u>	<u>(\$85,953)</u>	<u>\$5,016,468</u>
General Long-Term Debt:			
General Obligation Bonds:			
4.83% Community Center Construction	\$750,000	(\$95,000)	\$655,000
4.54% Landfill Improvement	272,000	0	272,000
4.30% Lewis Street Repaving	82,000	0	82,000
4.61% Buck Road Widening	238,000	0	238,000
4.62% Buck Road Improvements	971,000	0	971,000
4.60% Public Works Building	157,000	0	157,000
4.62% Rinker Point Court	175,000	0	175,000
4.54% Arena Drainage Ditch	105,000	0	105,000
2.00% US Route 20	0	1,995,000	1,995,000
Total General Obligation Bonds	2,750,000	1,900,000	4,650,000
Special Assessment Bond:			
2.00% Street Construction	0	250,000 (10,000)	240,000
Other Long-Term Obligations:			
Landfill Postclosure Care Liability	430,409	(60,651)	369,758
Compensated Absences Payable	195,377	(2,980)	192,397
Capital Leases Payable	268,640	(74,594)	194,046
Total Other Long-Term Obligations	<u>894,426</u>	<u>(138,225)</u>	<u>756,201</u>
Total General Long-Term Debt and Other Long-Term Obligations	<u>\$3,644,426</u>	<u>\$2,001,775</u>	<u>\$5,646,201</u>

NOTE 14 - LONG-TERM DEBT OBLIGATIONS (Continued)

The principal amount of the City's special assessment debt outstanding at December 31, 2002, \$240,000, is general obligation debt (backed by the full faith and credit of the City) that is being retired with the proceeds from special assessments levied against benefited property owners. The City is obligated to repay the debt irrespective of the amount of special assessments collected from property owners.

During 1996 the Ohio Water Development Authority (OWDA) approved a loan to the City to finance a portion of Phases I and IA of the Sanitary Sewer Improvements Project. The OWDA committed up to \$2,048,160 at a 4.12% interest rate for twenty years. As of December 31, 2002, the City had received \$2,025,175 against this commitment.

The final payment schedule will be determined when the total loan is disbursed or the project is completed, whichever is earlier. The preliminary semi-annual payment amount assuming full disbursement of the loan commitment is \$75,663, due July 1 and January 1. The City made two payments during 2002 totaling \$81,258 towards the principal and \$70,056 in interest expense.

A Principal and Interest Requirements

A summary of the City's future long-term debt funding requirements including principal and interest payments as of December 31, 2002 follows:

Years	General Obligation Bonds		Capital Leases Payable		Special Assessment Bond	
	Principal	Interest	Principal	Interest	Principal	Interest
2003	\$210,000	\$361,985	\$79,150	\$9,848	\$25,000	\$7,810
2004	235,000	354,736	83,984	5,014	25,000	7,310
2005	255,000	346,329	30,912	932	25,000	6,748
2006	325,000	336,655	0	0	25,000	6,060
2007	360,000	324,100	0	0	25,000	5,310
2008-2012	1,470,000	1,421,826	0	0	115,000	11,760
2013-2017	1,680,000	1,102,678	0	0	0	0
2018-2027	3,435,000	903,477	0	0	0	0
Totals	<u>\$7,970,000</u>	<u>\$5,151,786</u>	<u>\$194,046</u>	<u>\$15,794</u>	<u>\$240,000</u>	<u>\$44,998</u>

Years	OWDA Loan Payable		OPWC Loan Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2003	\$81,258	\$70,071	\$4,694	\$0	\$400,102	\$449,714
2004	88,160	63,166	4,694	0	436,838	430,226
2005	91,830	59,497	4,694	0	407,436	413,506
2006	95,652	55,674	4,695	0	450,347	398,389
2007	99,634	51,692	4,695	0	489,329	381,102
2008-2012	563,936	192,694	23,475	0	2,172,411	1,626,280
2013-2017	596,188	65,209	32,863	0	2,309,051	1,167,887
2018-2027	0	0	0	0	3,435,000	903,477
Totals	<u>\$1,616,658</u>	<u>\$558,003</u>	<u>\$79,810</u>	<u>\$0</u>	<u>\$10,100,514</u>	<u>\$5,770,581</u>

NOTE 15 - CAPITALIZED LEASES

The City leases computer equipment and police and street equipment under capital leases. The original cost of the equipment, amounting to \$630,849, is included in the General Fixed Assets Account Group and the related liability is reported in the General Long-Term Obligations Account Group.

The following is a schedule of future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of December 31, 2002:

<u>Year Ending December 31,</u>	<u>Capital Leases</u>
2003	\$88,998
2004	88,998
2005	<u>31,844</u>
Minimum Lease Payments	209,840
Less amount representing interest at the City's incremental borrowing rate of interest	<u>(15,794)</u>
Present value of minimum lease payments	<u><u>\$194,046</u></u>

NOTE 16 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

Included in the services provided by the City financed primarily by user charges are water treatment and distribution, sewer collection and treatment and the marina. The key financial information for the year ended December 31, 2002 for these enterprise activities is as follows:

	<u>Water</u>	<u>Sewer</u>	<u>Marina</u>	<u>Total</u>
Operating Revenues	\$172,170	\$443,695	\$104,630	\$720,495
Depreciation	60,033	119,563	4,355	183,951
Operating Income (Loss)	92,403	102,294	(13,898)	180,799
Net Income (Loss)	(10,453)	(55,139)	32,031	(33,561)
Total Assets	2,475,001	5,043,823	162,623	7,681,447
Net Working Capital	37,500	96,693	89,708	223,901
Notes, Bonds and Loans Payable	2,100,740	3,515,728	0	5,616,468
Total Equity	360,562	1,494,387	159,751	2,014,700

NOTE 17 - CONTRIBUTED CAPITAL

During 2002, there were no changes to contributed capital reported by the City:

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Balance December 31, 2002	\$1,672,268	\$1,855,290	\$3,527,558

NOTE 18 - INSURANCE AND RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. In 1990, the City joined the Ohio Government Risk Management Plan (the "OGRMP"), a public entity risk plan formed under Section 2744.081 of the Ohio Revised Code that operates as a common risk management and insurance program for 585 member political subdivisions. The City pays an annual premium to the OGRMP for its general insurance coverage. The agreement for formation of the OGRMP provides that the organization will be self-sustaining through member premiums and will reinsure all covered claims in excess of a member's deductible through commercial insurance and reinsurance companies.

Workers' Compensations claims are covered through the City's participation in the State of Ohio's program. The City pays the State Workers' Compensation System a premium based upon a rate per \$100 of payroll plus administrative costs. The rate is determined based upon the accident history of the Ohio Rural Water Association, of which the City is a member.

The City also purchases insurance coverage to provide employee health benefits and pays unemployment claims to the State of Ohio as incurred. There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from the above noted risks have not exceeded commercial insurance coverages during the past three fiscal years.

NOTE 19 - SOLID WASTE LANDFILL POSTCLOSURE CARE COSTS

The City owns a former landfill site known as the Wales Road Landfill. The facility's operation predates most modern regulatory and recordkeeping requirements. The exact date for commencement of waste placement activities is unknown, but in the mid 1960's waste placement activities were modified to follow the layered approach to sanitary landfill operations. The landfill reached its capacity and ceased accepting waste at the 19.71 acre facility in 1990. The Ohio Environmental Protection Agency acting in accordance with applicable state and federal laws required the City to complete final closure of the site during 1994. The approximate total cost of closure was \$482,456. State and federal laws require that the City monitor and maintain the site for thirty years after closure. The City estimates that the total postclosure liability associated with monitoring and maintaining the landfill site for the next twenty-two years is \$369,758. The estimated costs of postclosure care are subject to changes corresponding to the effects of inflation, revision of laws and other variables. A portion of postclosure care costs are to be paid from an annual county grant specifically designated for said purpose. The balance of any postclosure care costs not covered by the county grant will be paid from the general tax revenues of the City.

NOTE 20 - CONTINGENCIES

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

NOTE 21 - SIGNIFICANT TAXPAYER

Libbey-Owens-Ford Company provided approximately \$519,000 of the City's income tax withholdings, \$26,000 of the City's personal property taxes and \$8,000 of the City's real property taxes in 2002.

NOTE 22 – JOINTLY GOVERNED ORGANIZATIONS

Rossford Transportation Improvement District: In May 1997, the Wood County Commissioners approved formation of the Rossford Transportation Improvement District (TID) as permitted under Chapter 5540 of the Ohio Revised Code. In July 2002, at the request of the Wood County Commissioners, the membership and appointments section of the TID bylaws was amended to eliminate the TID as a component unit of Wood County. The board of trustees consists of the following members: two voting members appointed by Wood County, three voting members appointed by the City of Rossford, two voting members appointed by Perrysburg Township, the Wood County Engineer as a voting member, and two nonvoting members of the general assembly in whose legislative district the TID is located. It is empowered to provide for the construction, improvement, alteration or repair of any road, highway, public place or other infrastructure within the limits of the City and to issue bonds. During 2000, the City of Rossford issued \$3,150,000 of special assessment notes on behalf of the TID. These notes were retired and reissued during 2002. The debt service for the notes is to be paid for by special assessments levied by the TID against the parcels of land and lots that are benefited by the project. In the event that the TID is unable to make payments on the principal and interest associated with these notes, the City of Rossford is responsible for making these payments.

Rossford/Perrysburg Township Joint Economic Development Authority/Port Authority: In December 1998, the Rossford/Perrysburg Township Joint Economic Development Authority/Port Authority (JEDA/Port Authority) was created jointly with Perrysburg Township, pursuant to Ohio Revised Code Sections 4582.21 to 4582.59. The JEDA/Port Authority was created for the benefit of the people of the State of Ohio. Its jurisdiction includes all of the area of the City of Rossford and all of the unincorporated area of Perrysburg Township. The JEDA/Port Authority has five directors, two appointed by the City of Rossford, two appointed by Perrysburg Township and one jointly appointed by the City of Rossford and Perrysburg Township. The directors appointed by the City are appointed by the mayor subject to the approval of the Council, but the City's accountability for the JEDA/Port Authority does not extend beyond making the appointments.

*COMBINING AND INDIVIDUAL FUND AND ACCOUNT GROUP
STATEMENTS AND SCHEDULES*

*THE FOLLOWING COMBINING STATEMENTS AND SCHEDULES INCLUDE
THE GENERAL FUND, SPECIAL REVENUE FUNDS, CAPITAL PROJECTS
FUNDS, ENTERPRISE FUNDS, FIDUCIARY FUND AND THE GENERAL FIXED
ASSETS ACCOUNT GROUP.*



GENERAL FUND

The General Fund is used to account for government resources not accounted for in any other fund. The General Fund balance is available to the City for any purpose provided it is expended or transferred according to the Charter and/or the general laws of Ohio.

THE CITY OF ROSSFORD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2002

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$3,292,562	\$3,009,874	(\$282,688)
Intergovernmental Revenues	801,771	779,727	(22,044)
Charges for Services	60,400	59,025	(1,375)
Licenses and Permits	56,000	198,328	142,328
Investment Earnings	40,000	20,852	(19,148)
Special Assessments	130,000	126,265	(3,735)
Fines and Forfeitures	28,100	26,093	(2,007)
All Other Revenues	11,500	733	(10,767)
Total Revenues	4,420,333	4,220,897	(199,436)
<u>Expenditures:</u>			
Security of Persons and Property:			
Police:			
Personal Services	1,184,075	1,161,146	22,929
Contractual Services	72,446	65,122	7,324
Materials and Supplies	37,586	36,168	1,418
Other Operating Expenses	130	88	42
Capital Outlay	32,080	28,132	3,948
Total Police	1,326,317	1,290,656	35,661
Fire:			
Personal Services	303,969	301,073	2,896
Contractual Services	81,444	77,566	3,878
Materials and Supplies	19,662	16,794	2,868
Capital Outlay	6,425	6,411	14
Total Fire	411,500	401,844	9,656
Civil Defense:			
Contractual Services	3,402	3,402	0
Total Civil Defense	3,402	3,402	0
Street Lighting:			
Contractual Services	152,544	134,609	17,935
Total Street Lighting	152,544	134,609	17,935
Total Security of Persons and Property	1,893,763	1,830,511	63,252

(Continued)

THE CITY OF ROSSFORD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2002

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Leisure Time Activities:			
Parks:			
Personal Services	22,283	22,282	1
Contractual Services	9,140	8,895	245
Materials and Supplies	2,580	2,580	0
Capital Outlay	5,186	5,186	0
Total Parks	39,189	38,943	246
Total Leisure Time Activities	39,189	38,943	246
Basic Utility Services:			
Refuse Pick-up/Curbside Recycling:			
Contractual Services	232,700	232,469	231
Total Basic Utility Services	232,700	232,469	231
Transportation:			
Public Works:			
Personal Services	422,084	385,663	36,421
Contractual Services	107,924	80,489	27,435
Materials and Supplies	19,299	18,290	1,009
Capital Outlay	14,600	10,269	4,331
Total Public Works	563,907	494,711	69,196
Total Transportation	563,907	494,711	69,196
General Government:			
City Council:			
Personal Services	29,526	29,067	459
Contractual Services	1,215	1,215	0
Total City Council	30,741	30,282	459
Mayor:			
Personal Services	54,325	53,614	711
Contractual Services	890	323	567
Capital Outlay	769	0	769
Total Mayor	55,984	53,937	2,047
Administrator:			
Personal Services	127,029	126,587	442
Contractual Services	2,191	2,191	0
Capital Outlay	128	128	0
Total Administrator	129,348	128,906	442

(Continued)

THE CITY OF ROSSFORD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2002

GENERAL FUND

	Revised <u>Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
General Government:			
Personal Services	34,512	26,861	7,651
Contractual Services	250,680	243,507	7,173
Materials and Supplies	13,541	13,002	539
Other Expenses	4,600	1,888	2,712
Capital Outlay	<u>5,800</u>	<u>5,730</u>	<u>70</u>
Total General Government	309,133	290,988	18,145
Building and Occupancy:			
Personal Services	9,298	9,291	7
Contractual Services	293,459	293,433	26
Materials and Supplies	<u>22,474</u>	<u>22,240</u>	<u>234</u>
Total Building and Occupancy	325,231	324,964	267
Finance/Tax:			
Personal Services	93,885	90,960	2,925
Contractual Services	1,970	321	1,649
Materials and Supplies	8,118	8,117	1
Other Expenses	5,500	0	5,500
Capital Outlay	<u>500</u>	<u>0</u>	<u>500</u>
Total Finance/Tax	109,973	99,398	10,575
Treasurer:			
Personal Services	<u>1,185</u>	<u>1,161</u>	<u>24</u>
Total Treasurer	1,185	1,161	24
Law:			
Contractual Services	<u>238,611</u>	<u>238,610</u>	<u>1</u>
Total Law	238,611	238,610	1
Total General Government	<u>1,200,206</u>	<u>1,168,246</u>	<u>31,960</u>
Debt Service:			
Principal Retirement	45,766	45,766	0
Interest and Fiscal Charges	<u>7,993</u>	<u>7,993</u>	<u>0</u>
Total Debt Service	53,759	53,759	0
Total Expenditures	<u>3,983,524</u>	<u>3,818,639</u>	<u>164,885</u>

(Continued)

THE CITY OF ROSSFORD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2002

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
	<u> </u>	<u> </u>	<u> </u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	436,809	402,258	(34,551)
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	82,332	82,332	0
Operating Transfers Out	(644,949)	(535,151)	109,798
Other Financing Sources - Capital Leases	<u>70,000</u>	<u>0</u>	<u>(70,000)</u>
Total Other Financing Sources (Uses)	<u>(492,617)</u>	<u>(452,819)</u>	<u>39,798</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(55,808)	(50,561)	5,247
Fund Balance at Beginning of Year	35,376	35,376	0
Prior Year Encumbrances	92,472	92,472	0
Fund Balance at End of Year	<u><u>\$72,040</u></u>	<u><u>\$77,287</u></u>	<u><u>\$5,247</u></u>

SPECIAL REVENUE FUNDS

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

State Highway Fund

To account for revenues distributed by the State from the motor vehicle taxes, permissive fees and gasoline taxes. Expenditures may only be used for street and state highway improvements and maintenance.

Street Construction, Maintenance and Repair Fund

To account for revenues distributed by the State from the motor vehicle and gasoline taxes. Expenditures may only be used for street construction, maintenance and repair.

Drug Fine Fund

To account for funds received by the police department for mandatory fines for drug related offenses.

Enforcement and Education Fund

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

Law Enforcement Trust Fund

To account for funds received by the police department for contraband per state statute.

Community Oriented Policing Services (COPS) Fast Grant Fund

To account for federal grant monies designated for the cost of additional police officers.

Recreation Fund

To account for the revenues from taxes, concession operations and fees. Expenditures may only be used for recreation purposes.

(Continued)

SPECIAL REVENUE FUNDS

Free Community Entertainment Fund

To account for donations intended to provide special summer programs such as fireworks and music in the park.

Block Grant Fund

To account for Federal grants administered through the State designated for community and environmental improvements.

Downtown Streetscape Fund

To account for the revenues from Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) grants and assessments. Expenditures are to be used for Downtown Streetscape projects.

THE CITY OF ROSSFORD, OHIO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
DECEMBER 31, 2002

	<u>State Highway</u>	<u>Street Construction, Maintenance and Repair</u>	<u>Drug Fine</u>	<u>Enforcement and Education</u>
<u>Assets:</u>				
Cash and Cash Equivalents	\$5,593	\$10,425	\$5,421	\$0
Receivables (net of allowances for doubtful accounts):				
Taxes	0	0	0	0
Accounts	0	0	0	50
Special Assessments	0	0	0	0
Intergovernmental Receivables	8,303	102,398	0	0
Inventory of Supplies at Cost	<u>0</u>	<u>32,245</u>	<u>0</u>	<u>0</u>
Total Assets	<u><u>\$13,896</u></u>	<u><u>\$145,068</u></u>	<u><u>\$5,421</u></u>	<u><u>\$50</u></u>
<u>Liabilities and Fund Equity:</u>				
Liabilities:				
Accounts Payable	\$3,572	\$18,930	\$0	\$0
Accrued Wages and Benefits	0	12,772	0	0
Deferred Revenue	<u>5,535</u>	<u>68,265</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>9,107</u>	<u>99,967</u>	<u>0</u>	<u>0</u>
Fund Equity:				
Reserved for Encumbrances	0	2,894	0	0
Reserved for Supplies Inventory	0	32,245	0	0
Unreserved	<u>4,789</u>	<u>9,962</u>	<u>5,421</u>	<u>50</u>
Total Fund Equity	<u>4,789</u>	<u>45,101</u>	<u>5,421</u>	<u>50</u>
Total Liabilities and Fund Equity	<u><u>\$13,896</u></u>	<u><u>\$145,068</u></u>	<u><u>\$5,421</u></u>	<u><u>\$50</u></u>

**THE CITY OF ROSSFORD, OHIO
 COMBINING BALANCE SHEET
 SPECIAL REVENUE FUNDS
 DECEMBER 31, 2002**

Law Enforcement Trust	COPS Fast Grant	Recreation	Free Community Entertainment	Block Grant	Downtown Streetscape	Totals
\$7,523	\$7	\$3,434	\$6,523	\$24,715	\$0	\$63,641
0	0	41,910	0	0	0	41,910
0	0	22	0	0	0	72
0	0	0	0	0	326	326
0	0	2,104	0	0	0	112,805
0	0	0	0	0	0	32,245
<u>\$7,523</u>	<u>\$7</u>	<u>\$47,470</u>	<u>\$6,523</u>	<u>\$24,715</u>	<u>\$326</u>	<u>\$250,999</u>
\$0	\$0	\$1,943	\$0	\$0	\$0	\$24,445
0	0	8,429	0	0	0	21,201
0	0	44,014	0	0	326	118,140
<u>0</u>	<u>0</u>	<u>54,386</u>	<u>0</u>	<u>0</u>	<u>326</u>	<u>163,786</u>
0	0	3,145	0	0	0	6,039
0	0	0	0	0	0	32,245
7,523	7	(10,061)	6,523	24,715	0	48,929
<u>7,523</u>	<u>7</u>	<u>(6,916)</u>	<u>6,523</u>	<u>24,715</u>	<u>0</u>	<u>87,213</u>
<u>\$7,523</u>	<u>\$7</u>	<u>\$47,470</u>	<u>\$6,523</u>	<u>\$24,715</u>	<u>\$326</u>	<u>\$250,999</u>

THE CITY OF ROSSFORD, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

	State Highway	Street Construction, Maintenance and Repair	Drug Fine	Enforcement and Education
Revenues:				
Taxes	\$0	\$0	\$0	\$0
Intergovernmental Revenues	17,985	221,801	0	0
Charges for Services	0	0	0	0
Special Assessments	0	0	0	0
Fines and Forfeitures	0	0	523	976
All Other Revenues	0	0	0	0
Total Revenues	17,985	221,801	523	976
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	4,322
Leisure Time Activities	0	0	0	0
Transportation	15,770	401,407	0	0
Total Expenditures	15,770	401,407	0	4,322
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,215	(179,606)	523	(3,346)
Other Financing Sources (Uses):				
Operating Transfers In	0	189,962	0	1,526
Operating Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	0	189,962	0	1,526
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	2,215	10,356	523	(1,820)
Restated Fund Balance (Deficit) at Beginning of Year	2,574	21,368	4,898	1,870
Increase in Inventory Reserve	0	13,377	0	0
Fund Balance (Deficit) at End of Year	\$4,789	\$45,101	\$5,421	\$50

THE CITY OF ROSSFORD, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

Law Enforcement Trust	COPS Fast Grant	Recreation	Free Community Entertainment	Block Grant	Downtown Streetscape	Totals
\$0	\$0	\$35,538	\$0	\$0	\$0	\$35,538
0	0	2,087	0	0	0	241,873
0	0	82,940	0	0	0	82,940
0	0	0	0	0	4,144	4,144
0	0	0	0	0	0	1,499
575	0	25,381	10,380	0	0	36,336
575	0	145,946	10,380	0	4,144	402,330
0	0	0	0	0	0	4,322
0	0	190,652	7,598	0	0	198,250
0	0	0	0	0	0	417,177
0	0	190,652	7,598	0	0	619,749
575	0	(44,706)	2,782	0	4,144	(217,419)
0	0	46,458	0	0	0	237,946
0	0	0	0	0	(4,144)	(4,144)
0	0	46,458	0	0	(4,144)	233,802
575	0	1,752	2,782	0	0	16,383
6,948	7	(8,668)	3,741	24,715	0	57,453
0	0	0	0	0	0	13,377
<u>\$7,523</u>	<u>\$7</u>	<u>(\$6,916)</u>	<u>\$6,523</u>	<u>\$24,715</u>	<u>\$0</u>	<u>\$87,213</u>

THE CITY OF ROSSFORD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

STATE HIGHWAY FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$20,000	\$17,905	(\$2,095)
Total Revenues	20,000	17,905	(2,095)
<u>Expenditures:</u>			
Transportation:			
Materials and Supplies	14,000	12,386	1,614
Total Expenditures	14,000	12,386	1,614
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,000	5,519	(481)
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$6,000	\$5,519	(\$481)

THE CITY OF ROSSFORD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$201,000	\$220,823	\$19,823
Total Revenues	201,000	220,823	19,823
<u>Expenditures:</u>			
Transportation:			
Personal Services	162,656	152,984	9,672
Contractual Services	76,413	69,219	7,194
Materials and Supplies	182,807	143,468	39,339
Capital Outlay	47,472	46,248	1,224
Total Expenditures	469,348	411,919	57,429
Excess (Deficiency) of Revenues Over (Under) Expenditures	(268,348)	(191,096)	77,252
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	267,214	189,962	(77,252)
Total Other Financing Sources (Uses)	267,214	189,962	(77,252)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,134)	(1,134)	0
Fund Balance at Beginning of Year	2	2	0
Prior Year Encumbrances	1,132	1,132	0
Fund Balance at End of Year	\$0	\$0	\$0

THE CITY OF ROSSFORD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

DRUG FINE FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Fines and Forfeitures	\$0	\$523	\$523
Total Revenues	0	523	523
<u>Expenditures:</u>			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	523	523
Fund Balance at Beginning of Year	4,898	4,898	0
Fund Balance at End of Year	\$4,898	\$5,421	\$523

THE CITY OF ROSSFORD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

ENFORCEMENT AND EDUCATION FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Fines and Forfeitures	\$1,500	\$926	(\$574)
Total Revenues	1,500	926	(574)
<u>Expenditures:</u>			
Security of Persons and Property:			
Materials and Supplies	5,000	4,322	678
Total Expenditures	5,000	4,322	678
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,500)	(3,396)	104
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	1,630	1,526	(104)
Total Other Financing Sources (Uses)	1,630	1,526	(104)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,870)	(1,870)	0
Fund Balance at Beginning of Year	1,870	1,870	0
Fund Balance at End of Year	\$0	\$0	\$0

THE CITY OF ROSSFORD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

LAW ENFORCEMENT TRUST FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
All Other Revenues	\$1,500	\$575	(\$925)
Total Revenues	1,500	575	(925)
<u>Expenditures:</u>			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,500	575	(925)
Fund Balance at Beginning of Year	6,948	6,948	0
Fund Balance at End of Year	\$8,448	\$7,523	(\$925)

THE CITY OF ROSSFORD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

COPS FAST GRANT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
Fund Balance at Beginning of Year	7	7	0
Fund Balance at End of Year	\$7	\$7	\$0

THE CITY OF ROSSFORD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

RECREATION FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$45,710	\$35,538	(\$10,172)
Intergovernmental Revenues	3,600	4,179	579
Charges for Services	81,500	82,918	1,418
All Other Revenues	28,500	25,381	(3,119)
Total Revenues	<u>159,310</u>	<u>148,016</u>	<u>(11,294)</u>
<u>Expenditures:</u>			
Leisure Time Activities:			
Personal Services	128,471	126,101	2,370
Contractual Services	53,842	42,816	11,026
Materials and Supplies	34,676	25,209	9,467
Other Expenditures	1,065	1,065	0
Capital Outlay	1,700	896	804
Total Expenditures	<u>219,754</u>	<u>196,087</u>	<u>23,667</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(60,444)	(48,071)	12,373
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	60,336	46,458	(13,878)
Total Other Financing Sources (Uses)	<u>60,336</u>	<u>46,458</u>	<u>(13,878)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(108)	(1,613)	(1,505)
Fund Balance at Beginning of Year	1	1	0
Prior Year Encumbrances	1,612	1,612	0
Fund Balance at End of Year	<u>\$1,505</u>	<u>\$0</u>	<u>(\$1,505)</u>

THE CITY OF ROSSFORD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

FREE COMMUNITY ENTERTAINMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
All Other Revenues	\$18,000	\$10,380	(\$7,620)
Total Revenues	<u>18,000</u>	<u>10,380</u>	<u>(7,620)</u>
<u>Expenditures:</u>			
Leisure Time Activities:			
Contractual Services	<u>7,623</u>	<u>7,623</u>	<u>0</u>
Total Expenditures	<u>7,623</u>	<u>7,623</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,377	2,757	(7,620)
Fund Balance at Beginning of Year	3,741	3,741	0
Prior Year Encumbrances	25	25	0
Fund Balance at End of Year	<u><u>\$14,143</u></u>	<u><u>\$6,523</u></u>	<u><u>(\$7,620)</u></u>

THE CITY OF ROSSFORD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

BLOCK GRANT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$0	\$425	\$425
Total Revenues	0	425	425
<u>Expenditures:</u>			
Community Environment:			
Capital Outlay	43,689	43,689	0
Total Expenditures	43,689	43,689	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(43,689)	(43,264)	425
Fund Balance at Beginning of Year	31,354	31,354	0
Prior Year Encumbrances	36,625	36,625	0
Fund Balance at End of Year	<u>\$24,290</u>	<u>\$24,715</u>	<u>\$425</u>

THE CITY OF ROSSFORD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

DOWNTOWN STREETSCAPE FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Special Assessments	\$0	\$4,144	\$4,144
Total Revenues	0	4,144	4,144
<u>Expenditures:</u>			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	4,144	4,144
<u>Other Financing Sources (Uses):</u>			
Operating Transfers Out	(4,144)	(4,144)	0
Total Other Financing Sources (Uses)	(4,144)	(4,144)	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(4,144)	0	4,144
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	(\$4,144)	\$0	\$4,144

CAPITAL PROJECTS FUNDS

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

Landfill Closure Fund

To account for financial resources used to cover and monitor the City owned landfill, which ceased operations in 1990.

Lewis Street Paving and Curbs Fund

To account for financial resources used to add curbs and resurface Lewis Street, as petitioned by the property owners. The cost of the improvements, less 2% and the cost of the intersection shall be assessed based on front footage to the property owners over 10 years.

Capital Improvement Fund

To account for financial resources used for the major capital projects undertaken by the City.

Fire Capital Improvement Fund

To account for financial resources received from a voter approved tax levy that are used to provide fire apparatus, buildings or sites.

Permanent Recreation Improvement Fund

To account for financial resources received from a voter approved tax levy that are used to provide for the acquisition of land and/or construction of specific permanent improvements to parks and playgrounds for recreational purposes.

Arena Drainage Ditch Fund

To account for financial resources received to improve storm water drainage by constructing drainage swales and extending the arena drainage ditch. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Electrical Industrial Court Fund

To account for financial resources received from assessments against property owners to construct a public roadway.

(Continued)

CAPITAL PROJECTS FUNDS

TIF Ramco Gershenson Fund

To account for financial resources received from Ramco Gershenson Inc. that were used to construct a public road and to make storm drainage improvements to US Route 20, Parkway Boulevard and Deimling Road.

TID Road Acquisition Fund

To account for financial resources received from assessments against property owners used to lease-purchase the Transportation Improvement District's new road project.

TIF Henry Court Road Construction Fund

To account for financial resources received from Henry Court that were used to construct a public road and to make storm drainage improvements to US Route 20, Parkway Boulevard and Deimling Road.

THE CITY OF ROSSFORD, OHIO
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
DECEMBER 31, 2002

	<u>Landfill Closure</u>	<u>Lewis Street Paving and Curbs</u>	<u>Capital Improvement</u>	<u>Fire Capital Improvement</u>
<u>Assets:</u>				
Cash and Cash Equivalents	\$10,909	\$11,972	\$10,496	\$45,285
Receivables (net of allowances for doubtful accounts):				
Taxes	0	0	0	62,863
Special Assessments	0	0	0	0
Intergovernmental Receivables	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,156</u>
Total Assets	<u>\$10,909</u>	<u>\$11,972</u>	<u>\$10,496</u>	<u>\$111,304</u>
<u>Liabilities and Fund Equity:</u>				
Liabilities:				
Accounts Payable	\$2,115	\$0	\$0	\$1,885
Accrued Interest Payable	0	0	0	0
Deferred Revenue	0	0	0	66,019
General Obligation Notes Payable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>2,115</u>	<u>0</u>	<u>0</u>	<u>67,904</u>
Fund Equity:				
Reserved for Encumbrances	8,793	0	10,495	8,750
Unreserved	<u>1</u>	<u>11,972</u>	<u>1</u>	<u>34,650</u>
Total Fund Equity	<u>8,794</u>	<u>11,972</u>	<u>10,496</u>	<u>43,400</u>
Total Liabilities and Fund Equity	<u>\$10,909</u>	<u>\$11,972</u>	<u>\$10,496</u>	<u>\$111,304</u>

**THE CITY OF ROSSFORD, OHIO
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
DECEMBER 31, 2002**

Permanent Recreation Improvement	Electrical Industrial Court	TIF Ramco Gershenson	TID Road Acquisition	TIF Henry Court Road Construction	Totals
\$79,948	\$34,581	\$294,487	\$72,847	\$2,500	\$563,025
41,910	0	0	0	0	104,773
0	165,030	190,242	2,131,782	0	2,487,054
2,104	0	0	0	0	5,260
<u>\$123,962</u>	<u>\$199,611</u>	<u>\$484,729</u>	<u>\$2,204,629</u>	<u>\$2,500</u>	<u>\$3,160,112</u>
\$0	\$0	\$0	\$0	\$0	\$4,000
0	0	0	28,626	0	28,626
44,014	165,030	190,242	2,131,782	0	2,597,087
0	0	0	2,550,000	0	2,550,000
<u>44,014</u>	<u>165,030</u>	<u>190,242</u>	<u>4,710,408</u>	<u>0</u>	<u>5,179,713</u>
40,450	0	0	0	0	68,488
39,498	34,581	294,487	(2,505,779)	2,500	(2,088,089)
79,948	34,581	294,487	(2,505,779)	2,500	(2,019,601)
<u>\$123,962</u>	<u>\$199,611</u>	<u>\$484,729</u>	<u>\$2,204,629</u>	<u>\$2,500</u>	<u>\$3,160,112</u>

THE CITY OF ROSSFORD, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

	<u>Landfill Closure</u>	<u>Lewis Street Paving and Curbs</u>	<u>Capital Improvement</u>	<u>Fire Capital Improvement</u>
Revenues:				
Taxes	\$0	\$0	\$0	\$44,008
Intergovernmental Revenues	0	0	0	3,130
Investment Earnings	0	0	0	0
Special Assessments	0	7,796	0	0
All Other Revenues	0	0	0	0
Total Revenues	<u>0</u>	<u>7,796</u>	<u>0</u>	<u>47,138</u>
Expenditures:				
Capital Outlay	58,067	0	0	46,787
Debt Service:				
Principal Retirement	0	0	0	28,828
Interest and Fiscal Charges	13,114	3,687	75,723	6,413
Total Expenditures	<u>71,181</u>	<u>3,687</u>	<u>75,723</u>	<u>82,028</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(71,181)	4,109	(75,723)	(34,890)
Other Financing Sources (Uses):				
Proceeds from General Obligation Bonds	0	0	0	0
Proceeds from Special Assessment Bonds	0	0	0	0
Operating Transfers In	84,551	0	75,723	0
Operating Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	<u>84,551</u>	<u>0</u>	<u>75,723</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	13,370	4,109	0	(34,890)
Fund Balance (Deficit) at Beginning of Year	<u>(4,576)</u>	<u>7,863</u>	<u>10,496</u>	<u>78,290</u>
Fund Balance (Deficit) at End of Year	<u><u>\$8,794</u></u>	<u><u>\$11,972</u></u>	<u><u>\$10,496</u></u>	<u><u>\$43,400</u></u>

THE CITY OF ROSSFORD, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

Permanent Recreation Improvement	Arena Drainage Ditch	Electrical Industrial Court	TIF Ramco Gershenson	TID Road Acquisition	TIF Henry Court Road Construction	Totals
\$35,438	\$0	\$0	\$0	\$0	\$0	\$79,446
2,087	0	0	0	0	0	5,217
0	0	0	7,095	0	0	7,095
0	0	37,590	112,033	328,706	0	486,125
<u>2,770</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,770</u>
40,295	0	37,590	119,128	328,706	0	580,653
12,980	0	0	10,023	0	11,000	138,857
0	0	10,000	0	0	0	38,828
<u>0</u>	<u>4,963</u>	<u>9,858</u>	<u>134,246</u>	<u>133,431</u>	<u>0</u>	<u>381,435</u>
12,980	4,963	19,858	144,269	133,431	11,000	559,120
27,315	(4,963)	17,732	(25,141)	195,275	(11,000)	21,533
0	0	0	1,995,000	0	0	1,995,000
0	0	250,000	0	0	0	250,000
0	4,466	0	0	0	0	164,740
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(78,188)</u>	<u>0</u>	<u>(78,188)</u>
0	4,466	250,000	1,995,000	(78,188)	0	2,331,552
27,315	(497)	267,732	1,969,859	117,087	(11,000)	2,353,085
<u>52,633</u>	<u>497</u>	<u>(233,151)</u>	<u>(1,675,372)</u>	<u>(2,622,866)</u>	<u>13,500</u>	<u>(4,372,686)</u>
<u>\$79,948</u>	<u>\$0</u>	<u>\$34,581</u>	<u>\$294,487</u>	<u>(\$2,505,779)</u>	<u>\$2,500</u>	<u>(\$2,019,601)</u>

THE CITY OF ROSSFORD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

LANDFILL CLOSURE FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
Capital Outlay	90,123	71,559	18,564
Debt Service:			
Interest and Fiscal Charges	13,115	13,114	1
Total Debt Service	13,115	13,114	1
Total Expenditures	103,238	84,673	18,565
Excess (Deficiency) of Revenues Over (Under) Expenditures	(103,238)	(84,673)	18,565
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	103,115	84,551	(18,564)
Total Other Financing Sources (Uses)	103,115	84,551	(18,564)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(123)	(122)	1
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances	123	123	0
Fund Balance at End of Year	\$0	\$1	\$1

THE CITY OF ROSSFORD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

LEWIS STREET PAVING AND CURBS FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Special Assessments	\$7,700	\$7,796	\$96
Total Revenues	<u>7,700</u>	<u>7,796</u>	<u>96</u>
<u>Expenditures:</u>			
Debt Service:			
Interest and Fiscal Charges	3,688	3,687	1
Total Debt Service	<u>3,688</u>	<u>3,687</u>	<u>1</u>
Total Expenditures	<u>3,688</u>	<u>3,687</u>	<u>1</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,012	4,109	97
Fund Balance at Beginning of Year	<u>7,863</u>	<u>7,863</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$11,875</u></u>	<u><u>\$11,972</u></u>	<u><u>\$97</u></u>

THE CITY OF ROSSFORD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

CAPITAL IMPROVEMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
Capital Outlay	10,495	10,495	0
Debt Service:			
Interest and Fiscal Charges	75,723	75,723	0
Total Debt Service	75,723	75,723	0
Total Expenditures	86,218	86,218	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(86,218)	(86,218)	0
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	75,723	75,723	0
Total Other Financing Sources (Uses)	75,723	75,723	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(10,495)	(10,495)	0
Fund Balance at Beginning of Year	1	1	0
Prior Year Encumbrances	10,495	10,495	0
Fund Balance at End of Year	\$1	\$1	\$0

THE CITY OF ROSSFORD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

FIRE CAPITAL IMPROVEMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$68,315	\$44,008	(\$24,307)
Intergovernmental Revenues	3,000	6,268	3,268
Total Revenues	<u>71,315</u>	<u>50,276</u>	<u>(21,039)</u>
<u>Expenditures:</u>			
Capital Outlay	55,192	55,192	0
Debt Service:			
Principal Retirement	41,815	28,828	12,987
Interest and Fiscal Charges	6,413	6,413	0
Total Debt Service	<u>48,228</u>	<u>35,241</u>	<u>12,987</u>
Total Expenditures	<u>103,420</u>	<u>90,433</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(32,105)	(40,157)	(8,052)
Fund Balance at Beginning of Year	73,233	73,233	0
Prior Year Encumbrances	1,919	1,919	0
Fund Balance at End of Year	<u><u>\$43,047</u></u>	<u><u>\$34,995</u></u>	<u><u>(\$8,052)</u></u>

THE CITY OF ROSSFORD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

PERMANENT RECREATION IMPROVEMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$45,710	\$35,438	(\$10,272)
Intergovernmental Revenues	2,000	4,179	2,179
All Other Revenues	0	2,770	2,770
Total Revenues	<u>47,710</u>	<u>42,387</u>	<u>(5,323)</u>
<u>Expenditures:</u>			
Capital Outlay	<u>54,355</u>	<u>54,355</u>	<u>0</u>
Total Expenditures	<u>54,355</u>	<u>54,355</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,645)	(11,968)	(5,323)
Fund Balance at Beginning of Year	<u>51,466</u>	<u>51,466</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$44,821</u></u>	<u><u>\$39,498</u></u>	<u><u>(\$5,323)</u></u>

THE CITY OF ROSSFORD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

ARENA DRAINAGE DITCH FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
Debt Service:			
Interest and Fiscal Charges	4,963	4,963	0
Total Debt Service	4,963	4,963	0
Total Expenditures	4,963	4,963	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,963)	(4,963)	0
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	4,466	4,466	0
Total Other Financing Sources (Uses)	4,466	4,466	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(497)	(497)	0
Fund Balance at Beginning of Year	497	497	0
Fund Balance at End of Year	\$0	\$0	\$0

THE CITY OF ROSSFORD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

ELECTRICAL INDUSTRIAL COURT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Special Assessments	\$32,492	\$37,590	\$5,098
Total Revenues	32,492	37,590	5,098
<u>Expenditures:</u>			
Debt Service:			
Principal Retirement	260,000	260,000	0
Interest and Fiscal Charges	17,050	17,050	0
Total Debt Service	277,050	277,050	0
Total Expenditures	277,050	277,050	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(244,558)	(239,460)	5,098
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	208,445	0	(208,445)
Proceeds from Special Assessment Bonds	0	250,000	250,000
Total Other Financing Sources (Uses)	208,445	250,000	41,555
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(36,113)	10,540	46,653
Fund Balance at Beginning of Year	24,041	24,041	0
Fund Balance at End of Year	(\$12,072)	\$34,581	\$46,653

THE CITY OF ROSSFORD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

TIF RAMCO GERSHENSON FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Investment Earnings	\$60,367	\$7,095	(\$53,272)
Special Assessments	112,033	112,033	0
Total Revenues	<u>172,400</u>	<u>119,128</u>	<u>(53,272)</u>
<u>Expenditures:</u>			
Capital Outlay	192,611	170,486	22,125
Debt Service:			
Principal Retirement	1,900,000	1,900,000	0
Interest and Fiscal Charges	83,068	75,455	7,613
Total Debt Service	<u>1,983,068</u>	<u>1,975,455</u>	<u>7,613</u>
Total Expenditures	<u>2,175,679</u>	<u>2,145,941</u>	<u>29,738</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,003,279)	(2,026,813)	(23,534)
<u>Other Financing Sources (Uses):</u>			
Proceeds from General Obligation Bonds	1,900,000	1,900,000	0
Total Other Financing Sources (Uses)	<u>1,900,000</u>	<u>1,900,000</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(103,279)	(126,813)	(23,534)
Fund Balance at Beginning of Year	169,044	169,044	0
Prior Year Encumbrances	252,256	252,256	0
Fund Balance at End of Year	<u><u>\$318,021</u></u>	<u><u>\$294,487</u></u>	<u><u>(\$23,534)</u></u>

THE CITY OF ROSSFORD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

TID ROAD ACQUISITION FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Charges for Services	\$30,000	\$0	(\$30,000)
Special Assessments	201,719	328,706	126,987
Total Revenues	231,719	328,706	96,987
<u>Expenditures:</u>			
Debt Service:			
Principal Retirement	2,550,000	2,550,000	0
Interest and Fiscal Charges	180,611	177,672	2,939
Total Debt Service	2,730,611	2,727,672	2,939
Total Expenditures	2,730,611	2,727,672	2,939
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,498,892)	(2,398,966)	99,926
<u>Other Financing Sources (Uses):</u>			
Proceeds from General Obligation Notes	2,550,000	2,550,000	0
Operating Transfers Out	(78,188)	(78,188)	0
Total Other Financing Sources (Uses)	2,471,812	2,471,812	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(27,080)	72,846	99,926
Fund Balance at Beginning of Year	1	1	0
Fund Balance at End of Year	(\$27,079)	\$72,847	\$99,926

THE CITY OF ROSSFORD, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

TIF HENRY COURT ROAD CONSTRUCTION FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
Capital Outlay	11,000	11,000	0
Total Expenditures	11,000	11,000	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,000)	(11,000)	0
Fund Balance at Beginning of Year	13,500	13,500	0
Fund Balance at End of Year	<u>\$2,500</u>	<u>\$2,500</u>	<u>\$0</u>

ENTERPRISE FUNDS

The enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprise, whereby the intent of the City is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or when the City has decided that periodic determination of net income is appropriate for accountability purposes.

Water Fund

To account for the operation of the City's water service.

Sewer Fund

To account for the operation of the City's sanitary sewer service.

Marina Fund

To account for the operation of the City owned marina.

THE CITY OF ROSSFORD, OHIO
COMBINING BALANCE SHEET
ENTERPRISE FUNDS
DECEMBER 31, 2002

	<u>Water</u>	<u>Sewer</u>	<u>Marina</u>	<u>Totals</u>
<u>Assets:</u>				
Cash and Cash Equivalents	\$159,489	\$195,341	\$92,580	\$447,410
Interfund Loan Receivable	80,000	0	0	80,000
Intergovernmental Receivables	111,710	235,060	0	346,770
Property, Plant and Equipment	3,289,693	6,195,754	103,665	9,589,112
Less Accumulated Depreciation	<u>(1,165,891)</u>	<u>(1,582,332)</u>	<u>(33,622)</u>	<u>(2,781,845)</u>
Net Fixed Assets	<u>2,123,802</u>	<u>4,613,422</u>	<u>70,043</u>	<u>6,807,267</u>
Total Assets	<u><u>\$2,475,001</u></u>	<u><u>\$5,043,823</u></u>	<u><u>\$162,623</u></u>	<u><u>\$7,681,447</u></u>
<u>Liabilities and Fund Equity:</u>				
Liabilities:				
Accounts Payable	\$3,424	\$19,284	\$1,005	\$23,713
Accrued Wages and Benefits	0	5,265	1,867	7,132
Accrued Interest Payable	10,275	9,159	0	19,434
General Obligation Notes Payable	300,000	300,000	0	600,000
General Obligation Bonds Payable	1,800,740	1,519,260	0	3,320,000
Ohio Public Works Commission Loan	0	79,810	0	79,810
Ohio Water Development Authority Loan Payable	<u>0</u>	<u>1,616,658</u>	<u>0</u>	<u>1,616,658</u>
Total Liabilities	<u>2,114,439</u>	<u>3,549,436</u>	<u>2,872</u>	<u>5,666,747</u>
Fund Equity:				
Contributed Capital	1,672,268	1,855,290	0	3,527,558
Retained Earnings (Accumulated Deficit): Unreserved	<u>(1,311,706)</u>	<u>(360,903)</u>	<u>159,751</u>	<u>(1,512,858)</u>
Total Fund Equity	<u>360,562</u>	<u>1,494,387</u>	<u>159,751</u>	<u>2,014,700</u>
Total Liabilities and Fund Equity	<u><u>\$2,475,001</u></u>	<u><u>\$5,043,823</u></u>	<u><u>\$162,623</u></u>	<u><u>\$7,681,447</u></u>

THE CITY OF ROSSFORD, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

	<u>Water</u>	<u>Sewer</u>	<u>Marina</u>	<u>Totals</u>
<u>Operating Revenues:</u>				
Charges for Services	\$157,577	\$441,757	\$104,630	\$703,964
Other Operating Revenues	14,593	1,938	0	16,531
Total Operating Revenues	<u>172,170</u>	<u>443,695</u>	<u>104,630</u>	<u>720,495</u>
<u>Operating Expenses:</u>				
Personal Services	0	63,130	40,253	103,383
Materials and Supplies	0	28,195	68,523	96,718
Contractual Services	19,734	130,513	2,172	152,419
Depreciation	60,033	119,563	4,355	183,951
Other Operating Expenses	<u>0</u>	<u>0</u>	<u>3,225</u>	<u>3,225</u>
Total Operating Expenses	<u>79,767</u>	<u>341,401</u>	<u>118,528</u>	<u>539,696</u>
Operating Income (Loss)	92,403	102,294	(13,898)	180,799
<u>Nonoperating Revenues (Expenses):</u>				
Interest and Fiscal Charges	(102,856)	(157,433)	0	(260,289)
Capital Contributions	<u>0</u>	<u>0</u>	<u>45,929</u>	<u>45,929</u>
Total Nonoperating Revenues (Expenses)	<u>(102,856)</u>	<u>(157,433)</u>	<u>45,929</u>	<u>(214,360)</u>
Net Income (Loss)	(10,453)	(55,139)	32,031	(33,561)
Retained Earnings (Accumulated Deficit) at Beginning of Year	<u>(1,301,253)</u>	<u>(305,764)</u>	<u>127,720</u>	<u>(1,479,297)</u>
Retained Earnings (Accumulated Deficit) at End of Year	<u><u>(\$1,311,706)</u></u>	<u><u>(\$360,903)</u></u>	<u><u>\$159,751</u></u>	<u><u>(\$1,512,858)</u></u>

THE CITY OF ROSSFORD, OHIO
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

	Water	Sewer	Marina	Totals
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Customers	\$162,955	\$451,428	\$104,630	\$719,013
Cash Payments for Goods and Services	(16,310)	(175,534)	(73,590)	(265,434)
Cash Payments to Employees	0	(63,444)	(39,975)	(103,419)
Net Cash Provided (Used) by Operating Activities	<u>146,645</u>	<u>212,450</u>	<u>(8,935)</u>	<u>350,160</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>				
Intergovernmental Grants	0	0	45,929	45,929
Proceeds from General Obligation Notes	300,000	300,000	0	600,000
Principal Paid on General Obligation Notes	(300,000)	(300,000)	0	(600,000)
Principal Paid on Ohio Water Development Authority Loans	0	(81,258)	0	(81,258)
Principal Paid on Ohio Public Works Commission Loan	0	(4,695)	0	(4,695)
Interest Paid on All Debt	(109,824)	(164,118)	0	(273,942)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(109,824)</u>	<u>(250,071)</u>	<u>45,929</u>	<u>(313,966)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	36,821	(37,621)	36,994	36,194
Cash and Cash Equivalents at Beginning of Year	<u>122,668</u>	<u>232,962</u>	<u>55,586</u>	<u>411,216</u>
Cash and Cash Equivalents at End of Year	<u><u>\$159,489</u></u>	<u><u>\$195,341</u></u>	<u><u>\$92,580</u></u>	<u><u>\$447,410</u></u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</u>				
Operating Income (Loss)	\$92,403	\$102,294	(\$13,898)	\$180,799
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	60,033	119,563	4,355	183,951
Changes in Assets and Liabilities:				
Decrease (Increase) in Intergovernmental Receivables	(9,215)	7,733	0	(1,482)
Increase (Decrease) in Accounts Payable	3,424	(16,888)	330	(13,134)
Increase (Decrease) in Accrued Wages and Benefits	0	(252)	278	26
Total Adjustments	<u>54,242</u>	<u>110,156</u>	<u>4,963</u>	<u>169,361</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$146,645</u></u>	<u><u>\$212,450</u></u>	<u><u>(\$8,935)</u></u>	<u><u>\$350,160</u></u>

FIDUCIARY FUND TYPE

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

AGENCY FUND

Cafeteria Plan Fund

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

THE CITY OF ROSSFORD, OHIO
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2002

	Balance December 31, 2001	Additions	Deductions	Balance December 31, 2002
<u>Cafeteria Plan</u>				
Assets:				
Restricted Assets:				
Cash and Cash Equivalents	\$484	\$2,333	(\$2,060)	\$757
Total Assets	<u>\$484</u>	<u>\$2,333</u>	<u>(\$2,060)</u>	<u>\$757</u>
Liabilities:				
Due to Others	\$484	\$2,333	(\$2,060)	\$757
Total Liabilities	<u>\$484</u>	<u>\$2,333</u>	<u>(\$2,060)</u>	<u>\$757</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

General Fixed Assets Account Group is used to account for fixed assets other than those accounted for in the Proprietary Funds.

THE CITY OF ROSSFORD, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY SOURCE
DECEMBER 31, 2002

<u>General Fixed Assets</u>	
Land	\$324,152
Buildings	3,187,714
Improvements Other Than Buildings	148,970
Machinery and Equipment	<u>2,920,750</u>
Total General Fixed Assets	<u><u>\$6,581,586</u></u>
<u>Investment in General Fixed Assets</u>	
Acquired Prior to 1994	\$4,616,629
General Fund	691,576
Special Revenue Funds	310,654
Capital Projects Funds	951,227
Donated	<u>11,500</u>
Total Investment in General Fixed Assets	<u><u>\$6,581,586</u></u>

THE CITY OF ROSSFORD, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY CATEGORY
DECEMBER 31, 2002

<u>Function and Activity</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements Other Than Buildings</u>	<u>Machinery and Equipment</u>	<u>Total</u>
<u>General Government:</u>					
Council	\$0	\$0	\$0	\$700	\$700
Mayor	0	0	0	2,116	2,116
Administrator	0	0	0	5,576	5,576
Finance/Tax	0	0	0	88,168	88,168
Prosecutor	0	0	0	2,898	2,898
General Government	324,152	2,955,591	76,920	36,892	3,393,555
Civil Defense	0	0	0	34,411	34,411
Total	<u>324,152</u>	<u>2,955,591</u>	<u>76,920</u>	<u>170,761</u>	<u>3,527,424</u>
<u>Security of Persons and Property:</u>					
Police	0	0	0	535,465	535,465
Fire	0	0	0	1,180,137	1,180,137
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,715,602</u>	<u>1,715,602</u>
<u>Transportation:</u>					
Public Works	0	224,089	15,550	736,479	976,118
<u>Leisure Time Activities:</u>					
Park	0	8,034	56,500	297,908	362,442
Total General Fixed Assets	<u>\$324,152</u>	<u>\$3,187,714</u>	<u>\$148,970</u>	<u>\$2,920,750</u>	<u>\$6,581,586</u>

THE CITY OF ROSSFORD, OHIO
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2002

<u>Function and Activity</u>	<u>December 31, 2001</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31, 2002</u>
<u>General Government:</u>				
Council	\$700	\$0	\$0	\$700
Mayor	2,116	0	0	2,116
Administrator	5,576	0	0	5,576
Finance/Tax	88,168	0	0	88,168
Prosecutor	2,898	0	0	2,898
General Government	3,391,163	4,755	(2,363)	3,393,555
Civil Defense	34,411	0	0	34,411
Total	<u>3,525,032</u>	<u>4,755</u>	<u>(2,363)</u>	<u>3,527,424</u>
<u>Security of Persons and Property:</u>				
Police	481,211	54,254	0	535,465
Fire	1,134,519	45,618	0	1,180,137
Total	<u>1,615,730</u>	<u>99,872</u>	<u>0</u>	<u>1,715,602</u>
<u>Transportation:</u>				
Public Works	957,011	20,757	(1,650)	976,118
<u>Leisure Time Activities:</u>				
Park	349,927	12,515	0	362,442
Total General Fixed Assets	<u><u>\$6,447,700</u></u>	<u><u>\$137,899</u></u>	<u><u>(\$4,013)</u></u>	<u><u>\$6,581,586</u></u>



STATISTICAL SECTION

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

**THE CITY OF ROSSFORD, OHIO
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)
LAST TEN YEARS**

Year	Security of Persons and Property	Leisure Time Activities	Community Environment	Basic		Trans- portation	General Government	Capital Outlay	Debt Service	Total
				Utility Services	Services					
1993	\$1,006,117	\$140,644	\$9,430	\$187,950	\$438,338	\$760,681	\$171,378	\$0	\$2,714,538	
1994 a	1,120,538	169,387	21,621	211,644	631,096	865,997	0	132,280	3,152,563	
1995 a	1,243,534	183,371	95,586	190,473	662,982	868,922	0	164,091	3,408,959	
1996 a	1,255,367	199,096	188,221	205,528	552,698	865,592	0	168,865	3,435,367	
1997 a	1,351,688	177,616	10,314	210,245	586,279	987,399	0	165,031	3,488,572	
1998 a	1,375,385	192,506	223,475	210,169	781,844	1,013,058	0	245,097	4,041,534	
1999 a	1,599,527	208,846	258,382	208,283	789,415	866,887	0	194,173	4,125,513	
2000 a	1,544,121	199,381	181,898	214,569	918,062	1,059,887	0	235,467	4,353,385	
2001 a	1,887,972	236,888	240,586	208,181	897,282	1,067,504	0	171,304	4,709,717	
2002 a	1,795,309	237,125	0	232,469	898,680	1,112,502	0	186,224	4,462,309	

a - GAAP Basis Financial Data, Capital Outlay is reported as part of the function

(1) Includes General Fund, Special Revenue Funds and Debt Service Fund

THE CITY OF ROSSFORD, OHIO
GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
LAST TEN YEARS

Year	Taxes	Inter-Governmental Revenues	Charges for Services	Licenses and Permits	Investment Earnings	Special Assessments	Fines and Forfeitures	All Other	Total
1993	\$1,602,089	\$682,830	\$0	\$90,539	\$70,568	\$91,568	\$37,328	\$52,271	\$2,627,193
1994	1,846,861	751,660	35,642	84,872	80,253	92,807	36,206	19,161	2,947,462
1995	1,936,184	724,148	90,064	26,153	121,335	111,270	57,614	48,977	3,115,745
1996	2,097,353	969,792	96,434	26,647	79,919	111,430	39,867	44,092	3,465,534
1997	2,268,951	818,327	97,779	24,668	59,669	135,035	37,813	88,458	3,530,700
1998	2,373,203	1,180,873	102,258	41,233	72,647	129,868	36,614	78,268	4,014,964
1999	2,363,444	1,216,585	110,081	43,163	45,357	132,689	30,877	80,789	4,022,985
2000	2,519,617	1,194,098	126,297	73,834	49,941	125,604	32,431	56,713	4,178,535
2001	2,876,327	1,265,406	139,019	201,775	36,700	123,844	30,495	61,521	4,735,087
2002	2,852,728	1,009,615	149,742	70,198	20,852	130,409	29,386	37,069	4,299,999

(1) Includes General Fund, Special Revenue Funds and Debt Service Fund

**THE CITY OF ROSSFORD, OHIO
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS**

Collection Year	Total Tax Levy	Current Tax Collections	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Accumulated Delinquent Taxes to Total Tax Levy
1993	\$151,697	\$137,197	\$4,468	\$141,665	93.39%	\$640	0.42%
1994	168,743	155,916	3,519	159,435	94.48%	12,485	7.40%
1995	186,698	176,745	not available	176,745	94.67%	38,269	20.50%
1996	203,632	185,458	not available	185,458	91.08%	18,174	8.92%
1997	194,611	187,125	not available	187,125	96.15%	7,486	3.85%
1998	195,756	182,350	7,754	190,104	97.11%	5,647	2.88%
1999	268,751	250,351	10,646	260,997	97.11%	7,753	2.88%
2000	301,217	284,157	10,865	295,022	97.94%	6,195	2.06%
2001	302,645	284,060	8,231	292,291	96.58%	10,354	3.42%
2002	259,979	236,163	6,960	243,123	93.52%	16,857	6.48%

Source: Wood County Auditor

**THE CITY OF ROSSFORD, OHIO
TANGIBLE TAX COLLECTED
LAST TEN YEARS**

<u>Year Paid</u>	<u>Amount</u>
1993	\$39,217
1994	32,788
1995	31,930
1996	35,223
1997	33,849
1998	37,792
1999	44,233
2000	40,015
2001	38,267
2002	35,658

Source: Wood County Auditor

**THE CITY OF ROSSFORD, OHIO
 ASSESSED VALUATIONS AND ESTIMATED TRUE VALUES
 OF TAXABLE PROPERTY
 LAST TEN YEARS**

Tax Year	Real Property		Public Utility Personal		Tangible Personal Property		Total		Assessed Value as a Percent of Actual Value
	Assessed	Actual	Assessed	Actual	Assessed	Actual	Assessed	Actual	
1993	\$66,733,730	\$190,658,267	\$4,177,930	\$4,747,648	\$12,209,465	\$48,837,860	\$83,121,125	\$244,243,775	34.03%
1994	68,410,000	195,240,209	4,195,900	4,850,466	10,178,579	40,714,316	82,784,479	240,804,991	34.38%
1995	69,343,250	198,113,665	3,976,650	4,518,920	9,051,856	36,207,424	82,371,756	238,840,009	34.49%
1996	76,524,260	218,629,811	3,903,660	4,435,977	10,787,221	43,148,884	91,215,141	266,214,672	34.26%
1997	78,758,890	225,014,149	4,482,260	5,093,477	10,553,975	42,215,900	93,795,125	272,323,526	34.44%
1998	81,548,500	232,984,065	4,713,020	5,355,705	12,296,174	49,184,696	98,557,694	287,524,466	34.28%
1999	105,623,040	301,765,025	4,595,930	5,222,648	13,828,807	55,315,228	124,047,777	362,302,901	34.24%
2000	108,311,790	309,446,784	4,461,040	5,069,364	12,675,581	50,702,324	125,448,411	365,218,472	34.35%
2001	111,281,150	317,946,143	3,129,510	3,556,262	15,249,573	60,998,292	129,660,233	382,500,697	33.90%
2002	118,762,310	339,236,028	3,140,820	3,577,243	13,120,227	52,481,119	135,023,357	395,294,390	34.16%

Source: Wood County Auditor

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

Collection Year	City of Rossford											Wood County Total	
	Permanent			Recreation Fund	Fire Capital Fund	Total City	Rossford		Wood County				Special Taxing District
	General Fund	Improvement Fund	Exempted Village School District				Penta Joint Vocational School District	Wood County					
1993	1.80	0.40	0.40	0.40	0.60	3.20	45.60	2.20	11.70	2.50	65.20		
1994	1.80	0.40	0.40	0.40	0.60	3.20	45.60	2.20	11.90	2.50	65.40		
1995	1.80	0.40	0.40	0.40	0.60	3.20	45.30	2.20	11.90	2.50	65.10		
1996	1.80	0.40	0.40	0.40	0.60	3.20	45.15	2.20	11.90	2.50	64.95		
1997	1.80	0.40	0.40	0.40	0.60	3.20	45.15	2.20	11.90	2.50	64.95		
1998	1.80	0.40	0.40	0.40	0.60	3.20	45.40	2.20	11.90	2.50	65.20		
1999	1.80	0.40	0.40	0.40	0.60	3.20	47.40	2.20	12.10	2.50	67.40		
2000	1.80	0.40	0.40	0.40	0.60	3.20	46.40	2.20	12.80	2.50	67.10		
2001	1.80	0.40	0.40	0.40	0.60	3.20	46.40	2.20	14.10	2.50	68.40		
2002	1.80	0.40	0.40	0.40	0.60	3.20	54.30	2.20	14.40	3.50	77.60		

Source: Wood County Auditor
Wood County Treasurer

**CITY OF ROSSFORD, OHIO
SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS (1)
LAST TEN YEARS**

Collection Year	Amount Billed	Amount Collected	Percent Collected
1993	\$101,335	\$91,568	90.36%
1994	101,804	92,807	91.16%
1995	120,271	109,965	91.43%
1996	119,334	110,111	92.27%
1997	125,854	118,009	93.77%
1998	130,754	127,477	97.49%
1999	130,983	128,323	97.97%
2000	133,394	133,231	99.88%
2001	133,393	135,090	101.27%
2002	176,273	175,796	99.73%

(1) All assessments are for operating expenses, they are not debt related.

Source: Wood County Auditor

**THE CITY OF ROSSFORD, OHIO
COMPUTATION OF LEGAL DEBT MARGIN
DECEMBER 31, 2002**

	Total Debt	Unvoted Debt
Net Assessed Valuation	\$135,023,357	\$135,023,357
Legal Debt Limitation (%) (1)	10.50%	5.50%
Legal Debt Limitation (\$) (1)	14,177,452	7,426,285
Applicable City Debt Outstanding (2)	5,250,000	5,250,000
Less: Applicable Debt Service Fund Amounts	0	0
Net Indebtedness Subject to Limitation	5,250,000	5,250,000
Legal Debt Margin	\$8,927,452	\$2,176,285

(1) Direct Debt Limitation Based Upon Section 133, The Uniform Bond Act of the Ohio Revised Code

(2) City Debt Outstanding Includes Non Self-Supporting General Obligation Notes and Bonds Only
Enterprise Debt is Not Considered in the Computation of the Legal Debt Margin.
The Total Value of the RTID Notes are included.

THE CITY OF ROSSFORD, OHIO
RATIO OF NET GENERAL OBLIGATION DEBT TO ASSESSED
VALUE AND NET GENERAL OBLIGATION DEBT PER CAPITA
LAST TEN YEARS

Year	Population (1)	Assessed Value (2)	Gross General Obligation Debt (3)	Debt Service Funds Available	Net Bonded Debt	Ratio of General Obligation Debt to Assessed Valuation	Net General Obligation Debt Per Capita
1993	5,861	\$83,121,125	\$1,375,000	\$0	\$1,375,000	1.65%	\$234.60
1994	5,861	82,784,479	1,305,000	3,720	1,301,280	1.57%	222.02
1995	5,861	82,371,756	1,585,000	0	1,585,000	1.92%	270.43
1996	5,861	91,215,141	1,525,000	5	1,524,995	1.67%	260.19
1997	5,861	93,795,125	1,810,000	0	1,810,000	1.93%	308.82
1998	5,861	98,557,694	1,730,000	0	1,730,000	1.76%	295.17
1999	5,861	124,047,777	1,601,500	0	1,601,500	1.29%	273.25
2000	6,406	125,448,411	5,744,568	0	5,744,568	4.58%	896.75
2001	6,406	129,660,233	6,150,000	0	6,150,000	4.74%	960.04
2002	6,406	135,023,357	5,250,000	0	5,250,000	3.89%	819.54

(1) Source: U.S. Bureau of Census, Federal 2000 Census

(2) Source: Wood County Auditor

(3) Includes all general obligation debt supported by property taxes

THE CITY OF ROSSFORD, OHIO
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL OBLIGATION BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN YEARS

Year	Debt Principal	Debt Interest	Total Debt Service	Total General Governmental Expenditures	Ratio of Tax Debt Service to General Governmental Expenditures
1994	\$70,000	\$62,280	\$132,280	\$3,152,563	4.20%
1995	70,000	60,120	130,120	3,408,959	3.82%
1996	75,000	58,045	133,045	3,435,367	3.87%
1997	75,000	55,270	130,270	3,488,572	3.73%
1998	80,000	52,270	132,270	4,041,534	3.27%
1999	80,000	48,910	128,910	4,125,513	3.12%
2000	85,000	45,430	130,430	4,353,385	3.00%
2001	90,000	41,605	131,605	4,709,717	2.79%
2002	95,000	37,465	132,465	4,462,309	2.97%

NOTE: Ten years of data is not provided for this statistical table because the City of Rossford did not have any general obligation debt for the year 1993. Principal and interest payments did not begin on the 1993 Community Center Bond until 1994.

**THE CITY OF ROSSFORD, OHIO
COMPUTATION OF ALL DIRECT AND OVERLAPPING GOVERNMENTAL DEBT
DECEMBER 31, 2002**

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to City of Rossford</u>	<u>Amount Applicable to City of Rossford</u>
Direct: City of Rossford	\$4,650,000	100.00%	\$4,650,000
Overlapping Subdivisions: Wood County	15,856,650	5.34%	<u>846,745</u>
		Subtotal	<u>846,745</u>
		Total	<u><u>\$5,496,745</u></u>

Source: Wood County

**THE CITY OF ROSSFORD, OHIO
DEMOGRAPHIC STATISTICS
LAST TEN YEARS**

<u>Year</u>	<u>City of Rossford Population (1)</u>	<u>Wood County Population (1)</u>	<u>Unemployment Rate County Area (2)</u>	<u>Per Capita Income County Area (2)</u>	<u>School Enrollment (3)</u>
1993	5,861	115,900	4.90%	\$19,393	2,094
1994	5,861	116,200	4.40%	22,135	2,322
1995	5,861	116,820	3.95%	22,469	2,276
1996	5,861	116,820	3.68%	23,541	2,183
1997	5,861	116,820	3.50%	24,801	2,190
1998	5,861	116,820	3.38%	25,892	2,127
1999	5,861	116,820	3.41%	26,737	2,172
2000	6,406	116,820	3.20%	N/A	2,084
2001	6,406	116,820	3.52%	N/A	2,038
2002	6,406	116,820	4.63%	N/A	2,026

- Source:
- (1) U.S. Bureau of Census of Population: Federal 2000 Census
 - (2) Ohio Department of Development, Office of Strategic Research
 - (3) Rossford City School District, Board of Education

**THE CITY OF ROSSFORD, OHIO
PROPERTY VALUE AND CONSTRUCTION PERMITS
LAST TEN YEARS**

Year	Residential		Commercial	
	Number of Permits	Property Value	Number of Permits	Property Value
1993	54	\$2,860,720	3	\$179,640
1994	43	2,500,670	9	1,510,940
1995	67	4,202,250	4	225,280
1996	59	4,116,975	12	7,415,760
1997	39	1,607,500	22	7,173,800
1998	12	1,358,215	1	60,000
1999	46	1,589,265	11	42,392,086
2000	54	2,121,225	35	22,632,480
2001	43	1,926,855	31	16,020,400
2002	47	2,584,875	17	2,763,520

Source: Wood County Building Inspection Department

**THE CITY OF ROSSFORD, OHIO
PRINCIPAL TAXPAYERS (PERSONAL PROPERTY TAX)
DECEMBER 31, 2002**

	Taxpayer	Type of Business	Assessed Valuation (Tax Duplicate)	Percentage of Total Assessed Valuation
1	Libbey-Owens-Ford Company	Float Glass Manufacturer	\$7,309,390	55.71%
2	Hammill Manufacturing Corporation	Tool and Die Manufacturer	678,670	5.17%
3	National City Leasing	Leasing Company	615,680	4.69%
4	LNT Inc.	Housewares Retailer	421,960	3.22%
5	Home Depot USA Inc.	Home Improvement Retailer	446,260	3.40%
6	Block Communications Inc.	Newspaper/Television/Cable	442,200	3.37%
7	Seaway Food Town Inc.	Grocery Store	238,320	1.82%
8	BP Amoco Corporation	Gas Station	185,970	1.42%
9	Welsh Publishing	Newspaper	181,400	1.39%
10	J G Rossford Hotel South LTD	Hotel	174,870	1.33%
		Sub-Total	10,694,720	81.52%
		All Others	2,425,507	18.48%
		Total	<u>\$13,120,227</u>	<u>100.00%</u>

Based on 2001 Property Tax Assessed Valuations
Source: Wood County Auditor - Land and Buildings

**THE CITY OF ROSSFORD, OHIO
PRINCIPAL TAXPAYERS (REAL PROPERTY TAX)
DECEMBER 31, 2002**

	<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation (Tax Duplicate)</u>	<u>Percentage of Total Assessed Valuation</u>
1	Libbey-Owens-Ford Company	Float Glass Manufacturer	\$2,798,370	2.36%
2	JG Rossford Hotel North & South LTD	Hotels	1,705,210	1.44%
3	Port Lawrence Title	Apartments	1,624,030	1.37%
4	Rossford Arena Amphitheater Authority	Sports Facility	1,277,270	1.07%
5	Bernard L. Bartson	Apartments	1,018,890	0.86%
6	Hunger US Special Hydraulic Cylinders Corporation	Hydraulic Cylinder Manufacturer	874,280	0.74%
7	Toledo Edison	Utility Company - Electric	871,070	0.73%
8	Hammill Manufacturing Corp.	Tool and Die Manufacturer	650,760	0.55%
9	Toledo Terminal Railroad	Railroad	623,960	0.52%
10	Charles Crest Corporation	Medical Center/Housing	593,150	0.50%
		Sub-Total	12,036,990	10.14%
		All Others	106,725,320	89.86%
		Total	<u>\$118,762,310</u>	<u>100.00%</u>

Based on 2001 Property Tax Assessed Valuations
Source: Wood County Auditor - Land and Buildings

**THE CITY OF ROSSFORD, OHIO
PRINCIPAL TAXPAYERS (INCOME TAX)
DECEMBER 31, 2002**

	Taxpayer	Type of Business	Amount of Tax Paid in 2002	Percentage of Total
1	Libbey-Owens-Ford Company	Float Glass Manufacturer	\$519,191	20.61%
2	Rosford Board of Education	Education	208,137	8.26%
3	Tamarin Company	Giant Eagle Grocery Stores	72,641	2.88%
4	Home Depot USA	Home Improvement Retailer	53,659	2.13%
5	Hammill Manufacturing Corp.	Tool and Die Manufacturer	52,573	2.09%
6	City of Rossford	Local Government	44,913	1.78%
7	Chrysler Corporation	Automobile Parts Manufacturer	44,963	1.79%
8	Target Corporation	General Merchandise Retailer	43,576	1.73%
9	Service Spring Corporation	Spring Manufacturer	38,229	1.52%
10	Electro Prime Inc.	Specialty Machining Manufacturer	33,667	1.34%
		Sub-Total	1,111,549	44.13%
		All Others	1,407,218	55.87%
		Total	<u>\$2,518,767</u>	<u>100.00%</u>

Source: Finance Department

**THE CITY OF ROSSFORD, OHIO
PRINCIPAL EMPLOYERS
DECEMBER 31, 2002**

	<u>Employer</u>	<u>Type of Business</u>	<u>Number of Employees</u>
1	Libbey-Owens Ford Company	Float Glass Manufacturer	501
2	Target Corporation	General Merchandise Retailer	323
3	Rosford Board of Education	Education	288
4	Tamarken Company	Giant Eagle Grocery Stores	284
5	Adecco Employment Services	Employment Agency	238
6	Home Depot USA	Home Improvement Retailer	209
7	JCIA Enterprises	Labor Union	115
8	Hammill Manufacturing Corp.	Tool and Die Manufacturer	109
9	IBEW Local 8 - Electrical	Labor Union	67
10	Courtyard By Marriott	Motel	59

Source: City of Rossford Income Tax Department

CITY OF ROSSFORD

**Independent Accountants' Report on Compliance
and on Internal Control Over Financial Reporting**

2002

CLARK JOHNSON & ROBSON

Certified Public Accountants

CLARK JOHNSON & ROBSON

Certified Public Accountants
7854 West Central Avenue, Toledo, OH 43617

Independent Accountants' Report on Compliance and on Internal Control Over Financial Reporting

The Honorable Mayor and
Members of Council
City of Rossford, Ohio

We have audited the general purpose financial statements of the City of Rossford, Ohio, as of and for the year ended December 31, 2002, and have issued our report thereon dated June 18, 2003. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement results. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

Clark Johnson & Robson
June 18, 2003

**CITY OF ROSSFORD
OHIO**

STATUS OF PRIOR AUDIT'S CITATIONS AND RECOMMENDATIONS

CITATIONS	STATUS	EXPLANATION IF NOT FULLY IMPLEMENTED
There were no citations in the prior year.	N/A	N/A
RECOMMENDATIONS		
There were no recommendations in the prior year.	N/A	N/A



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CITY OF ROSSFORD

WOOD COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 25, 2003**