

**CITY OF FINDLAY  
HANCOCK COUNTY, OHIO**

***SUPPLEMENTAL REPORTS***

***DECEMBER 31, 2003***

**MS. JANET WOBSEY, CITY AUDITOR**





**Auditor of State  
Betty Montgomery**

Members of Council  
City of Findlay

We have reviewed the Independent Auditor's Report of the City of Findlay, Hancock County, prepared by Trimble, Julian & Grube, Inc. for the audit period January 1, 2003 through December 31, 2003. 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 Findlay is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Betty Montgomery".

BETTY MONTGOMERY  
Auditor of State

July 12, 2004

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**CITY OF FINDLAY  
HANCOCK COUNTY, OHIO**

**TABLE OF CONTENTS**

Independent Auditors' Report on Supplementary Schedule of Expenditures of Federal Awards .....	1
Schedule of Expenditures of Federal Awards.....	2
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Basic Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	3 - 4
Report on Compliance With Requirements Applicable to Its Major Federal Program and on Internal Control Over Compliance in Accordance With <i>OMB Circular A-133</i> .....	5 - 6
Schedule of Findings <i>OMB Circular A-133 § .505</i> .....	7 - 8
Status of Prior Audit Findings <i>OMB Circular A-133 § .315(b)</i> .....	9

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# TRIMBLE, JULIAN & GRUBE, INC.

“SERVING OHIO LOCAL GOVERNMENTS”

1445 Worthington Woods Boulevard  
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Telephone 614.846.1899  
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## **Independent Auditors’ Report on Supplementary Schedule of Expenditures of Federal Awards**

Members of Council and Mayor  
City of Findlay  
Room 313, Municipal Building  
Findlay, OH 45840

Our audit was performed for the purpose of forming opinions on the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements of the City of Findlay as of and for the year ended December 31, 2003. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as whole.

Trimble, Julian & Grube, Inc.  
June 11, 2004

**CITY OF FINDLAY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2003**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH GRANT NUMBER	CASH (A) FEDERAL DISBURSEMENTS
<b>U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT PASSED THROUGH THE OHIO DEPARTMENT OF DEVELOPMENT</b>			
Small Cities Community Development Block Grant	14.228	A-F-01-120-1	\$ 162,320
(B), (C) Small Cities Community Development Block Grant	14.228	N/A	100,000
Small Cities Community Development Block Grant	14.228	A-F-02-120-1	191,000
<b>Total U.S. Department of Housing and Urban Development</b>			<u>453,320</u>
<b>U.S. DEPARTMENT OF JUSTICE PASSED THROUGH N/A</b>			
(D) Local Law Enforcement Block Grants Program	16.592	2001-LE-LEB-3557	24,750
Bulletproof Vest Partnership Grant Program	16.607	N/A	10,953
<b>Total U.S. Department of Justice</b>			<u>35,703</u>
<b>U. S. DEPARTMENT OF TRANSPORTATION FEDERAL AVIATION ADMINISTRATION PASSED THROUGH THE N/A</b>			
Airport Improvement Program	20.106	N/A	197,633
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES PASSED THROUGH THE OHIO DEPARTMENT OF HEALTH</b>			
Public Health Infrastructure	93.283	K552	17,286
(E) Public Health Infrastructure	93.283	N/A	10,691
<b>Total U.S. Department of Health</b>			<u>27,977</u>
<b>DEPARTMENT OF HOMELAND SECURITY PASSED THROUGH THE N/A</b>			
Assistance to Firefighters Grant	97.044	N/A	10,395
<b>Total Federal Financial Assistance</b>			<u>\$ 725,028</u>

- (A) The accompanying Schedule of Expenditures of Federal Awards (the Schedule) summarizes activity of the City's federal award programs. The schedule has been prepared on the cash basis of accounting.
- (B) The City has established a revolving loan program to provide low-interest loans to businesses that are creating jobs and meet the other program requirements. The Federal Department of Housing and Urban Development (HUD) grants money for these loans to the City passed through the Ohio Department of Development. The initial loan of this money is recorded as a disbursement on the accompanying Schedule of Expenditures of Federal Awards (the Schedule). Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as disbursements on the Schedule. These loans are collateralized by mortgages on the property. At December 31, 2003, the gross amount of loans outstanding under this program were \$105,350.
- (C) The City converted old Revolving Loan Funds to Community Development Block Grant funds with approval from Ohio Department of Development.
- (D) Passed through the Ohio Office of Criminal Justice Services.
- (E) Passed through Wood County.
- Note: Certain Federal programs require that the City contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has complied with the matching requirements. The expenditures of non-Federal matching funds is not included on the Schedule.



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## **Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Basic Financial Statements Performed in Accordance With *Government Auditing Standards***

Members of Council and Mayor  
City of Findlay  
Room 313, Municipal Building  
Findlay, OH 45840

We have audited the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements of the City of Findlay as of and for the year ended December 31, 2003, and have issued our report thereon dated June 11, 2004. As disclosed in Note 3 to the financial statements, the City implemented Governmental Accounting Standards Board (GASB) Statement 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, GASB Statement No. 37, Basic Financial Statements for State and Local Governments: Omnibus, GASB Statement No. 38, Certain Financial Statement Note Disclosures, GASB Interpretation No. 6 Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements, and GASB Statement No. 41, Budgetary Comparison Schedule - Perspective Differences for the year ended December 31, 2003. In addition, the City had a prior period adjustment for estate taxes receivable as disclosed in Note 3. 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.

### Compliance

As part of obtaining reasonable assurance about whether the City of Findlay's basic financial statements are free of material misstatement, we performed tests of its 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 amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Members of Council and Mayor  
City of Findlay

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City of Findlay's, internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic 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 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 basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses. However, we noted certain matters involving the internal control over financial reporting that do not require inclusion in this report that we have reported to the management of the City of Findlay in a separate letter dated June 11, 2004.

This report is intended for the information and use of Council and the management of the City of Findlay, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Trimble, Julian & Grube, Inc.  
June 11, 2004

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## **Report on Compliance With Requirements Applicable to Its Major Federal Program and on Internal Control Over Compliance in Accordance With *OMB Circular A-133***

Members of Council and Mayor  
City of Findlay  
Room 313, Municipal Building  
Findlay, OH 45840

### Compliance

We have audited the compliance of the City of Findlay with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2003. As disclosed in Note 3 to the financial statements, the City implemented Governmental Accounting Standards Board (GASB) Statement 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, GASB Statement No. 37, Basic Financial Statements for State and Local Governments: Omnibus, GASB Statement No. 38, Certain Financial Statement Note Disclosures, GASB Interpretation No. 6 Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements, and GASB Statement No. 41, Budgetary Comparison Schedule - Perspective Differences for the year ended December 31, 2003. In addition, the City had a prior period adjustment for estate taxes receivable as disclosed in Note 3. The City of Findlay's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the City of Findlay's management. Our responsibility is to express an opinion on the City of Findlay's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the City of Findlay's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Findlay's compliance with those requirements.

Members of Council and Mayor  
City of Findlay

In our opinion, the City of Findlay complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2003.

Internal Control Over Compliance

The management of the City of Findlay is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Findlay's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with *OMB Circular A-133*.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program 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 compliance and its operation that we consider to be material weaknesses.

This report is intended for the information and use of Council and the management of the City of Findlay, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Trimble, Julian & Grube, Inc.  
June 11, 2004

**CITY OF FINDLAY  
HANCOCK COUNTY, OHIO**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 § .505**

**DECEMBER 31, 2003**

1. SUMMARY OF AUDITOR'S RESULTS		
(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Program:	Small Cities Community Development Block Grant, CFDA #14.228
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: >\$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

**CITY OF FINDLAY  
HANCOCK COUNTY, OHIO**

**SCHEDULE OF FINDINGS  
*OMB CIRCULAR A-133 § .505***

**DECEMBER 31, 2003**

**2. FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None

**CITY OF FINDLAY  
HANCOCK COUNTY, OHIO**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
OMB CIRCULAR A-133 § ..315(b)**

**DECEMBER 31, 2003**

<b><u>Finding Number</u></b>	<b><u>Finding Summary</u></b>	<b><u>Fully Corrected?</u></b>	<b>Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i></b>
2003-COF-001	Ohio Revised Code Section 5705.41 (B) requires in part that no subdivision is to expend monies unless it has been appropriated.	Yes	N/A





**CITY OF FINDLAY, OHIO**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

PREPARED BY:

CITY AUDITOR'S OFFICE  
JANET WOBSEY, CITY AUDITOR



# **FINANCIAL SECTION**

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**CITY OF FINDLAY, OHIO**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

TABLE OF CONTENTS

**I. INTRODUCTORY SECTION**

Title Page	1-4
Table of Contents	1-4
Letter of Transmittal	5-9
List of Elected and Appointed Officials	10
Organizational Chart	11
Certificate of Achievement for Excellence in Financial Reporting	12

**II. FINANCIAL SECTION**

INDEPENDENT AUDITOR’S REPORT	13-14
MANAGEMENT’S DISCUSSION AND ANALYSIS	15-31
BASIC FINANCIAL STATEMENTS:	
Government-Wide Financial Statements:	
Statement of Net Assets	33
Statement of Activities	34-35
Fund Financial Statements:	
Balance Sheet - Governmental Funds	36-37
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities	38
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	40-41
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	42
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non GAAP Budgetary Basis):	
General Fund	43
Street Maintenance and Repair	44
City Income Tax Administration	45
Statement of Net Assets - Proprietary Funds	46-47
Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Funds	48-49
Statement of Cash Flows - Proprietary Funds	50-53
Statement of Fiduciary Net Assets - Fiduciary Funds	54

BASIC FINANCIAL STATEMENTS - (Continued):

Statement of Changes in Fiduciary Net Assets - Fiduciary Funds .....	55
Notes to the Basic Financial Statements .....	57-92

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES:

Comparative Balance Sheet - General Fund .....	94
Comparative Balance Sheet - Street Maintenance and Repair Fund .....	95
Comparative Balance Sheet - City Income Tax Administration Fund .....	96
Comparative Statement of Net Assets - Water Fund .....	97
Comparative Statement of Revenues, Expenses and Changes in Net Assets - Water Fund .....	98
Comparative Statement of Cash Flows - Water Fund .....	99-100
Comparative Statement of Net Assets - Water Pollution Control Fund .....	101
Comparative Statement of Revenues, Expenses and Changes in Net Assets - Water Pollution Control Fund .....	102
Comparative Statement of Cash Flows - Water Pollution Control Fund .....	103-104
Comparative Statement of Net Assets - Airport Fund .....	105
Comparative Statement of Revenues, Expenses and Changes in Net Assets - Airport Fund .....	106
Comparative Statement of Cash Flows - Airport Fund .....	107
Combining Statements - Nonmajor Governmental Funds:	
Fund Descriptions .....	108-109
Combining Balance Sheet - Nonmajor Governmental Funds .....	111
Combining Balance Sheet - Nonmajor Special Revenue Funds .....	112-114
Combining Balance Sheet - Nonmajor Debt Service Fund .....	116
Combining Balance Sheet - Nonmajor Capital Projects Funds .....	117
Combining Balance Sheet - Nonmajor Permanent Fund .....	118
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds .....	119
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds .....	120-122
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Debt Service Fund .....	123
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds .....	124

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES (Continued):

Combining Statements - Nonmajor Enterprise Funds:

Fund Descriptions .....	125
Combining Statement of Net Assets - Nonmajor Enterprise Funds .....	126
Combining Statement of Revenues, Expenditures and Changes in Net Assets - Nonmajor Enterprise Funds .....	127
Statement of Cash Flows - Nonmajor Enterprise Funds .....	128
Statement of Net Assets - Swimming Pool Fund .....	129
Statement of Revenues, Expenditures and Changes in Net Assets - Swimming Pool Fund .....	130
Statement of Cash Flows - Swimming Pool Fund .....	131
Statement of Net Assets - Parking Facilities Fund .....	132
Statement of Revenues, Expenditures and Changes in Net Assets - Parking Facilities Fund .....	133
Statement of Cash Flows - Parking Facilities Fund .....	134

Combining Statements - Nonmajor Internal Service Funds:

Fund Descriptions .....	135
Combining Statement of Net Assets - Nonmajor Internal Service Funds .....	136
Combining Statement of Revenues, Expenditures and Changes in Net Assets - Nonmajor Internal Service Funds .....	137
Statement of Cash Flows - Nonmajor Internal Service Funds .....	138

Combining Statements - Nonmajor Fiduciary Funds

Fund Descriptions .....	139
Combining Statement of Changes in Assets and Liabilities - Agency Fund .....	140

INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENDITURES/EXPENSES AND CHANGES IN FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL:

General Fund .....	142-143
Street Maintenance and Repair .....	144
City Income Tax Administration Fund .....	145
State Highway Fund .....	146
County Permissive MVL Tax Fund .....	147
Drug Law Enforcement Fund .....	148
Law Enforcement Trust Fund .....	149
Indigent Alcohol Treatment Fund .....	150
Metrich Drug Law Enforcement Fund .....	151
Enforcement and Education Fund .....	152
Police Pension Fund .....	153
Fire Pension Fund .....	154
Revolving Loan Fund .....	155
Court Computerization Fund .....	156
Legal Research Fund .....	157

INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENDITURES/EXPENSES AND CHANGES IN FUND  
BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL (Continued):

Mediation Services Fund .....	158
HRC Capital Trust Fund .....	159
Western Avenue Pilot Debt Service Fund .....	160
Sixth Street Pilot Debt Service Fund .....	161
Debt Service Fund .....	162
Capital Projects Fund .....	163
Municipal Court Improvement Fund .....	164
Permanent Fund .....	165

**III. STATISTICAL SECTION**

General Government Expenditures and Other Uses - Last Ten Fiscal Years .....	169
General Government Revenues and Other Financing Sources - Last Ten Years .....	170-171
Property Tax Levies and Collections Real Estate and Public Utility - Last Ten Years .....	172
Personal Property Tax Levies and Collections - Last Ten Years .....	173
Assessed and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years .....	174
Property Tax Rates - Direct and Overlapping Governments (Per \$1,000 of Assessed Valuation) - Last Ten Years .....	175
Real Estate and Public Utility - Principal Taxpayers .....	176
Special Assessment Collections - Last Ten Years .....	177
Computation of Legal Debt Margins .....	178
Computation of Direct and Overlapping General Obligation Bonded Debt .....	179
Debt Service Coverage for Enterprise Fund Debt - Last Ten Years .....	180
Property Value, Construction and Bank Deposits - Last Ten Years .....	181
Fifteen Largest Employers .....	182
Miscellaneous Statistics .....	183
Compliance Information - Securities and Exchange Commission Rule .....	184





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JANET R. WOBSEY  
CITY AUDITOR

June 11, 2004

To the Residents of Findlay, Ohio:

The Comprehensive Annual Financial Report (CAFR) of the City of Findlay (the "City"), Ohio, for the fiscal year ended December 31, 2003, is submitted herewith. The report has been prepared for the citizens of Findlay, the elected officials, bondholders, the investment community, rating agencies, and all persons interested in the financial affairs of the City. This report includes the City's implementation of accounting principles generally accepted in the United States of America (GAAP) set forth by the Governmental Accounting Standards Board (GASB).

Responsibility for both the accuracy of the presented data and the thoroughness of the presentation rests with the City. We believe the data to be accurate in all material respects and to be presented in a manner designed to disclose the financial position of the City and the operating results of its various funds.

The Comprehensive Annual Financial Report is divided into three sections: the Introductory Section, the Financial Section, and the Statistical Section. The Introductory Section contains this letter of transmittal, the City's organizational chart, a listing of our elected and appointed officials, and a copy of the Certificate of Achievement awarded to the City for its 2002 CAFR. The Financial Section includes the independent auditor's report on the financial statements, the management discussion and analysis, the basic financial statements and notes, and the combining and individual fund financial statements. The Statistical Section provides pertinent and select financial, economic, and demographic information that can be referenced on a multi-year basis. We have also included in this section the data that meets the disclosure requirements of the Securities and Exchange Commission Rule 15c2-12.

### CITY ORGANIZATION

The City is located in the northwestern part of the State of Ohio, and is the county seat and largest city in Hancock County. Findlay is a statutory city that operates under the statutes as set forth by the Ohio Revised Code, which requires our elected officials to be a Mayor, Council Members, a City Auditor, a City Treasurer, and a Director of Law. The offices of the Treasurer and the Director of Law are part-time positions. All officials are elected to four-year terms except the members of Council. Council terms are for a period of two years. There is a President of Council and nine council persons, three of whom are elected at-large and six by the respective wards. A Service-Safety Director is appointed by the Mayor and has administrative responsibility for the operating departments. In 2004 this position will be separated into a Safety Director who will have administrative responsibility for the safety/security forces and a Service Director who will oversee the utilities and other service departments. The Mayor will still appoint the positions.

The City provides police and fire protection, health services, planning and zoning, street construction and maintenance, parks and recreation facilities (including an indoor ice arena), a Municipal Court, a cemetery, and general government services. The City also operates several enterprise activities including water treatment and distribution, water pollution control, parking enforcement, airport maintenance and fuel sales, and an outdoor swimming pool. Private enterprises provide the citizens with trash removal and ambulance services.

Findlay Municipal Court operates under two elected municipal judges. The jurisdiction of the Court includes the City of Findlay and all of Hancock County except Washington Township and three precincts of a ward within the City of Fostoria, all of which are serviced by the Fostoria Municipal Court. The City's general fund provides the funding for the court, with reimbursement from the County for a percentage of certain administrative costs. The court costs and fines collected through the court are distributed to the various political jurisdictions based on the charges filed in the court. As Findlay Municipal Court is financially interdependent on the City, the activity of the Court has been reflected in an agency fund in the accompanying financial statements.

## **FUND ACCOUNTING**

The City's accounts are organized as funds. Each fund is a separate accounting entity with its own self-balancing set of accounts, assets, liabilities, and fund equity. Following are the titles of these funds with a brief description.

### Governmental funds:

*General Fund* – The general fund is the general operating fund of the City. It is used to account for all financial resources traditionally associated with government which are not required to be accounted for in another fund.

*Special Revenue Funds* – The special revenue funds are used to account for revenues derived from specific taxes, grants, or other restricted revenue sources. City ordinances or Federal or State statutes specify the uses and limitations of each special revenue fund. During 2003, the City had 16 (sixteen) special revenue funds.

*Debt Service Funds* – The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. During 2003, the City had 3 (three) debt service funds.

*Capital Projects Funds* – The capital projects funds are used to account for financial resources used for the acquisition or construction of major capital facilities other than those financed by proprietary funds. During 2003, the City had 2 (two) capital projects funds.

*Permanent Funds* – Permanent funds are for the purpose of accounting for resources that are legally restricted to the extent that earnings, and not principal, may be used for purposes that support the reporting governments. During 2003, the City had 1 (one) permanent fund.

### Proprietary funds:

*Enterprise Funds* – The enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises; where the intent of the governing body 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. During 2003, the City had 5 (five) separate enterprise funds for its Water, Water Pollution Control, Airport, Parking and Swimming Pool operations.

*Internal Service Funds* – The internal service funds are used to account for the financing of goods or services provided by one division or agency to other divisions or agencies of the government, generally on a cost reimbursement basis. During 2003, the City had 2 (two) internal service funds.

Fiduciary funds:

*Private-Purpose Trust Fund* – The private-purpose trust fund is used to account for any trust agreement under which principal and income benefit individuals, private organizations, or other governments. During 2003, the City had 1 (one) private-purpose trust fund.

*Agency Funds* – Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds. The City had 3 (three) agency funds during 2003.

## **ECONOMIC CONDITION AND OUTLOOK**

The unemployment rate for Hancock County has been consistently one of the lowest in the state. Specific employment statistics are not available for the city, but Hancock County's jobless rate in December 2003 was 4.0%. Even though that rate was higher than the 3.1% in December 2002, it was still the fourth lowest in the state of Ohio. The average for the state was 6.0%.

The City's labor market is not dominated by one industry. Our major employers represent office/white collar, industrial/manufacturing, and health care industries. (Please refer to Table 13 in the Statistical Section of this report.) This diversification offers a more stable economic base and has been a major focus of our community development efforts for the last 20 years. We have been able to retain long-time corporate citizens and at the same time attract new businesses to our area. It is estimated that approximately 5,500 people from surrounding communities travel to jobs in the City area on a daily basis.

We certainly have not been immune to conditions created by the national economic slowdown. However, we have been able to minimize the negative effects of a business closing its doors or reducing its workforce through the continued growth in other sectors.

## **MAJOR CAPITAL IMPROVEMENT INITIATIVES**

Our downtown business district underwent revitalization during the summer of 2003. Main Street was completely resurfaced through a project funded by the Ohio Department of Transportation (ODOT). In conjunction with the resurfacing the city replaced all deteriorated curbing and sidewalks. Decorative street light fixtures were installed and traffic signals were upgraded and painted to unify the overall appearance of the downtown district. There has been an ongoing effort for many years from government leaders and private business owners to keep the downtown growing and active. This most recent investment of time and dollars will continue that plan.

In January 2003 the county transferred ownership of the Hancock Recreation Center to the City. The operation of the ice rink facility, and all associated assets, are now reported in the general fund as an operating department of the City. A review of the current structure and operations is ongoing to determine what improvements are necessary to increase the use of the building and therefore increase the operational revenue.

During the next two years the City plans to completely upgrade all the software systems that serve the City departments. The software upgrade committee reviewed demonstrations from a list of vendors and selected a final list of companies that were asked to make a second presentation and answer additional questions of the committee. The committee will determine which software most completely meets the specific criteria that each user has defined. A contract will be awarded in the first quarter of 2004.

The improvement of CR236 between SR224 and SR12 has become a priority because of the commercial and residential development that is occurring along this roadway. The current 2-lane road will be unable to adequately service the traffic generated by the subdivision residents and the customers of the new businesses. The City plans to designate the area serviced by the road as a tax increment financing (TIF) area and issue debt to fund the project. Construction is estimated for summer of 2005.

## **FINANCIAL INFORMATION**

### ***Internal Controls***

The City's financial records are maintained and reported according to GAAP. All City operations are categorized and reported by fund. Our internal accounting controls are designed to provide reasonable assurance for the safeguard of assets against loss from unauthorized use or disposition, and reliable records as the basis for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of controls should not exceed the benefits likely to be derived from the operation of the system. City-wide internal controls and accounting procedures are evaluated during each official annual audit of the City's financial statements. The financial accounting system, including payroll processing, is fully computerized. The automated system used in conjunction with a series of manual controls and approvals provide an effective monitoring procedure.

### ***Budgetary Control***

Departmental budgets are prepared by the individual supervisors, approved by the responsible administrator, and then submitted to Council members for final review. Council adopts the permanent appropriation budget in January of each year. The focus of the budget control is by individual line items, then by department and finally, in total, by fund. Transfers within a department's accounts may be made with written administrative approval. All supplemental appropriations require the adoption of an ordinance by council. Similarly, all money allocated to a capital improvement project requires council approval.

Funds are spent and encumbered by department heads through use of purchase orders for items from individual cost centers and projects. The personnel in the Auditor's Office monitor the available balances and appropriations prior to the certification of an encumbrance. At the end of the year, any outstanding encumbrances are carried forward to the new year if the ordered item/service has not been received or the project has not been completed. See Note 2.F to the basic financial statements for further discussion on the City's budgetary process.

### ***Cash Management***

The provisions of the Codified Ordinances of the City and the Ohio Revised Code govern the City's investment policy. The City's eligible investments are certificates of deposit, savings accounts, money market accounts, obligations of the United States Government and certain instruments thereof, obligations of the State of Ohio, internal bond anticipation notes, and repurchase agreements backed by securities of the United States Government or agencies thereof.

Per the above-mentioned statutes, institutions that desire to be public depositories must pledge security for all public funds on deposit. All investments of the City are secured in accordance with the appropriate statutory provisions and in conformity with our investment policy as required by the Ohio Revised Code. See Note 2.G and Note 4 to the basic financial statements for more detail on the City's cash management.

### ***Risk Management***

Each year, our risk management consultant reviews our insurance claims and policies to ensure that our risk exposure is adequately contained. The City carries policies for fleet liability insurance, building and contents insurance, public officials' liability, valuable papers insurance, police professional liability, and airport liability insurance. Our consultant assists in the preparation of bid specifications and also evaluates the proposals from each insurance company to make sure the City receives the best coverage possible for the premium paid. We are self-insured for general liability insurance. Through this plan we have been able to avoid paying excessively high insurance premiums and still maintain adequate liability coverage. Asset management is also an important concern. A complete fixed asset record of all City equipment and buildings is maintained and used for property control. See Note 13 to the basic financial statements for further discussion on the City's risk management programs.

## OTHER INFORMATION

### *Independent Audit*

The firm of Trimble, Julian, & Grube, Inc. has audited the basic financial statements of the City, and their Auditors' Report is included herein. In addition to the financial audit, a single audit was performed as required by the Single Audit Act Amendment of 1996 and the provisions of OMB circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The single audit report is not included in this Comprehensive Annual Financial 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 Findlay for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2002.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

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

### *Acknowledgments*

I would like to express my appreciation to our Council members, to the Administration, to our Department Supervisors, and to all our City employees for their continued cooperation in our efforts to continuously improve the financial reporting of the City. A special word of thanks goes to Deputy Auditor Ginger Sampson, CPA. Her knowledge and dedication are instrumental in the issuance of this report. I would also like to acknowledge our consultant, Trimble, Julian, & Grube for their efforts in the development of this CAFR. An additional word of appreciation is extended to each member of my staff for their support and assistance throughout the year.

Respectfully submitted,



Janet R. Wobser  
City Auditor

**CITY OF FINDLAY, OHIO**

DECEMBER 31, 2003

**ELECTED OFFICIALS**

Mayor	John Stozich
Auditor	Janet R. Wobser
Municipal Court Judge	Kevin C. Smith
Municipal Court Judge	Vernon L. Preston
Treasurer	Jim Staschiak II
Law Director	David A. Hackenberg
Council President	Robert E. Schuck
At Large	Marcia A. Barkey
At Large	Robert J. Nichols
At Large	James P. Slough
First Ward	John C. Sausser
Second Ward	H. Richard Rowe
Third Ward	K.C. Collette
Fourth Ward	R. Ronald Monday
Fifth Ward	Randy C. Ward
Sixth Ward	David W. Cliffe

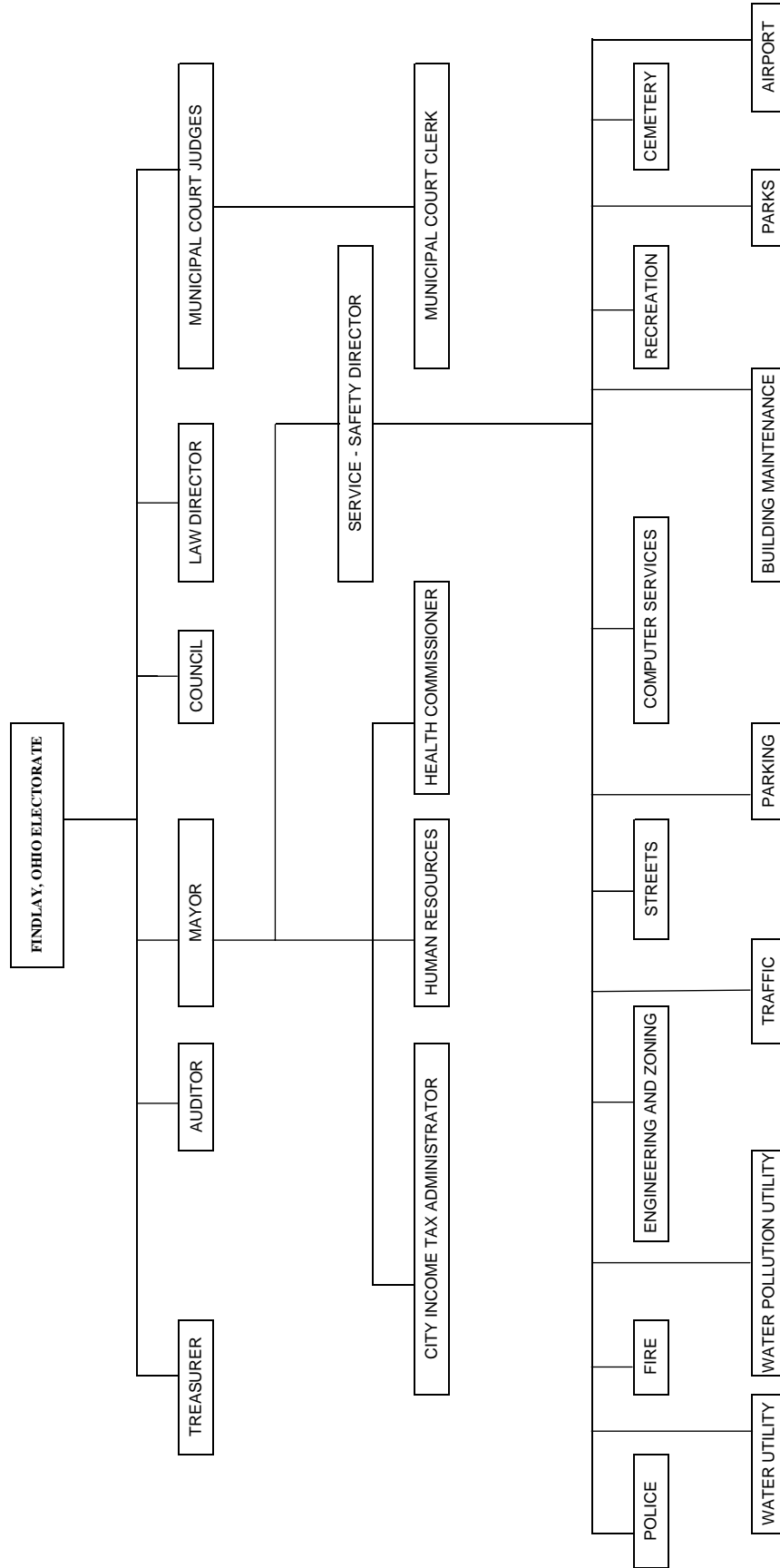
**APPOINTED OFFICIALS**

Service- Safety Director	Robert S. Ruse, PE
City Engineer	Bruce D. Cochran, PE
City Income Tax Administrator	Andrew L. Thomas
Municipal Court Clerk	Patricia L. Walters

**CITY AUDITOR'S OFFICE**

City Auditor	Janet R. Wobser
Deputy Auditor	Ginger Sampson, CPA
Audit Clerk	Carolyn Ehrnschwender
Audit Clerk	Susan Spangler
Clerk	Amy Baird

CITY OF FINDLAY ORGANIZATIONAL CHART



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Findlay,  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2002

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



President

Executive Director



# **FINANCIAL SECTION**

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# TRIMBLE, JULIAN & GRUBE, INC.

"SERVING OHIO LOCAL GOVERNMENTS"

1445 Worthington Woods Boulevard  
Suite B  
Worthington, Ohio 43085

Telephone 614.846.1899  
Facsimile 614.846.2799

## Independent Auditor's Report

Members of Council and Mayor  
City of Findlay  
Room 313, Municipal Building  
Findlay, Ohio 45840

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Findlay, Hancock County, (the "City"), as of and for the year ended December 31, 2003, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

As disclosed in Note 3 to the financial statements, the City implemented Governmental Accounting Standards Board (GASB) Statement 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, GASB Statement No. 37, Basic Financial Statements for State and Local Governments: Omnibus, GASB Statement No. 38, Certain Financial Statement Note Disclosures, GASB Interpretation No. 6 Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements, and GASB Statement No. 41, Budgetary Comparison Schedule - Perspective Differences for the year ended December 31, 2003. In addition, the City had a prior period adjustment for estate taxes receivable as disclosed in Note 3.

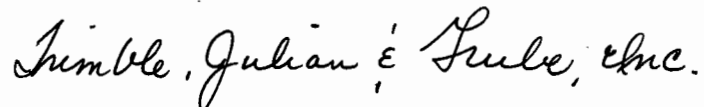
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Findlay, as of December 31, 2003, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund, street maintenance and repair fund, and city income tax administration fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Independent Auditors Report  
City of Findlay  
Page 2

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2004, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying required supplementary information, such as management's discussion and analysis on pages 15 through 31 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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



Trimble, Julian & Grube, Inc.  
June 11, 2004

## CITY OF FINDLAY, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2003 UNAUDITED

The discussion and analysis of the City of Findlay's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2003. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

#### Financial Highlights

Key financial highlights for 2003 are as follows:

- The total net assets of the City increased \$8,528,425. Net assets of governmental activities increased \$4,609,946 or 7.5% over 2002 and net assets of business-type activities increased \$3,918,479 or 5.5% over 2002.
- General revenues accounted for \$21,019,217 of total governmental activities revenue. Program specific revenues accounted for \$6,051,108 or 22.35% of total governmental activities revenue.
- The City had \$22,557,311 in expenses related to governmental activities; \$6,051,108 of these expenses was offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$16,506,203 were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$21,019,217.
- The general fund had revenues of \$8,984,663 in 2003. This represents an increase of \$921,448 from 2002 revenues. Transfers in amounted to \$11,929,014 and are reported under other financing sources. The expenditures of the general fund, which totaled \$20,527,830 in 2003, decreased \$676,328 from 2002. The net decrease in fund balance for the general fund was \$169,949 or 2.46%.
- The street maintenance and repair fund had revenues of \$2,362,850 in 2003. This represents an increase of \$707,208 from 2002 revenues. The expenditures of the street maintenance and repair fund, which totaled \$5,724,570 in 2003, increased \$507,692 from 2002. The net increase in fund balance for the street maintenance and repair fund was \$504,889 or 41.99%.
- The city income tax administration fund had revenues of \$14,007,484 in 2003. This represents a decrease of \$463,942 from 2002 revenues. The expenditures of the city income tax administration fund, which totaled \$613,386 in 2003, decreased \$101,178 from 2002. The net decrease in fund balance for the city income tax administration fund was \$134,921 or 4.23%.
- Net assets for the business-type activities, which are made up of the Water, Water Pollution Control, Airport, Parking Facilities, and Swimming Pool enterprise funds, increased in 2003 by \$3,918,207. This increase in net assets was due primarily to adequate charges for services revenue to cover operating expenses.

#### Using this Comprehensive Annual Financial Report

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

The statement of net assets and statement of activities provide information about the activities of the City as a whole, presenting both an aggregate view of the City's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column.

## CITY OF FINDLAY, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2003 UNAUDITED

#### Reporting the City as a Whole

##### *Statement of Net Assets and the Statement of Activities*

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2003?" The statement of net assets and the statement of activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. The accrual basis of accounting, takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the City's net *assets* and changes in those assets. This change in net assets is important because it tells the reader that, for the City as a whole, the financial position of the City has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the City's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required community programs and other factors.

In the statement of net assets and the statement of activities, the City is divided into two distinct kinds of activities:

**Governmental activities** - Most of the City's programs and services are reported here including police, fire, street maintenance, parks and recreation, capital improvements and general administration. These services are funded primarily by property and income taxes and intergovernmental revenues including federal and state grants and other shared revenues.

**Business-type activities** - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided. The City's water, water pollution control, airport, parking facilities, and swimming pool operations are reported here.

#### Reporting the City's Most Significant Funds

##### *Fund Financial Statements*

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

Fund financial reports provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. However, these fund financial statements focuses on the City's most significant funds. The analysis of the City's major governmental and proprietary funds begins on page 23.

##### *Governmental Funds*

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

**CITY OF FINDLAY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2003  
UNAUDITED**

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

The City maintains a multitude of individual governmental funds. The City has segregated these funds into major funds and nonmajor funds. The City's major governmental funds are the general fund, street maintenance and repair fund and city income tax administration fund. Information for major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages 36-45 of this report.

***Proprietary Funds***

The City maintains five different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, water pollution control, airport, parking facilities, and swimming pool functions. The water, water pollution control and airport funds are considered major funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The basic proprietary fund financial statements can be found on pages 46-53 of this report.

***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Private-purpose trust and agency funds are the City's fiduciary fund types. The basic fiduciary fund financial statements can be found on pages 54-55 of this report.

***Notes to the Basic Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 57-92 of this report.

**Government-Wide Financial Analysis**

This is the City's first year for government-wide financial statements using the full accrual basis of accounting, therefore, a comparison with prior year is not available. A comparative analysis will be presented in future years when prior year information is available.

**CITY OF FINDLAY, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**  
**UNAUDITED**

The table below provides a summary of the City's net assets for 2003:

	<b>Net Assets</b>		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<u>Assets</u>			
Current and other assets	\$ 22,134,444	\$ 12,588,299	\$ 34,722,743
Capital assets	<u>57,690,574</u>	<u>127,800,641</u>	<u>185,491,215</u>
Total assets	<u>79,825,018</u>	<u>140,388,940</u>	<u>220,213,958</u>
<u>Liabilities</u>			
Long-term liabilities outstanding	8,840,977	63,717,890	72,558,867
Other liabilities	<u>4,862,327</u>	<u>1,699,191</u>	<u>6,561,518</u>
Total liabilities	<u>13,703,304</u>	<u>65,417,081</u>	<u>79,120,385</u>
<u>Net Assets</u>			
Invested in capital assets, net of related debt	53,250,549	64,301,640	117,552,189
Restricted	8,804,311	5,480,608	14,284,919
Unrestricted	<u>4,066,854</u>	<u>5,189,611</u>	<u>9,256,465</u>
Total net assets	<u>\$ 66,121,714</u>	<u>\$ 74,971,859</u>	<u>\$ 141,093,573</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At December 31, 2003, the City's assets exceeded liabilities by \$141,093,573. At year-end, net assets were \$66,121,714 and \$74,971,859 for the governmental activities and the business-type activities, respectively.

Capital assets reported on the government-wide statements represent the largest portion of the City's net assets. At year-end, capital assets represented 84.23% of total assets. Capital assets include land, buildings and improvements, improvements other than buildings, machinery and equipment, utility plant in service, utility lines in service, construction in progress and infrastructure. Capital assets, net of related debt to acquire the assets at December 31, 2003, was \$53,250,549 and \$64,301,640 in the governmental activities and business-type activities, respectively. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

As of December 31, 2003, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

A portion of the City's net assets, \$14,284,919, represents resources that are subject to external restriction on how they may be used. In the governmental activities, the remaining balance of unrestricted net assets of \$4,066,854 may be used to meet the government's ongoing obligations to citizens and creditors.



**CITY OF FINDLAY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2003  
UNAUDITED**

The table below shows the changes in net assets for fiscal year 2003. Since this is the first year the City has prepared financial statements following GASB Statement No. 34, revenue and expense comparisons to fiscal year 2002 are not available. A comparative analysis will be provided in future years when prior year information is available.

	<b>Change in Net Assets</b>		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Revenues</b>			
Program revenues:			
Charges for services	\$ 2,997,483	\$ 15,228,392	\$ 18,225,875
Operating grants and contributions	2,641,376	-	2,641,376
Capital grants and contributions	<u>412,249</u>	<u>2,678,509</u>	<u>3,090,758</u>
Total program revenues	<u>6,051,108</u>	<u>17,906,901</u>	<u>23,958,009</u>
General revenues:			
Property taxes	2,826,806	-	2,826,806
Income taxes	14,095,110	-	14,095,110
Unrestricted grants and entitlements	2,818,716	-	2,818,716
Investment earnings	278,548	213,697	492,245
Miscellaneous	<u>1,000,037</u>	<u>711,210</u>	<u>1,711,247</u>
Total general revenues	<u>21,019,217</u>	<u>924,907</u>	<u>21,944,124</u>
Total revenues	<u>27,070,325</u>	<u>18,831,808</u>	<u>45,902,133</u>
Expenses:			
General government	5,695,708	-	5,695,708
Security of persons and property	12,866,966	-	12,866,966
Public health and welfare	1,347,065	-	1,347,065
Transportation	1,106,317	-	1,106,317
Leisure time activity	1,337,577	-	1,337,577
Other	1,807	-	1,807
Interest and fiscal charges	201,871	-	201,871
Water	-	6,398,700	6,398,700
Water pollution control	-	6,843,341	6,843,341
Airport	-	1,306,254	1,306,254
Parking facilities	-	138,441	138,441
Swimming pool	<u>-</u>	<u>129,661</u>	<u>129,661</u>
Total expenses	<u>22,557,311</u>	<u>14,816,397</u>	<u>37,373,708</u>
Increase in net assets before transfers	4,513,014	4,015,411	8,528,425
Transfers	<u>96,932</u>	<u>(96,932)</u>	<u>-</u>
Increase in net assets	<u>\$ 4,609,946</u>	<u>\$ 3,918,479</u>	<u>\$ 8,528,425</u>

**CITY OF FINDLAY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2003  
UNAUDITED**

**Governmental Activities**

Governmental activities net assets increased \$4,609,946 in 2003. This increase is a result of slightly decreasing expenses and an increase in other revenue versus amounts reported in the prior year.

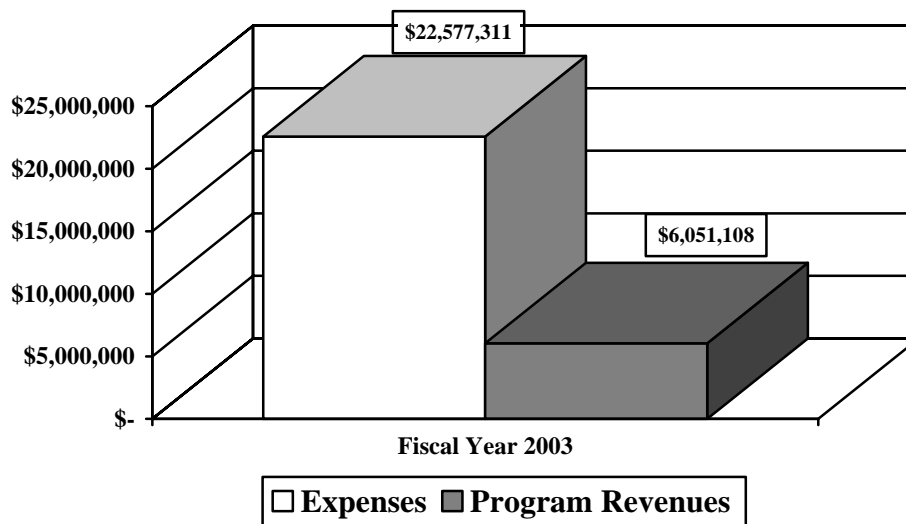
Security of persons and property, which primarily supports the operations of the police and fire departments accounted for \$12,866,966 of the total expenses of the City. These expenses were partially funded by \$1,564,861 in direct charges to users of the services. General government expenses totaled \$5,695,708. General government expenses were partially funded by \$1,177,697 in direct charges to users of the services, and \$300,032 in operating grants and contributions.

The state and federal government contributed to the City a total of \$2,641,376 in operating grants and contributions and \$412,249 in capital grants and contributions. These revenues are restricted to a particular program or purpose. Of the total operating grants and contributions, \$2,612,980 subsidized transportation programs, \$27,294 subsidized public health and welfare programs and \$1,102 subsidized security of persons and property programs.

General revenues totaled \$21,019,217, and amounted to 77.65% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$2,826,806 and \$14,095,110, respectively. The other primary source of general revenues is grants and entitlements not restricted to specific programs, including local government and local government revenue assistance, making up \$2,818,716.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements. As can be seen in the graph below, the City is highly dependent upon property and income taxes as well as unrestricted grants and entitlements to support its governmental activities. Comparisons to 2002 have not been presented since they are not available.

**Governmental Activities – Program Revenues vs. Total Expenses**



**CITY OF FINDLAY, OHIO**

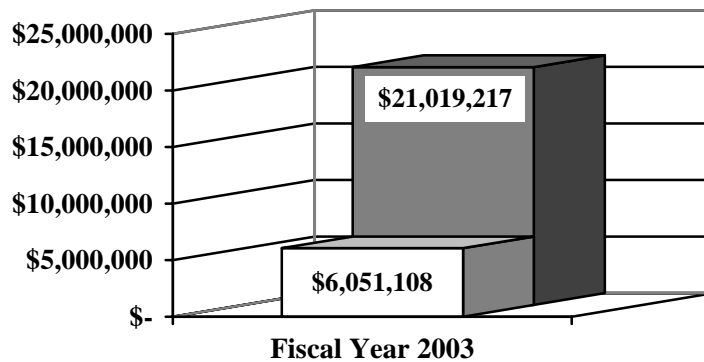
**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2003  
UNAUDITED**

**Governmental Activities**

	Total Cost of Services <u>2003</u>	Net Cost of Services <u>2003</u>
Program Expenses:		
General government	\$ 5,695,708	\$ 4,217,979
Security of persons and property	12,866,966	11,301,003
Public health and welfare	1,347,065	1,319,771
Transportation	1,106,317	(1,508,882)
Leisure time activity	1,337,577	1,159,020
Other	1,807	1,807
Interest and fiscal charges	<u>201,871</u>	<u>15,505</u>
Total Expenses	<u>\$ 22,557,311</u>	<u>\$ 16,506,203</u>

The dependence upon general revenues for governmental activities is apparent, with 73.17% of expenses supported through taxes and other general revenues.

**Governmental Activities – General and Program Revenues**



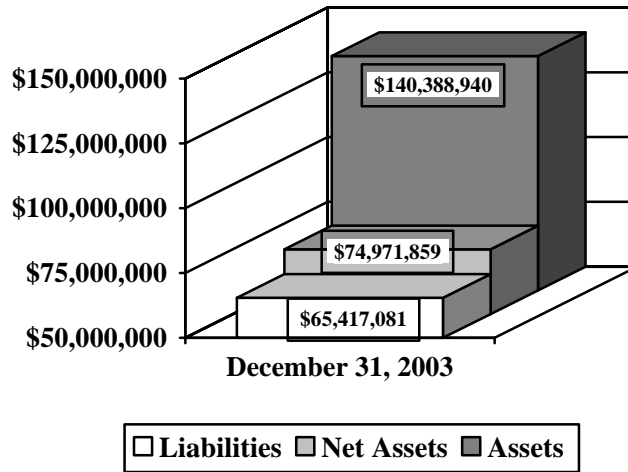
□ Program Revenues    ■ General Revenues

**Business-type Activities**

Business-type activities include the water, water pollution control, airport, parking facilities, and swimming pool enterprise funds. These programs had program revenues of \$17,906,901, general revenues of \$924,907 and expenses of \$14,816,397 for 2003. The graph below shows the business-type activities assets, liabilities and net assets at year-end.

**CITY OF FINDLAY, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**  
**UNAUDITED**

**Net Assets in Business – Type Activities**



**Financial Analysis of the Government's Funds**

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

**Governmental Funds**

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

The City's governmental funds (as presented on the balance sheet on pages 36-37) reported a combined fund balance of \$14,274,119 which is \$147,706 above last year's total of \$14,126,413 (as restated). The December 31, 2002 fund balances have been restated as described in Note 3 to the basic financial statements. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2003 for all major and nonmajor governmental funds.

	Fund Balances 12/31/03	Fund Balances 12/31/02	Increase (Decrease)
Major funds:			
General	\$ 6,730,693	\$ 6,900,642	\$ (169,949)
Street repair and maintenance	1,707,388	1,202,499	504,889
City income tax administration	3,054,817	3,189,738	(134,921)
Other nonmajor governmental funds	<u>2,781,221</u>	<u>2,833,534</u>	<u>(52,313)</u>
Total	<u>\$ 14,274,119</u>	<u>\$ 14,126,413</u>	<u>\$ 147,706</u>

**CITY OF FINDLAY, OHIO**

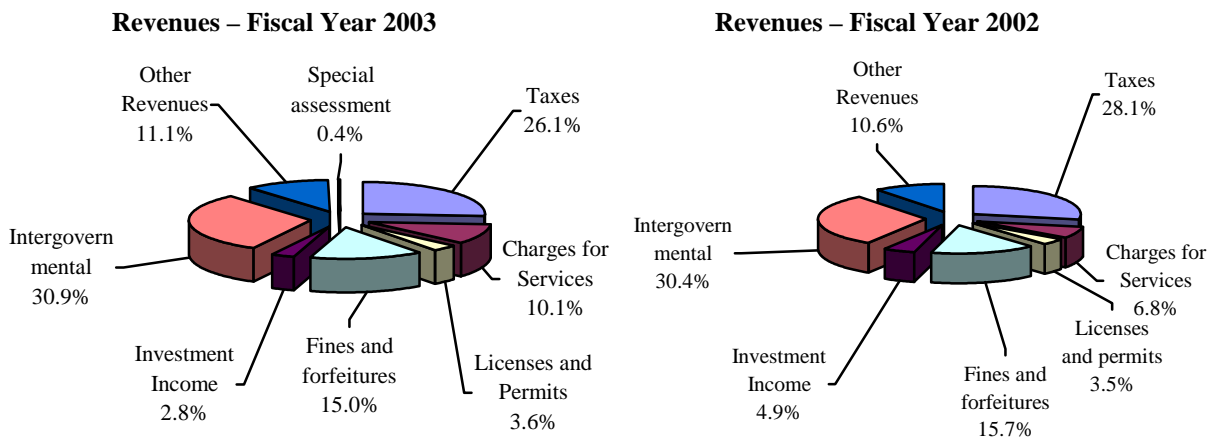
**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2003  
UNAUDITED**

**General Fund**

The City's general fund balance decreased \$169,949, primarily due to transfers out to other funds in the amount of \$1,557,275. \$1,220,000 of this transfer amount represented subsidies to the SCM&R Fund, the Swimming Pool Fund and the Airport Fund. The table that follows assists in illustrating the revenues of the general fund.

	<u>2003 Amount</u>	<u>2002 Amount</u>	<u>Percentage Change</u>
<b>Revenues</b>			
Taxes	\$ 2,348,596	\$ 2,372,059	(0.99) %
Charges for services	911,749	572,362	59.30 %
Licenses and permits	319,748	294,599	8.54 %
Fines and forfeitures	1,348,687	1,329,781	1.42 %
Investment income	251,559	416,182	(39.56) %
Special assessments	36,304	-	100.00 %
Intergovernmental	2,770,602	2,561,115	8.18 %
Other	<u>997,418</u>	<u>898,079</u>	11.06 %
<b>Total</b>	<b><u>\$ 8,984,663</u></b>	<b><u>\$ 8,444,177</u></b>	<b>6.40 %</b>

Tax revenue represents 26.14% of all general fund revenue. General Fund receives 2.6 mills in real estate collections on an annual basis, and there are no voted levies in addition to that millage. Tax revenue decreased slightly by 0.99% from prior year. The decrease in investment income is due to drastic cuts in interest rates by the Federal Reserve Bank throughout the year. The increase in charges for services revenue is due to an increase in the collections of charges. All other revenue remained comparable to 2002.



**CITY OF FINDLAY, OHIO**

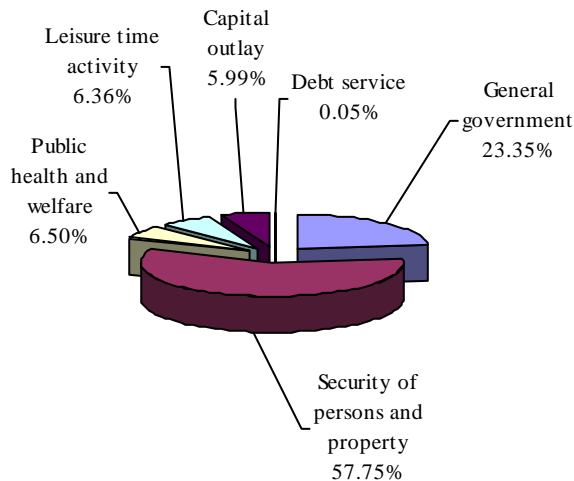
**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2003  
UNAUDITED**

The table that follows assists in illustrating the expenditures of the general fund.

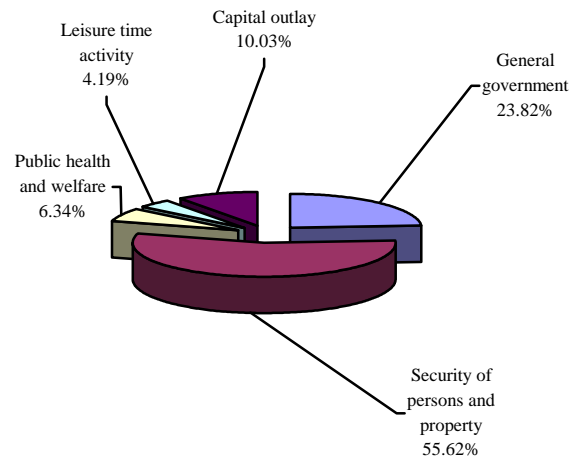
	<u>2003</u> <u>Amount</u>	<u>2002</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<b><u>Expenditures</u></b>			
General government	\$ 4,792,452	\$ 5,050,650	(5.11) %
Security of persons and property	11,855,139	11,792,708	0.53 %
Public health and welfare	1,334,612	1,345,087	(0.78) %
Leisure time activity	1,305,622	888,587	46.93 %
Capital outlay	1,230,608	2,127,126	(42.15) %
Debt service	<u>9,397</u>	<u>-</u>	100.00 %
<b>Total</b>	<b><u>\$ 20,527,830</u></b>	<b><u>\$ 21,204,158</u></b>	<b>(3.19) %</b>

The most significant increase was in the area of leisure time activity. This increase is primarily due to the completion of the transfer of the ice rink from Hancock County. Capital outlay is a controlled expense of the City. All other expenditures remained comparable to 2002.

**Expenditures - Fiscal Year 2003**



**Expenditures - Fiscal Year 2002**



***Street Maintenance and Repair Fund***

The street maintenance and repair fund had revenues of \$2,362,850 in 2003. This represents an increase of \$707,208 from 2002 revenues. The expenditures of the street maintenance and repair fund, which totaled \$5,724,570 in 2003, increased \$507,692 from 2002. The net increase in fund balance for the street maintenance and repair fund was \$504,889 or 41.99%.

**CITY OF FINDLAY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2003  
UNAUDITED**

***City Income Tax Administration Fund***

The city income tax administration fund had revenues of \$14,007,484 in 2003. This represents a decrease of \$463,942 from 2002 revenues. The expenditures of the city income tax administration fund, which totaled \$613,386 in 2003, decreased \$101,178 from 2002. The net decrease in fund balance for the city income tax administration fund was \$134,921 or 4.23%. The City Income tax rate is and has been 1.0% since it was imposed January 1, 1967. The income tax receipts are allocated between General Fund operations and capital improvement projects. The allocation is determined by ordinance of Council and can be changed, based on need. At year end 2003, the allocation was 78% to General Fund and 22% to general capital improvements that are not Enterprise Fund related. Please refer to the table titled General Government Revenues in the Statistical Section of this report for a 10-year history of the income tax collections. Even though the 2003 collections were less than 2002, the average annual growth rate since 1984 has been an increase of 6% per year.

***Budgeting Highlights***

The City's budgeting process is prescribed by the Ohio Revised Code (ORC). Essentially the budget is the City's appropriations which are restricted by the amounts of anticipated revenues certified by the Budget Commission in accordance with the ORC. Therefore, the City's plans or desires cannot be totally reflected in the original budget. If budgeted revenues are adjusted due to actual activity then the appropriations can be adjusted accordingly.

Budgetary information is presented for the general fund, street maintenance and repair fund and city income tax administration fund. In the general fund, one of the most significant changes was between the original and final budgeted amount in the area of expenditures, which increased \$636,931 from \$22,319,754 to \$22,956,685. Actual revenues of \$8,984,663 exceeded final budgeted revenues by \$1,149,766 primarily due to an increase in actual intergovernmental revenues. The other significant change was between the final budgeted expenditures and actual expenditures. Actual expenditures came in \$2,428,855 lower than the final budgeted amounts due to very conservative budgeting by the City.

Actual revenues for the street maintenance and repair fund were less than final budgeted revenues by \$986,590 while actual expenditures were \$1,258,778 lower than final budgeted expenditures.

Actual revenues for the city income tax administration fund were less than final budgeted revenues by \$473,810 while actual expenditures were \$175,266 lower than final budgeted expenditures.

There were no significant variances between the original and final budgeted amounts reported in the city income tax administration fund. The only significant variance in the street maintenance and repair fund was that final budgeted expenditures exceeded original budgeted expenditures by \$4,262,834. As stated above, actual expenditures for the street maintenance and repair fund were \$1,258,778 lower than final budgeted expenditures.

***Proprietary Funds***

The City's proprietary funds provide the same type of information found in the government-wide financial statements for business-type activities, except in more detail. The only difference between the amounts reported as business-type activities and the amounts reported in the proprietary fund statements are interfund eliminations between proprietary funds and internal balances due to governmental activities for internal service activities. The only interfund activity reported in the government wide statements are those between business-type activities and governmental activities (reported as internal balances and transfers) whereas interfund amounts between various enterprise funds are reported in the proprietary fund statements.

**CITY OF FINDLAY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2003  
UNAUDITED**

***Water Fund***

Our waterworks system has been municipally owned since it was first developed in 1888. Improvements have been made as needed and are financed from revenues of the system. The current facilities include two upland raw water storage reservoirs with a capacity of 6.4 billion gallons, a raw water pump station located at the reservoir, raw water lines that feed into the lime-soda softening water treatment plant, high service pumps, and a 278-mile distribution system with two elevated storage tanks. There is treated water storage capacity at the plant of 4.5 million gallons plus 2.75 million gallons in the two elevated towers. The plant is able to treat 16 million gallons per day, and in the future can be expanded to 24 million gallons per day when the customer demand for treated water increases to that level.

User charge rates are established to provide revenue for operation and maintenance of the treatment facility, the reservoir, and the distribution system. In addition, the charge rates must be set to support all capital improvements and debt service requirements. In accordance with Ohio law, the Service-Safety Director has the ability to revise the charge rates.

The water utility's ten largest customers in 2003 are shown below:

<u>Customer</u>	<u>Billings</u>	<u>Percent of Total</u>
Whirlpool	\$ 410,678	6.83%
Ball Metal	241,775	4.02%
Cooper Tire	173,732	2.89%
Hancock County	84,603	1.41%
University of Findlay	83,510	1.39%
Marathon	56,510	0.94%
Findlay City Schools	54,723	0.91%
B V R H C	49,336	0.82%
City Laundry	43,169	0.72%
Riverview Terrace	41,272	0.69%

***Water Pollution Control Fund***

The City's wastewater treatment facility has been updated and improved to maintain compliance with all EPA discharge permit standards. During 1987 and 1988, major renovations were made to the Broad Avenue treatment plant, and a new 6.0 million gallon per day (MGD) oxidation ditch type of treatment plant was constructed on River Road which is adjacent to the original plant. In 2000 construction began on two new oxidation ditches, two final clarifiers and UV disinfecting at the River Road Plant. This expansion of the facility was fully operational in July 2001, and in 2002 the original activated sludge plant on Broad Avenue was decommissioned and demolished. The design of the River Road Plant allows for the construction of additional modules as demand on the facilities increases. Currently the treatment plant provides for a 15 MGD average design flow and a 40 MGD peak design flow. In addition, the city is working toward a comprehensive stormwater management plan to comply with EPA guidelines. The ten largest customers of the sewage system in 2003 are shown below:



**CITY OF FINDLAY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2003  
UNAUDITED**

<u>Customer</u>	<u>Billings</u>	<u>Percent of Total</u>
Cooper Tire	\$ 111,108	1.63%
University of Findlay	100,805	1.48%
Whirlpool	100,588	1.48%
Findlay City Schools	67,164	0.99%
Ball Metal	67,099	0.99%
Marathon	57,349	0.84%
Village of Arcadia	53,480	0.79%
B V R H C	51,718	0.76%
Hancock County	42,434	0.62%
City Laundry	38,401	0.57%

**Capital Assets and Debt Administration**

*Capital Assets*

At the end of fiscal 2003, the City had \$185,491,215 (net of accumulated depreciation) invested in land, buildings and improvements, improvements other than buildings (I.O.T.B.), machinery and equipment, utility plant in service, utility lines in service, infrastructure and construction in progress (CIP). Of this total, \$57,690,574 was reported in governmental activities and \$127,800,641 was reported in business-type activities. The following table shows fiscal 2003 balances compared to 2002:

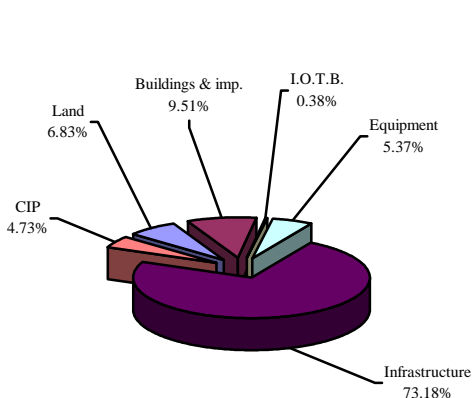
**Capital Assets at December 31  
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2003</u>	<u>2002 Restated</u>	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Land	\$ 3,943,083	\$ 3,074,079	\$ 4,736,429	\$ 4,726,473	\$ 8,679,512	\$ 7,800,552
Buildings and improvements	5,488,505	5,664,070	803,518	884,995	6,292,023	6,549,065
I.O.T.B.	219,516	232,668	8,285,153	8,581,217	8,504,669	8,813,885
Utility plant in service	-	-	44,366,855	44,072,266	44,366,855	44,072,266
Utility lines in service	-	-	67,550,448	63,701,271	67,550,448	63,701,271
Machinery and equipment	3,099,372	3,064,295	1,710,136	1,759,793	4,809,508	4,824,088
Infrastructure	42,213,695	40,234,920	-	-	42,213,695	40,234,920
Construction in progress	<u>2,726,403</u>	<u>-</u>	<u>348,102</u>	<u>2,623,849</u>	<u>3,074,505</u>	<u>2,623,849</u>
Totals	<u>\$ 57,690,574</u>	<u>\$ 52,270,032</u>	<u>\$ 127,800,641</u>	<u>\$ 126,349,864</u>	<u>\$ 185,491,215</u>	<u>\$ 178,619,896</u>

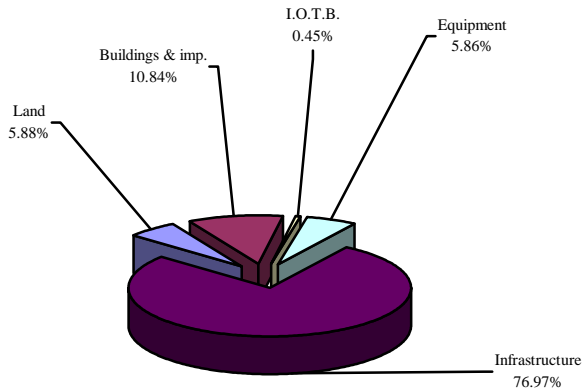
**CITY OF FINDLAY, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2003**  
**UNAUDITED**

The following graphs show the breakdown of governmental capital assets by category for 2003 and 2002.

**Capital Assets - Governmental Activities 2003**



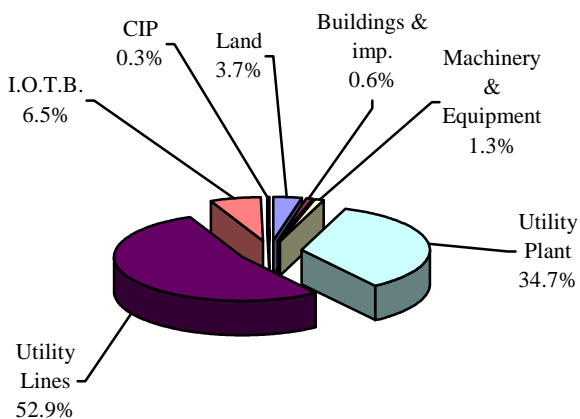
**Capital Assets - Governmental Activities 2002**



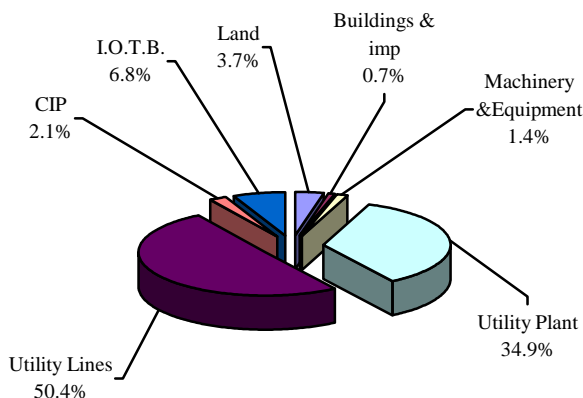
The City's largest capital asset category is infrastructure which includes streets, storm sewers, bridges, and traffic signals. These items are immovable and of value only to the City, however, the annual cost of purchasing these items is quite significant. The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 73.17% of the City's total governmental capital assets.

The following graphs show the breakdown of business-type capital assets by category for 2003 and 2002.

**Capital Assets - Business-Type Activities 2003**



**Capital Assets - Business-Type Activities 2002**



The City's largest business-type capital asset category, are utility lines that primarily includes water and sewer lines. These items play a vital role in the income producing ability of the business-type activities. The net book value of the City's utility lines (cost less accumulated depreciation) represents approximately 52.9% of the City's total business-type capital assets. See Note 8 to the basic financial statements for further detail on capital assets.

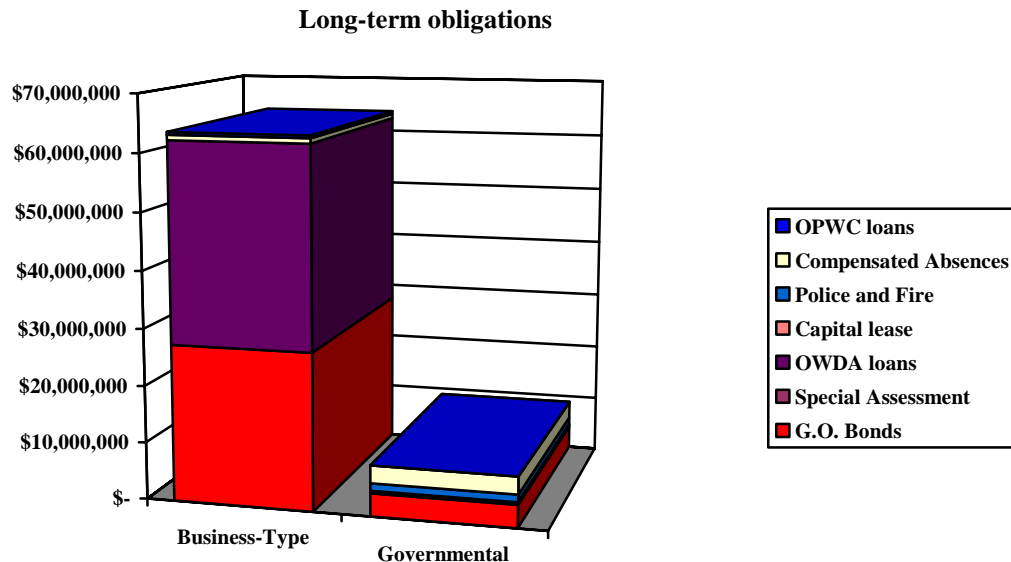
**CITY OF FINDLAY, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2003**  
**UNAUDITED**

***Debt Administration***

The City had the following long-term obligations outstanding at December 31, 2003 and 2002:

	Governmental Activities	
	2003	(Restated) 2002
Compensated absences	\$ 3,082,746	\$ 2,878,798
Police and Fire past service	1,292,373	1,311,699
Capital lease obligation	6,390	8,344
Special Assessment bonds	443,635	510,300
General Obligation bonds	3,990,000	3,305,000
Total long-term obligations	\$ 8,815,144	\$ 8,014,141
	Business-Type Activities	
	2003	2002
General Obligation bonds	\$ 27,975,000	\$ 22,050,000
Revenue bonds	-	9,377,072
OPWC loans	483,121	299,537
OWDA loans	34,849,100	35,705,341
Compensated absences	896,814	866,562
Total long-term obligations	\$ 64,204,035	\$ 68,298,512

A comparison of the long-term obligations by category is depicted in the chart below.



## CITY OF FINDLAY, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2003 UNAUDITED

It has long been the policy of the City to borrow money only for those projects that cannot be supported from the current available cash balances. When financing is necessary, careful consideration is given to total construction costs, length of payback period, and available interest rates before debt is actually issued. The City currently maintains an Aa3 credit rating with Moody's Investors Service and a AA- rating from Standard and Poors.

In May of 2003 the City issued \$9,820,000 in general obligation bonds. This issue is primarily a refunding bond issue to take advantage of the reduction in interest rates and offer savings to the Water and Water Pollution Control Funds. The water portion amounts to \$3,785,000 and refunds the water improvement bonds that were issued in 1993. Total savings over the life of the bonds is \$523,000. The water pollution control portion totals \$5,070,000 and refunds the 1993 sewerage system refunding bonds. The savings to the Wastewater Fund is \$276,000. The remaining \$965,000 of the bond issue provided a reimbursement to General Fund for the cost of the of the land adjacent to the Hancock Recreation Center. In December 2001 the City used General Fund dollars to purchase the land with the intent that General Fund would be reimbursed at a future time when debt was issued.

In August of 2003 the city was able to refund the 1995 Waterworks System Refunding Revenue Bonds. The new principal amount is \$7,045,000. By issuing general obligation bonds we were able to use the revenue bonds debt service reserve fund and reduce the outstanding principal. The amount of 1995 bonds called was \$8,565,000. The annual savings to the water fund will be \$400,000 for total savings of \$2.4 million.

See Note 11 to the basic financial statements for further detail on the City long-term obligations outstanding at year-end.

#### **Economic Conditions and Outlook**

A survey of the Findlay area industrial leaders showed that the general feeling is that the nation's economy will perform well in 2004, and that performance will be reflected in the Findlay economy. Inflation and interest rates are likely to remain low by historical standards, and the economic growth should significantly improve job prospects. Both the levels of employment and corporate profits affect the city income tax. Even though the income tax collections for 2003 were behind 2002, we would not expect to see a repeat of falling receipts. The receipts from corporate withholders at the end of the first quarter of 2004 showed an increase of 2.7% over the same period in 2003.

Residential construction in the city has not seen a slowdown. A total of 147 permits were issued in 2003 compared to 139 in 2002. The total value of permits was \$32.2 million. These totals were the highest since 1998 when 156 permits were issued by the city. Industrial and retail investment remains strong in the area. A new pharmaceutical distribution center will be operational in mid 2004. Reinvestment of capital dollars by companies that already have operations here is also important to maintain a thriving economy, and we are fortunate to see this activity in a number of our corporate citizens.

As our city boundaries are extended to include the areas that are seeing the residential and commercial growth, it is a challenge to maintain key services to all residents. Individuals coming to our city to work and shop generate a greater volume of traffic. Our engineering department personnel are constantly updating their plan for street improvements. There are six major intersections that will be upgraded during 2004. Blanchard Street will be resurfaced with money available through the Ohio Department of Transportation.

In addition to our infrastructure needs, currently several other projects are in the planning stages for future years: the design of the renovations to the Hancock Recreation Center (ice rink), a new home for the street maintenance department, an upgrade of the city-wide computer system, a river widening project in conjunction with the Army Corps of Engineers, and a disinfection project at our water treatment facility.

**CITY OF FINDLAY, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2003**  
**UNAUDITED**

The city must be prudent in the use of its resources, and aggressive in the pursuit of outside state and federal dollars, to continue to provide quality services to our citizens. As some of our shared revenues from the state government are reduced, we will be forced to look at ways to increase local revenues where possible, as well as constantly search for ways to improve the efficiency of our operations.

**Contacting the City's Financial Management**

This financial report is designed to provide our citizen's, taxpayers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information contact Ms. Janet R. Wobser, Auditor, City of Findlay, 313 Municipal Building, Findlay, Ohio 45840.

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**CITY OF FINDLAY, OHIO**

STATEMENT OF NET ASSETS  
DECEMBER 31, 2003

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents . . . . .	\$ 12,216,584	\$ 3,783,762	\$ 16,000,346
Cash in segregated accounts . . . . .	55,656	-	55,656
Cash with fiduciary agent . . . . .	227,563	-	227,563
Cash with escrow agent . . . . .	116,662	27,348	144,010
Investments . . . . .	450,000	-	450,000
Receivables (net of allowances for uncollectibles) . . . . .	5,618,267	1,730,480	7,348,747
Internal balances . . . . .	(272)	272	-
Due from other governments . . . . .	1,553,980	3,174	1,557,154
Prepayments . . . . .	133,853	71,288	205,141
Materials and supplies inventory . . . . .	188,506	358,841	547,347
Restricted assets:			
Equity in pooled cash and cash equivalents . . . . .	1,564,640	1,366,397	2,931,037
Cash and cash equivalents with fiscal agents . . . . .	-	4,916,360	4,916,360
Deferred bond costs . . . . .	9,005	330,377	339,382
Capital assets:			
Land and construction in progress . . . . .	6,669,486	5,084,531	11,754,017
Depreciable capital assets, net . . . . .	51,021,088	122,716,110	173,737,198
Total capital assets . . . . .	<u>57,690,574</u>	<u>127,800,641</u>	<u>185,491,215</u>
Total assets . . . . .	<u>79,825,018</u>	<u>140,388,940</u>	<u>220,213,958</u>
<b>Liabilities:</b>			
Accounts payable . . . . .	935,993	108,792	1,044,785
Retainage payable . . . . .	116,662	27,348	144,010
Accrued wages and benefits . . . . .	401,431	111,980	513,411
Due to other governments . . . . .	3,942	-	3,942
Deferred revenue . . . . .	2,598,602	-	2,598,602
Deposits held and due to others . . . . .	679,844	222,462	902,306
Accrued interest payable . . . . .	125,853	1,228,609	1,354,462
Long-term liabilities:			
Due within one year . . . . .	1,960,079	4,269,836	6,229,915
Due in more than one year . . . . .	6,880,898	59,448,054	66,328,952
Total liabilities . . . . .	<u>13,703,304</u>	<u>65,417,081</u>	<u>79,120,385</u>
<b>Net assets:</b>			
Invested in capital assets, net of related debt . . . . .	53,250,549	64,301,640	117,552,189
Restricted for:			
Capital projects . . . . .	2,160,578	2,582,786	4,743,364
Debt service . . . . .	607,989	2,897,822	3,505,811
Transportation improvement projects . . . . .	1,707,388	-	1,707,388
Perpetual care:			
Expendable . . . . .	1,157	-	1,157
Nonexpendable . . . . .	936,540	-	936,540
Other purposes . . . . .	3,390,659	-	3,390,659
Unrestricted . . . . .	<u>4,066,854</u>	<u>5,189,611</u>	<u>9,256,465</u>
Total net assets . . . . .	<u>\$ 66,121,714</u>	<u>\$ 74,971,859</u>	<u>\$ 141,093,573</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF FINDLAY, OHIO**

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2003

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General government . . . . .	\$ 5,695,708	\$ 1,177,697	\$ -	\$ 300,032
Security of persons and property . . . . .	12,866,966	1,564,861	1,102	-
Public health and welfare . . . . .	1,347,065	-	27,294	-
Transportation. . . . .	1,106,317	2,219	2,612,980	-
Leisure time activity. . . . .	1,337,577	66,340	-	112,217
Other . . . . .	1,807	-	-	-
Interest and fiscal charges. . . . .	201,871	186,366	-	-
Total governmental activities . . . . .	<u>22,557,311</u>	<u>2,997,483</u>	<u>2,641,376</u>	<u>412,249</u>
<b>Business-Type Activities:</b>				
Water . . . . .	6,398,700	6,854,205	-	1,110,795
Water pollution control. . . . .	6,843,341	7,540,853	-	1,567,714
Airport . . . . .	1,306,254	677,746	-	-
Nonmajor:				
Parking facilities . . . . .	138,441	105,518	-	-
Swimming pool. . . . .	129,661	50,070	-	-
Total business-type activities . . . . .	<u>14,816,397</u>	<u>15,228,392</u>	<u>-</u>	<u>2,678,509</u>
Total primary government . . . . .	<u>\$ 37,373,708</u>	<u>\$ 18,225,875</u>	<u>\$ 2,641,376</u>	<u>\$ 3,090,758</u>

**General Revenues:**

Property taxes levied for:

    General purposes. . . . .

    Police and fire pensions . . . . .

Income taxes levied for:

    General purposes. . . . .

Grants and entitlements not restricted to specific programs . . . . .

Investment earnings . . . . .

Miscellaneous . . . . .

Total general revenues. . . . .

Transfers. . . . .

Change in net assets. . . . .

Net assets at beginning of year . . . . .

Net assets at end of year . . . . .

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**Net (Expense) Revenue and Changes in Net Assets**

<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (4,217,979)	\$ -	\$ (4,217,979)
(11,301,003)	-	(11,301,003)
(1,319,771)	-	(1,319,771)
1,508,882	-	1,508,882
(1,159,020)	-	(1,159,020)
(1,807)	-	(1,807)
(15,505)	-	(15,505)
<u>(16,506,203)</u>	<u>-</u>	<u>(16,506,203)</u>
-	1,566,300	1,566,300
-	2,265,226	2,265,226
-	(628,508)	(628,508)
-	(32,923)	(32,923)
-	(79,591)	(79,591)
<u>-</u>	<u>3,090,504</u>	<u>3,090,504</u>
<u>(16,506,203)</u>	<u>3,090,504</u>	<u>(13,415,699)</u>
2,348,596	-	2,348,596
478,210	-	478,210
14,095,110	-	14,095,110
2,818,716	-	2,818,716
278,548	213,697	492,245
<u>1,000,037</u>	<u>711,210</u>	<u>1,711,247</u>
21,019,217	924,907	21,944,124
<u>96,932</u>	<u>(96,932)</u>	<u>-</u>
4,609,946	3,918,479	8,528,425
<u>61,511,768</u>	<u>71,053,380</u>	<u>132,565,148</u>
<u>\$ 66,121,714</u>	<u>\$ 74,971,859</u>	<u>\$ 141,093,573</u>

**CITY OF FINDLAY, OHIO**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2003  
(WITH COMPARATIVE TOTALS FOR 2002)

	<u>General</u>	<u>Street Maintenance and Repair</u>	<u>City Income Tax Administration</u>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents . . . . .	\$ 7,978,138	\$ 1,654,093	\$ 124,075
Cash in segregated accounts . . . . .	-	-	-
Cash with fiduciary agent . . . . .	-	-	-
Cash with escrow agent . . . . .	2,280	114,382	-
Investments. . . . .	-	-	-
Receivables (net of allowance for uncollectibles) . . . . .	2,206,674	-	2,276,495
Due from other funds . . . . .	-	-	-
Due from other governments . . . . .	992,826	503,564	-
Prepayments. . . . .	98,467	16,971	1,071
Materials and supplies inventory . . . . .	-	183,236	-
Restricted assets:			
Equity in pooled cash and cash equivalents . . . . .	-	-	1,564,640
Total assets . . . . .	<u>\$ 11,278,385</u>	<u>\$ 2,472,246</u>	<u>\$ 3,966,281</u>
<b>Liabilities:</b>			
Accounts payable . . . . .	\$ 759,405	\$ 170,842	\$ 4,223
Retainage payable. . . . .	2,280	114,382	-
Accrued wages and benefits. . . . .	359,312	37,552	4,567
Compensated absences payable. . . . .	46,075	44,163	-
Due to other governments. . . . .	3,942	-	-
Deposits held and due to others . . . . .	590,358	78,726	10,760
Deferred revenue . . . . .	2,786,320	319,193	891,914
Total liabilities . . . . .	<u>4,547,692</u>	<u>764,858</u>	<u>911,464</u>
<b>Fund Balances:</b>			
Reserved for encumbrances. . . . .	236,871	181,694	25,187
Reserved for prepayments . . . . .	98,467	16,971	1,071
Reserved for materials and supplies inventory . . . . .	-	183,236	-
Reserved for loans receivable . . . . .	-	-	-
Reserved for debt service. . . . .	-	-	-
Reserved for perpetual care. . . . .	-	-	-
Reserved for capital improvements. . . . .	-	-	1,564,640
Unreserved, undesignated, reported in:			
General fund. . . . .	6,395,355	-	-
Special revenue funds. . . . .	-	1,325,487	1,463,919
Permanent fund . . . . .	-	-	-
Capital projects funds. . . . .	-	-	-
Total fund balances . . . . .	<u>6,730,693</u>	<u>1,707,388</u>	<u>3,054,817</u>
Total liabilities and fund balances. . . . .	<u>\$ 11,278,385</u>	<u>\$ 2,472,246</u>	<u>\$ 3,966,281</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<b>Other Governmental Funds</b>	<b>Total Governmental Funds 2003</b>	<b>Total Governmental Funds 2002</b>
\$ 1,801,487	\$ 11,557,793	\$ 11,190,081
55,656	55,656	-
227,563	227,563	-
-	116,662	-
450,000	450,000	877,310
1,134,517	5,617,686	5,457,987
-	-	88,944
57,590	1,553,980	1,099,355
-	116,509	97,708
-	183,236	192,720
-	1,564,640	1,428,441
<u>\$ 3,726,813</u>	<u>\$ 21,443,725</u>	<u>\$ 20,432,546</u>
\$ 1,283	\$ 935,753	\$ 1,419,123
-	116,662	-
-	401,431	357,652
-	90,238	-
-	3,942	6,288
-	679,844	660,856
944,309	4,941,736	3,862,214
945,592	7,169,606	6,306,133
186,122	629,874	905,477
-	116,509	107,111
-	183,236	192,720
105,350	105,350	116,743
257,291	257,291	180,130
936,540	936,540	1,004,719
-	1,564,640	1,428,441
-	6,395,355	4,681,068
879,842	3,669,248	3,290,213
1,157	1,157	5,310
414,919	414,919	2,214,481
2,781,221	14,274,119	14,126,413
<u>\$ 3,726,813</u>	<u>\$ 21,443,725</u>	<u>\$ 20,432,546</u>

**CITY OF FINDLAY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET ASSETS OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2003

<b>Total governmental fund balances</b>		\$ 14,274,119
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		57,690,574
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Income taxes	891,914	
Special assessments	407,031	
Intergovernmental revenues	1,044,189	
Total		2,343,134
Unamortized premiums on bond issuances are not recorded in the funds.		(25,833)
Unamortized bond issuance costs are not recognized in the funds.		9,005
Internal service funds are used by management to charge the costs of self-insurance and central stores operations to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. The net assets of the internal service funds, including internal balances of \$272, are:		
		681,474
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. The long-term liabilities are as follows:		
Accrued interest payable	125,853	
Special assessment bonds	443,635	
General obligation bonds	3,990,000	
Police and fire past service liability	1,292,373	
Capital lease obligation	6,390	
Compensated absences	2,992,508	
Total		(8,850,759)
<b>Net assets of governmental activities</b>		<b>\$ 66,121,714</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**CITY OF FINDLAY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2003  
(WITH COMPARATIVE TOTALS FOR 2002)

	<u>General</u>	<u>Street Maintenance and Repair</u>	<u>City Income Tax Administration</u>
<b>Revenues:</b>			
Municipal income taxes . . . . .	\$ -	\$ -	\$ 14,002,165
Property and other taxes . . . . .	2,348,596	-	-
Charges for services . . . . .	911,749	2,219	2,700
Licenses and permits . . . . .	319,748	-	-
Fines and forfeitures . . . . .	1,348,687	-	-
Intergovernmental . . . . .	2,770,602	2,360,420	-
Special assessments . . . . .	36,304	-	-
Investment income . . . . .	251,559	-	-
Contributions and donations . . . . .	-	-	-
Reimbursements . . . . .	677,682	-	-
Other . . . . .	319,736	211	2,619
Total revenues . . . . .	<u>8,984,663</u>	<u>2,362,850</u>	<u>14,007,484</u>
<b>Expenditures:</b>			
Current:			
General government . . . . .	4,792,452	-	610,878
Security of persons and property . . . . .	11,855,139	791,060	-
Public health and welfare . . . . .	1,334,612	-	-
Transportation . . . . .	-	1,585,395	-
Leisure time activity . . . . .	1,305,622	-	-
Other . . . . .	-	-	-
Capital outlay . . . . .	1,230,608	3,348,115	-
Debt service:			
Principal retirement . . . . .	-	-	1,954
Interest and fiscal charges . . . . .	-	-	554
Bond issuance costs . . . . .	9,397	-	-
Total expenditures . . . . .	<u>20,527,830</u>	<u>5,724,570</u>	<u>613,386</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>(11,543,167)</u>	<u>(3,361,720)</u>	<u>13,394,098</u>
<b>Other financing sources (uses):</b>			
Proceeds from capital lease . . . . .	-	-	-
Proceeds from sale of bonds . . . . .	965,000	-	-
Premium on bonds sold . . . . .	26,956	-	-
Transfers in . . . . .	11,929,014	3,990,728	129,331
Transfers out . . . . .	(1,557,275)	(114,936)	(13,657,924)
Total other financing sources (uses) . . . . .	<u>11,363,695</u>	<u>3,875,792</u>	<u>(13,528,593)</u>
Net change in fund balances . . . . .	(179,472)	514,072	(134,495)
<b>Fund balances at beginning of year (restated).</b>	6,900,642	1,202,499	3,189,738
<b>Increase (decrease) in reserve for inventory. .</b>	-	(9,484)	-
<b>Increase (decrease) in prepaids. . . . .</b>	9,523	301	(426)
<b>Fund balances at end of year. . . . .</b>	<u>\$ 6,730,693</u>	<u>\$ 1,707,388</u>	<u>\$ 3,054,817</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<b>Other Governmental Funds</b>	<b>Total Governmental Funds 2003</b>	<b>Total Governmental Funds 2002</b>
\$ -	\$ 14,002,165	\$ 14,447,353
478,210	2,826,806	2,864,133
-	916,668	572,362
-	319,748	294,599
189,710	1,538,397	1,518,046
265,958	5,396,980	4,527,289
555,918	592,222	383,256
17,508	269,067	454,434
139,511	139,511	28,800
-	677,682	707,314
-	322,566	213,694
<u>1,646,815</u>	<u>27,001,812</u>	<u>26,011,280</u>
138,815	5,542,145	5,664,145
13,391	12,659,590	11,473,558
-	1,334,612	1,341,562
33,156	1,618,551	1,620,918
-	1,305,622	884,368
1,807	1,807	-
334,696	4,913,419	4,950,754
383,215	385,169	401,322
208,592	209,146	371,465
-	9,397	-
<u>1,113,672</u>	<u>27,979,458</u>	<u>26,708,092</u>
<u>533,143</u>	<u>(977,646)</u>	<u>(696,812)</u>
-	-	9,116
36,550	1,001,550	119,850
-	26,956	-
418,473	16,467,546	16,659,895
(1,040,479)	(16,370,614)	(16,873,844)
<u>(585,456)</u>	<u>1,125,438</u>	<u>(84,983)</u>
(52,313)	147,792	(781,795)
2,833,534	14,126,413	14,853,279
-	(9,484)	37,824
-	9,398	17,105
<u>\$ 2,781,221</u>	<u>\$ 14,274,119</u>	<u>\$ 14,126,413</u>

**CITY OF FINDLAY, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2003

<b>Net change in fund balances - total governmental funds</b>	\$ 147,792
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
Government funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$8,776,123) exceeded depreciation expense (\$2,899,744) in the current period.	5,876,379
The effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.	(455,837)
Governmental funds report expenditures for inventory and prepaids when purchased. However, in the statement of activities, they are reported as an expense when consumed.	(86)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	59,032
Premiums on bonds issued are recognized as revenues in the governmental funds, however, they are amortized over the life of the issuance in the statement of activities.	(25,833)
Bond issuance costs are recognized as expenditures in the governmental funds, however, they are amortized over the life of the issuance in the statement of activities.	9,005
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	6,544
Proceeds of bonds are recorded as revenue in the funds, however, on the statement of activities, they are not reported as revenues as they increase liabilities on the statement of net assets.	(1,001,550)
Repayment of bonds, capital lease obligations and the police and fire past service liability are expenditures in the governmental funds, but the repayments reduce long-term liabilities on the statement of net assets.	404,495
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(108,084)
Internal service funds are used by management to charge the costs of self-insurance and central stores operations to individual funds are not reported in the government-wide statement of activities. Governmental fund expenditures and the related internal service funds revenues are eliminated. The net revenue (expense) of the internal service funds, including internal balances of \$272, is allocated among the governmental activities.	(301,911)
<b>Change in net assets of governmental activities</b>	<u>\$ 4,609,946</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**CITY OF FINDLAY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL  
 GENERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2003

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Property and other taxes . . . . .	\$ 2,438,550	\$ 2,438,550	\$ 2,348,596	\$ (89,954)
Charges for services . . . . .	982,500	983,500	911,749	(71,751)
Licenses and permits. . . . .	271,000	304,500	319,748	15,248
Fines and forfeitures. . . . .	1,389,300	1,384,800	1,348,687	(36,113)
Intergovernmental . . . . .	1,686,100	1,684,600	2,770,602	1,086,002
Special assessments . . . . .	9,104	9,104	36,304	27,200
Investment income . . . . .	290,850	275,850	251,559	(24,291)
Reimbursements. . . . .	531,626	512,263	677,682	165,419
Other . . . . .	250,867	241,730	319,736	78,006
<b>Total revenues. . . . .</b>	<b>7,849,897</b>	<b>7,834,897</b>	<b>8,984,663</b>	<b>1,149,766</b>
<b>Expenditures:</b>				
Current:				
General government . . . . .	5,015,103	5,428,538	4,792,452	636,086
Security of persons and property . . . . .	12,209,075	12,379,015	11,855,139	523,876
Public health and welfare. . . . .	1,490,338	1,513,594	1,334,612	178,982
Leisure time activity . . . . .	1,610,827	1,641,127	1,305,622	335,505
Capital outlay . . . . .	1,984,958	1,984,958	1,230,608	754,350
Debt service:				
Bond issuance costs . . . . .	9,453	9,453	9,397	56
<b>Total expenditures . . . . .</b>	<b>22,319,754</b>	<b>22,956,685</b>	<b>20,527,830</b>	<b>2,428,855</b>
Excess (deficiency) of revenues over (under) expenditures . . . . .	(14,469,857)	(15,121,788)	(11,543,167)	3,578,621
<b>Other financing sources (uses):</b>				
Proceeds from sale of bonds . . . . .	-	-	965,000	965,000
Premium on bonds sold. . . . .	-	-	26,956	26,956
Transfers in . . . . .	11,546,188	11,783,492	11,929,014	145,522
Transfers out . . . . .	(1,521,644)	(1,557,276)	(1,557,275)	1
<b>Total other financing sources (uses) . . . . .</b>	<b>10,024,544</b>	<b>10,226,216</b>	<b>11,363,695</b>	<b>1,137,479</b>
Net change in fund balance . . . . .	(4,445,313)	(4,895,572)	(179,472)	4,716,100
<b>Fund balance at beginning of year (restated). . .</b>	<b>6,900,642</b>	<b>6,900,642</b>	<b>6,900,642</b>	<b>-</b>
<b>Increase in reserve for prepaids. . . . .</b>	<b>-</b>	<b>9,523</b>	<b>9,523</b>	<b>-</b>
<b>Fund balance at end of year. . . . .</b>	<b>\$ 2,455,329</b>	<b>\$ 2,014,593</b>	<b>\$ 6,730,693</b>	<b>\$ 4,716,100</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF FINDLAY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL  
 STREET MAINTENANCE AND REPAIR  
 FOR THE YEAR ENDED DECEMBER 31, 2003

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Charges for services . . . . .	\$ -	\$ -	\$ 2,219	\$ 2,219
Intergovernmental . . . . .	1,310,000	3,339,440	2,360,420	(979,020)
Other . . . . .	10,000	10,000	211	(9,789)
Total revenues. . . . .	<u>1,320,000</u>	<u>3,349,440</u>	<u>2,362,850</u>	<u>(986,590)</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property . . . . .	872,815	875,146	791,060	84,086
Transportation . . . . .	1,683,740	1,732,218	1,585,395	146,823
Capital outlay . . . . .	163,959	4,375,984	3,348,115	1,027,869
Total expenditures . . . . .	<u>2,720,514</u>	<u>6,983,348</u>	<u>5,724,570</u>	<u>1,258,778</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>(1,400,514)</u>	<u>(3,633,908)</u>	<u>(3,361,720)</u>	<u>272,188</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	1,100,000	4,517,165	3,990,728	(526,437)
Transfers out . . . . .	-	(170,165)	(114,936)	55,229
Total other financing sources (uses) . . . . .	<u>1,100,000</u>	<u>4,347,000</u>	<u>3,875,792</u>	<u>(471,208)</u>
Net change in fund balance . . . . .	(300,514)	713,092	514,072	(199,020)
<b>Fund balance at beginning of year (restated). . .</b>	1,202,499	1,202,499	1,202,499	-
<b>Decrease in reserve for inventory . . . . .</b>	-	(9,484)	(9,484)	-
<b>Increase in reserve for prepaids. . . . .</b>	-	301	301	-
<b>Fund balance at end of year. . . . .</b>	<u>\$ 901,985</u>	<u>\$ 1,906,408</u>	<u>\$ 1,707,388</u>	<u>\$ (199,020)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF FINDLAY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL  
 CITY INCOME TAX ADMINISTRATION  
 FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Municipal income taxes . . . . .	\$ 14,475,795	\$ 14,475,795	\$ 14,002,165	\$ (473,630)
Charges for services . . . . .	2,791	2,791	2,700	(91)
Other . . . . .	2,708	2,708	2,619	(89)
Total revenues. . . . .	<u>14,481,294</u>	<u>14,481,294</u>	<u>14,007,484</u>	<u>(473,810)</u>
<b>Expenditures:</b>				
Current:				
General government . . . . .	626,047	785,427	610,878	174,549
Debt service:				
Principal retirement. . . . .	2,003	2,500	1,954	546
Interest and fiscal charges . . . . .	568	725	554	171
Total expenditures . . . . .	<u>628,618</u>	<u>788,652</u>	<u>613,386</u>	<u>175,266</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>13,852,676</u>	<u>13,692,642</u>	<u>13,394,098</u>	<u>(298,544)</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	133,706	133,706	129,331	(4,375)
Transfers out . . . . .	(14,000,035)	(13,799,386)	(13,657,924)	141,462
Total other financing sources (uses) . . . . .	<u>(13,866,329)</u>	<u>(13,665,680)</u>	<u>(13,528,593)</u>	<u>137,087</u>
Net change in fund balance . . . . .	(13,653)	26,962	(134,495)	(161,457)
<b>Fund balance at beginning of year (restated). . .</b>	3,189,738	3,189,738	3,189,738	-
<b>Decrease in reserve for prepaids . . . . .</b>	<u>-</u>	<u>(426)</u>	<u>(426)</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 3,176,085</u>	<u>\$ 3,216,274</u>	<u>\$ 3,054,817</u>	<u>\$ (161,457)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF FINDLAY, OHIO**

STATEMENT OF NET ASSETS  
 PROPRIETARY FUNDS  
 DECEMBER 31, 2003  
 (WITH COMPARATIVE TOTALS FOR 2002)

	<b>Business-type Activities -Enterprise Funds</b>			
	<b>Water</b>	<b>Water Pollution Control</b>	<b>Airport</b>	<b>Other Enterprise</b>
<b>Assets:</b>				
Current assets:				
Equity in pooled cash and cash equivalents . . . . .	\$ 2,646,425	\$ 828,419	\$ 127,260	\$ 181,658
Cash with escrow agent. . . . .	27,348	-	-	-
Receivables (net of allowance for uncollectibles) . . . . .	1,314,947	370,279	45,254	-
Due from other funds . . . . .	-	357,331	-	-
Due from other governments . . . . .	-	-	3,174	-
Prepayments. . . . .	32,634	22,422	14,057	2,175
Materials and supplies inventory . . . . .	315,992	10,860	31,989	-
<b>Total current assets . . . . .</b>	<b>4,337,346</b>	<b>1,589,311</b>	<b>221,734</b>	<b>183,833</b>
Restricted Assets:				
Equity in pooled cash and cash equivalents. . . . .	539,569	802,150	24,678	-
Cash and cash equivalents with fiscal agent. . . . .	672,051	4,244,309	-	-
Deferred bond costs. . . . .	171,242	153,901	5,234	-
Capital assets:				
Land and construction in progress . . . . .	997,896	567,885	3,422,788	95,962
Depreciable capital assets, net . . . . .	43,227,734	71,409,698	7,493,688	584,990
<b>Total capital assets . . . . .</b>	<b>44,225,630</b>	<b>71,977,583</b>	<b>10,916,476</b>	<b>680,952</b>
<b>Total assets . . . . .</b>	<b>49,945,838</b>	<b>78,767,254</b>	<b>11,168,122</b>	<b>864,785</b>
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable. . . . .	28,308	54,993	21,935	3,556
Retainage payable. . . . .	27,348	-	-	-
Accrued wages and benefits . . . . .	60,996	41,662	6,797	2,525
Compensated absences payable. . . . .	230,266	190,802	12,594	5,540
Due to other funds . . . . .	357,331	-	-	-
Deposits held and due to others . . . . .	120,439	85,595	13,004	3,424
Current portion of loans payable . . . . .	21,416	1,319,218	-	-
Current portion of bonds . . . . .	1,525,000	935,000	30,000	-
Accrued interest payable. . . . .	198,434	1,020,497	9,678	-
<b>Total current liabilities . . . . .</b>	<b>2,569,538</b>	<b>3,647,767</b>	<b>94,008</b>	<b>15,045</b>
Long-term liabilities:				
General obligation bonds . . . . .	13,266,162	11,412,693	320,000	-
Compensated absences payable . . . . .	294,625	151,177	1,700	10,110
Loans payable . . . . .	461,705	33,529,882	-	-
<b>Total long-term liabilities . . . . .</b>	<b>14,022,492</b>	<b>45,093,752</b>	<b>321,700</b>	<b>10,110</b>
<b>Total liabilities . . . . .</b>	<b>16,592,030</b>	<b>48,741,519</b>	<b>415,708</b>	<b>25,155</b>
<b>Net assets:</b>				
Invested in capital assets, net of related debt. . . . .	28,951,347	24,780,790	10,566,476	680,952
Restricted for:				
Capital projects . . . . .	539,569	2,043,217	-	-
Debt service . . . . .	672,051	2,201,093	24,678	-
Unrestricted . . . . .	3,190,841	1,000,635	161,260	158,678
<b>Total net assets . . . . .</b>	<b>\$ 33,353,808</b>	<b>\$ 30,025,735</b>	<b>\$ 10,752,414</b>	<b>\$ 839,630</b>

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

Net assets of business-type activities

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<b>2003 Enterprise Funds Total</b>	<b>2002 Enterprise Funds Total</b>	<b>2003 Governmental Activities - Internal Service Funds</b>	<b>2002 Governmental Activities - Internal Service Funds</b>
\$ 3,783,762	\$ 5,791,991	\$ 658,791	\$ 975,899
27,348	-	-	-
1,730,480	1,716,350	581	3,855
357,331	331,759	-	-
3,174	86,593	-	-
71,288	63,415	17,344	18,903
358,841	321,404	5,270	4,909
<u>6,332,224</u>	<u>8,311,512</u>	<u>681,986</u>	<u>1,003,566</u>
1,366,397	1,981,383	-	-
4,916,360	5,687,205	-	-
330,377	493,016	-	-
5,084,531	9,750,338	-	-
122,716,110	116,744,410	-	875
<u>127,800,641</u>	<u>126,494,748</u>	<u>-</u>	<u>875</u>
140,745,999	142,967,864	681,986	1,004,441
108,792	64,190	240	21,056
27,348	-	-	-
111,980	591,747	-	-
439,202	369,375	-	-
357,331	331,759	-	-
222,462	-	-	-
1,340,634	1,300,000	-	-
2,490,000	2,545,000	-	-
1,228,609	1,328,276	-	-
<u>6,326,358</u>	<u>6,530,347</u>	<u>240</u>	<u>21,056</u>
24,998,855	28,882,072	-	-
457,612	497,187	-	-
33,991,587	36,004,878	-	-
59,448,054	65,384,137	-	-
<u>65,774,412</u>	<u>71,914,484</u>	<u>240</u>	<u>21,056</u>
64,979,565	57,762,798	-	875
2,582,786	2,491,243	-	-
2,897,822	2,402,644	-	-
4,511,414	8,396,695	681,746	982,510
<u>74,971,587</u>	<u>\$ 71,053,380</u>	<u>\$ 681,746</u>	<u>\$ 983,385</u>
272			
<u>\$ 74,971,859</u>			

**CITY OF FINDLAY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2003  
(WITH COMPARATIVE TOTALS FOR 2002)

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Water</b>	<b>Water Pollution Control</b>	<b>Airport</b>	<b>Other Enterprise</b>
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 6,771,645	\$ 7,468,950	\$ 28,838	\$ 152,913
Other . . . . .	82,560	71,903	648,908	2,675
<b>Total operating revenues . . . . .</b>	<b>6,854,205</b>	<b>7,540,853</b>	<b>677,746</b>	<b>155,588</b>
<b>Operating expenses:</b>				
Personal services . . . . .	2,558,475	1,800,405	287,601	169,139
Contract services . . . . .	98,077	210,387	9,164	4,200
Materials and supplies . . . . .	779,311	207,057	342,887	24,880
Utilities . . . . .	245,913	288,415	17,236	3,901
Depreciation . . . . .	1,164,577	1,627,092	553,228	33,077
Other . . . . .	157,358	114,288	73,710	6,392
<b>Total operating expenses . . . . .</b>	<b>5,003,711</b>	<b>4,247,644</b>	<b>1,283,826</b>	<b>241,589</b>
<b>Operating income (loss) . . . . .</b>	<b>1,850,494</b>	<b>3,293,209</b>	<b>(606,080)</b>	<b>(86,001)</b>
<b>Nonoperating revenues (expenses):</b>				
Other nonoperating revenues . . . . .	278,914	268,483	163,813	-
Interest income . . . . .	122,183	91,514	-	-
Loss on disposal of capital assets . . . . .	(288,984)	(68,236)	(1,725)	(17,978)
Other nonoperating expenses . . . . .	(8,542)	(259,284)	-	(8,535)
Interest expense and fiscal charges . . . . .	(1,097,606)	(2,268,287)	(20,722)	-
<b>Total nonoperating revenues (expenses) . . . . .</b>	<b>(994,035)</b>	<b>(2,235,810)</b>	<b>141,366</b>	<b>(26,513)</b>
<b>Income (loss) before contributions and transfers . . . . .</b>	<b>856,459</b>	<b>1,057,399</b>	<b>(464,714)</b>	<b>(112,514)</b>
Capital contributions . . . . .	1,110,795	1,567,714	-	-
Transfers in . . . . .	292,849	78,606	117,305	20,000
Transfers out . . . . .	(187,915)	(417,777)	-	-
<b>Changes in net assets . . . . .</b>	<b>2,072,188</b>	<b>2,285,942</b>	<b>(347,409)</b>	<b>(92,514)</b>
<b>Net assets at beginning of year . . . . .</b>	<b>31,281,620</b>	<b>27,739,793</b>	<b>11,099,823</b>	<b>932,144</b>
<b>Net assets at end of year . . . . .</b>	<b>\$ 33,353,808</b>	<b>\$ 30,025,735</b>	<b>\$ 10,752,414</b>	<b>\$ 839,630</b>

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

Changes in net assets of business-type activities

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>
<b>Enterprise</b>	<b>Enterprise</b>	<b>Governmental</b>	<b>Governmental</b>
<b>Funds Total</b>	<b>Funds Total</b>	<b>Activities -</b>	<b>Activities -</b>
		<b>Internal</b>	<b>Internal</b>
		<b>Service Funds</b>	<b>Service Funds</b>
\$ 14,422,346	\$ 14,015,954	\$ 19,756	\$ 21,307
806,046	844,845	-	-
<u>15,228,392</u>	<u>14,860,799</u>	<u>19,756</u>	<u>21,307</u>
4,815,620	4,895,589	267,996	-
321,828	332,504	-	71,315
1,354,135	1,435,835	14,513	17,790
555,465	603,413	-	-
3,377,974	2,850,422	875	2,876
351,748	318,901	47,492	47,274
<u>10,776,770</u>	<u>10,436,664</u>	<u>330,876</u>	<u>139,255</u>
4,451,622	4,424,135	(311,120)	(117,948)
711,210	2,076,983	-	-
213,697	379,617	9,481	24,863
(376,923)	-	-	-
(276,361)	(1,831,116)	-	-
(3,386,615)	(3,317,599)	-	-
<u>(3,114,992)</u>	<u>(2,692,115)</u>	<u>9,481</u>	<u>24,863</u>
1,336,630	1,732,020	(301,639)	(93,085)
2,678,509	-	-	-
508,760	788,523	-	-
(605,692)	(541,476)	-	-
<u>3,918,207</u>	<u>1,979,067</u>	<u>(301,639)</u>	<u>(93,085)</u>
	<u>69,074,313</u>	<u>983,385</u>	<u>1,076,470</u>
	<u>\$ 71,053,380</u>	<u>\$ 681,746</u>	<u>\$ 983,385</u>
<u>272</u>			
<u>\$ 3,918,479</u>			

**CITY OF FINDLAY, OHIO**

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2003  
 (WITH COMPARATIVE TOTALS FOR 2002)

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Water</b>	<b>Water Pollution Control</b>	<b>Airport</b>	<b>Other Enterprise</b>
<b>Cash flows from operating activities:</b>				
Cash received from customers . . . . .	\$ 6,731,566	\$ 7,415,590	\$ 41,788	\$ 152,913
Cash received from other operations. . . . .	82,560	71,903	732,327	2,675
Cash payments for personal services . . . . .	(2,520,158)	(1,799,130)	(284,213)	(164,375)
Cash payments for contract services . . . . .	(103,047)	(211,653)	(10,725)	(4,276)
Cash payments for materials and supplies . . . . .	(922,016)	(239,604)	(440,876)	(25,741)
Cash payments for utilities. . . . .	(220,341)	(288,415)	(17,236)	(3,901)
Cash payments for claims and judgements. . . . .	-	(1,300,000)	-	-
Cash payments for other expenses. . . . .	(151,798)	(113,792)	(73,402)	(6,287)
Net cash provided by (used in) operating activities.	<u>2,896,766</u>	<u>3,534,899</u>	<u>(52,337)</u>	<u>(48,992)</u>
<b>Cash flows from noncapital financing activities:</b>				
Other non-capital revenues . . . . .	266,059	268,483	163,813	-
Other non-capital expenses . . . . .	(8,542)	(259,284)	-	(8,535)
Transfers in . . . . .	292,849	78,606	117,305	20,000
Transfers out. . . . .	(187,915)	(417,777)	-	-
Net cash provided by (used in) noncapital financing activities . . . . .	<u>362,451</u>	<u>(329,972)</u>	<u>281,118</u>	<u>11,465</u>
<b>Cash flows from capital and related financing activities:</b>				
Acquisition of capital assets . . . . .	(1,845,432)	(2,693,881)	(250,388)	-
Capital contributions . . . . .	689,391	1,264,245	-	-
Proceeds from sale of bonds . . . . .	10,830,000	5,070,000	-	-
Premium on bonds sold . . . . .	183,087	243,848	-	-
Bond issuance costs . . . . .	(102,571)	(49,453)	-	-
Payment to refunding bond escrow agent . . . . .	(12,255,000)	-	-	-
Principal paid on bonds . . . . .	(1,580,000)	(5,875,000)	(30,000)	-
Interest paid on bonds . . . . .	(1,004,325)	(723,166)	(20,856)	-
Proceeds of loans. . . . .	200,000	409,342	-	-
Principal paid on loans. . . . .	(16,416)	(1,265,583)	-	-
Interest paid on loans . . . . .	-	(1,481,784)	-	-
Net cash used in capital and related financing activities . . . . .	<u>(4,901,266)</u>	<u>(5,101,432)</u>	<u>(301,244)</u>	<u>-</u>
<b>Cash flows from investing activities:</b>				
Purchase of investment securities . . . . .	-	-	-	-
Sales of investment securities . . . . .	1,981,383	-	-	-
Interest received. . . . .	135,303	119,181	-	-
Net cash provided by investing activities. . . . .	<u>2,116,686</u>	<u>119,181</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents . . . . .	474,637	(1,777,324)	(72,463)	(37,527)
<b>Cash and cash equivalents at beginning of year . . . . .</b>	<u>3,383,408</u>	<u>7,652,202</u>	<u>224,401</u>	<u>219,185</u>
<b>Cash and cash equivalents at end of year. . . . .</b>	<u>\$ 3,858,045</u>	<u>\$ 5,874,878</u>	<u>\$ 151,938</u>	<u>\$ 181,658</u>



<b>2003</b>		<b>2002</b>		<b>2003</b>		<b>2002</b>	
<b>Enterprise</b>		<b>Enterprise</b>		<b>Governmental</b>		<b>Governmental</b>	
<b>Funds Total</b>		<b>Funds Total</b>		<b>Activities -</b>		<b>Activities -</b>	
				<b>Internal</b>		<b>Internal</b>	
				<b>Service Funds</b>		<b>Service Funds</b>	
\$	14,341,857	\$	14,015,954	\$	19,756	\$	21,307
	889,465		844,845		-		-
	(4,767,876)		(4,817,708)		(288,558)		-
	(329,701)		(332,532)		(15,128)		(47,491)
	(1,628,237)		(1,429,597)		-		(17,790)
	(529,893)		(603,413)		-		-
	(1,300,000)		-		-		-
	(345,279)		(318,901)		(49,051)		(47,274)
	<u>6,330,336</u>		<u>7,358,648</u>		<u>(332,981)</u>		<u>(91,248)</u>
	698,355		1,807,833		3,118		-
	(276,361)		(886,735)		-		-
	508,760		788,523		-		-
	(605,692)		(541,476)		-		-
	<u>325,062</u>		<u>1,168,145</u>		<u>3,118</u>		<u>-</u>
	(4,789,701)		(8,551,755)		-		-
	1,953,636		895,292		-		-
	15,900,000		-		-		-
	426,935		-		-		-
	(152,024)		-		-		-
	(12,255,000)		-		-		-
	(7,485,000)		(2,514,680)		-		-
	(1,748,347)		(3,210,302)		-		-
	609,342		4,495,241		-		-
	(1,281,999)		(1,057,565)		-		-
	(1,481,784)		-		-		-
	<u>(10,303,942)</u>		<u>(9,943,769)</u>		<u>-</u>		<u>-</u>
	-		(1,981,383)		-		-
	1,981,383		1,985,334		-		508,408
	254,484		458,291		12,755		24,863
	<u>2,235,867</u>		<u>462,242</u>		<u>12,755</u>		<u>533,271</u>
	(1,412,677)		(954,734)		(317,108)		442,023
	11,479,196		12,433,930		975,899		533,876
<u>\$</u>	<u>10,066,519</u>	<u>\$</u>	<u>11,479,196</u>	<u>\$</u>	<u>658,791</u>	<u>\$</u>	<u>975,899</u>

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**CITY OF FINDLAY, OHIO**

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2003  
 (WITH COMPARATIVE TOTALS FOR 2002)

(SEE ACCOUNTANT'S COMPILATION REPORT)

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Water</b>	<b>Water Pollution Control</b>	<b>Airport</b>	<b>Other Enterprise</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
Operating income (loss) . . . . .	\$ 1,850,494	\$ 3,293,209	\$ (606,080)	\$ (86,001)
Adjustments to reconcile operating income (loss) to net cash (used in) operating activities:				
Depreciation . . . . .	1,164,577	1,627,092	553,228	33,077
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable . . . . .	(40,079)	(27,788)	12,950	-
(Increase) decrease in due from other funds . . . . .	-	(25,572)	-	-
Decrease in due from other governments. . . . .	-	-	83,419	-
(Increase) decrease in materials and supplies inventory . . . . .	(33,455)	(1,387)	(2,595)	-
(Increase) in prepayments. . . . .	(4,970)	(1,266)	(1,561)	(76)
Increase (decrease) in accounts payable. . . . .	(109,250)	(31,160)	(95,394)	(861)
Increase (decrease) in accrued wages and benefits . .	9,937	5,739	1,166	650
Increase (decrease) in compensated absences payable . . . . .	28,380	(4,464)	2,222	4,114
(Decrease) in claims and judgements payable . . . . .	-	(1,300,000)	-	-
Increase (decrease) in deposits held and due to others . . . . .	5,560	496	308	105
Increase (decrease) in due to other funds . . . . .	25,572	-	-	-
Net cash provided by (used in) operating activities . .	<u>\$ 2,896,766</u>	<u>\$ 3,534,899</u>	<u>\$ (52,337)</u>	<u>\$ (48,992)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<b>2003 Enterprise Funds Total</b>	<b>2002 Enterprise Funds Total</b>	<b>2003 Governmental Activities - Internal Service Funds</b>	<b>2002 Governmental Activities - Internal Service Funds</b>
\$ 4,451,622	\$ 4,424,135	\$ (311,120)	\$ (117,948)
3,377,974	2,850,422	875	2,876
(54,917)	(134,284)	-	2,740
(25,572)	(38,624)	-	-
83,419	459,888	-	-
(37,437)	6,720	(361)	2,301
(7,873)	(10,300)	(1,559)	(2,143)
(236,665)	(286,481)	(20,816)	20,926
17,492	42,054	-	-
30,252	-	-	-
(1,300,000)	-	-	-
6,469	-	-	-
25,572	45,118	-	-
<u>\$ 6,330,336</u>	<u>\$ 7,358,648</u>	<u>\$ (332,981)</u>	<u>\$ (91,248)</u>

**CITY OF FINDLAY, OHIO**

STATEMENT OF FIDUCIARY NET ASSETS  
 FIDUCIARY FUNDS  
 DECEMBER 31, 2003

	<u>Private-Purpose Trust</u>	<u>Agency</u>
<b>Assets:</b>		
Equity in pooled cash and cash equivalents . . . . .	\$ 155,513	\$ 111,389
Cash in segregated accounts . . . . .	-	74,770
Receivables:		
Accrued interest. . . . .	<u>96</u>	<u>-</u>
Total assets. . . . .	<u>155,609</u>	<u>186,159</u>
<b>Liabilities:</b>		
Accounts payable . . . . .	-	2,509
Deposits held and due to others . . . . .	<u>-</u>	<u>183,650</u>
Total liabilities . . . . .	<u>-</u>	<u>\$ 186,159</u>
<b>Net Assets:</b>		
Held in trust for private cemetery care . . . . .	<u>155,609</u>	
Total net assets . . . . .	<u>\$ 155,609</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF FINDLAY, OHIO**

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
 FIDUCIARY FUND  
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2003

	<b>Private-Purpose Trust</b>
<b>Additions:</b>	
Interest . . . . .	\$ 1,180
Gifts and contributions. . . . .	6,200
Total Additions. . . . .	7,380
 <b>Deductions:</b>	
Cemetary care . . . . .	2,946
Changes in net assets . . . . .	4,434
Net assets at the beginning of the year. . . . .	151,175
Net assets at the end of the year . . . . .	\$ 155,609

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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## CITY OF FINDLAY, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2003

#### NOTE 1 - DESCRIPTION OF THE CITY

The City of Findlay (the "City") was incorporated in 1838 under the laws of the State of Ohio. The City of Findlay is a statutory City operating under the Mayor/Council form of municipal government. Services provided include police, fire, recreation programs (including parks and an outdoor swimming pool), street repair and maintenance, water and wastewater treatment, engineering, and general administrative services. Except for water and sewage, the major utilities are provided by private entities.

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements (BFS) of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities and its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The City has the option to also apply FASB Statements and Interpretations issued after November 30, 1989 to its business-type activities and enterprise funds, subject to this same limitation. The City has elected not to apply these FASB Statements and Interpretations. The City's significant accounting policies are described below.

##### A. Reporting Entity

For financial reporting purposes, the City's BFS include all funds, agencies, boards, commissions, and departments for which the City is financially accountable. Financial accountability, as defined by the GASB, exists if the City appoints a voting majority of an organization's governing board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific burdens on, the City. The City may also be financially accountable for governmental organizations with a separately elected governing board, a governing board appointed by another government, or a jointly appointed board that is fiscally dependent on the City. The City also took into consideration other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's basic financial statements to be misleading or incomplete.

The accompanying financial statements present the City, which has no component units. The City's Municipal Court is not legally separate from the City, nor does it possess separate corporate powers. As such, the financial data of the City's Municipal Court have been included with the financial data of the primary government. The financial data of the Court is included in the City's reporting entity because of the significance of its operational and financial relationships with the City.

##### B. Basis of Presentation

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

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

**CITY OF FINDLAY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2003

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

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

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

**C. Fund Accounting**

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

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

General Fund - The general fund accounts for all financial resources except those required to be accounted for in another fund. This includes, but is not limited to, police and fire protection, public health activities, cemetery, all recreation activities (other than the swimming pool), and the general administration of City functions.

City Income Tax Administration - This fund accounts for the receipts from the assessment of a 1% income tax and the cost of operating our own collection department. The use of this money is determined by Council. At present, 78% is transferred to general fund and the remaining 22% is used for capital improvements as recommended by the administration and appropriated by Council.

Street Maintenance and Repair - This fund is used to account for 92.5% of the City's share of gasoline taxes and motor vehicle license fees as required by state statute. Expenditures of this fund are for street maintenance and construction.



**CITY OF FINDLAY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2003

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

Other governmental funds of the City are used to account for (a) the accumulation of resources for, and payment of, general long-term debt principal, interest and related costs; (b) financial resources to be used for the acquisition, construction, or improvement of capital facilities other than those financed by proprietary funds; and (c) for grants and other resources whose use is restricted to a particular purpose.

***Proprietary Funds*** - Proprietary fund reporting focuses on changes in net assets, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service.

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

***Water Pollution Control*** - This fund accounts for the operation of the City's sewer utility. Revenues are from user charges, based on rates set by City Council. Major construction and renovation projects are accounted for and financed in this fund.

***Water*** - This fund accounts for the operations of the City's water utility. Revenues are from user customers, based on the rates set by the Service-Safety Director. Major construction and renovation projects are accounted for and financed in this fund.

***Airport*** - This fund accounts for the operation of the City's Airport facility including hangar rentals, fuel sales, runway maintenance, and other operations of the airport.

The other enterprise funds of the City are used to account for swimming pool and parking operations.

***Internal Service Funds*** - The internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service funds report on the operations of central stores and a self-insurance liability insurance program.

***Fiduciary Funds*** - Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's fiduciary funds are a private-purpose trust fund and agency funds.

**D. Measurement Focus and Basis of Accounting**

***Government-wide Financial Statements*** - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net assets.

**CITY OF FINDLAY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2003

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the City's proprietary funds are charges for sales and services. Operating expenses for the enterprise funds include personnel and other expenses related to the operations of the enterprise activities and operating expenses for the internal service fund include personnel costs, claims and administrative expenses. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

Private-purpose trust funds are reported using the economic resources measurement focus. Agency funds do not report a measurement focus as they do not report operations.

**E. Basis of Accounting**

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

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

**CITY OF FINDLAY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2003

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned (see Note 6.B.). Revenue from property taxes is recognized in the year for which the taxes are levied (see Note 6.A.). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: income tax, state-levied locally shared taxes (including gasoline tax, local government funds and permissive tax), fines and forfeitures, fees and special assessments.

**Deferred Revenue** - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2003, but which were levied to finance fiscal year 2004 operations, have been recorded as deferred revenue. Special assessments not received within the available period and grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

**Expenses/Expenditures** - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

**F. Budgetary Process**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation ordinances. The tax budget and certificate of estimated resources are required to be prepared on the cash basis by the County Budget Commission and are prepared solely to satisfy these statutory requirements. The appropriation ordinances, under which the City controls its expenditures, and an internal revenue budget, under which the City measures available resources, are prepared on the accrual/modified accrual basis, as appropriate. The certificate of estimated resources and the appropriation ordinances are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources as certified. The primary level of budgetary control is at the departmental level within each fund. All changes in departmental appropriations require action by the City Council.

**CITY OF FINDLAY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2003

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**Tax Budget** - A budget of estimated cash receipts and disbursements is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

**Estimated Resources** - The County Budget Commission certifies its actions to the City by September 1. As part of this process, the City receives the official certificate of estimated resources that states the projected cash receipts of each Fund. On or about January 1, this certificate is amended to include any unencumbered cash balances from the preceding year.

**Appropriations** - At the beginning of the fiscal year, an annual appropriation ordinance is passed for the period January 1 to December 31. Supplemental appropriations were made during the year as new information became available to provide for additional expenditures deemed necessary by the legislative authority.

At the end of the fiscal year, all unexpended and unencumbered balances of operating appropriations lapse and revert to the funds from which the appropriation was initially made, where they become subject to future appropriation while encumbered balances are carried forward as part of the next year's appropriation. The unexpended balances of capital and special assessment appropriations continue until the project is completed at which time any remaining appropriation reverts to the fund from which the appropriation was initially made. Annual appropriation ordinances are adopted for all governmental, proprietary, and fiduciary funds. However, budget disclosure in the BFS is only required for the general fund and major special revenue funds.

**G. Cash and Cash Equivalents**

To improve cash management, cash received by the City is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the City's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the balance sheet and statement of net assets.

During 2003, investments were limited to STAR Ohio, federal agency securities, and certificates of deposit.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as certificates of deposit are reported at cost.

The City has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during 2003. STAR Ohio is an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2003.

Following Ohio statutes, the Council has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during 2003 amounted to \$251,559, which includes \$103,174 assigned from other City funds.

**CITY OF FINDLAY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2003**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

For purposes of the statement of cash flows and for presentation on the balance sheet and statement of net assets, investments with an original maturity of three months or less and investments of the cash management pool are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

An analysis of the City's investment account at year-end is provided in Note 4.

**H. Inventories of Materials and Supplies**

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

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

**I. Prepaids**

Amounts recorded for prepaid items represent the unamortized portion of insurance policies that expire in 2004 or later. Governmental funds use the purchase method of accounting whereby insurance is recognized as an expenditure when purchased. Proprietary funds recognize insurance expense as it is incurred.

**J. Capital Assets**

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City increased their capitalization threshold from \$2,500 to \$5,000 during fiscal 2003. The City's infrastructure consists of storm sewers, streets, and traffic signals. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized for business-type activities.

**CITY OF FINDLAY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2003

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Improvements other than buildings	20 - 50 years	20 - 50 years
Machinery and equipment	3 - 20 years	3 - 20 years
Utility plant in service	-	50 - 99 years
Infrastructure:		
Streets	10 years	-
Storm sewers	75 years	-
Traffic signals	25 years	-

**K. Compensated Absences**

Compensated absences of the City consist of vacation leave, sick leave, holivac (for individuals who are required to work holidays and non-standard hours), and compensatory time to the extent that payment to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the City and the employee.

In conformity with GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave, holivac, and compensatory time is accrued if; a) the employee's rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. A liability for sick leave is based on the sick leave accumulated at the balance sheet date by those employees who are currently eligible to receive termination payments, as well as those employees expected to become eligible in the future in accordance with GASB Statement No. 16. Sick leave benefits are accrued using the "vesting" method in accordance with GASB Statement No. 16.

The total liability for vacation leave, sick leave, holivac, and compensatory time has been calculated using the pay rates in effect at the balance sheet date, and reduced to the maximum payment allowed by labor contract and/or City Ordinance, plus applicable additional salary related payments.

Sick leave accumulates at the rate of 4.6 hours of sick leave for 80 hours of work completed. Sick leave may be converted into cash only upon retirement or death with 10 or more years of service with the State or any of its political subdivisions at the rate of one fourth (1/4) the value of the first 960 hours of accrued, unused sick leave credit. If applicable, accrued, unused sick leave will be paid in cash for one-half (1/2) the value of all accrued sick leave credit in excess of 960 hours. Individuals with accumulated sick leave greater than one thousand nine hundred twenty (1,920) hours receive cash at the rate of one-half (1/2) the total hours accumulated. Individuals leaving the employment of the City prior to retirement or at retirement with less than 10 years of service lose their accumulated sick leave.

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

**CITY OF FINDLAY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2003

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

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

**L. Accrued Liabilities and Long-Term Obligations**

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year.

**M. Interfund Activity**

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

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

**N. Fund Balance Reserves**

Reserved fund balances indicate that portion of fund equity which is not available for current appropriation or use. The unreserved portions of fund equity reflected in the governmental funds are available for use within the specific purposes of the funds.

The City reports a reservation of fund balance for amounts representing encumbrances outstanding, materials and supplies inventory, prepayments, loans receivable, debt service, perpetual care and capital improvements in the governmental fund financial statements.

**O. Estimates**

The preparation of the BFS in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the BFS and accompanying notes. Actual results may differ from those estimates.

**CITY OF FINDLAY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2003

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**P. Contributions of Capital**

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets or from grants or outside contributions of resources restricted to capital acquisition and construction. Capital contributions are reported as revenue in the proprietary fund financial statements.

**Q. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**R. Comparative Data/Reclassifications**

Comparative total data for the prior year have been presented in selected sections of the financial statements in order to provide an understanding of the changes in the government's financial position and operations. Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**Changes in Accounting Principles and Restatement of Fund Balance**

For fiscal year 2003, the City has implemented GASB Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments", GASB Statement No. 37, "Basic Financial Statements for State and Local Governments: Omnibus", GASB Statement No. 38, "Certain Financial Statement Note Disclosures", GASB Statement No. 41, "Budgetary Comparison Schedule - Perspective Differences", and GASB Interpretation No. 6, "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements". At December 31, 2002, there was no effect on fund balance as a result of implementing GASB Statement Nos. 37, 38 and 41.

GASB Statement No. 37 clarifies certain provisions of Statement No. 34, including the required content of the Management Discussion and Analysis, the classification of program revenues and the criteria for determining major funds. GASB Statement No. 38, modifies, establishes and rescinds certain financial statement note disclosures.

GASB Statement No. 41 allows the presentation of budgetary schedules as required supplementary information based on the fund, organization or program structure that the government uses for its legally adopted budget when significant budgetary perspective differences result in the City not being able to present budgetary comparison for the general and each major special revenue fund.

GASB Interpretation No. 6 clarifies the application of standards for modified accrual recognition of certain liabilities and expenditures in areas where differences have arisen, or potentially could arise, in interpretation and practice.



**CITY OF FINDLAY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2003

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)**

GASB Statement No. 34 creates new basic financial statements for reporting on the City's financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column.

The government-wide financial statements split the City's programs between business-type and governmental activities. The beginning net asset amount for the business-type activities equals fund equity of the enterprise funds from last year. The change in the City's capitalization threshold from \$2,500 to \$5,000 did not have a material effect on the beginning net asset amount. The beginning net asset amount for governmental programs reflects the change in fund balance for governmental funds at December 31, 2002, the elimination of the internal service funds and the conversion to the accrual basis of accounting.

**Governmental Activities - Restatement of Fund Balance** - The Cemetery Trust fund has been reclassified as a governmental permanent fund to properly reflect their intended purpose in accordance with the standards of GASB Statement No. 34. It was also determined that GASB Interpretation No. 6 had an effect on fund balances as previously reported at December 31, 2002. In addition, a restatement is also presented to include estate taxes receivable at December 31, 2002 not previously restated.

The fund reclassification and adjustment for estate taxes receivable and the implementation of GASB Interpretation No. 6 had the following effect on the City's governmental fund balances as previously reported:

	<u>General</u>	<u>Street Maintenance and Repair</u>	<u>City Income Tax Administration</u>	<u>Nonmajor</u>	<u>Total</u>
Fund balance					
December 31, 2002	\$ 5,284,684	\$ 1,114,855	\$ 3,184,112	\$ 1,823,505	\$ 11,407,156
Fund reclassification	-	-	-	1,010,029	1,010,029
Adjustment for estate taxes receivable	380,962	-	-	-	380,962
GASB Interpretation No. 6 adjustments	<u>1,234,996</u>	<u>87,644</u>	<u>5,626</u>	<u>-</u>	<u>1,328,266</u>
Restated fund balance					
January 1, 2003	<u>\$ 6,900,642</u>	<u>\$ 1,202,499</u>	<u>\$ 3,189,738</u>	<u>\$ 2,833,534</u>	<u>\$ 14,126,413</u>

**CITY OF FINDLAY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2003

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)**

The transition from governmental fund balance to net assets of the governmental activities is also presented.

Restated fund balance	
December 31, 2002	\$ 14,126,413
GASB Statement No. 34 adjustments:	
Capital assets	52,270,032
Internal service funds	983,385
Accrued interest payable	(132,397)
Long-term liabilities	(8,019,767)
Long-term (deferred assets)	<u>2,284,102</u>
Governmental activities net	
assets, December 31, 2002	<u>\$ 61,511,768</u>

**NOTE 4 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS**

Monies held by the City are classified by State statute into three categories:

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the City Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the City has identified as not required for use within the current two year period of designation of depositories. Inactive deposits must be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits in interim monies. Interim monies are those monies that are not needed for immediate use but which will be needed before the end of the current period of designation of depositories.

Interim monies may be deposited or invested in the following:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. 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, and Federal Home Loan Mortgage Corporation. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. 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;
4. Bonds and other obligations of the State of Ohio;

**CITY OF FINDLAY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2003

**NOTE 4 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS - (Continued)**

5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
6. The State Treasurer's investment pool (STAR Ohio).

The City may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is no default of principal, interest, or coupons; and,
3. Obligations of the City.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within two years from the date of purchase and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon receipt of confirmation of transfer from the custodian.

*Cash with Fiduciary Agent:* At year-end, the City had \$227,563 on deposit with the Hancock County Treasurer. The data regarding insurance and collateralization can be obtained from the Hancock County Comprehensive Annual Financial Report for the year ended December 31, 2003. This amount is not included in the City's depository balance below.

*Cash with Escrow Agent:* At year-end, the City had \$144,010 on deposit with financial institutions for retainage escrow accounts. This amount is included in the City's depository balance below.

*Cash in Segregated Accounts:* At year-end, the City had \$130,426 deposited with a financial institution for monies related to the Revolving Loan special revenue fund (a nonmajor governmental fund) and the Municipal Court agency fund. These amounts are included in the City's depository balance below.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits With Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements".

*Deposits:* At year-end, the carrying amount of the City's deposits was \$13,508,672 and the bank balance was \$13,917,335. Both amounts include \$6,450,000 in nonnegotiable certificates of deposit. Of the bank balance:

1. \$930,356 was covered by federal depository insurance; and
2. \$12,986,979 was uninsured and uncollateralized as defined by GASB even though it was covered by collateral held by third party trustees pursuant to Section 135.81, Ohio Revised Code, in single institution collateral pools securing all public funds on deposit with specific depository institutions. Although all state statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

**CITY OF FINDLAY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2003

**NOTE 4 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS - (Continued)**

*Investments:* The City's investments are required to be categorized to give an indication of the level of risk assumed by the City at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent, but not in the City's name. Investments in STAR Ohio are not categorized as they are not evidenced by securities that exist in physical or book entry form.

	Category 3	Reported Amount	Fair Value
Federal agency securities	\$7,974,753	\$ 7,974,753	\$ 7,974,753
Investment in STAR Ohio	-	3,355,656	3,355,656
Total investments	<u>\$7,974,753</u>	<u>\$11,330,409</u>	<u>\$ 11,330,409</u>

The total amount of cash, cash equivalents, and investments is reflected in the accompanying financial statements as follows:

Unrestricted

Equity in pooled cash and cash equivalents	\$16,267,248
Cash in segregated accounts	130,426
Cash with escrow agent	144,010
Investments	450,000

Restricted

Equity in pooled cash and cash equivalents	2,931,037
Cash and cash equivalents with fiscal agent	4,916,360
Total cash, cash equivalents and investments	<u>\$24,839,081</u>

**CITY OF FINDLAY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2003**

**NOTE 5 - INTERFUND TRANSFERS**

Interfund transfers for the year ended December 31, 2003, consisted of the following, as reported in the fund financial statements:

<u>Transfers to</u>	<u>General</u>	<u>Transfers from</u>					<u>Total</u>
		<u>City Income Tax</u>	<u>Street Maintenance and Repair</u>	<u>Nonmajor Governmental</u>	<u>Water</u>	<u>Sewer</u>	
General	\$ -	\$ 11,049,562	\$ -	\$ 587,479	\$ 174,544	\$ 117,429	\$ 11,929,014
City Income Tax	36,644	-	43,764	48,923	-	-	129,331
Street Maintenance and Repair	1,364,000	2,211,087	-	394,771	13,371	7,499	3,990,728
Nonmajor Governmental	36,631	379,970	1,872	-	-	-	418,473
Water	-	-	-	-	-	292,849	292,849
Sewer	-	-	69,300	9,306	-	-	78,606
Airport	100,000	17,305	-	-	-	-	117,305
Nonmajor Enterprise	<u>20,000</u>	-	-	-	-	-	<u>20,000</u>
Total	<u>\$ 1,557,275</u>	<u>\$ 13,657,924</u>	<u>\$ 114,936</u>	<u>\$ 1,040,479</u>	<u>\$ 187,915</u>	<u>\$ 417,777</u>	<u>\$ 16,976,306</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. All transfers were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

**NOTE 6 - TAXES**

**A. Property Tax**

Property taxes include amounts levied against all real and public utility property, and tangible personal property (used in business) located in the City. Property taxes are levied each October 1 based on the assessed value as of the prior January 1, the lien date. Assessed values are established by the County Auditor at 35% of appraised market value. A revaluation of all property is required to be completed not less than every six years. The most recent revaluation was completed in 1998 which was utilized for 2002 collections. The assessed value upon which the 2003 collections were based was \$820,123,909. The tax rate applicable to the 2003 collections was 3.20 mills.

The Hancock County Treasurer collects property taxes on behalf of all taxing districts within Hancock County including the City of Findlay. Taxes are payable to the County in two equal installments in January and July and, if not paid, become delinquent after December 31 of the year they are due. The Hancock County Auditor periodically remits to the City its portion of the taxes collected.

Collection of delinquent property taxes is the responsibility of the County, and the County Auditor's records as to delinquencies are maintained on a total County basis. The City's portion of delinquent property taxes related to an individual subdivision within the County are not susceptible to accrual in that the taxes collected are not available to the City at year end. Accordingly, delinquent property taxes are not reflected as revenue in the accompanying financial statements until they are collected.

**CITY OF FINDLAY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2003

**NOTE 6 - TAXES - (Continued)**

**B. City Income Tax**

The City levies an income tax of 1% on the gross salaries, wages, and other service compensation earned by residents of the City and to the earnings of nonresidents working within the City. This tax also applies to the net income of businesses operating within the City. Residents of the City are granted a credit of 1/2% for taxes paid to other Ohio municipalities. All residents are required to file a City income tax return. The City also requires certain employers to remit withholding taxes on a monthly basis as opposed to a quarterly basis.

The receipts of the City income tax and the administrative costs associated with their collection are accounted for in the City Income Tax Administration fund. Income tax receipts, net of the related administrative costs, are disbursed, appropriated, and allocated in accordance with City Ordinance by which 78% of such receipts are transferred to the general fund and 22% retained in the nonmajor governmental funds and restricted for capital improvements.

**NOTE 7 - RECEIVABLES**

The City's receivables from outside parties at December 31, 2003, by fund, are shown as follows:

	<u>Major Funds</u>			<u>Major Funds</u>			
	<u>General</u>	City Income Tax Administration	Street Maintenance and Repair	Nonmajor Governmental Funds	<u>Water</u>	<u>Sewer</u>	<u>Airport</u>
Income Taxes	\$ -	\$ 2,276,495	\$ -	\$ -	\$ -	\$ -	\$ -
Property taxes	2,110,333	-	-	488,270	-	-	-
Hotel/Motel taxes	50,891	-	-	-	-	-	-
Economic development loans	-	-	-	105,350	-	-	-
Special assessments	-	-	-	539,740	-	-	-
Billed and unbilled							
Charges for services	-	-	-	-	1,302,190	353,003	45,254
Miscellaneous	2,000	-	-	-	-	-	-
Accrued interest - unrestricted	<u>43,450</u>	<u>-</u>	<u>-</u>	<u>1,157</u>	<u>12,757</u>	<u>17,276</u>	<u>-</u>
Total receivables, net of allowances	<u>\$ 2,206,674</u>	<u>\$ 2,276,495</u>	<u>\$ -</u>	<u>\$ 1,134,517</u>	<u>\$ 1,314,947</u>	<u>\$ 370,279</u>	<u>\$ 45,254</u>
Due from other governments:							
Property tax rollbacks	\$ 99,947	\$ -	\$ -	\$ 23,128	\$ -	\$ -	\$ -
Estate taxes	314,399	-	-	-	-	-	-
Local government funds	435,025	-	-	-	-	-	-
State tax	143,455	-	-	-	-	-	-
Fuel tax	-	-	407,415	33,033	-	-	-
Motor vehicle license fees	-	-	17,615	1,428	-	-	-
Federal Airport Grant	-	-	-	-	-	-	3,174
CDBG Grant	-	-	78,534	-	-	-	-
Permissive license	-	-	-	<u>227,564</u>	-	-	-
Total due from other governments	<u>992,826</u>	<u>-</u>	<u>503,564</u>	<u>285,153</u>	<u>-</u>	<u>-</u>	<u>3,174</u>
Total due from outside parties	<u>\$ 3,199,500</u>	<u>\$ 2,276,495</u>	<u>\$ 503,564</u>	<u>\$ 1,419,670</u>	<u>\$ 1,314,947</u>	<u>\$ 370,279</u>	<u>\$ 48,428</u>

**CITY OF FINDLAY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2003**

**NOTE 7 - RECEIVABLES - (Continued)**

The stated receivable amounts are net of the applicable allowance for uncollectibles. Such allowance balances are not significant in relation to the respective receivable balances.

City income taxes accrued at December 31, 2003 represent income taxes due the City at year-end. Delinquent income taxes represent interest, penalties, and additional taxes due as a result of audits of returns filed.

Property taxes accrued at December 31, 2003 represent the City's portion of 2003 taxes to be collected by the Hancock County Treasurer during 2004 based on the assessed value of property described in Note 6.A.

Hotel/Motel taxes accrued at December 31, 2003 represent 2003 transient lodging taxes due to the City at year-end from hotels and motels located within the City's corporation limits.

Economic development loans receivable at December 31, 2003 represents loans to qualified businesses for the purpose of economic development. These loans are being repaid over a number of years.

Special assessments represent amounts due from taxpayers for certain pavement, sidewalk, and storm sewer work performed by the City. Special assessments are collected over a number of years.

Residents are billed on a bi-monthly basis for water and wastewater service with approximately one-half of the City's customers being billed each month. All service receivables are carried in the Water Fund with an interfund payable being recognized for the portion of the billing related to the Water Pollution Control Fund. This interfund payable is eliminated for reporting on the government-wide financial statements. Unbilled service receivables are accrued based upon the consumption for the applicable area of the City during the related period.

Due from other governments in the general fund represents 2003 state taxes, local government monies and property tax rollbacks (intergovernmental) anticipated to be received by the City from January 1, 2004 through June 30, 2004. Due from other governments in the special revenue funds represents 2003 motor vehicle license fees and gasoline excise taxes anticipated to be received by the City from January 1, 2004 to June 30, 2004.

Accrued interest represents the amount of interest that has accrued on investments as of December 31, 2003.

The only receivables not expected to be collected within the subsequent year are the special assessments and economic development loans which are collected over the life of the assessment or the life of the loan, respectively.

**CITY OF FINDLAY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2003

**NOTE 8 - CAPITAL ASSETS**

- A. The capital asset balances of the governmental activities and business-type activities have been restated due to the reporting of infrastructure and accumulated depreciation in governmental activities, due to an increase in the capital asset threshold from \$2,500 to \$5,000, and the reporting of errors and omissions in the prior year in governmental activities and business-type activities. In addition, capital assets of the internal service funds are reported as a component of governmental activities.

	Balance		Restated
<b><u>Governmental Activities:</u></b>	<u>12/31/02</u>	<u>Adjustments</u>	<u>Balance</u>
	<u>12/31/02</u>	<u>Adjustments</u>	<u>12/31/02</u>
Land	\$ 2,957,059	\$ 117,020	\$ 3,074,079
Buildings and improvements	8,561,182	(2,162)	8,559,020
Improvements other than buildings	359,142	(3,000)	356,142
Equipment	8,820,647	(1,171,287)	7,649,360
Infrastructure	-	65,520,227	65,520,227
Less: accumulated depreciation	<u>-</u>	<u>(32,888,796)</u>	<u>(32,888,796)</u>
Total	<u>\$ 20,698,030</u>	<u>\$ 31,572,002</u>	<u>\$ 52,270,032</u>

	Balance		Restated
<b><u>Business-Type Activities:</u></b>	<u>12/31/02</u>	<u>Adjustments</u>	<u>Balance</u>
	<u>12/31/02</u>	<u>Adjustments</u>	<u>12/31/02</u>
Land	\$ 4,726,473	\$ -	\$ 4,726,473
Buildings	1,621,489	-	1,621,489
Utility plant in service	57,625,969	-	57,625,969
Utility lines in service	74,144,907	-	74,144,907
Improvements other than buildings	10,844,099	-	10,844,099
Machinery and equipment	7,877,484	(833,367)	7,044,117
Construction in progress	2,623,865	(16)	2,623,849
Less: accumulated depreciation	<u>(32,969,538)</u>	<u>688,499</u>	<u>(32,281,039)</u>
Total	<u>\$ 126,494,748</u>	<u>\$ (144,884)</u>	<u>\$ 126,349,864</u>



**CITY OF FINDLAY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2003

**NOTE 8 - CAPITAL ASSETS - (Continued)**

**B.** Capital asset activity for the year ended December 31, 2003, was as follows:

<b><u>Governmental Activities:</u></b>	Restated Balance 12/31/02	Additions	Disposals	Balance 12/31/03
<i>Capital assets, not being depreciated:</i>				
Land	\$ 3,074,079	\$ 869,004	\$ -	\$ 3,943,083
Construction in progress	<u>-</u>	<u>2,726,403</u>	<u>-</u>	<u>2,726,403</u>
Total capital assets, not being depreciated	<u>3,074,079</u>	<u>3,595,407</u>	<u>-</u>	<u>6,669,486</u>
<i>Capital assets, being depreciated:</i>				
Buildings and improvements	8,559,020	-	-	8,559,020
Improvements other than buildings	356,142	-	-	356,142
Equipment	7,649,360	802,814	(96,357)	8,355,817
Infrastructure	<u>65,520,227</u>	<u>4,377,902</u>	<u>(1,198,177)</u>	<u>68,699,952</u>
Total capital assets, being depreciated	<u>82,084,749</u>	<u>5,180,716</u>	<u>(1,294,534)</u>	<u>85,970,931</u>
<i>Less: accumulated depreciation:</i>				
Buildings and improvements	(2,894,950)	(175,565)	-	(3,070,515)
Improvements other than buildings	(123,474)	(13,152)	-	(136,626)
Equipment	(4,585,065)	(713,005)	41,625	(5,256,445)
Infrastructure	<u>(25,285,307)</u>	<u>(1,998,022)</u>	<u>797,072</u>	<u>(26,486,257)</u>
Total accumulated depreciation	<u>(32,888,796)</u>	<u>(2,899,744)</u>	<u>838,697</u>	<u>(34,949,843)</u>
Total capital assets, being depreciated, net	<u>49,195,953</u>	<u>2,280,972</u>	<u>(455,837)</u>	<u>51,021,088</u>
Governmental activities capital assets, net	<u>\$ 52,270,032</u>	<u>\$ 5,876,379</u>	<u>\$ (455,837)</u>	<u>\$ 57,690,574</u>

**CITY OF FINDLAY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2003

**NOTE 8 - CAPITAL ASSETS - (Continued)**

<b><u>Business-Type Activities:</u></b>	Restated Balance 12/31/02	<u>Additions</u>	<u>Disposals</u>	Balance 12/31/03
<i>Capital assets, not being depreciated:</i>				
Land	\$ 4,726,473	\$ 9,956	\$ -	\$ 4,736,429
Construction in progress	<u>2,623,849</u>	<u>337,668</u>	<u>(2,613,415)</u>	<u>348,102</u>
Total capital assets, not being depreciated	<u>7,350,322</u>	<u>347,624</u>	<u>(2,613,415)</u>	<u>5,084,531</u>
<i>Capital assets, being depreciated:</i>				
Buildings	1,621,489	-	-	1,621,489
Utility plant in service	57,625,969	1,520,052	-	59,146,021
Utility lines in service	74,144,907	4,813,332	(65,155)	78,893,084
Improvements other than buildings	10,844,099	262,418	-	11,106,517
Machinery and equipment	<u>7,044,117</u>	<u>629,252</u>	<u>(533,563)</u>	<u>7,139,806</u>
Total capital assets, being depreciated	<u>151,280,581</u>	<u>7,225,054</u>	<u>(598,718)</u>	<u>157,906,917</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(736,494)	(81,477)	-	(817,971)
Utility plant in service	(13,553,703)	(1,225,463)	-	(14,779,166)
Utility lines in service	(10,443,636)	(932,365)	33,365	(11,342,636)
Improvements other than buildings	(2,262,882)	(558,482)	-	(2,821,364)
Machinery and equipment	<u>(5,284,324)</u>	<u>(478,645)</u>	<u>333,299</u>	<u>(5,429,670)</u>
Total accumulated depreciation	<u>(32,281,039)</u>	<u>(3,276,432)</u>	<u>366,664</u>	<u>(35,190,807)</u>
Total capital assets, being depreciated, net	<u>118,999,542</u>	<u>3,948,622</u>	<u>(232,054)</u>	<u>122,716,110</u>
Business-type activities capital assets, net	<u>\$ 126,349,864</u>	<u>\$ 4,296,246</u>	<u>\$ (2,845,469)</u>	<u>\$ 127,800,641</u>

**CITY OF FINDLAY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2003

**NOTE 8 - CAPITAL ASSETS - (Continued)**

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

**Governmental activities:**

General government	\$ 900,848
Security of persons and property	101,360
Transportation	1,896,661
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>875</u>
Total depreciation expense - governmental activities	<u><u>\$ 2,899,744</u></u>

**CITY OF FINDLAY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2003

**NOTE 9 - RESTRICTED ASSETS**

Restricted assets, as reported on the proprietary fund statement of net assets, are specifically restricted for capital improvements or debt service by either the City's designation or by applicable bond indentures. Restricted cash, cash equivalents, and investments designated by the City or provided by operations are equally offset by a fund balance/retained earnings reserve.

Restricted assets at December 31, 2003 are comprised of the following:

	<u>Cash and Cash Equivalents</u>	<u>Deferred Bond Costs</u>	<u>Total</u>
<u>Major governmental funds:</u>			
City Income Tax Administration Fund:			
Restricted for Capital Improvements	\$ 1,564,640	\$ -	\$ 1,564,640
<u>Major enterprise funds:</u>			
Water Fund:			
Designated for Capital Improvements			
to Utility Lines	\$ 539,569	\$ -	\$ 539,569
Designated for Debt Service	672,051	-	672,051
Deferred Bond Costs	-	171,242	171,242
	<u>1,211,620</u>	<u>171,242</u>	<u>1,382,862</u>
Water Pollution Control Fund:			
Improvement and Replacement			
Fund Account	802,150	-	802,150
Designated for Capital Improvements			
to Utility Lines	2,043,217	-	2,043,217
Designated for Debt Service	2,201,093	-	2,201,093
Deferred Bond Costs	-	153,901	153,901
	<u>5,046,460</u>	<u>153,901</u>	<u>5,200,361</u>
Airport Fund:			
Designated for Debt Service	24,678	-	24,678
Deferred Bond Costs	-	5,234	5,234
	<u>24,678</u>	<u>5,234</u>	<u>29,912</u>
Totals	<u>\$ 6,282,758</u>	<u>\$ 330,377</u>	<u>\$ 6,613,135</u>

Deferred Bond Costs represent the costs associated with the issuance of the 1998 Waterworks Improvement Limited Tax Bonds, the 1996 Various Purpose General Obligation Bonds, the 2003 Water and Sewer Refunding Bonds, the 1993 Water System Improvement Bonds, and the 1993 Sewerage System General Obligation Refunding Bonds (Note 11.B.). These costs are being amortized on a straight-line basis over periods ranging from 14 to 23 years, the lives of the issues.

**CITY OF FINDLAY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2003**

**NOTE 10 - CAPITAL LEASES - LESSEE DISCLOSURE**

In a prior fiscal year, the City entered into capitalized lease for a postage machine. This lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standard No. 13 "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. The equipment acquired by the capital lease has been capitalized in the City's governmental capital assets at the present value of the future minimum lease payments at lease inception. A corresponding liability has been reported in the governmental activities statement of net assets.

The future minimum capital lease payments as of December 31, 2003 are as follows:

<u>Fiscal Year</u>	<u>City Income Tax Administration</u>
2004	\$ 2,508
2005	2,508
2006	<u>2,090</u>
Total minimum lease payments	7,106
Less: amount representing interest	<u>(716)</u>
Present value of future minimum capital lease payments	<u>\$ 6,390</u>

**CITY OF FINDLAY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2003

**NOTE 11 - LONG-TERM OBLIGATIONS**

**A. Governmental activities long-term obligations**

The balance of the City's governmental activities long-term obligations at December 31, 2002 has been restated. The compensated absences liability increased \$1,428,498 from \$1,450,300 to \$2,878,798 due to the implementation of GASB Interpretation No. 6. In total, governmental activities long-term obligations increased from \$6,585,643 at December 31, 2002 to \$8,014,141 at December 31, 2003. During fiscal 2003, the following changes occurred in the City's long-term obligations:

	Interest	Maturity	Restated			Balance	Amounts
	Rate	Date	Balance	Additions	Disposals	12/31/03	Due in
<i>Governmental Activities:</i>	<u>Rate</u>	<u>Date</u>	<u>12/31/02</u>	<u>Additions</u>	<u>Disposals</u>	<u>12/31/03</u>	<u>One Year</u>
<u>General Obligation Bonds</u>							
Series 1994 Western Avenue Relocation	3.85 - 5.25%	2004	\$ 155,000	\$ -	\$ (75,000)	\$ 80,000	\$ 80,000
Series 1996 Fire Improvement Project	3.85 - 5.875%	2017	1,935,000	-	(95,000)	1,840,000	95,000
Series 1996 City-wide Radio System	3.85 - 5.875%	2017	1,215,000	-	(110,000)	1,105,000	110,000
Series 2003 HRC Land Acquisition	2.00 - 3.60%	2015	-	965,000	-	965,000	65,000
Total general obligation bonds			<u>3,305,000</u>	<u>965,000</u>	<u>(280,000)</u>	<u>3,990,000</u>	<u>350,000</u>
<u>Special Assessment Bonds</u>							
Series 1994 Eagle Street Improvements	6.30%	2009	40,500	-	(5,500)	35,000	5,500
Series 1995 Canterbury Court	5.50%	2010	84,000	-	(10,500)	73,500	10,500
Series 1998 West Yates Improvements	3.65 - 4.50%	2008	130,000	-	(25,000)	105,000	25,000
Series 1998 Prospect Avenue Improvements	4.10%	2003	5,000	-	(5,000)	-	-
Series 2001 Rockwell Avenue Improvements	4.70%	2011	130,950	-	(14,550)	116,400	14,550
Series 2002 Sidewalk Program	3.80%	2004	76,700	-	(38,350)	38,350	38,350
Series 2002 Hunters Creek Swale	5.25%	2012	43,150	-	(4,315)	38,835	4,315
Series 2003 East Melrose Business Park	8.43%	2013	-	36,550	-	36,550	3,655
Total special assessment bonds			<u>510,300</u>	<u>36,550</u>	<u>(103,215)</u>	<u>443,635</u>	<u>101,870</u>
<u>Other Long-Term Obligations</u>							
Capital Lease Obligation	7.43%	2006	8,344	-	(1,954)	6,390	2,104
Police and Fire Past Service Liability	4.30%	2035	1,311,699	-	(19,326)	1,292,373	20,156
Compensated Absences			<u>2,878,798</u>	<u>1,644,893</u>	<u>(1,440,945)</u>	<u>3,082,746</u>	<u>1,485,949</u>
Total other long-term obligations			<u>4,198,841</u>	<u>1,644,893</u>	<u>(1,462,225)</u>	<u>4,381,509</u>	<u>1,508,209</u>
Total governmental activities long-term obligations			<u>\$ 8,014,141</u>	<u>\$ 2,646,443</u>	<u>\$ (1,845,440)</u>	8,815,144	<u>\$ 1,960,079</u>
Add: Unamortized premium on bond issue						<u>25,833</u>	
Total reported on the Statement of Net Assets						<u>\$ 8,840,977</u>	

**CITY OF FINDLAY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2003

**NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)**

Series 1994 Western Avenue Relocation Bonds - PILOT Funded Bonds

These bonds were issued for the purpose of providing the funds necessary to pay the costs of relocating Western Avenue between West Hobart Street and Lake Cascades Parkway. The bonds are backed by the full faith and credit of the City of Findlay. Funds for debt service will be provided through payments in lieu of taxes (PILOT). Interest on the bonds is payable semiannually at rates set forth by the original purchaser and approved by the City. The bonds were issued on August 1, 1994 and mature August 1, 2004.

Series 1996 Various Purpose Bonds (Fire Improvement Project Portion)

On July 1, 1996, the City issued \$16,420,000 in various purpose general obligations bonds to fund various projects. A portion of the proceeds, \$2,425,000, were used to finance fire improvements. These bonds are general obligations of the City for which the full faith and credit of the City are pledged for repayment. Interest on these bonds are payable semiannually and the interest rate varies according to maturity date. The principal and interest payments are made from the debt service fund (a nonmajor governmental fund).

Series 1996 Various Purpose Bonds (City-Wide Radio Portion)

On July 1, 1996, the City issued \$16,420,000 in various purpose general obligations bonds to fund various projects (Also See Note 11.B). A portion of the proceeds, \$1,775,000, were used to finance a city-wide radio project. These bonds are general obligations of the City for which the full faith and credit of the City are pledged for repayment. Interest on these bonds are payable semiannually and the interest rate varies according to maturity date. The principal and interest payments are made from the debt service fund (a nonmajor governmental fund).

Series 2003 Various Purpose Bonds (HRC Land Portion)

On May 5, 2003, the City issued \$9,820,000 in various purpose general obligation bonds to fund various projects (Also See Note 11.B). A portion of the proceeds, \$956,500, were used to reimburse the general fund for the purchase of land adjacent to the Hancock Recreation Center. These bonds are general obligations of the City for which the full faith and credit of the City are pledged for repayment. Interests on these bonds are payable semiannually and the interest rate varies according to maturity date. The principal and interest payments are made from the debt service fund (a nonmajor governmental fund).

Special Assessment Bonds

The City has seven special assessment bonds outstanding at year-end. Special assessments bonds were issued to provide various improvements throughout the City. The bonds will be repaid by tax assessments against the property owner whose benefits from the improvements exceed that of the general public. The bonds are secured by the full faith and credit of the City. In the event that an assessed property owner fails to make payments, the City will be required to pay the related debt. Interest on these bonds are payable semiannually at stated interest rates. The principal and interest payments are made from the debt service fund (a nonmajor governmental fund).

**CITY OF FINDLAY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2003

**NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)**

Capital Lease Obligation

See Note 10 for a description of the City's capital lease obligation. Principal and interest payments on the obligation are made from the City Income Tax Administration fund. The unmatured balance of the obligation is reported as a component of the City's governmental activities long-term obligations at year end.

Police and Fire Past Service Liability

The City's accrued past service liability to the Ohio Police and Fire Pension Fund (OPFPF) was determined and became a legal obligation to the State at the date the City became a participant in OPFPF. The City pays this liability in semiannual installments of \$37,435 each, including principal and interest, through the year 2035. This liability has been recorded as a governmental activities long-term obligation using an implicit interest rate of approximately 4.3%. The principal and interest payments are recorded in the security of persons and property expenditures in the general fund.

Compensated Absences

Compensated absences consist of vacation, holivac and compensatory time due and payable at year-end. In addition, estimated sick time (severance) payments are also included as described in Note 2.K.

Compensated absences will be paid from the fund from which the employees' salaries are paid.

The following is a schedule of future principal and interest payments to retire the governmental activities general obligation bonds and special assessment bonds outstanding at December 31, 2003:

Year	General Obligation Bonds			Special Assessment Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2004	\$ 360,000	\$ 203,760	\$ 563,760	\$ 101,870	\$ 23,415	\$ 125,285
2005	295,000	183,890	478,890	58,520	18,240	76,760
2006	310,000	170,790	480,790	59,020	15,235	74,255
2007	325,000	156,835	481,835	59,020	12,179	71,199
2008	340,000	141,554	481,554	59,020	9,111	68,131
2009 - 2013	1,625,000	432,334	2,057,334	106,185	13,104	119,289
2014 - 2017	<u>735,000</u>	<u>76,084</u>	<u>811,084</u>	-	-	-
Totals	<u>\$ 3,990,000</u>	<u>\$ 1,365,247</u>	<u>\$ 5,355,247</u>	<u>\$ 443,635</u>	<u>\$ 91,284</u>	<u>\$ 534,919</u>



**CITY OF FINDLAY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2003

**NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)**

**B. Business-Type activities long-term obligations**

The following changes occurred in the City's business-type long-term obligations during fiscal 2003:

<i>Business-Type Activities:</i>	<u>Interest</u>	<u>Maturity</u>	<u>Balance</u>			<u>Balance</u>	<u>Due in</u>
	<u>Rate</u>	<u>Date</u>	<u>12/31/02</u>	<u>Additions</u>	<u>Disposals</u>	<u>12/31/03</u>	<u>One Year</u>
<u>General Obligation Bonds:</u>							
Series 2003 Water Refunding	2.25 - 3.375%	2009	\$ -	\$ 7,045,000	\$ -	\$ 7,045,000	\$ 1,110,000
Series 2003 Sewer Refunding	2.00 - 5.00%	2011	-	5,070,000	-	5,070,000	580,000
Series 2003 Water Refunding	2.00 - 4.00%	2018	-	3,785,000	-	3,785,000	190,000
Series 1993 Sewer Refunding			5,425,000	-	(5,425,000)	-	-
Series 1993 Water Improvement			3,850,000	-	(3,850,000)	-	-
Series 1996 Northern Corridor Sewer	3.85 - 5.875%	2017	7,550,000	-	(340,000)	7,210,000	355,000
Series 1996 Aircraft Fueling System	3.85 - 5.875%	2017	380,000	-	(30,000)	350,000	30,000
Series 1996 Water Pump Station	3.85 - 5.875%	2017	1,665,000	-	(85,000)	1,580,000	85,000
Series 1973 Sewer Improvement			110,000	-	(110,000)	-	-
Series 1998 Water Improvement	3.65 - 4.90%	2018	3,070,000	-	(135,000)	2,935,000	140,000
Total general obligation bonds			<u>22,050,000</u>	<u>15,900,000</u>	<u>(9,975,000)</u>	<u>27,975,000</u>	<u>2,490,000</u>
<u>Revenue Bonds:</u>							
Series 1995 Waterworks System Refunding			9,765,000	-	(9,765,000)	-	-
Deferred charges			(387,928)	-	387,928	-	-
Total Revenue Bonds			<u>9,377,072</u>	<u>-</u>	<u>(9,377,072)</u>	<u>-</u>	<u>-</u>
<u>OWDA Loans:</u>							
Bright Road Interceptor and Sewer Separation			3,251,209	350,253	(75,157)	3,526,305	75,878
Sewer System Improvements	4.36%	2021	31,365,829	59,089	(1,091,146)	30,333,772	1,139,239
Sewer Treatment Plant Improvements	4.80%	2011	1,088,303	-	(99,280)	989,023	104,101
Total OWDA loans			<u>35,705,341</u>	<u>409,342</u>	<u>(1,265,583)</u>	<u>34,849,100</u>	<u>1,319,218</u>
<u>Other long-term obligations:</u>							
OPWC loans			299,537	200,000	(16,416)	483,121	21,416
Compensated absences			866,562	399,627	(369,375)	896,814	439,202
Total other long-term obligations			<u>1,166,099</u>	<u>599,627</u>	<u>(385,791)</u>	<u>1,379,935</u>	<u>460,618</u>
Total business-type activities long-term obligations			<u>\$ 68,298,512</u>	<u>\$ 16,908,969</u>	<u>\$ (21,003,446)</u>	<u>64,204,035</u>	<u>\$ 4,269,836</u>
Add: Unamortized premium on bonds						403,287	
Less: Unamortized deferred charges as refundings						(889,432)	
Amount reported on Statement of Net Assets						<u>\$ 63,717,890</u>	

**CITY OF FINDLAY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2003

**NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)**

Series 2003 Water Refunding

On August 28, 2003, the City issued general obligation bonds to currently refund the callable portion of the Series 1995 Waterworks System Refunding Revenue Bonds (principal \$8,565,000; average interest rate 5.09%). The issuance proceeds were used to repay the callable portion of the 1995 bonds on the call date which was November 1, 2003. This refunded debt is considered defeased and accordingly, has been removed from the statement of net assets.

The refunding issue is comprised of current interest serial bonds, par value \$7,045,000.

The refunding bonds pay interest semiannually on May 1 and November 1 of each year and mature on November 1, 2009. The refunding bonds are general obligations of the City for which the full faith and credit of the City is pledged for repayment.

The reacquisition price exceeded the net carrying amount of the old debt by \$644,194. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. This refunding was undertaken to reduce total debt service payments over the next seven years by \$747,605 and resulted in an economic gain of \$537,530.

Series 2003 Various Purpose Bonds (Sewer Refunding Portion)

On May 22, 2003, the City issued \$9,820,000 in various purpose general obligation bonds to fund various projects (Also See Note 11.A). A portion of the proceeds, \$5,070,000, were used to currently refund the callable portion of the Series 1993 Sewer Refunding Bonds (principal \$5,425,000, average interest rate 5.447%). This refunded debt is considered defeased and accordingly, has been removed from the statement of net assets.

The refunding issue is comprised of current interest serial bonds, par value \$5,070,000.

The refunding bonds pays interest semiannually on January 1 and July 1 of each year and mature on July 1, 2011. The refunding bonds are general obligations of the City for which the full faith and credit of the City is pledged for repayment.

The reacquisition price exceeded the net carrying amount of the old debt by \$171,643. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. This refunding was undertaken to reduce total debt service payments over the next nine years by \$276,501 and resulted in an economic gain of \$245,111.

Series 2003 Various Purpose Bonds (Water Refunding Portion)

On May 22, 2003, the City issued \$9,820,000 in various purpose general obligation bonds to fund various projects (Also See Note 11.A). A portion of the proceeds, \$3,785,000, were used to currently refund the callable portion of the Series 1993 Water Improvement Bonds (principal \$3,690,000, average interest rate 5.526%). The issuance proceeds were used to repay the callable portion of the 1993 bonds on the call date which was July 1, 2003. This refunded debt is considered defeased and accordingly, has been removed from the statement of net assets.

The refunding issue is comprised of current interest serial bonds, par value \$3,785,000.

**CITY OF FINDLAY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2003

**NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)**

The refunding bonds pay interest semiannually on January 1 and July 1 of each year and mature on July 1, 2018. The refunding bonds are general obligations of the City for which the full faith and credit of the City is pledged for repayment.

The reacquisition price exceeded the net carrying amount of the old debt by \$123,252. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. This refunding was undertaken to reduce total debt service payments over the next sixteen years by \$523,784 and resulted in an economic gain of \$403,406.

Series 1996 Various Purpose Bonds (Northern Corridor Sewer Portion)

On July 1, 1996, the City issued \$16,420,000 in various purpose general obligations bonds to fund various projects (Also See Note 11.A). A portion of the proceeds, \$9,020,000, were used to finance the Northern Corridor Sewer Project. These bonds are general obligations of the City for which the full faith and credit of the City are pledged for repayment. Interest on these bonds is payable semiannually and the interest rate varies according to maturity date. The principal and interest payments are made from the Sewer fund.

Series 1996 Various Purpose Bonds (Aircraft Fueling Portion)

On July 1, 1996, the City issued \$16,420,000 in various purpose general obligations bonds to fund various projects (Also See Note 11.A). A portion of the proceeds, \$510,000, were used to finance an aircraft fueling system. These bonds are general obligations of the City for which the full faith and credit of the City are pledged for repayment. Interest on these bonds is payable semiannually and the interest rate varies according to maturity date. The principal and interest payments are made from the Airport fund.

Series 1996 Various Purpose Bonds (Water Pump Station)

On July 1, 1996, the City issued \$16,420,000 in various purpose general obligations bonds to fund various projects (Also See Note 11.A). A portion of the proceeds, \$2,090,000, were used to finance a water pump station. These bonds are general obligations of the City for which the full faith and credit of the City are pledged for repayment. Interest on these bonds is payable semiannually and the interest rate varies according to maturity date. The principal and interest payments are made from the Water fund.

Series 1998 Water Improvement Bonds

On September 1, 1998, these bonds were issued for the purpose of providing funds to pay the costs of improving the City's municipal water system. The bonds are backed by the full faith and credit of the City of Findlay. Interest on the bonds is payable semiannually. Interest rates range from 3.65% to 4.90%.

Ohio Water Development Authority (OWDA) Loans

The City is eligible to borrow funds under the Water Pollution Control Loan Fund Agreement (WPCLFA) with the Ohio Water Development Authority to pay the approved eligible project costs of designing improvements to and extensions of the City's municipal sewerage system, including main sewer lines and additions to the City's water pollution control plant.

**CITY OF FINDLAY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2003

**NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)**

On October 28, 1999, the City entered into a financing agreement under the WPCLFA to borrow up to \$32,470,000. The loan bears interest at 4.36 percent, with principal payments due semi-annually on January 1, and July 1 of each year. The term of the loan is 20 years. This loan is closed (final disbursements have been made by OWDA) and the City is making debt service payments on the final amount borrowed. A final amortization schedule for this loan is presented below.

On August 30, 2001, the City entered into an additional financing agreement under the WPCLFA to borrow up to \$3,672,600. The loan bears interest at 1.92%, with principal payments due semi-annually on January 1, and July 1 of each year. The term of the loan is 20 years. The City has drawn \$3,601,400 as of December 31, 2003. This loan is currently open as of year-end, therefore, a final amortization schedule is not presented for this loan as the final disbursements have not been made as of December 31, 2003.

On July 1, 1993, the City entered into a financing agreement with OWDA under the WPCLFA for sewer system improvements. This loan bears interest at 4.80%, with principal payments due semi-annually on January 1 and July 1 of each year. The term of the loan is 18.5 years. This loan is closed (final disbursements have been made by OWDA) and the City is making debt service payments on the final amount borrowed. A final amortization schedule for this loan is presented below.

Ohio Public Works Commission (OPWC) Loans

The City has entered into loan agreements with the OPWC to finance various water improvement projects. These loans are interest free and have twenty year terms. The OPWC loans are being retired out of the water fund.

Compensated Absences

Compensated absences consist of vacation, holivac and compensatory time due and payable at year-end. In addition, estimated sick time (severance) payments are also included as described in Note 2.K).

Compensated absences will be paid from the fund from which the employees' salaries are paid.

**CITY OF FINDLAY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2003

**NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)**

The following is a schedule of the future principal and interest payments to retire the business-type activities long-term bonds and loans at December 31, 2003:

Year	General Obligation Bonds			OWDA Loans		
	Principal	Interest	Total	Principal	Interest	Total
2004	\$ 2,490,000	\$ 1,195,473	\$ 3,685,473	\$ 1,243,339	\$ 1,356,507	\$ 2,599,846
2005	2,615,000	1,061,013	3,676,013	1,298,609	1,301,239	2,599,848
2006	2,670,000	986,550	3,656,550	1,356,337	1,243,510	2,599,847
2007	2,740,000	906,537	3,646,537	1,416,632	1,183,214	2,599,846
2008	2,820,000	817,301	3,637,301	1,479,610	1,120,236	2,599,846
2009 - 2013	8,810,000	2,614,007	11,424,007	8,133,608	4,564,945	12,698,553
2014 - 2018	5,830,000	932,458	6,762,458	9,575,769	2,671,764	12,247,533
2019 - 2021	-	-	-	6,818,891	529,629	7,348,520
Totals	<u>\$ 27,975,000</u>	<u>\$ 8,513,339</u>	<u>\$ 36,488,339</u>	<u>\$ 31,322,795</u>	<u>\$ 13,971,044</u>	<u>\$ 45,293,839</u>

	OPWC Loans		
	Principal	Interest	Total
2004	\$ 21,416	\$ -	\$ 21,416
2005	26,416	-	26,416
2006	26,416	-	26,416
2007	26,416	-	26,416
2008	26,416	-	26,416
2009 - 2013	132,079	-	132,079
2014 - 2018	132,079	-	132,079
2019 - 2023	86,883	-	86,883
2024	5,000	-	5,000
	<u>\$ 483,121</u>	<u>\$ -</u>	<u>\$ 483,121</u>

**NOTE 12 - INTERFUND ASSETS/LIABILITIES**

Individual fund interfund asset and liability balances, as reported on the fund financial statements at December 31, 2003, were as follows:

**Due to/from other funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Sewer	Water	\$ 357,331

Due to/from other funds is recorded for the amounts billed from the sewer fund to the water fund for goods and services provided. This amount is eliminated for reporting on the government-wide financial statements.

**CITY OF FINDLAY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2003

**NOTE 13 - RISK MANAGEMENT**

During July, 1987 the City established a Self-Insurance Fund (the Fund), which has been recorded as part of the Internal Service Funds. This Self-Insurance Fund serves the purpose of handling, processing, and paying general municipality liability insurance claims in lieu of purchasing general municipality liability insurance.

The City's plan covers a limit of \$1,000,000 per occurrence for bodily injury liability and \$1,000,000 aggregate for property damage liability.

No settlements have exceeded insurance coverage for 2003, 2002, or 2001. The City is fully insured through premium-based insurance policies for all other types of insurance including worker's compensation, public officials' liability, etc.

The City's policy for reporting a claims liability is based on the requirements of Financial Accounting Standards Board Statement No. 5, which requires that a liability for claims to be reported if information prior to the issuance of the combined financial statements indicates that it is probable that a liability has been incurred at the date of the combined financial statements and the amount of the loss can be reasonably estimated. It is the opinion of the City's legal counsel that, as of December 31, 2003, there were no material outstanding claims pending.

	<u>2003</u>	<u>2002</u>
Claims payable, beginning of the year	\$ 1,300,000	\$ -
Current year claims and changes in estimates	4,873	1,303,694
Claim payments	<u>(1,304,873)</u>	<u>(3,694)</u>
Claims payable, end of year	<u>\$ -</u>	<u>\$ 1,300,000</u>

**NOTE 14 - DEFINED BENEFIT PENSION PLANS**

**A. Ohio Public Employees Retirement System**

All City full-time employees, other than uniformed employees, participate in the Ohio Public Employees Retirement System (OPERS), a cost-sharing multiple-employer public employee retirement system created by the State of Ohio. OPERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report which may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6705 or 1-800-222-PERS (7377).

**CITY OF FINDLAY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2003

**NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)**

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate for 2003 was 8.5% for employees other than law enforcement and public safety. The law enforcement classification consisted of sheriffs, deputy sheriffs, and township police with an employee contribution rate of 10.1%. Public safety division members contribute at 9%. The employer contribution rate for employees other than law enforcement and public safety division was 13.55% of covered payroll and 8.55% was the portion used to fund pension obligations for 2003. The employer contribution rate for law enforcement and public safety divisions was 16.70% of covered payroll and 11.70% was the portion used to fund pension obligations for 2003. Required employer contributions are equal to 100% of the dollar amount billed to each employer and must be extracted from the employer's records. The City's contributions to OPERS for the years ended December 31, 2003, 2002, and 2001 were \$1,300,515, \$1,284,406, and \$1,240,269, respectively, equal to the required employer contribution which is also 100% of the dollar amount billed by OPERS.

**B. Ohio Police and Fire Pension Fund**

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

Plan members are required to contribute 10.0% of their annual covered salary, while the City is required to contribute 19.50% and 24.0% for police officers and firefighters, respectively. The City's contributions to OP&F for the years ended December 31, 2003, 2002, and 2001 were \$1,474,955, \$1,442,779, and \$1,362,885, respectively, equal to the required contributions for each year.

**NOTE 15 - POSTRETIREMENT BENEFIT PLANS**

**A. Ohio Public Employees Retirement System**

OPERS provides postretirement health care coverage to age and service retirants with 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits other than Pension Benefits by State and Local Government Employers". A portion of each employer's contribution to OPERS is set aside for the funding of postretirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The OPERS law enforcement program is separated into two divisions, law enforcement and public safety, with separate employee contribution rates and benefits. The 2003 employer contribution rate for local government employers was 13.55% of covered payroll and 5.00% was the portion that was used to fund health care. For both the public safety and law enforcement divisions the 2003 employer rate was 16.70% of covered payroll and 5.00% was the portion used to fund health care.

**CITY OF FINDLAY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2003**

**NOTE 15 - POSTRETIREMENT BENEFIT PLANS - (Continued)**

The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to OPERS. The City's contribution actually made to fund postemployment benefits was \$479,895.

OPEB are financed through employer contributions and investment earnings thereon. The contributions allocated to retiree health care, along with investment income on allocated assets and periodic adjustments in health care provisions are expected to be sufficient to sustain the program indefinitely. OPEB's are advance funded on an actuarially determined basis.

As of December 31, 2002 (the latest information available), the actuarial value of the Retirement System's net assets available for future OPEB payments were \$10.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$18.7 billion and \$8.7 billion, respectively, at December 31, 2002 (the latest information available). The number of benefit recipients eligible for OPEB at December 31, 2002 (the latest information available) was 364,881.

In December 2001, the OPERS Board adopted the Health Care "Choices" Plan in its continuing effort to respond to the rise in the cost of health care. The Choices Plan will be offered to all persons newly hired under OPERS after January 1, 2003, with no prior service credit accumulated toward health care coverage. Choices, as the name suggests, will incorporate a cafeteria approach, offering a more broad range of health care options. The Plan uses a graded scale from ten to thirty years to calculate a monthly health care benefit. This is in contrast to the ten-year "cliff" eligibility standard for the present Plan.

The benefit recipient will be free to select the option that best meets their needs. Recipients will fund health care costs in excess of their monthly health care benefit. The Plan will also offer a spending account feature, enabling the benefit recipient to apply their allowance toward specific medical expenses, much like a Medical Spending Account.

In response to the adverse investment returns experienced by OPERS from 2000 through 2002 and the continued staggering rate of health care inflation, the OPERS Board, during 2003, considered extending "Choices" type cost cutting measures to all active members and benefit recipients. As of this date, the Board has not determined the exact changes that will be made to the health care plan. However, changes to the plan are expected to be approved by the summer of 2004.

Additional information on the OPERS, including historical trend information showing the progress in accumulating sufficient assets to pay benefits when due is available in the OPERS December 31, 2003, Comprehensive Annual Financial Report.



**CITY OF FINDLAY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2003

**NOTE 15 - POSTRETIREMENT BENEFIT PLANS - (Continued)**

**B. Ohio Police and Fire Pension Fund**

The OP&F provides postretirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending school full-time or on a 2/3 basis. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits Other than Pension Benefits by State and Local Government Employers". The Ohio Revised Code provides that health care cost paid from the funds of the OP&F shall be included in the employer's contribution rate. The total police officer employer contribution rate is 19.5% of covered payroll and the total firefighter's employer contribution rate is 24.0% of covered payroll. The Ohio Revised Code provides the authority allowing OP&F's Board of Trustees to provide health care coverage to all eligible individuals. Health care funding and accounting is on a pay-as-you-go basis. A percentage of covered payroll, as defined by the Board, is used to pay retiree health care expenses. The Board defined allocation was 7.75% of covered payroll in 2002 and 2003, respectively. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The number of participants eligible to receive health care benefits as of December 31, 2002 (the latest information available), is 13,527 for police officers and 10,396 for firefighters. The amount of employer contributions used to pay postemployment benefits for police officers was \$524,114. OP&F's total health care expense for the year ending December 31, 2002 (the latest information available), was \$141,028 million, which was net of member contributions of \$12.623 million.

**NOTE 16 - CONTINGENCIES**

**A. Grants**

The City receives significant financial assistance from numerous federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2003.

**B. Contracts**

As of December 31, 2003, the City had approximately \$4,463,550 open on outstanding purchase orders and contracts. Of this amount, \$3,691,546 related to ongoing capital projects, and the remaining amount was for various departmental purchase orders outstanding at year-end.

The City had no material operating lease commitments at December 31, 2003.

**CITY OF FINDLAY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2003**

**NOTE 16 - CONTINGENCIES - (Continued)**

**C. Litigation**

The City is party to other legal proceedings as a defendant. Although the outcome of the legal proceedings is not presently determinable, it is the opinion of the City's legal counsel that resolution of these matters will not have a material, adverse effect on the financial condition of the City.

**COMBINING STATEMENTS  
AND INDIVIDUAL FUND SCHEDULES**

**Certain 2002 revenues, expenditures (expenses), assets and liabilities have been reclassified to conform to current year presentation.**

**CITY OF FINDLAY, OHIO**

COMPARATIVE BALANCE SHEET  
GENERAL FUND

DECEMBER 31, 2003 AND 2002

	<u>2003</u>	<u>2002</u>
<b>Assets:</b>		
Equity in pooled cash and cash equivalents . . . . .	\$ 7,978,138	\$ 8,179,780
Cash with escrow agent . . . . .	2,280	-
Receivables (net of allowances of uncollectibles) . . . . .	2,206,674	2,277,333
Due from other governments . . . . .	992,826	865,689
Prepayments . . . . .	<u>98,467</u>	<u>88,944</u>
Total assets . . . . .	<u>\$ 11,278,385</u>	<u>\$ 11,411,746</u>
<b>Liabilities:</b>		
Accounts payable . . . . .	\$ 759,405	\$ 970,596
Retainage payable . . . . .	2,280	-
Accrued wages and benefits . . . . .	359,312	316,664
Compensated absences payable . . . . .	46,075	105,858
Due to other governments . . . . .	3,942	6,288
Deposits held and due to others . . . . .	590,358	575,689
Deferred revenue . . . . .	<u>2,786,320</u>	<u>2,536,009</u>
Total liabilities . . . . .	<u>4,547,692</u>	<u>4,511,104</u>
<b>Fund balance:</b>		
Reserved for encumbrances . . . . .	236,871	514,672
Reserved for prepayments . . . . .	98,467	88,944
Unreserved, undesignated . . . . .	<u>6,395,355</u>	<u>6,297,026</u>
Total fund balance . . . . .	<u>6,730,693</u>	<u>6,900,642</u>
Total liabilities and fund balance . . . . .	<u>\$ 11,278,385</u>	<u>\$ 11,411,746</u>

**CITY OF FINDLAY, OHIO**

COMPARATIVE BALANCE SHEET  
STREET MAINTENANCE AND REPAIR FUND

DECEMBER 31, 2003 AND 2002

	<u>2003</u>	<u>2002</u>
<b>Assets:</b>		
Equity in pooled cash and cash equivalents . . . . .	\$ 1,654,093	\$ 1,187,642
Cash with escrow agent . . . . .	114,382	-
Due from other governments . . . . .	503,564	580,613
Prepayments . . . . .	16,971	16,670
Materials and supplies inventory . . . . .	183,236	192,720
Total assets. . . . .	<u>\$ 2,472,246</u>	<u>\$ 1,977,645</u>
<b>Liabilities:</b>		
Accounts payable . . . . .	\$ 170,842	\$ 331,395
Retainage payable . . . . .	114,382	37,892
Accrued wages and benefits . . . . .	37,552	-
Compensated absences payable . . . . .	44,163	-
Deposits held and due to others . . . . .	78,726	75,097
Deferred revenue . . . . .	319,193	330,762
Total liabilities . . . . .	<u>764,858</u>	<u>775,146</u>
<b>Fund balance:</b>		
Reserved for encumbrances . . . . .	181,694	361,205
Reserved for prepayments . . . . .	16,971	16,670
Reserved for materials and supplies inventory. . . . .	183,236	192,720
Unreserved, undesignated . . . . .	1,325,487	631,904
Total fund balance. . . . .	<u>1,707,388</u>	<u>1,202,499</u>
Total liabilities and fund balance . . . . .	<u>\$ 2,472,246</u>	<u>\$ 1,977,645</u>

**CITY OF FINDLAY, OHIO**

COMPARATIVE BALANCE SHEET  
CITY INCOME TAX ADMINISTRATION FUND

DECEMBER 31, 2003 AND 2002

	<u>2003</u>	<u>2002</u>
<b>Assets:</b>		
Equity in pooled cash and cash equivalents . . . . .	\$ 124,075	\$ 123,654
Receivables (net of allowances of uncollectibles) . . . . .	2,276,495	2,457,762
Prepayments . . . . .	1,071	1,497
Restricted assets:		
Equity in pooled cash and cash equivalents . . . . .	<u>1,564,640</u>	<u>1,428,441</u>
Total assets . . . . .	<u>\$ 3,966,281</u>	<u>\$ 4,011,354</u>
<b>Liabilities:</b>		
Accounts payable . . . . .	\$ 4,223	\$ 9,481
Accrued wages and benefits . . . . .	4,567	3,096
Deposits held and due to others . . . . .	10,760	10,070
Deferred revenue . . . . .	<u>891,914</u>	<u>798,969</u>
Total liabilities . . . . .	<u>911,464</u>	<u>821,616</u>
<b>Fund balance:</b>		
Reserved for encumbrances . . . . .	25,187	22,131
Reserved for prepayments . . . . .	1,071	1,497
Reserved for capital improvements . . . . .	1,564,640	1,428,441
Unreserved, undesignated . . . . .	<u>1,463,919</u>	<u>1,737,669</u>
Total fund balance . . . . .	<u>3,054,817</u>	<u>3,189,738</u>
Total liabilities and fund balance . . . . .	<u>\$ 3,966,281</u>	<u>\$ 4,011,354</u>

**CITY OF FINDLAY, OHIO**

**COMPARATIVE STATEMENT OF NET ASSETS  
WATER FUND**

DECEMBER 31, 2003 AND 2002

	<u>2003</u>	<u>2002</u>
<b>Assets:</b>		
Current assets:		
Equity in pooled cash and cash equivalents. . . . .	\$ 2,646,425	\$ 2,584,137
Cash with escrow agent. . . . .	27,348	-
Receivables (net of allowances of uncollectibles) . . . . .	1,314,947	1,287,988
Materials and supplies inventory . . . . .	315,992	282,537
Prepayments . . . . .	<u>32,634</u>	<u>27,664</u>
Total current assets . . . . .	<u>4,337,346</u>	<u>4,182,326</u>
Restricted assets:		
Equity in pooled cash and cash equivalents . . . . .	539,569	799,271
Cash and cash equivalents with fiscal agent . . . . .	672,051	1,981,383
Deferred bond costs . . . . .	171,242	298,818
Capital assets:		
Land and construction in progress . . . . .	997,896	1,108,183
Depreciable capital assets, net . . . . .	<u>43,227,734</u>	<u>42,553,288</u>
Total capital assets . . . . .	<u>45,608,492</u>	<u>46,740,943</u>
Total assets . . . . .	<u>49,945,838</u>	<u>50,923,269</u>
<b>Liabilities:</b>		
Current liabilities:		
Accounts payable. . . . .	28,308	137,558
Retainage payable . . . . .	27,348	-
Accrued wages and benefits . . . . .	60,996	51,059
Compensated absences payable. . . . .	230,266	136,440
Due to other funds . . . . .	357,331	331,759
Deposits held and due to others . . . . .	120,439	114,879
Current portion of loans payable . . . . .	21,416	16,416
Current portion of bonds . . . . .	1,525,000	1,580,000
Accrued interest payable . . . . .	<u>198,434</u>	<u>248,273</u>
Total current liabilities . . . . .	<u>2,569,538</u>	<u>2,616,384</u>
Long term liabilities:		
Loans payable . . . . .	461,705	283,122
Compensated absences payable. . . . .	294,625	360,071
General obligation bonds . . . . .	<u>13,266,162</u>	<u>16,382,072</u>
Total liabilities. . . . .	<u>16,592,030</u>	<u>19,641,649</u>
<b>Net assets:</b>		
Invested in capital assets, net of related debt . . . . .	28,951,347	25,399,862
Restricted for:		
Capital projects . . . . .	539,569	502,037
Debt service. . . . .	672,051	297,234
Unrestricted . . . . .	<u>3,190,841</u>	<u>5,082,487</u>
Total net assets . . . . .	<u>\$ 33,353,808</u>	<u>\$ 31,281,620</u>

**CITY OF FINDLAY, OHIO**

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
WATER FUND

FOR THE YEAR ENDED DECEMBER 31, 2003 AND 2002

	<u>2003</u>	<u>2002</u>
<b>Operating revenues:</b>		
Charges for services . . . . .	\$ 6,771,645	\$ 6,837,623
Other . . . . .	82,560	78,479
Total operating revenues . . . . .	<u>6,854,205</u>	<u>6,916,102</u>
<b>Operating expenses:</b>		
Personal services . . . . .	2,558,475	2,606,197
Contract services . . . . .	98,077	193,369
Materials and supplies. . . . .	779,311	814,397
Utilities . . . . .	245,913	243,783
Depreciation. . . . .	1,164,577	997,351
Other. . . . .	157,358	104,415
Total operating expenses . . . . .	<u>5,003,711</u>	<u>4,959,512</u>
Operating income. . . . .	<u>1,850,494</u>	<u>1,956,590</u>
<b>Nonoperating revenues (expenses):</b>		
Other nonoperating revenues. . . . .	278,914	156,135
Interest income . . . . .	122,183	194,286
Loss on disposal of capital assets. . . . .	(288,984)	-
Other nonoperating expenses. . . . .	(8,542)	-
Interest and fiscal charges . . . . .	(1,097,606)	(1,098,873)
Total nonoperating revenues (expenses) . . . . .	<u>(994,035)</u>	<u>(748,452)</u>
Income before contributions and transfers . . . . .	856,459	1,208,138
Capital contributions. . . . .	1,110,795	451,463
Transfers in . . . . .	292,849	262,112
Transfers out . . . . .	(187,915)	(167,616)
Change in net assets. . . . .	2,072,188	1,754,097
<b>Net assets, January 1 . . . . .</b>	<u>31,281,620</u>	<u>29,527,523</u>
<b>Net assets, December 31 . . . . .</b>	<u>\$ 33,353,808</u>	<u>\$ 31,281,620</u>



**CITY OF FINDLAY, OHIO**

**COMPARATIVE STATEMENT OF CASH FLOWS  
WATER FUND**

FOR THE YEAR ENDED DECEMBER 31, 2003 AND 2002

	<u>2003</u>	<u>2002</u>
<b>Cash flows from operating activities:</b>		
Cash received from customers . . . . .	\$ 6,731,566	\$ 6,837,623
Cash received from other operating revenues . . . . .	82,560	78,479
Cash payments for personal services . . . . .	(2,520,158)	(2,520,209)
Cash payments for contract services. . . . .	(103,047)	(193,369)
Cash payments for materials and supplies. . . . .	(922,016)	(814,397)
Cash payments for utilities. . . . .	(220,341)	(243,783)
Cash payments for other operating expenses . . . . .	<u>(151,798)</u>	<u>(104,415)</u>
Net cash provided by operating activities. . . . .	<u>2,896,766</u>	<u>3,039,929</u>
<b>Cash flows from noncapital financing activities:</b>		
Other non-capital revenues . . . . .	266,059	338,448
Other non-capital expenses . . . . .	(8,542)	-
Transfers in . . . . .	292,849	262,112
Transfers out . . . . .	<u>(187,915)</u>	<u>(167,616)</u>
Net cash provided by noncapital financing activities . . . . .	<u>362,451</u>	<u>432,944</u>
<b>Cash flows from capital and related financing activities:</b>		
Acquisition of capital assets . . . . .	(1,845,432)	(1,717,007)
Capital contributions . . . . .	689,391	451,463
Proceeds of bonds . . . . .	10,830,000	-
Premium on bonds issued . . . . .	183,087	-
Bond issuance costs . . . . .	(102,571)	-
Payment to refunding bond escrow agent . . . . .	(12,255,000)	-
Principal paid on bonds . . . . .	(1,580,000)	(1,505,000)
Interest paid on bonds. . . . .	(1,004,325)	(1,008,645)
Proceeds of loans . . . . .	200,000	138,774
Principal paid on loans . . . . .	<u>(16,416)</u>	<u>(12,482)</u>
Net cash (used in) capital and related financing activities . . . . .	<u>(4,901,266)</u>	<u>(3,652,897)</u>
<b>Cash flows from investing activities:</b>		
Purchase of investment securities. . . . .	-	(1,981,383)
Sales of investment securities. . . . .	1,981,383	1,985,334
Interest received. . . . .	135,303	213,093
Net cash provided by investing activities . . . . .	<u>2,116,686</u>	<u>217,044</u>
Net increase in cash and cash equivalents . . . . .	474,637	37,020
<b>Cash and cash equivalents at beginning of year . .</b>	<u>3,383,408</u>	<u>3,346,388</u>
<b>Cash and cash equivalents at end of year. . . . .</b>	<u>\$ 3,858,045</u>	<u>\$ 3,383,408</u>

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**CITY OF FINDLAY, OHIO**

STATEMENT OF CASH FLOWS  
WATER FUND (CONTINUED)

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2003  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2002)

	<u>2003</u>	<u>2002</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating income . . . . .	\$ 1,850,494	\$ 1,956,590
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation . . . . .	1,164,577	997,351
Changes in assets and liabilities:		
(Increase) in accounts receivable. . . . .	(40,079)	(93,392)
(Increase) decrease in materials and supplies inventory. . . . .	(33,455)	13,699
Decrease (increase) in prepayments . . . . .	(4,970)	(4,951)
Increase (decrease) in accounts payable . . . . .	(109,250)	71,015
Increase (decrease) in accrued wages and benefits. . . . .	9,937	(18,872)
Increase in compensated absences payable. . . . .	28,380	68,141
Increase in deposits held and due to others . . . . .	5,560	5,230
Increase in due to other funds . . . . .	25,572	45,118
Net cash provided by operating activities . . . . .	<u>\$ 2,896,766</u>	<u>\$ 3,039,929</u>

**CITY OF FINDLAY, OHIO**

**COMPARATIVE STATEMENT OF NET ASSETS  
WATER POLLUTION CONTROL FUND**

DECEMBER 31, 2003 AND 2002

	<u>2003</u>	<u>2002</u>
<b>Assets:</b>		
Current assets:		
Equity in pooled cash and cash equivalents. . . . .	\$ 828,419	\$ 2,789,696
Receivables (net of allowances of uncollectibles) . . . .	370,279	370,158
Due from other funds. . . . .	357,331	331,759
Prepayments . . . . .	22,422	21,156
Materials and supplies inventory . . . . .	<u>10,860</u>	<u>9,473</u>
Total current assets . . . . .	<u>1,589,311</u>	<u>3,522,242</u>
Restricted assets:		
Equity in pooled cash and cash equivalents . . . . .	802,150	4,862,506
Cash and cash equivalents with fiscal agent . . . . .	4,244,309	-
Deferred bond costs . . . . .	153,901	188,348
Capital assets:		
Land and construction in progress . . . . .	567,885	2,711,375
Depreciable capital assets, net . . . . .	<u>71,409,698</u>	<u>68,168,854</u>
Total capital assets . . . . .	<u>71,977,583</u>	<u>70,880,229</u>
Total assets . . . . .	<u>78,767,254</u>	<u>79,453,325</u>
<b>Liabilities:</b>		
Current liabilities:		
Accounts payable. . . . .	54,993	86,153
Accrued wages and benefits . . . . .	41,662	35,923
Compensated absences payable. . . . .	190,802	122,284
Deposits held and due to others . . . . .	85,595	85,099
Claims and judgements payable . . . . .	-	1,300,000
Current portion of loans payable . . . . .	1,319,218	1,079,380
Current portion of bonds . . . . .	935,000	1,034,279
Accrued interest payable . . . . .	<u>1,020,497</u>	<u>1,069,574</u>
Total current liabilities . . . . .	<u>3,647,767</u>	<u>4,812,692</u>
Long term liabilities:		
Loans payable . . . . .	33,529,882	33,537,658
Compensated absences payable. . . . .	151,177	224,159
Bonds payable . . . . .	<u>11,412,693</u>	<u>13,139,023</u>
Total liabilities. . . . .	<u>48,741,519</u>	<u>51,713,532</u>
<b>Net assets:</b>		
Invested in capital assets, net of related debt . . . . .	24,780,790	22,089,888
Restricted for:		
Capital projects . . . . .	2,043,217	1,989,206
Debt service. . . . .	2,201,093	2,079,982
Unrestricted . . . . .	<u>1,000,635</u>	<u>1,580,717</u>
Total net assets . . . . .	<u>\$ 30,025,735</u>	<u>\$ 27,739,793</u>

**CITY OF FINDLAY, OHIO**

**COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
WATER POLLUTION CONTROL FUND**

FOR THE YEAR ENDED DECEMBER 31, 2003 AND 2002

	<u>2003</u>	<u>2002</u>
<b>Operating revenues:</b>		
Charges for services . . . . .	\$ 7,468,950	\$ 7,001,933
Other . . . . .	71,903	87,519
Total operating revenues . . . . .	<u>7,540,853</u>	<u>7,089,452</u>
<b>Operating expenses:</b>		
Personal services . . . . .	1,800,405	1,835,524
Contract services . . . . .	210,387	108,298
Materials and supplies. . . . .	207,057	264,118
Utilities . . . . .	288,415	338,508
Depreciation. . . . .	1,627,092	1,399,789
Other. . . . .	114,288	131,319
Total operating expenses . . . . .	<u>4,247,644</u>	<u>4,077,556</u>
Operating income . . . . .	<u>3,293,209</u>	<u>3,011,896</u>
<b>Nonoperating revenues (expenses):</b>		
Other nonoperating revenues. . . . .	268,483	40,162
Interest income . . . . .	91,514	185,331
Loss on disposal of capital assets. . . . .	(68,236)	-
Other nonoperating expenses. . . . .	(259,284)	(1,762,322)
Interest and fiscal charges . . . . .	(2,268,287)	(2,196,512)
Total nonoperating revenues (expenses). . . . .	<u>(2,235,810)</u>	<u>(3,733,341)</u>
Income (loss) before contributions and transfers . . . . .	1,057,399	(721,445)
Capital contributions. . . . .	1,567,714	443,152
Transfers in . . . . .	78,606	312,761
Transfers out . . . . .	<u>(417,777)</u>	<u>(373,856)</u>
Change in net assets. . . . .	2,285,942	(339,388)
<b>Net assets, January 1 . . . . .</b>	<u>27,739,793</u>	<u>28,079,181</u>
<b>Net assets, December 31 . . . . .</b>	<u>\$ 30,025,735</u>	<u>\$ 27,739,793</u>

**CITY OF FINDLAY, OHIO**

**COMPARATIVE STATEMENT OF CASH FLOWS  
WATER POLLUTION CONTROL FUND**

FOR THE YEAR ENDED DECEMBER 31, 2003 AND 2002

	<u>2003</u>	<u>2002</u>
<b>Cash flows from operating activities:</b>		
Cash received from customers . . . . .	\$ 7,415,590	\$ 7,001,933
Cash received from other operating revenues . . . . .	71,903	87,519
Cash payments for personal services . . . . .	(1,799,130)	(1,848,201)
Cash payments for contract services. . . . .	(211,653)	(108,298)
Cash payments for materials and supplies. . . . .	(239,604)	(264,118)
Cash payments for utilities. . . . .	(288,415)	(338,508)
Cash payments for claims and judgements . . . . .	(1,300,000)	-
Cash payments for other operating expenses . . . . .	<u>(113,792)</u>	<u>(131,319)</u>
Net cash provided by operating activities. . . . .	<u>3,534,899</u>	<u>4,399,008</u>
<b>Cash flows from noncapital financing activities:</b>		
Other non-capital revenues . . . . .	268,483	483,314
Other non-capital expenses . . . . .	(259,284)	(817,941)
Transfers in . . . . .	78,606	312,761
Transfers out . . . . .	<u>(417,777)</u>	<u>(373,856)</u>
Net cash (used in) noncapital financing activities . . . . .	<u>(329,972)</u>	<u>(395,722)</u>
<b>Cash flows from capital and related financing activities:</b>		
Acquisition of capital assets . . . . .	(2,693,881)	(5,870,020)
Capital contributions. . . . .	1,264,245	443,152
Proceeds of bonds . . . . .	5,070,000	-
Premium on bonds issued . . . . .	243,848	-
Bond issuance costs . . . . .	(49,453)	-
Principal paid on bonds . . . . .	(5,875,000)	(979,680)
Interest paid on bonds. . . . .	(723,166)	(749,228)
Proceeds of loans . . . . .	409,342	4,356,467
Principal paid on loans . . . . .	(1,265,583)	(1,045,083)
Interest paid on loans . . . . .	<u>(1,481,784)</u>	<u>(1,430,831)</u>
Net cash used in capital and related financing activities . . . . .	<u>(5,101,432)</u>	<u>(5,275,223)</u>
<b>Cash flows from investing activities:</b>		
Interest received. . . . .	<u>119,181</u>	<u>245,198</u>
Net cash provided by investing activities . . . . .	<u>119,181</u>	<u>245,198</u>
Net decrease in cash and cash equivalents. . . . .	(1,777,324)	(1,026,739)
<b>Cash and cash equivalents at beginning of year . .</b>	<u>7,652,202</u>	<u>8,678,941</u>
<b>Cash and cash equivalents at end of year. . . . .</b>	<u>\$ 5,874,878</u>	<u>\$ 7,652,202</u>

- - continued

**CITY OF FINDLAY, OHIO**

STATEMENT OF CASH FLOWS  
WATER POLLUTION CONTROL FUND (CONTINUED)

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2003  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2002)

	<b>2003</b>		<b>2002</b>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>			
Operating income . . . . .	\$ 3,293,209	\$	3,011,896
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation . . . . .	1,627,092		1,399,789
Changes in assets and liabilities:			
(Increase) in accounts receivable . . . . .	(27,788)		(41,430)
(Increase) in due from other funds . . . . .	(25,572)		(38,624)
(Increase) in materials and supplies inventory . . . . .	(1,387)		(3,867)
(Increase) in prepayments . . . . .	(1,266)		(3,093)
Increase (decrease) in accounts payable . . . . .	(31,160)		74,550
Increase (decrease) in accrued wages and benefits . . . . .	5,739		(13,731)
Increase (decrease) in compensated absences payable . . . . .	(4,464)		14,704
(Decrease) in claims and judgements payable . . . . .	(1,300,000)		-
Increase (decrease) in deposits held and due to others . . . . .	496		(1,186)
Net cash provided by operating activities . . . . .	\$ 3,534,899	\$	4,399,008

**CITY OF FINDLAY, OHIO**

**COMPARATIVE STATEMENT OF NET ASSETS  
AIRPORT FUND**

DECEMBER 31, 2003 AND 2002

	<u>2003</u>	<u>2002</u>
<b>Assets:</b>		
Current assets:		
Equity in pooled cash and cash equivalents. . . . .	\$ 127,260	\$ 198,973
Receivables (net of allowances of uncollectibles):	45,254	58,204
Due from other governments . . . . .	3,174	86,593
Materials and supplies inventory . . . . .	31,989	29,394
Prepayments . . . . .	<u>14,057</u>	<u>12,496</u>
Total current assets . . . . .	<u>221,734</u>	<u>385,660</u>
Restricted assets:		
Equity in pooled cash and cash equivalents . . . . .	24,678	25,428
Deferred bond costs . . . . .	5,234	5,850
Capital assets:		
Land and construction in progress . . . . .	3,422,788	3,422,788
Depreciable capital assets, net . . . . .	<u>7,493,688</u>	<u>7,798,253</u>
Total capital assets . . . . .	<u>10,916,476</u>	<u>11,221,041</u>
Total assets . . . . .	<u>11,168,122</u>	<u>11,637,979</u>
<b>Liabilities:</b>		
Current liabilities:		
Accounts payable. . . . .	21,935	117,329
Accrued wages and benefits . . . . .	6,797	5,631
Compensated absences payable. . . . .	12,594	12,072
Accrued interest payable . . . . .	9,678	10,428
Deposits held and due to others . . . . .	13,004	12,696
Current portion of bonds . . . . .	<u>30,000</u>	<u>30,000</u>
Total current liabilities . . . . .	<u>94,008</u>	<u>188,156</u>
Long term liabilities:		
General obligation bonds . . . . .	320,000	350,000
Compensated absences payable. . . . .	<u>1,700</u>	<u>-</u>
Total liabilities. . . . .	<u>415,708</u>	<u>538,156</u>
<b>Net assets:</b>		
Invested in capital assets, net of related debt . . . . .	10,566,476	10,841,041
Restricted for:		
Debt service. . . . .	24,678	25,428
Unrestricted . . . . .	<u>161,260</u>	<u>233,354</u>
Total net assets . . . . .	<u>\$ 10,752,414</u>	<u>\$ 11,099,823</u>

**CITY OF FINDLAY, OHIO**

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
AIRPORT FUND

FOR THE YEAR ENDED DECEMBER 31, 2003 AND 2002

	<u>2003</u>	<u>2002</u>
<b>Operating revenues:</b>		
Charges for services . . . . .	\$ 28,838	\$ 18,806
Other . . . . .	<u>648,908</u>	<u>675,447</u>
Total operating revenues . . . . .	<u>677,746</u>	<u>694,253</u>
<b>Operating expenses:</b>		
Personal services . . . . .	287,601	292,891
Contract services . . . . .	9,164	26,172
Materials and supplies. . . . .	342,887	335,823
Utilities . . . . .	17,236	16,931
Depreciation. . . . .	553,228	416,010
Other. . . . .	<u>73,710</u>	<u>68,069</u>
Total operating expenses . . . . .	<u>1,283,826</u>	<u>1,155,896</u>
Operating loss. . . . .	<u>(606,080)</u>	<u>(461,643)</u>
<b>Nonoperating revenues (expenses):</b>		
Interest and fiscal charges . . . . .	(20,722)	(22,214)
Loss on disposal of capital assets. . . . .	(1,725)	-
Other nonoperating revenues. . . . .	163,813	986,071
Other nonoperating expenses. . . . .	<u>-</u>	<u>(68,794)</u>
Total nonoperating revenues (expenses) . . . . .	<u>141,366</u>	<u>895,063</u>
Income (loss) before transfers. . . . .	(464,714)	433,420
Transfers in . . . . .	117,305	156,000
Transfers out . . . . .	<u>-</u>	<u>(4)</u>
Change in net assets. . . . .	(347,409)	589,416
<b>Net assets, January 1 . . . . .</b>	<u>11,099,823</u>	<u>10,510,407</u>
<b>Net assets, December 31 . . . . .</b>	<u>\$ 10,752,414</u>	<u>\$ 11,099,823</u>



**CITY OF FINDLAY, OHIO**

**COMPARATIVE STATEMENT OF CASH FLOWS  
AIRPORT FUND**

FOR THE YEAR ENDED DECEMBER 31, 2003 AND 2002

	<u>2003</u>	<u>2002</u>
<b>Cash flows from operating activities:</b>		
Cash received from customers . . . . .	\$ 41,788	\$ 18,806
Cash received from other operating revenues . . . . .	732,327	675,447
Cash payments for personal services . . . . .	(284,213)	(292,891)
Cash payments for contract services. . . . .	(10,725)	(26,172)
Cash payments for materials and supplies. . . . .	(440,876)	(329,895)
Cash payments for utilities. . . . .	(17,236)	(16,931)
Cash payments for other operating expenses . . . . .	<u>(73,402)</u>	<u>(68,069)</u>
Net cash (used in) operating activities. . . . .	<u>(52,337)</u>	<u>(39,705)</u>
<b>Cash flows from noncapital financing activities:</b>		
Other non-capital revenues . . . . .	163,813	986,071
Other non-capital expenses . . . . .	-	(68,794)
Transfers in . . . . .	117,305	156,000
Transfers out . . . . .	<u>-</u>	<u>(4)</u>
Net cash provided by noncapital financing activities . . . . .	<u>281,118</u>	<u>1,073,273</u>
<b>Cash flows from capital and related financing activities:</b>		
Acquisition of capital assets . . . . .	(250,388)	(958,866)
Capital contributions . . . . .	-	677
Principal paid on bonds . . . . .	(30,000)	(30,000)
Interest paid on bonds . . . . .	<u>(20,856)</u>	<u>(21,598)</u>
Net cash (used in) capital and related financing activities . . . . .	<u>(301,244)</u>	<u>(1,009,787)</u>
Net increase (decrease) in cash and cash equivalents . .	(72,463)	23,781
<b>Cash and cash equivalents at beginning of year . . .</b>	<u>224,401</u>	<u>200,620</u>
<b>Cash and cash equivalents at end of year. . . . .</b>	<u><u>\$ 151,938</u></u>	<u><u>\$ 224,401</u></u>
<b>Reconciliation of operating loss to net cash (used in) operating activities:</b>		
Operating loss . . . . .	\$ (606,080)	\$ (461,643)
Adjustments to reconcile operating loss to net cash (used in) operating activities:		
Depreciation . . . . .	553,228	416,010
Changes in assets and liabilities:		
Decrease in accounts receivable. . . . .	12,950	538
Decrease in due from other governments . . . . .	83,419	459,888
(Increase) in materials and supplies inventory. . . . .	(2,595)	(3,112)
(Increase) in prepaids. . . . .	(1,561)	(2,153)
(Decrease) in accounts payable. . . . .	(95,394)	(431,126)
Increase (decrease) in accrued wages and benefits . .	1,166	(5,712)
Increase (decrease) in compensated absences payable .	2,222	(10,886)
Increase (decrease) in deposits held and due to others .	<u>308</u>	<u>(1,509)</u>
Net cash (used in) operating activities . . . . .	<u><u>\$ (52,337)</u></u>	<u><u>\$ (39,705)</u></u>

## CITY OF FINDLAY, OHIO

### COMBINING STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS

#### Nonmajor Special Revenue Funds

The special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes. The following are the nonmajor special revenue funds which the City of Findlay operates:

***State Highway:***

To account for state-levied and controlled gasoline tax and vehicle license fees for routine maintenance of state highways within the City.

***County Permissive MVL Tax:***

To account for the receipt and expenditures of all monies the City receives as its portion of a \$5.00 fee imposed by the County on the purchase of each motor vehicle license.

***Drug Law Enforcement:***

To account for the deposit and expenditure of mandatory fines for drug trafficking offenses.

***Law Enforcement Trust:***

To account for monies collected from the sale of contraband.

***Indigent Drivers Alcohol Treatment:***

To account for monies received through the enforcement and implementation of Ohio traffic laws governing operation of a motor vehicle while under the influence of alcohol.

***METRICH Drug Law Enforcement Trust:***

To account for federal funds received as a result of seizures in drug cases conducted with the METRICH drug task force.

***Enforcement and Education:***

To account for a portion of fines imposed under the law. Expenditures are authorized only for the enforcement and education relating to laws governing operation of a motor vehicle while under the influence of alcohol.

***Police Pension:***

To account for a 0.3 mill real estate tax levy.

***Fire Pension:***

To account for a 0.3 mill real estate tax levy.

***Revolving Loan:***

To account for monies received as development grants that become loans to a qualified business or industry for the purpose of economic development. As the initial loans are repaid, the money is perpetually "re-loaned" to stimulate growth in the community.

***Court Computerization:***

To account for an increase in court fees for the purpose of funding the acquisition and maintenance of computerized legal research services for courts.

***Legal Research:***

To account for monies received for specific court costs that are designated only for the purchase of computer equipment and services in the area of legal research for Municipal Court.

***Mediation Services:***

To account for monies received for specific court costs that are designated to pay for the costs of promoting, establishing, maintaining, and improving court mediation programs.

**CITY OF FINDLAY, OHIO**

**COMBINING STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS**

**Nonmajor Special Revenue Funds (Continued)**

***HRC Capital Trust:***

To account for contributions and donations to renovate the Huron Recreation Center into an ice rink.

**Nonmajor Debt Service Funds**

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

***Western Avenue Pilot Debt Service:***

To account for monies received by the City as "payment in lieu of taxes" (PILOT) from certain property owners. These PILOT's are designated to be used for the payment of principal and interest for the general obligation Western Avenue Relocation Bonds.

***Sixth Street Pilot Debt Service:***

To account for monies received by the City as "payment in lieu of taxes" (PILOT) from certain property owners. These PILOT's are designated to be used for the payment of principal and interest for the general obligation Sixth Street Extension Bonds.

***Debt Service:***

To account for the general obligation bond principal and interest that is paid from governmental revenues of the City. It also accounts for the special assessment bond principal and interest payments that are provided through the special assessment levies against certain properties in the City.

**Nonmajor Capital Projects Funds**

Capital projects funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by the proprietary or nonexpendable trust funds. The following is a description of all the City's nonmajor capital projects funds:

***Municipal Court Improvements:***

To account for the additional court cost levied on traffic and criminal cases through the City's Municipal Court. Revenues are used exclusively for Court capital improvements and related equipment purchases.

***Capital Improvement Projects:***

To account for the major construction projects. Financing sources can include debt proceeds, grants, private contributions, and City capital improvement dollars.

**Nonmajor Permanent Fund**

Permanent funds are used to account for the financial resources to be used for a specific purpose, and only the income generated by that money may be spent. The following is a description of all the City's nonmajor permanent fund:

***Cemetery Trust:***

To account for the portion of the sales price for cemetery lots. These monies are invested, and the interest earned is deposited into the general fund to help defray the cost of the Cemetery Department.

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**CITY OF FINDLAY, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

DECEMBER 31, 2003

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Funds</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Nonmajor Permanent Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets:</b>					
Equity in pooled cash and cash equivalents. . . .	\$ 594,428	\$ 124,581	\$ 595,938	\$ 486,540	\$ 1,801,487
Cash in segregated accounts. . . . .	55,656	-	-	-	55,656
Cash with fiduciary agent . . . . .	227,563	-	-	-	227,563
Investments . . . . .	-	-	-	450,000	450,000
Receivables (net of allowances of uncollectibles).	593,620	539,740	-	1,157	1,134,517
Due from other governments . . . . .	57,590	-	-	-	57,590
Total assets . . . . .	<u>\$ 1,528,857</u>	<u>\$ 664,321</u>	<u>\$ 595,938</u>	<u>\$ 937,697</u>	<u>\$ 3,726,813</u>
<b>Liabilities:</b>					
Accounts payable . . . . .	\$ 1,283	\$ -	\$ -	\$ -	\$ 1,283
Deferred revenue . . . . .	537,279	407,030	-	-	944,309
Total liabilities . . . . .	<u>538,562</u>	<u>407,030</u>	<u>-</u>	<u>-</u>	<u>945,592</u>
<b>Fund balance:</b>					
Reserved for encumbrances. . . . .	5,103	-	181,019	-	186,122
Reserved for loans receivable. . . . .	105,350	-	-	-	105,350
Reserved for debt service. . . . .	-	257,291	-	-	257,291
Reserved for perpetual care. . . . .	-	-	-	936,540	936,540
Unreserved, undesignated, reported in:					
Special revenue funds . . . . .	879,842	-	-	-	879,842
Permanent funds. . . . .	-	-	-	1,157	1,157
Capital projects funds . . . . .	-	-	414,919	-	414,919
Total fund balance. . . . .	<u>990,295</u>	<u>257,291</u>	<u>595,938</u>	<u>937,697</u>	<u>2,781,221</u>
<b>Total liabilities and fund balance . . . . .</b>	<u><b>\$ 1,528,857</b></u>	<u><b>\$ 664,321</b></u>	<u><b>\$ 595,938</b></u>	<u><b>\$ 937,697</b></u>	<u><b>\$ 3,726,813</b></u>

**CITY OF FINDLAY, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS

DECEMBER 31, 2003  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2002)

	<u>State Highway</u>	<u>County Permissive MVL Tax</u>	<u>Drug Law Enforcement</u>	<u>Law Enforcement Trust</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 73,483	\$ -	\$ 4,452	\$ 6,804
Cash in segregated accounts . . . . .	-	-	-	-
Cash with fiduciary agent. . . . .	-	227,563	-	-
Receivables (net of allowances of uncollectibles) . . . . .	-	-	-	-
Due from other governments. . . . .	34,462	-	-	-
Total assets . . . . .	<u>\$ 107,945</u>	<u>\$ 227,563</u>	<u>\$ 4,452</u>	<u>\$ 6,804</u>
<b>Liabilities:</b>				
Accounts payable. . . . .	\$ -	\$ -	\$ -	\$ -
Deferred revenue . . . . .	25,881	-	-	-
Total liabilities. . . . .	<u>25,881</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance:</b>				
Reserved for encumbrances . . . . .	3,395	-	-	-
Reserved for loans receivable . . . . .	-	-	-	-
Unreserved, undesignated . . . . .	78,669	227,563	4,452	6,804
Total fund balance . . . . .	<u>82,064</u>	<u>227,563</u>	<u>4,452</u>	<u>6,804</u>
<b>Total liabilities and fund balance . . . . .</b>	<u>\$ 107,945</u>	<u>\$ 227,563</u>	<u>\$ 4,452</u>	<u>\$ 6,804</u>

<b>Indigent Drivers Alcohol Treatment</b>	<b>METRICH Drug Law Enforcement Trust</b>	<b>Enforcement and Education</b>	<b>Police Pension</b>	<b>Fire Pension</b>	<b>Revolving Loan</b>	<b>Court Computerization</b>
\$ 59,927	\$ 2,863	\$ 38,848	\$ -	\$ -	\$ -	\$ 176,382
-	-	-	-	-	55,656	-
-	-	-	-	-	-	-
-	-	-	244,135	244,135	105,350	-
-	-	-	11,564	11,564	-	-
<u>\$ 59,927</u>	<u>\$ 2,863</u>	<u>\$ 38,848</u>	<u>\$ 255,699</u>	<u>\$ 255,699</u>	<u>\$ 161,006</u>	<u>\$ 176,382</u>
\$ 1,283	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	255,699	255,699	-	-
<u>1,283</u>	<u>-</u>	<u>-</u>	<u>255,699</u>	<u>255,699</u>	<u>-</u>	<u>-</u>
1,708	-	-	-	-	-	-
-	-	-	-	-	105,350	-
<u>56,936</u>	<u>2,863</u>	<u>38,848</u>	<u>-</u>	<u>-</u>	<u>55,656</u>	<u>176,382</u>
<u>58,644</u>	<u>2,863</u>	<u>38,848</u>	<u>-</u>	<u>-</u>	<u>161,006</u>	<u>176,382</u>
<u>\$ 59,927</u>	<u>\$ 2,863</u>	<u>\$ 38,848</u>	<u>\$ 255,699</u>	<u>\$ 255,699</u>	<u>\$ 161,006</u>	<u>\$ 176,382</u>

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**CITY OF FINDLAY, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

DECEMBER 31, 2003  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2002)

	Legal Research	Mediation Services	HRC Capital Trust	Totals	
				2003	2002
<b>Assets:</b>					
Equity in pooled cash and cash equivalents . . . . .	\$ 65,271	\$ 54,181	\$ 112,217	\$ 594,428	\$ 448,484
Cash in segregated accounts . . . . .	-	-	-	55,656	140,181
Cash with fiduciary agent. . . . .	-	-	-	227,563	427,310
Receivables (net of allowances of uncollectibles) . . . . .	-	-	-	593,620	608,817
Due from other governments. . . . .	-	-	-	57,590	34,015
Total assets . . . . .	<u>\$ 65,271</u>	<u>\$ 54,181</u>	<u>\$ 112,217</u>	<u>\$ 1,528,857</u>	<u>\$ 1,658,807</u>
<b>Liabilities:</b>					
Accounts payable. . . . .	\$ -	\$ -	\$ -	\$ 1,283	\$ 1,793
Deferred revenue . . . . .	-	-	-	537,279	518,892
Total liabilities. . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>538,562</u>	<u>520,685</u>
<b>Fund balance:</b>					
Reserved for encumbrances . . . . .	-	-	-	5,103	7,469
Reserved for loans receivable . . . . .	-	-	-	105,350	116,743
Unreserved, undesignated . . . . .	65,271	54,181	112,217	879,842	1,013,910
Total fund balance . . . . .	<u>65,271</u>	<u>54,181</u>	<u>112,217</u>	<u>990,295</u>	<u>1,138,122</u>
Total liabilities and fund balance . . . . .	<u>\$ 65,271</u>	<u>\$ 54,181</u>	<u>\$ 112,217</u>	<u>\$ 1,528,857</u>	<u>\$ 1,658,807</u>



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**CITY OF FINDLAY, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR DEBT SERVICE FUNDS

DECEMBER 31, 2003  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2002)

	Western Avenue Pilot	Sixth Street Pilot	Debt Service	Totals	
				2003	2002
<b>Assets:</b>					
Equity in pooled cash and cash equivalents. . . . .	\$ -	\$ 82,338	\$ 42,243	\$ 124,581	\$ 50,368
Receivables (net of allowances of uncollectibles). . .	-	-	539,740	539,740	606,313
Total assets. . . . .	<u>\$ -</u>	<u>\$ 82,338</u>	<u>\$ 581,983</u>	<u>\$ 664,321</u>	<u>\$ 656,681</u>
<b>Liabilities:</b>					
Deferred revenue. . . . .	\$ -	\$ -	\$ 407,030	\$ 407,030	\$ 476,551
Total liabilities. . . . .	<u>-</u>	<u>-</u>	<u>407,030</u>	<u>407,030</u>	<u>476,551</u>
<b>Fund balance:</b>					
Reserved for debt service. . . . .	-	82,338	174,953	257,291	180,130
Total fund balance . . . . .	<u>-</u>	<u>82,338</u>	<u>174,953</u>	<u>257,291</u>	<u>180,130</u>
<b>Total liabilities and fund balance . . . . .</b>	<u>\$ -</u>	<u>\$ 82,338</u>	<u>\$ 581,983</u>	<u>\$ 664,321</u>	<u>\$ 656,681</u>

**CITY OF FINDLAY, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS

DECEMBER 31, 2003  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2002)

	<u>Municipal Court Improvements</u>	<u>Capital Improvement Projects</u>	<u>Totals</u>	
			<u>2003</u>	<u>2002</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$ 595,938	\$ -	\$ 595,938	\$ 505,253
Total assets. . . . .	<u>\$ 595,938</u>	<u>\$ -</u>	<u>\$ 595,938</u>	<u>\$ 505,253</u>
<b>Fund balance:</b>				
Reserved for encumbrances. . . . .	-	181,019	181,019	-
Unreserved, undesignated (deficit) . . . . .	595,938	(181,019)	414,919	505,253
<b>Total fund balance . . . . .</b>	<u>\$ 595,938</u>	<u>\$ -</u>	<u>\$ 595,938</u>	<u>\$ 505,253</u>

**CITY OF FINDLAY, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR PERMANENT FUND

DECEMBER 31, 2003

	<b>2003</b>	<b>2002</b>
	<b>Nonmajor</b>	<b>Nonmajor</b>
	<b>Permanent</b>	<b>Permanent</b>
	<b>Fund</b>	<b>Fund</b>
	<hr/>	<hr/>
<b>Assets:</b>		
Equity in pooled cash and cash equivalents. . . .	\$ 486,540	\$ 554,719
Investments . . . . .	450,000	450,000
Receivables (net of allowances of uncollectibles).	1,157	5,310
	<hr/>	<hr/>
Total assets . . . . .	<u>\$ 937,697</u>	<u>\$ 1,010,029</u>
 <b>Fund balance:</b>		
Reserved for perpetual care. . . . .	936,540	1,004,719
Unreserved, undesignated . . . . .	1,157	5,310
	<hr/>	<hr/>
<b>Total fund balance.</b> . . . . .	<u>\$ 937,697</u>	<u>\$ 1,010,029</u>

**CITY OF FINDLAY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2003

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Funds</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Nonmajor Permanent Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues:</b>					
Property and other local taxes . . . . .	\$ 478,210	\$ -	\$ -	\$ -	\$ 478,210
Fines and forfeitures . . . . .	96,837	-	92,873	-	189,710
Intergovernmental . . . . .	265,958	-	-	-	265,958
Special assessments . . . . .	-	255,886	300,032	-	555,918
Investment income . . . . .	983	-	-	16,525	17,508
Contributions and donations . . . . .	112,217	-	-	27,294	139,511
<b>Total revenues . . . . .</b>	<b>954,205</b>	<b>255,886</b>	<b>392,905</b>	<b>43,819</b>	<b>1,646,815</b>
<b>Expenditures:</b>					
Current:					
General government . . . . .	137,741	-	1,074	-	138,815
Security of persons and property. . . . .	13,391	-	-	-	13,391
Transportation . . . . .	33,156	-	-	-	33,156
Other. . . . .	-	1,807	-	-	1,807
Capital outlay . . . . .	-	-	334,696	-	334,696
Debt service:					
Principal retirement . . . . .	-	383,215	-	-	383,215
Interest and fiscal charges. . . . .	-	208,592	-	-	208,592
<b>Total expenditures. . . . .</b>	<b>184,288</b>	<b>593,614</b>	<b>335,770</b>	<b>-</b>	<b>1,113,672</b>
Excess (deficiency) of revenues over (under) expenditures. . . . .	769,917	(337,728)	57,135	43,819	533,143
<b>Other financing sources (uses):</b>					
Proceeds from sale of bonds . . . . .	-	-	36,550	-	36,550
Transfers in . . . . .	1,872	416,601	-	-	418,473
Transfers out . . . . .	(919,616)	(1,712)	(3,000)	(116,151)	(1,040,479)
<b>Total other financing sources (uses) . . . . .</b>	<b>(917,744)</b>	<b>414,889</b>	<b>33,550</b>	<b>(116,151)</b>	<b>(585,456)</b>
Net change in fund balances . . . . .	(147,827)	77,161	90,685	(72,332)	(52,313)
<b>Fund balances at beginning of year . . . . .</b>	<b>1,138,122</b>	<b>180,130</b>	<b>505,253</b>	<b>1,010,029</b>	<b>2,833,534</b>
<b>Fund balances at end of year. . . . .</b>	<b>\$ 990,295</b>	<b>\$ 257,291</b>	<b>\$ 595,938</b>	<b>\$ 937,697</b>	<b>\$ 2,781,221</b>

**CITY OF FINDLAY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2003  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2002)

	<u>State Highway</u>	<u>County Permissive MVL Tax</u>	<u>Drug Law Enforcement</u>	<u>Law Enforcement Trust</u>
<b>Revenues:</b>				
Property and other local taxes . . . . .	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures . . . . .	-	-	1,500	-
Intergovernmental . . . . .	110,175	154,681	1,102	-
Investment income . . . . .	-	-	-	-
Contributions and donations . . . . .	-	-	-	-
<b>Total revenues . . . . .</b>	<u>110,175</u>	<u>154,681</u>	<u>2,602</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
General government . . . . .	-	-	-	-
Security of persons and property . . . . .	-	-	4,000	797
Transportation . . . . .	33,156	-	-	-
<b>Total expenditures. . . . .</b>	<u>33,156</u>	<u>-</u>	<u>4,000</u>	<u>797</u>
Excess (deficiency) of revenues over (under) expenditures. . . . .	<u>77,019</u>	<u>154,681</u>	<u>(1,398)</u>	<u>(797)</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	-	1,872	-	-
Transfers out . . . . .	(93,000)	(357,000)	-	-
<b>Total other financing sources (uses) . . . . .</b>	<u>(93,000)</u>	<u>(355,128)</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances . . . . .</b>	<u>(15,981)</u>	<u>(200,447)</u>	<u>(1,398)</u>	<u>(797)</u>
<b>Fund balances, January 1 . . . . .</b>	<u>98,045</u>	<u>428,010</u>	<u>5,850</u>	<u>7,601</u>
<b>Fund balances, December 31. . . . .</b>	<u>\$ 82,064</u>	<u>\$ 227,563</u>	<u>\$ 4,452</u>	<u>\$ 6,804</u>

<b>Indigent Drivers Alcohol Treatment</b>	<b>METRICH Drug Law Enforcement Trust</b>	<b>Enforcement and Education</b>	<b>Police Pension</b>	<b>Fire Pension</b>	<b>Revolving Loan</b>	<b>Court Computerization</b>
\$ -	\$ -	\$ -	\$ 239,105	\$ 239,105	\$ -	\$ -
29,253	-	4,113	-	-	-	42,697
-	-	-	-	-	-	-
-	-	-	-	-	983	-
-	-	-	-	-	-	-
<u>29,253</u>	<u>-</u>	<u>4,113</u>	<u>239,105</u>	<u>239,105</u>	<u>983</u>	<u>42,697</u>
29,248	-	-	-	-	96,901	11,592
-	-	-	4,297	4,297	-	-
-	-	-	-	-	-	-
<u>29,248</u>	<u>-</u>	<u>-</u>	<u>4,297</u>	<u>4,297</u>	<u>96,901</u>	<u>11,592</u>
5	-	4,113	234,808	234,808	(95,918)	31,105
-	-	-	-	-	-	-
-	-	-	(234,808)	(234,808)	-	-
-	-	-	(234,808)	(234,808)	-	-
5	-	4,113	-	-	(95,918)	31,105
<u>58,639</u>	<u>2,863</u>	<u>34,735</u>	<u>-</u>	<u>-</u>	<u>256,924</u>	<u>145,277</u>
<u>\$ 58,644</u>	<u>\$ 2,863</u>	<u>\$ 38,848</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 161,006</u>	<u>\$ 176,382</u>

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**CITY OF FINDLAY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2003  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2002)

	Legal Research	Mediation Services	HRC Capital Trust	Totals	
				2003	2002
<b>Revenues:</b>					
Property and other local taxes . . . . .	\$ -	\$ -	\$ -	\$ 478,210	\$ 476,210
Fines and forfeitures . . . . .	9,710	9,564	-	96,837	104,960
Intergovernmental . . . . .	-	-	-	265,958	325,241
Investment income . . . . .	-	-	-	983	1,144
Contributions and donations . . . . .	-	-	112,217	112,217	11
<b>Total revenues . . . . .</b>	<b>9,710</b>	<b>9,564</b>	<b>112,217</b>	<b>954,205</b>	<b>907,566</b>
<b>Expenditures:</b>					
Current:					
General government . . . . .	-	-	-	137,741	51,533
Security of persons and property . . . . .	-	-	-	13,391	8,678
Transportation . . . . .	-	-	-	33,156	33,404
<b>Total expenditures . . . . .</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>184,288</b>	<b>93,615</b>
Excess (deficiency) of revenues over (under) expenditures. . . . .	9,710	9,564	112,217	769,917	813,951
<b>Other financing sources (uses):</b>					
Transfers in . . . . .	-	-	-	1,872	-
Transfers out . . . . .	-	-	-	(919,616)	(548,150)
<b>Total other financing sources (uses) . . . . .</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(917,744)</b>	<b>(548,150)</b>
<b>Net change in fund balances . . . . .</b>	<b>9,710</b>	<b>9,564</b>	<b>112,217</b>	<b>(147,827)</b>	<b>265,801</b>
<b>Fund balances, January 1 . . . . .</b>	<b>55,561</b>	<b>44,617</b>	<b>-</b>	<b>1,138,122</b>	<b>872,321</b>
<b>Fund balances, December 31. . . . .</b>	<b>\$ 65,271</b>	<b>\$ 54,181</b>	<b>\$ 112,217</b>	<b>\$ 990,295</b>	<b>\$ 1,138,122</b>



**CITY OF FINDLAY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR DEBT SERVICE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2003  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2002)

	Western	Sixth	Debt	Totals	
	Avenue	Street		2003	2002
	Pilot	Pilot	Service		
<b>Revenues:</b>					
Special assessments . . . . .	\$ 83,063	\$ 48,701	\$ 124,122	\$ 255,886	\$ 321,270
Total revenues . . . . .	<u>83,063</u>	<u>48,701</u>	<u>124,122</u>	<u>255,886</u>	<u>321,270</u>
<b>Expenditures:</b>					
Current:					
Other. . . . .	-	-	1,807	1,807	-
Debt service:					
Principal retirement . . . . .	75,000	-	308,215	383,215	400,550
Interest and fiscal charges . . . . .	<u>8,063</u>	<u>-</u>	<u>200,529</u>	<u>208,592</u>	<u>223,334</u>
Total expenditures . . . . .	<u>83,063</u>	<u>-</u>	<u>510,551</u>	<u>593,614</u>	<u>623,884</u>
Excess (deficiency) of revenues over (under) expenditures. . . . .	<u>-</u>	<u>48,701</u>	<u>(386,429)</u>	<u>(337,728)</u>	<u>(302,614)</u>
<b>Other financing sources (uses):</b>					
Transfers in . . . . .	-	-	416,601	416,601	540,008
Transfers out . . . . .	<u>-</u>	<u>-</u>	<u>(1,712)</u>	<u>(1,712)</u>	<u>(160,385)</u>
Total other financing sources (uses) . . . . .	<u>-</u>	<u>-</u>	<u>414,889</u>	<u>414,889</u>	<u>379,623</u>
Net change in fund balances . . . . .	-	48,701	28,460	77,161	77,009
<b>Fund balances, January 1 . . . . .</b>	<u>-</u>	<u>33,637</u>	<u>146,493</u>	<u>180,130</u>	<u>103,121</u>
<b>Fund balances, December 31. . . . .</b>	<u>\$ -</u>	<u>\$ 82,338</u>	<u>\$ 174,953</u>	<u>\$ 257,291</u>	<u>\$ 180,130</u>

**CITY OF FINDLAY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2003  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2002)

	<b>Municipal Court Improvements</b>	<b>Capital Improvement Projects</b>	<b>Totals</b>	
			<b>2003</b>	<b>2002</b>
<b>Revenues:</b>				
Fines and forfeitures . . . . .	\$ 92,873	\$ -	\$ 92,873	\$ 83,305
Special assessments . . . . .	-	300,032	300,032	61,986
Total revenues . . . . .	<u>92,873</u>	<u>300,032</u>	<u>392,905</u>	<u>145,291</u>
<b>Expenditures:</b>				
Current:				
General government. . . . .	1,074	-	1,074	3,603
Capital outlay . . . . .	-	334,696	334,696	147,858
Debt service:				
Interest and fiscal charges . . . . .	-	-	-	1,855
Total expenditures . . . . .	<u>1,074</u>	<u>334,696</u>	<u>335,770</u>	<u>153,316</u>
Excess (deficiency) of revenues over (under) expenditures. . . . .	<u>91,799</u>	<u>(34,664)</u>	<u>57,135</u>	<u>(8,025)</u>
<b>Other financing sources (uses):</b>				
Proceeds from sale of bonds . . . . .	-	36,550	36,550	119,850
Transfers in . . . . .	-	-	-	3,000
Transfers out . . . . .	-	(3,000)	(3,000)	(410)
Total other financing sources (uses) . . . . .	<u>-</u>	<u>33,550</u>	<u>33,550</u>	<u>122,440</u>
Net change in fund balances . . . . .	91,799	(1,114)	90,685	114,415
<b>Fund balances, January 1 . . . . .</b>	<u>504,139</u>	<u>1,114</u>	<u>505,253</u>	<u>390,838</u>
<b>Fund balances, December 31. . . . .</b>	<u>\$ 595,938</u>	<u>\$ -</u>	<u>\$ 595,938</u>	<u>\$ 505,253</u>

**CITY OF FINDLAY, OHIO**

**COMBINING STATEMENTS - NONMAJOR ENTERPRISE FUNDS**

**Nonmajor Enterprise Funds**

The enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs (expenses, including depreciation) of providing services to the general public on a continuing basis be recovered primarily through user charges, or where it has been decided that a periodic determination of revenues earned, expenses incurred, and/or net income in appropriate for capital maintenance, public policy, management control, accountability or other purposes.

***Swimming Pool:***

To account for the operation of the swimming pool complex at Riverside Park. These rates are set by the Service-Safety Director and the Parks & Recreation Board.

***Parking Facilities:***

To account for the operation of the parking department, which includes maintenance and rental of lots, collection of meter and fine revenue, and the monitoring of all on-street and off-street parking zones.

**CITY OF FINDLAY, OHIO**

COMBINING STATEMENT OF NET ASSETS  
NONMAJOR ENTERPRISE FUNDS  
DECEMBER 31, 2003

	<u>Swimming Pool</u>	<u>Parking Facilities</u>	<u>Total</u>
<b>Assets:</b>			
Current assets:			
Equity in pooled cash and cash equivalents . . . . .	\$ 24,595	\$ 157,063	\$ 181,658
Prepayments . . . . .	859	1,316	2,175
Capital assets:			
Land and construction in progress . . . . .	1,631	94,331	95,962
Depreciable capital assets, net . . . . .	513,853	71,137	584,990
Total capital assets. . . . .	<u>515,484</u>	<u>165,468</u>	<u>680,952</u>
Total assets. . . . .	<u>540,938</u>	<u>323,847</u>	<u>864,785</u>
<b>Liabilities:</b>			
Current liabilities:			
Accounts payable. . . . .	927	2,629	3,556
Accrued wages and benefits . . . . .	-	2,525	2,525
Compensated absences payable. . . . .	-	5,540	5,540
Deposits held and due to others . . . . .	-	3,424	3,424
Long-term liabilities:			
Compensated absences payable. . . . .	-	10,110	10,110
Total liabilities. . . . .	<u>927</u>	<u>24,228</u>	<u>25,155</u>
<b>Net assets:</b>			
Invested in capital assets, net of related debt . . . . .	515,484	165,468	680,952
Unrestricted . . . . .	24,527	134,151	158,678
Total net assets . . . . .	<u>\$ 540,011</u>	<u>\$ 299,619</u>	<u>\$ 839,630</u>

**CITY OF FINDLAY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2003

	<b>Swimming Pool</b>	<b>Parking Facilities</b>	<b>Total</b>
<b>Operating revenues:</b>			
Charges for services . . . . .	\$ 47,429	\$ 105,484	\$ 152,913
Other . . . . .	2,641	34	2,675
<b>Total operating revenues . . . . .</b>	<b>50,070</b>	<b>105,518</b>	<b>155,588</b>
<b>Operating expenses:</b>			
Personal services . . . . .	66,365	102,774	169,139
Contract services . . . . .	265	3,935	4,200
Materials and supplies. . . . .	21,786	3,094	24,880
Utilities . . . . .	3,582	319	3,901
Depreciation. . . . .	18,037	15,040	33,077
Other. . . . .	1,860	4,532	6,392
<b>Total operating expenses . . . . .</b>	<b>111,895</b>	<b>129,694</b>	<b>241,589</b>
<b>Operating loss . . . . .</b>	<b>(61,825)</b>	<b>(24,176)</b>	<b>(86,001)</b>
<b>Nonoperating expenses:</b>			
Loss on disposal of capital assets. . . . .	(13,591)	(4,387)	(17,978)
Other nonoperating expenses. . . . .	(4,175)	(4,360)	(8,535)
<b>Total nonoperating expenses . . . . .</b>	<b>(17,766)</b>	<b>(8,747)</b>	<b>(26,513)</b>
<b>Loss before transfers. . . . .</b>	<b>(79,591)</b>	<b>(32,923)</b>	<b>(112,514)</b>
Transfers in . . . . .	20,000	-	20,000
<b>Change in net assets. . . . .</b>	<b>(59,591)</b>	<b>(32,923)</b>	<b>(92,514)</b>
<b>Net assets, January 1 . . . . .</b>	<b>599,602</b>	<b>332,542</b>	<b>932,144</b>
<b>Net assets, December 31 . . . . .</b>	<b>\$ 540,011</b>	<b>\$ 299,619</b>	<b>\$ 839,630</b>

**CITY OF FINDLAY, OHIO**

STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2003

	<b>Swimming Pool</b>	<b>Parking Facilities</b>	<b>Total</b>
<b>Cash flows from operating activities:</b>			
Cash received from customers . . . . .	\$ 47,429	\$ 105,484	\$ 152,913
Cash received from other operating revenues . . . . .	2,641	34	2,675
Cash payments for personal services . . . . .	(66,365)	(98,010)	(164,375)
Cash payments for contract services. . . . .	(304)	(3,972)	(4,276)
Cash payments for materials and supplies. . . . .	(21,574)	(4,167)	(25,741)
Cash payments for utilities. . . . .	(3,582)	(319)	(3,901)
Cash payments for other operating expenses . . . . .	(1,860)	(4,427)	(6,287)
	(43,615)	(5,377)	(48,992)
<b>Net cash (used in) operating activities.</b>			
<b>Cash flows from noncapital financing activities:</b>			
Other non-capital expenses . . . . .	(4,175)	(4,360)	(8,535)
Transfers in . . . . .	20,000	-	20,000
<b>Net cash provided by (used in) noncapital financing activities . . . . .</b>	<b>15,825</b>	<b>(4,360)</b>	<b>11,465</b>
<b>Cash flows from capital and related financing activities:</b>			
Acquisition of capital assets . . . . .	-	-	-
Capital contributions . . . . .	-	-	-
<b>Net cash provided by (used in) capital and related financing activities . . . . .</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net decrease in cash and cash equivalents . . . . .</b>	<b>(27,790)</b>	<b>(9,737)</b>	<b>(37,527)</b>
<b>Cash and cash equivalents at beginning of year . . .</b>	<b>52,385</b>	<b>166,800</b>	<b>219,185</b>
<b>Cash and cash equivalents at end of year. . . . .</b>	<b>\$ 24,595</b>	<b>\$ 157,063</b>	<b>\$ 181,658</b>
<b>Reconciliation of operating loss to net cash (used in) operating activities:</b>			
Operating loss . . . . .	\$ (61,825)	\$ (24,176)	\$ (86,001)
Adjustments to reconcile operating loss to net cash (used in) operating activities:			
Depreciation . . . . .	18,037	15,040	33,077
Changes in assets and liabilities:			
(Increase) in prepaids . . . . .	(39)	(37)	(76)
Increase in accrued wages and benefits . . . . .	-	650	650
Increase in compensated absences payable . . . . .	-	4,114	4,114
Increase in deposits held and due to others . . . . .	-	105	105
(Decrease) increase in accounts payable . . . . .	212	(1,073)	(861)
<b>Net cash (used in) operating activities . . . . .</b>	<b>\$ (43,615)</b>	<b>\$ (5,377)</b>	<b>\$ (48,992)</b>

**CITY OF FINDLAY, OHIO**

STATEMENT OF NET ASSETS  
SWIMMING POOL FUND

DECEMBER 31, 2003  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2002)

	<b>2003</b>	<b>2002</b>
<b>Assets:</b>		
Current assets:		
Equity in pooled cash and cash equivalents. . . . .	\$ 24,595	\$ 52,385
Prepayments . . . . .	859	820
Capital assets:		
Land and construction in progress . . . . .	1,631	1,631
Depreciable capital assets, net . . . . .	513,853	545,481
Total capital assets . . . . .	515,484	547,112
Total assets . . . . .	540,938	600,317
<b>Liabilities:</b>		
Current liabilities:		
Accounts payable. . . . .	927	715
Total liabilities. . . . .	927	715
<b>Net assets:</b>		
Invested in capital assets, net of related debt . . . . .	515,484	547,112
Unrestricted . . . . .	24,527	52,490
Total net assets . . . . .	\$ 540,011	\$ 599,602

**CITY OF FINDLAY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
SWIMMING POOL FUND

FOR THE YEAR ENDED DECEMBER 31, 2003  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2002)

	<u>2003</u>	<u>2002</u>
<b>Operating revenues:</b>		
Charges for services . . . . .	\$ 47,429	\$ 49,939
Other . . . . .	2,641	3,188
Total operating revenues . . . . .	<u>50,070</u>	<u>53,127</u>
<b>Operating expenses:</b>		
Personal services . . . . .	66,365	69,183
Contract services . . . . .	265	265
Materials and supplies. . . . .	21,786	19,116
Utilities . . . . .	3,582	3,843
Depreciation. . . . .	18,037	20,175
Other. . . . .	1,860	10,536
Total operating expenses . . . . .	<u>111,895</u>	<u>123,118</u>
Operating loss. . . . .	<u>(61,825)</u>	<u>(69,991)</u>
<b>Nonoperating expenses:</b>		
Loss on disposal of capital assets. . . . .	(13,591)	-
Other nonoperating expenses. . . . .	(4,175)	-
Total nonoperating expenses . . . . .	<u>(17,766)</u>	<u>-</u>
Loss before transfers . . . . .	(79,591)	(69,991)
Transfers in . . . . .	<u>20,000</u>	<u>57,650</u>
Change in net assets. . . . .	(59,591)	(12,341)
<b>Net assets, January 1 . . . . .</b>	<u>599,602</u>	<u>611,943</u>
<b>Net assets, December 31 . . . . .</b>	<u>\$ 540,011</u>	<u>\$ 599,602</u>



**CITY OF FINDLAY, OHIO**

STATEMENT OF CASH FLOWS  
SWIMMING POOL FUND

FOR THE YEAR ENDED DECEMBER 31, 2003  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2002)

	<u>2003</u>	<u>2002</u>
<b>Cash flows from operating activities:</b>		
Cash received from customers . . . . .	\$ 47,429	\$ 49,939
Cash received from other operating revenues . . . . .	2,641	3,188
Cash payments for personal services . . . . .	(66,365)	(69,183)
Cash payments for contract services. . . . .	(304)	(265)
Cash payments for materials and supplies. . . . .	(21,574)	(18,806)
Cash payments for utilities. . . . .	(3,582)	(3,843)
Cash payments for other operating expenses . . . . .	<u>(1,860)</u>	<u>(10,536)</u>
Net cash (used in) operating activities. . . . .	<u>(43,615)</u>	<u>(49,506)</u>
<b>Cash flows from noncapital financing activities:</b>		
Other non-capital expenses . . . . .	(4,175)	-
Transfers in . . . . .	<u>20,000</u>	<u>57,650</u>
Net cash provided by noncapital financing activities . . . . .	<u>15,825</u>	<u>57,650</u>
<b>Cash flows from capital and related financing activities:</b>		
Acquisition of capital assets . . . . .	-	(5,862)
Capital contributions . . . . .	<u>-</u>	<u>-</u>
Net cash provided by (used in) capital and related financing activities. . . . .	<u>-</u>	<u>(5,862)</u>
Net increase (decrease) in cash and cash equivalents . . . . .	(27,790)	2,282
<b>Cash and cash equivalents at beginning of year . . . . .</b>	<u>52,385</u>	<u>50,103</u>
<b>Cash and cash equivalents at end of year. . . . .</b>	<u>\$ 24,595</u>	<u>\$ 52,385</u>
<b>Reconciliation of operating loss to net cash (used in) operating activities:</b>		
Operating loss . . . . .	\$ (61,825)	\$ (69,991)
Adjustments to reconcile operating loss to net cash (used in) operating activities:		
Depreciation . . . . .	18,037	20,175
Changes in assets and liabilities:		
(Increase) in prepaids. . . . .	(39)	(75)
Increase in accounts payable . . . . .	<u>212</u>	<u>385</u>
Net cash (used in) operating activities . . . . .	<u>\$ (43,615)</u>	<u>\$ (49,506)</u>

**CITY OF FINDLAY, OHIO**

STATEMENT OF NET ASSETS  
PARKING FACILITIES FUND

DECEMBER 31, 2003  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2002)

	<u>2003</u>	<u>2002</u>
<b>Assets:</b>		
Current assets:		
Equity in pooled cash and cash equivalents. . . . .	\$ 157,063	\$ 166,800
Prepayments . . . . .	1,316	1,279
Capital assets:		
Land and construction in progress . . . . .	94,331	94,331
Depreciable capital assets, net . . . . .	71,137	90,564
Total capital assets . . . . .	<u>165,468</u>	<u>184,895</u>
Total assets . . . . .	<u>323,847</u>	<u>352,974</u>
<b>Liabilities:</b>		
Current liabilities:		
Accounts payable. . . . .	2,629	3,702
Accrued wages and benefits . . . . .	2,525	1,875
Compensated absences payable. . . . .	5,540	4,017
Deposits held and due to others . . . . .	3,424	3,319
Long term liabilities:		
Compensated absences payable. . . . .	10,110	7,519
Total liabilities. . . . .	<u>24,228</u>	<u>20,432</u>
<b>Net assets:</b>		
Invested in capital assets, net of related debt . . . . .	165,468	184,895
Unrestricted . . . . .	134,151	147,647
Total net assets . . . . .	<u>\$ 299,619</u>	<u>\$ 332,542</u>

**CITY OF FINDLAY, OHIO**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**PARKING FACILITIES FUND**

FOR THE YEAR ENDED DECEMBER 31, 2003  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2002)

	<b>2003</b>	<b>2002</b>
<b>Operating revenues:</b>		
Charges for services . . . . .	\$ 105,484	\$ 107,653
Other . . . . .	34	212
Total operating revenues . . . . .	105,518	107,865
<b>Operating expenses:</b>		
Personal services . . . . .	102,774	91,794
Contract services . . . . .	3,935	4,400
Materials and supplies. . . . .	3,094	2,381
Utilities . . . . .	319	348
Depreciation. . . . .	15,040	17,097
Other. . . . .	4,532	4,562
Total operating expenses . . . . .	129,694	120,582
Operating income (loss) . . . . .	(24,176)	(12,717)
<b>Nonoperating expenses:</b>		
Loss on disposal of capital assets. . . . .	(4,387)	-
Other nonoperating expenses. . . . .	(4,360)	-
Total nonoperating expenses . . . . .	(8,747)	-
Change in net assets. . . . .	(32,923)	(12,717)
<b>Net assets, January 1 . . . . .</b>	<b>332,542</b>	<b>345,259</b>
<b>Net assets, December 31 . . . . .</b>	<b>\$ 299,619</b>	<b>\$ 332,542</b>

**CITY OF FINDLAY, OHIO**

STATEMENT OF CASH FLOWS  
PARKING FACILITIES FUND

FOR THE YEAR ENDED DECEMBER 31, 2003  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2002)

	<b>2003</b>	<b>2002</b>
<b>Cash flows from operating activities:</b>		
Cash received from customers . . . . .	\$ 105,484	\$ 107,653
Cash received from other operating revenues . . . . .	34	212
Cash payments for personal services . . . . .	(98,010)	(87,224)
Cash payments for contract services. . . . .	(3,972)	(4,428)
Cash payments for materials and supplies. . . . .	(4,167)	(2,381)
Cash payments for utilities. . . . .	(319)	(348)
Cash payments for other operating expenses . . . . .	(4,427)	(4,562)
Net cash provided by (used in) operating activities.	(5,377)	8,922
<b>Cash flows from noncapital financing activities:</b>		
Other non-capital expenses . . . . .	(4,360)	-
Net cash (used in) noncapital financing activities . . . . .	(4,360)	-
Net increase (decrease) in cash and cash equivalents . .	(9,737)	8,922
<b>Cash and cash equivalents at beginning of year . . .</b>	<b>166,800</b>	<b>157,878</b>
<b>Cash and cash equivalents at end of year. . . . .</b>	<b>\$ 157,063</b>	<b>\$ 166,800</b>
<b>Reconciliation of operating loss to net cash provided by (used in) operating activities:</b>		
Operating (loss) . . . . .	\$ (24,176)	\$ (12,717)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:		
Depreciation . . . . .	15,040	17,097
Changes in assets and liabilities:		
(Increase) in prepaids. . . . .	(37)	(28)
Increase in accrued wages and benefits. . . . .	650	-
Increase (decrease) in accounts payable . . . . .	(1,073)	5,164
Increase in deposits held and due to others . . . . .	105	-
Increase (decrease) in compensated absences payable . . . . .	4,114	(594)
Net cash provided by (used in) operating activities . .	\$ (5,377)	\$ 8,922

## CITY OF FINDLAY, OHIO

### COMBINING STATEMENTS - INTERNAL SERVICE FUNDS

The internal service funds account for the financing of goods or services provided by one department or agency to other departments of the City of Findlay on a cost-reimbursement basis. Accounting for these funds is designed to accumulate all of the costs incurred by the internal service funds in providing goods and services to other departments. However, charges to the other departments are not intended to produce a significant profit in the long run, but to recover the total costs of providing goods or services.

***Central Stores:***

To account for the central purchase of various office supplies in large quantities at a lesser price with the subsequent charge to the various user departments.

***Self Insurance:***

To account for processing and paying general municipal liability insurance claims in lieu of purchasing general municipal liability insurance.

**CITY OF FINDLAY, OHIO**

COMBINING STATEMENT OF NET ASSETS  
INTERNAL SERVICE FUNDS

DECEMBER 31, 2003  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2002)

	Central Stores	Self-Insurance	Totals	
			2003	2002
<b>Assets:</b>				
Current assets:				
Equity in pooled cash and cash equivalents. . . . .	\$ 46,666	\$ 612,125	\$ 658,791	\$ 975,899
Receivables (net of allowances of uncollectibles) . . .	-	581	581	3,855
Prepayments. . . . .	-	17,344	17,344	18,903
Materials and supplies inventory . . . . .	5,270	-	5,270	4,909
Capital assets:				
Depreciable capital assets, net	-	-	-	875
Total capital assets. . . . .	-	-	-	875
Total assets. . . . .	51,936	630,050	681,986	1,004,441
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable. . . . .	\$ -	\$ 240	\$ 240	\$ 21,056
Total liabilities. . . . .	-	240	240	21,056
<b>Net assets:</b>				
Invested in capital assets, net of related debt . . . . .	-	-	-	875
Unrestricted . . . . .	51,936	629,810	681,746	982,510
Total net assets. . . . .	\$ 51,936	\$ 629,810	\$ 681,746	\$ 983,385

**CITY OF FINDLAY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2003  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2002)

	Central Stores	Self-Insurance	Totals	
			2003	2002
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 19,756	\$ -	\$ 19,756	\$ 21,307
Total operating revenues . . . . .	19,756	-	19,756	21,307
<b>Operating expenses:</b>				
Personal services . . . . .	-	267,996	267,996	-
Contract services . . . . .	-	-	-	71,315
Materials and supplies. . . . .	14,513	-	14,513	17,790
Depreciation. . . . .	875	-	875	2,876
Other. . . . .	1,082	46,410	47,492	47,274
Total operating expenses . . . . .	16,470	314,406	330,876	139,255
Operating income (loss) . . . . .	3,286	(314,406)	(311,120)	(117,948)
<b>Nonoperating revenues:</b>				
Interest revenue . . . . .	-	9,481	9,481	24,863
Total nonoperating revenues . . . . .	-	9,481	9,481	24,863
Change in net assets . . . . .	3,286	(304,925)	(301,639)	(93,085)
<b>Net assets, January 1. . . . .</b>	<b>48,650</b>	<b>934,735</b>	<b>983,385</b>	<b>1,076,470</b>
<b>Net assets, December 31. . . . .</b>	<b>\$ 51,936</b>	<b>\$ 629,810</b>	<b>\$ 681,746</b>	<b>\$ 983,385</b>

**CITY OF FINDLAY, OHIO**

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2003  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2002)

	<b>Central Stores</b>	<b>Self-Insurance</b>	<b>Totals</b>	
			<b>2003</b>	<b>2002</b>
<b>Cash flows from operating activities:</b>				
Cash received from customers . . . . .	\$ 19,756	\$ -	\$ 19,756	\$ 21,307
Cash payments for personal services . . . . .	-	(288,558)	(288,558)	-
Cash payments for contract services. . . . .	(15,128)	-	(15,128)	(47,491)
Cash payments for materials and supplies. . . . .	-	-	-	(17,790)
Cash payments for other operating expenses . . . . .	(1,082)	(47,969)	(49,051)	(47,274)
Net cash provided by (used in) operating activities. . . . .	<u>3,546</u>	<u>(336,527)</u>	<u>(332,981)</u>	<u>(91,248)</u>
<b>Cash flows from noncapital financing activities:</b>				
Other non-capital revenues . . . . .	-	3,118	3,118	-
Net cash provided by noncapital financing activities . . . . .	<u>-</u>	<u>3,118</u>	<u>3,118</u>	<u>-</u>
<b>Cash flows from investing activities:</b>				
Sale of investments . . . . .	-	-	-	508,408
Interest received. . . . .	-	12,755	12,755	24,863
Net cash provided by investing activities . . . . .	<u>-</u>	<u>12,755</u>	<u>12,755</u>	<u>533,271</u>
Net increase (decrease) in cash and cash equivalents . . . . .	3,546	(320,654)	(317,108)	442,023
<b>Cash and cash equivalents at beginning of year . . . . .</b>	<b>43,120</b>	<b>932,779</b>	<b>975,899</b>	<b>533,876</b>
<b>Cash and cash equivalents at end of year. . . . .</b>	<b><u>\$ 46,666</u></b>	<b><u>\$ 612,125</u></b>	<b><u>\$ 658,791</u></b>	<b><u>\$ 975,899</u></b>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
Operating income (loss) . . . . .	\$ 3,286	\$ (314,406)	\$ (311,120)	\$ (117,948)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation . . . . .	875	-	875	2,876
Changes in assets and liabilities:				
Decrease in accounts receivable. . . . .	-	-	-	2,740
(Increase) decrease in materials and supplies inventory. . . . .	(361)	-	(361)	2,301
(Increase) in prepaids . . . . .	-	(1,559)	(1,559)	(2,143)
Increase (decrease) in accounts payable . . . . .	(254)	(20,562)	(20,816)	20,926
Net cash provided by (used in) operating activities. . . . .	<u>\$ 3,546</u>	<u>\$ (336,527)</u>	<u>\$ (332,981)</u>	<u>\$ (91,248)</u>



## **CITY OF FINDLAY, OHIO**

### **COMBINING STATEMENTS - FIDUCIARY FUNDS**

Fiduciary funds 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 funds. The following are the City's fiduciary fund types:

#### **Private Purpose Trust Fund**

##### ***Private Trust:***

This fund accounts for the monies held in trust from contributions, gifts or by will that are invested by the City. The interest earnings from these investments are used to care for certain cemetery lots in a manner specified by the contributor.

#### **Agency Funds**

Agency funds are custodial in nature, and thus, do not recognize revenues or expenditures, only changes in assets and liabilities. These funds are used to record the collection and payment of refundable deposits, taxes collected for other governments, and municipal court.

##### ***Guaranteed Deposits:***

This fund accounts for the monies held as deposits, that are required to guarantee the satisfactory completion of a job or project. These monies are returned to the depositor or used to pay any charges after the job or project has been accepted by the City Engineering Department or Fire Department.

##### ***Municipal Court:***

This fund reports the receipts and disbursements from the daily operation of the Court.

##### ***Tax Collection:***

This fund accounts for the monies collected as taxes for the Village of Arlington.

**CITY OF FINDLAY, OHIO**

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS

DECEMBER 31, 2003

	<u>Balance 12/31/02</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/03</u>
<b>Guaranteed Deposits</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$ 143,268	\$ -	\$ 33,341	\$ 109,927
Total assets . . . . .	<u>\$ 143,268</u>	<u>\$ -</u>	<u>\$ 33,341</u>	<u>\$ 109,927</u>
<b>Liabilities:</b>				
Accounts payable. . . . .	\$ 805	\$ 242	\$ -	\$ 1,047
Deposits held and due to others. . . . .	142,463	-	33,583	108,880
Total liabilities. . . . .	<u>\$ 143,268</u>	<u>\$ 242</u>	<u>\$ 33,583</u>	<u>\$ 109,927</u>
<b>Municipal Court</b>				
<b>Assets:</b>				
Cash in segregated accounts . . . . .	\$ 81,187	\$ 3,436,892	\$ 3,443,309	\$ 74,770
Total assets . . . . .	<u>\$ 81,187</u>	<u>\$ 3,436,892</u>	<u>\$ 3,443,309</u>	<u>\$ 74,770</u>
<b>Liabilities:</b>				
Deposits held and due to others. . . . .	\$ 81,187	\$ 3,436,892	\$ 3,443,309	\$ 74,770
Total liabilities. . . . .	<u>\$ 81,187</u>	<u>\$ 3,436,892</u>	<u>\$ 3,443,309</u>	<u>\$ 74,770</u>
<b>Tax Collection</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$ -	\$ 1,462	\$ -	\$ 1,462
Total assets . . . . .	<u>\$ -</u>	<u>\$ 1,462</u>	<u>\$ -</u>	<u>\$ 1,462</u>
<b>Liabilities:</b>				
Accounts payable. . . . .	\$ -	\$ 1,462	\$ -	\$ 1,462
Total liabilities. . . . .	<u>\$ -</u>	<u>\$ 1,462</u>	<u>\$ -</u>	<u>\$ 1,462</u>
<b>Total Agency Funds</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$ 143,268	\$ 1,462	\$ 33,341	\$ 111,389
Cash in segregated accounts . . . . .	81,187	3,436,892	3,443,309	74,770
Total assets . . . . .	<u>\$ 224,455</u>	<u>\$ 3,438,354</u>	<u>\$ 3,476,650</u>	<u>\$ 186,159</u>
<b>Liabilities:</b>				
Accounts payable. . . . .	\$ 805	\$ 1,704	\$ -	\$ 2,509
Deposits held and due to others. . . . .	223,650	3,436,892	3,476,892	183,650
Total liabilities. . . . .	<u>\$ 224,455</u>	<u>\$ 3,438,596</u>	<u>\$ 3,476,892</u>	<u>\$ 186,159</u>

**INDIVIDUAL FUND SCHEDULES OF  
REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE -  
BUDGET (GAAP-BASIS) AND ACTUAL**

Certain 2002 revenues and expenses have been reclassified to  
conform to current year presentation.

**CITY OF FINDLAY, OHIO**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL  
GENERAL FUND**

FOR THE YEAR ENDED DECEMBER 31, 2003  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2002)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2002</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
<b>Revenues:</b>					
Property and other local taxes . . . . .	\$ 2,438,550	\$ 2,438,550	\$ 2,348,596	\$ (89,954)	\$ 2,372,059
Charges for services . . . . .	982,500	983,500	911,749	(71,751)	572,362
Licenses and permits. . . . .	271,000	304,500	319,748	15,248	294,599
Fines and forfeitures. . . . .	1,389,300	1,384,800	1,348,687	(36,113)	1,329,781
Intergovernmental . . . . .	1,686,100	1,684,600	2,770,602	1,086,002	2,561,115
Special assessments . . . . .	9,104	9,104	36,304	27,200	-
Investment income . . . . .	290,850	275,850	251,559	(24,291)	416,182
Reimbursements. . . . .	531,626	512,263	677,682	165,419	707,314
Other . . . . .	250,867	241,730	319,736	78,006	190,765
<b>Total revenues . . . . .</b>	<b>7,849,897</b>	<b>7,834,897</b>	<b>8,984,663</b>	<b>1,149,766</b>	<b>8,444,177</b>
<b>Expenditures:</b>					
Security of persons and property					
Police department. . . . .	6,055,689	6,122,889	5,828,461	294,428	5,286,115
Disaster services . . . . .	25,945	25,945	23,900	2,045	21,370
Fire department. . . . .	5,484,934	5,587,674	5,405,299	182,375	4,844,479
Dispatch . . . . .	642,507	642,507	597,479	45,028	540,190
<b>Total security of persons and property . . . . .</b>	<b>12,209,075</b>	<b>12,379,015</b>	<b>11,855,139</b>	<b>523,876</b>	<b>10,692,154</b>
Public health and welfare					
Planning and zoning . . . . .	57,128	74,384	70,417	3,967	87,004
Public health department . . . . .	870,878	870,878	793,977	76,901	745,047
Building department . . . . .	257,616	257,616	220,385	37,231	215,470
Cemetery department . . . . .	304,716	310,716	249,833	60,883	294,041
<b>Total public health and welfare. . . . .</b>	<b>1,490,338</b>	<b>1,513,594</b>	<b>1,334,612</b>	<b>178,982</b>	<b>1,341,562</b>
Leisure time activities					
Park maintenance. . . . .	651,613	682,213	564,457	117,756	569,628
Reservoir boating. . . . .	18,398	18,098	7,985	10,113	4,302
Recreation department . . . . .	748,059	748,059	619,929	128,130	283,601
Shade tree program. . . . .	192,757	192,757	113,251	79,506	26,837
<b>Total leisure time activities . . . . .</b>	<b>1,610,827</b>	<b>1,641,127</b>	<b>1,305,622</b>	<b>335,505</b>	<b>884,368</b>

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**CITY OF FINDLAY, OHIO**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL  
GENERAL FUND (CONTINUED)**

FOR THE YEAR ENDED DECEMBER 31, 2003  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2002)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2002</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
General government					
Council . . . . .	183,198	183,198	174,892	8,306	169,397
Mayors office . . . . .	187,989	187,989	178,835	9,154	187,276
Auditor/treasurer . . . . .	392,545	743,434	690,390	53,044	694,461
Law director . . . . .	382,219	392,219	386,863	5,356	344,083
Municipal court. . . . .	1,400,619	1,400,619	1,112,698	287,921	1,105,573
Civil service. . . . .	46,249	46,249	25,227	21,022	27,480
Computer services . . . . .	333,344	351,344	343,001	8,343	349,027
Service/safety director . . . . .	561,235	561,235	473,024	88,211	484,110
Engineering department . . . . .	977,191	987,481	906,162	81,319	1,019,791
Human resources . . . . .	102,618	117,218	92,009	25,209	116,819
Public building department. . . . .	447,896	457,552	409,351	48,201	425,935
<b>Total general government . . . . .</b>	<b>5,015,103</b>	<b>5,428,538</b>	<b>4,792,452</b>	<b>636,086</b>	<b>4,923,952</b>
Capital outlay					
Security of persons and property. . . . .	185,715	185,715	185,715	-	237,422
Public health and welfare . . . . .	8,565	8,565	8,565	-	34,676
Leisure time activities . . . . .	31,970	31,970	31,970	-	372,653
General government . . . . .	1,758,708	1,758,708	1,004,358	754,350	1,482,375
<b>Total capital outlay . . . . .</b>	<b>1,984,958</b>	<b>1,984,958</b>	<b>1,230,608</b>	<b>754,350</b>	<b>2,127,126</b>
Debt service					
Bond issuance costs . . . . .	9,453	9,453	9,397	56	-
<b>Total debt service . . . . .</b>	<b>9,453</b>	<b>9,453</b>	<b>9,397</b>	<b>56</b>	<b>-</b>
<b>Total expenditures . . . . .</b>	<b>22,319,754</b>	<b>22,956,685</b>	<b>20,527,830</b>	<b>2,428,855</b>	<b>19,969,162</b>
Excess (deficiency) of revenues over (under) expenditures . . . . .	(14,469,857)	(15,121,788)	(11,543,167)	3,578,621	(11,524,985)
<b>Other financing sources (uses):</b>					
Proceeds from the sale of bonds . . . . .	-	-	965,000	965,000	-
Premium on bonds sold. . . . .	-	-	26,956	26,956	-
Transfers in . . . . .	11,546,188	11,783,492	11,929,014	145,522	12,960,163
Transfers out . . . . .	(1,521,644)	(1,557,276)	(1,557,275)	1	(1,925,023)
<b>Total other financing sources (uses). . . . .</b>	<b>10,024,544</b>	<b>10,226,216</b>	<b>11,363,695</b>	<b>1,137,479</b>	<b>11,035,140</b>
<b>Net change in fund balance . . . . .</b>	<b>(4,445,313)</b>	<b>(4,895,572)</b>	<b>(179,472)</b>	<b>4,716,100</b>	<b>(489,845)</b>
<b>Fund balance at beginning of year (restated) . . .</b>	<b>6,900,642</b>	<b>6,900,642</b>	<b>6,900,642</b>	<b>-</b>	<b>7,375,869</b>
<b>Increase in reserve for prepaids. . . . .</b>	<b>-</b>	<b>9,523</b>	<b>9,523</b>	<b>-</b>	<b>14,618</b>
<b>Fund balance at end of year. . . . .</b>	<b>\$ 2,455,329</b>	<b>\$ 2,014,593</b>	<b>\$ 6,730,693</b>	<b>\$ 4,716,100</b>	<b>\$ 6,900,642</b>

**CITY OF FINDLAY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL  
STREET MAINTENANCE AND REPAIR FUND

FOR THE YEAR ENDED DECEMBER 31, 2003  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2002)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2002</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
<b>Revenues:</b>					
Charges for services . . . . .	\$ -	\$ -	\$ 2,219	\$ 2,219	\$ -
Intergovernmental . . . . .	1,310,000	1,310,000	2,360,420	1,050,420	1,640,933
Other . . . . .	10,000	10,000	211	(9,789)	14,709
<b>Total revenues . . . . .</b>	<b>1,320,000</b>	<b>1,320,000</b>	<b>2,362,850</b>	<b>1,042,850</b>	<b>1,655,642</b>
<b>Expenditures:</b>					
Security of persons and property					
Traffic signs . . . . .	389,198	391,529	372,244	19,285	331,456
Traffic signals . . . . .	483,617	483,617	418,816	64,801	427,550
<b>Total security of persons and property . . . . .</b>	<b>872,815</b>	<b>875,146</b>	<b>791,060</b>	<b>84,086</b>	<b>759,006</b>
Transportation					
Street department . . . . .	1,683,740	1,732,218	1,585,395	146,823	1,587,514
Capital outlay					
Street department equipment . . . . .	163,959	304,574	163,934	140,640	165,749
Street improvements . . . . .	-	606,556	285,355	321,201	1,992,498
Traffic signals . . . . .	-	39,090	34,031	5,059	-
Storm sewers . . . . .	-	294,052	138,392	155,660	624,467
Construction in progress . . . . .	-	3,131,712	2,726,403	405,309	-
<b>Total capital outlay . . . . .</b>	<b>163,959</b>	<b>4,375,984</b>	<b>3,348,115</b>	<b>1,027,869</b>	<b>2,782,714</b>
<b>Total expenditures . . . . .</b>	<b>2,720,514</b>	<b>6,983,348</b>	<b>5,724,570</b>	<b>1,258,778</b>	<b>5,129,234</b>
Excess (deficiency) of revenues over (under) expenditures . . . . .	(1,400,514)	(5,663,348)	(3,361,720)	2,301,628	(3,473,592)
<b>Other financing sources (uses):</b>					
Transfers in . . . . .	1,100,000	1,100,000	3,990,728	2,890,728	3,080,595
Transfers out . . . . .	-	(170,165)	(114,936)	55,229	(358,704)
<b>Total other financing sources (uses) . . . . .</b>	<b>1,100,000</b>	<b>929,835</b>	<b>3,875,792</b>	<b>2,945,957</b>	<b>2,721,891</b>
Net change in fund balance . . . . .	(300,514)	(4,733,513)	514,072	5,247,585	(751,701)
<b>Fund balance at beginning of year (restated) . . .</b>	<b>1,202,499</b>	<b>1,202,499</b>	<b>1,202,499</b>	<b>-</b>	<b>1,914,524</b>
<b>Increase (decrease) in reserve for inventory . . .</b>	<b>-</b>	<b>(9,484)</b>	<b>(9,484)</b>	<b>-</b>	<b>37,824</b>
<b>Increase (decrease) in reserve for prepaids . . . .</b>	<b>-</b>	<b>301</b>	<b>301</b>	<b>-</b>	<b>1,852</b>
<b>Fund balance at end of year . . . . .</b>	<b>\$ 901,985</b>	<b>\$ (3,540,197)</b>	<b>\$ 1,707,388</b>	<b>\$ 5,247,585</b>	<b>\$ 1,202,499</b>

**CITY OF FINDLAY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL  
CITY INCOME TAX ADMINISTRATION FUND

FOR THE YEAR ENDED DECEMBER 31, 2003  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2002)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2002</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
<b>Revenues:</b>					
Municipal income taxes . . . . .	\$ 14,475,795	\$ 14,475,795	\$ 14,002,165	\$ (473,630)	\$ 14,463,217
Charges for services . . . . .	2,791	2,791	2,700	(91)	-
Other . . . . .	2,708	2,708	2,619	(89)	8,209
	<u>14,481,294</u>	<u>14,481,294</u>	<u>14,007,484</u>	<u>(473,810)</u>	<u>14,471,426</u>
Total revenues . . . . .					
<b>Expenditures:</b>					
General government . . . . .	626,047	785,427	610,878	174,549	698,777
Capital outlay . . . . .	-	-	-	-	9,116
Debt service					
Principal retirement . . . . .	2,003	2,500	1,954	546	772
Interest and fiscal charges . . . . .	568	725	554	171	273
	<u>628,618</u>	<u>788,652</u>	<u>613,386</u>	<u>175,266</u>	<u>708,938</u>
Total expenditures . . . . .					
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>13,852,676</u>	<u>13,692,642</u>	<u>13,394,098</u>	<u>(298,544)</u>	<u>13,762,488</u>
<b>Other financing sources (uses):</b>					
Proceeds from capital lease . . . . .	-	-	-	-	9,116
Transfers in . . . . .	133,706	133,706	129,331	(4,375)	76,129
Transfers out . . . . .	<u>(14,000,035)</u>	<u>(13,799,386)</u>	<u>(13,657,924)</u>	<u>141,462</u>	<u>(13,879,317)</u>
	<u>(13,866,329)</u>	<u>(13,665,680)</u>	<u>(13,528,593)</u>	<u>137,087</u>	<u>(13,794,072)</u>
Total other financing sources (uses) . . . . .					
Net change in fund balance . . . . .	(13,653)	26,962	(134,495)	(161,457)	(31,584)
<b>Fund balance at beginning of year (restated) . . .</b>	<b>3,189,738</b>	<b>3,189,738</b>	<b>3,189,738</b>	<b>-</b>	<b>3,220,687</b>
<b>Increase (decrease) in reserve for prepaids . . . .</b>	<b>-</b>	<b>(426)</b>	<b>(426)</b>	<b>-</b>	<b>635</b>
	<u>3,189,738</u>	<u>3,189,312</u>	<u>3,189,312</u>	<u>(161,457)</u>	<u>3,189,738</u>
<b>Fund balance at end of year . . . . .</b>	<b>\$ 3,176,085</b>	<b>\$ 3,216,274</b>	<b>\$ 3,054,817</b>	<b>\$ (161,457)</b>	<b>\$ 3,189,738</b>

**CITY OF FINDLAY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL  
STATE HIGHWAY FUND

FOR THE YEAR ENDED DECEMBER 31, 2003  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2002)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2002</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
<b>Revenues:</b>					
Intergovernmental . . . . .	\$ 106,000	\$ 106,000	\$ 110,175	\$ 4,175	\$ 102,828
Other . . . . .	-	-	-	-	11
Total revenues . . . . .	<u>106,000</u>	<u>106,000</u>	<u>110,175</u>	<u>4,175</u>	<u>102,839</u>
<b>Expenditures:</b>					
Transportation					
Street department . . . . .	<u>45,449</u>	<u>45,449</u>	<u>33,156</u>	<u>12,293</u>	<u>33,404</u>
Total expenditures . . . . .	<u>45,449</u>	<u>45,449</u>	<u>33,156</u>	<u>12,293</u>	<u>33,404</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>60,551</u>	<u>60,551</u>	<u>77,019</u>	<u>16,468</u>	<u>69,435</u>
<b>Other financing uses:</b>					
Transfers out . . . . .	<u>-</u>	<u>(93,000)</u>	<u>(93,000)</u>	<u>-</u>	<u>(80,000)</u>
Total other financing uses . . . . .	<u>-</u>	<u>(93,000)</u>	<u>(93,000)</u>	<u>-</u>	<u>(80,000)</u>
Net change in fund balance . . . . .	60,551	(32,449)	(15,981)	16,468	(10,565)
<b>Fund balance at beginning of year . . . . .</b>	<u>98,045</u>	<u>98,045</u>	<u>98,045</u>	<u>-</u>	<u>108,610</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 158,596</u>	<u>\$ 65,596</u>	<u>\$ 82,064</u>	<u>\$ 16,468</u>	<u>\$ 98,045</u>



**CITY OF FINDLAY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL  
COUNTY PERMISSIVE MVL TAX FUND

FOR THE YEAR ENDED DECEMBER 31, 2003  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2002)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2002</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
<b>Revenues:</b>					
Intergovernmental . . . . .	\$ -	\$ -	\$ 154,681	\$ 154,681	\$ 222,413
Total revenues . . . . .	-	-	154,681	154,681	222,413
<b>Other financing sources (uses):</b>					
Transfers in . . . . .	-	-	1,872	1,872	-
Transfers out . . . . .	-	(357,000)	(357,000)	-	-
Total other financing sources (uses). . . . .	-	(357,000)	(355,128)	1,872	-
Net change in fund balance. . . . .	-	(357,000)	(200,447)	156,553	222,413
<b>Fund balance at beginning of year. . . . .</b>	<u>428,010</u>	<u>428,010</u>	<u>428,010</u>	<u>-</u>	<u>205,597</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 428,010</u>	<u>\$ 71,010</u>	<u>\$ 227,563</u>	<u>\$ 156,553</u>	<u>\$ 428,010</u>

**CITY OF FINDLAY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL  
DRUG LAW ENFORCEMENT FUND

FOR THE YEAR ENDED DECEMBER 31, 2003  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2002)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2002</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
<b>Revenues:</b>					
Fines and forfeitures . . . . .	\$ -	\$ -	\$ 1,500	\$ 1,500	\$ -
Intergovernmental . . . . .	-	-	1,102	1,102	-
Total revenues . . . . .	-	-	2,602	2,602	-
<b>Expenditures:</b>					
Security of persons and property . . . . .	5,875	5,875	4,000	1,875	195
Total expenditures . . . . .	5,875	5,875	4,000	1,875	195
Net change in fund balance . . . . .	(5,875)	(5,875)	(1,398)	4,477	(195)
<b>Fund balance at beginning of year . . . . .</b>	<u>5,850</u>	<u>5,850</u>	<u>5,850</u>	<u>-</u>	<u>6,045</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ (25)</u>	<u>\$ (25)</u>	<u>\$ 4,452</u>	<u>\$ 4,477</u>	<u>\$ 5,850</u>

**CITY OF FINDLAY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL  
 LAW ENFORCEMENT TRUST FUND

FOR THE YEAR ENDED DECEMBER 31, 2003  
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR 2002)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2002</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
<b>Expenditures:</b>					
Security of persons and property . . . . .	\$ 7,303	\$ 7,303	\$ 797	\$ 6,506	\$ 423
Total expenditures . . . . .	<u>7,303</u>	<u>7,303</u>	<u>797</u>	<u>6,506</u>	<u>423</u>
Net change in fund balance . . . . .	(7,303)	(7,303)	(797)	6,506	(423)
<b>Fund balance at beginning of year. . . . .</b>	<u>7,601</u>	<u>7,601</u>	<u>7,601</u>	<u>-</u>	<u>8,024</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 298</u>	<u>\$ 298</u>	<u>\$ 6,804</u>	<u>\$ 6,506</u>	<u>\$ 7,601</u>

**CITY OF FINDLAY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL  
INDIGENT ALCOHOL TREATMENT FUND

FOR THE YEAR ENDED DECEMBER 31, 2003  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2002)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2002</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
<b>Revenues:</b>					
Fines and forfeitures . . . . .	\$ 30,000	\$ 30,000	\$ 29,253	\$ (747)	\$ 30,530
Total revenues . . . . .	30,000	30,000	29,253	(747)	30,530
<b>Expenditures:</b>					
General government . . . . .	52,020	52,020	29,248	22,772	21,378
Total expenditures . . . . .	52,020	52,020	29,248	22,772	21,378
Net change in fund balance . . . . .	(22,020)	(22,020)	5	22,025	9,152
<b>Fund balance at beginning of year. . . . .</b>	<b>58,639</b>	<b>58,639</b>	<b>58,639</b>	<b>-</b>	<b>49,487</b>
<b>Fund balance at end of year . . . . .</b>	<b>\$ 36,619</b>	<b>\$ 36,619</b>	<b>\$ 58,644</b>	<b>\$ 22,025</b>	<b>\$ 58,639</b>

**CITY OF FINDLAY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL  
 METRICH DRUG LAW ENFORCEMENT FUND

FOR THE YEAR ENDED DECEMBER 31, 2003  
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR 2002)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2002</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
<b>Revenues:</b>					
Fines and forfeitures . . . . .	\$ -	\$ -	\$ -	\$ -	\$ 2,863
Total revenues . . . . .	-	-	-	-	2,863
Net change in fund balance . . . . .	-	-	-	-	2,863
<b>Fund balance at beginning of year . . . . .</b>	<u>2,863</u>	<u>2,863</u>	<u>2,863</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 2,863</u>	<u>\$ 2,863</u>	<u>\$ 2,863</u>	<u>\$ -</u>	<u>\$ 2,863</u>

**CITY OF FINDLAY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL  
ENFORCEMENT AND EDUCATION FUND

FOR THE YEAR ENDED DECEMBER 31, 2003  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2002)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2002</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
<b>Revenues:</b>					
Fines and forfeitures . . . . .	\$ 4,000	\$ 4,000	\$ 4,113	\$ 113	\$ 3,927
Total revenues . . . . .	4,000	4,000	4,113	113	3,927
<b>Expenditures:</b>					
General government . . . . .	38,039	38,039	-	38,039	-
Total expenditures . . . . .	38,039	38,039	-	38,039	-
Net change in fund balance . . . . .	(34,039)	(34,039)	4,113	38,152	3,927
<b>Fund balance at beginning of year . . . . .</b>	<b>34,735</b>	<b>34,735</b>	<b>34,735</b>	<b>-</b>	<b>30,808</b>
<b>Fund balance at end of year . . . . .</b>	<b>\$ 696</b>	<b>\$ 696</b>	<b>\$ 38,848</b>	<b>\$ 38,152</b>	<b>\$ 34,735</b>

**CITY OF FINDLAY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL  
POLICE PENSION FUND

FOR THE YEAR ENDED DECEMBER 31, 2003  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2002)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2002</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
<b>Revenues:</b>					
Property and other local taxes . . . . .	\$ 246,037	\$ 246,037	\$ 239,105	\$ (6,932)	\$ 238,105
Total revenues . . . . .	<u>246,037</u>	<u>246,037</u>	<u>239,105</u>	<u>(6,932)</u>	<u>238,105</u>
<b>Expenditures:</b>					
Security of persons and property . . . . .	4,102	4,102	4,297	(195)	4,030
Total expenditures . . . . .	<u>4,102</u>	<u>4,102</u>	<u>4,297</u>	<u>(195)</u>	<u>4,030</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>241,935</u>	<u>241,935</u>	<u>234,808</u>	<u>(7,127)</u>	<u>234,075</u>
<b>Other financing uses:</b>					
Transfers out . . . . .	(234,075)	(234,075)	(234,808)	(733)	(234,075)
Total other financing uses . . . . .	<u>(234,075)</u>	<u>(234,075)</u>	<u>(234,808)</u>	<u>(733)</u>	<u>(234,075)</u>
Net change in fund balance . . . . .	7,860	7,860	-	(7,860)	-
<b>Fund balance at beginning of year . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 7,860</u>	<u>\$ 7,860</u>	<u>\$ -</u>	<u>\$ (7,860)</u>	<u>\$ -</u>

**CITY OF FINDLAY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL  
FIRE PENSION FUND

FOR THE YEAR ENDED DECEMBER 31, 2003  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2002)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2002</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
<b>Revenues:</b>					
Property and other local taxes . . . . .	\$ 246,037	\$ 246,037	\$ 239,105	\$ (6,932)	\$ 238,105
Total revenues . . . . .	<u>246,037</u>	<u>246,037</u>	<u>239,105</u>	<u>(6,932)</u>	<u>238,105</u>
<b>Expenditures:</b>					
Security of persons and property . . . . .	4,102	4,102	4,297	(195)	4,030
Total expenditures . . . . .	<u>4,102</u>	<u>4,102</u>	<u>4,297</u>	<u>(195)</u>	<u>4,030</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>241,935</u>	<u>241,935</u>	<u>234,808</u>	<u>(7,127)</u>	<u>234,075</u>
<b>Other financing uses:</b>					
Transfers out . . . . .	(234,075)	(234,075)	(234,808)	(733)	(234,075)
Total other financing uses . . . . .	<u>(234,075)</u>	<u>(234,075)</u>	<u>(234,808)</u>	<u>(733)</u>	<u>(234,075)</u>
Net change in fund balance . . . . .	7,860	7,860	-	(7,860)	-
<b>Fund balance at beginning of year . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 7,860</u>	<u>\$ 7,860</u>	<u>\$ -</u>	<u>\$ (7,860)</u>	<u>\$ -</u>



**CITY OF FINDLAY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL  
REVOLVING LOAN FUND

FOR THE YEAR ENDED DECEMBER 31, 2003  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2002)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2002</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
<b>Revenues:</b>					
Investment income . . . . .	\$ 983	\$ 983	\$ 983	\$ -	\$ 1,144
Total revenues . . . . .	983	983	983	-	1,144
<b>Expenditures:</b>					
General government . . . . .	96,901	96,901	96,901	-	16,435
Total expenditures . . . . .	96,901	96,901	96,901	-	16,435
Net change in fund balance . . . . .	(95,918)	(95,918)	(95,918)	-	(15,291)
<b>Fund balance at beginning of year. . . . .</b>	<u>256,924</u>	<u>256,924</u>	<u>256,924</u>	<u>-</u>	<u>272,215</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 161,006</u>	<u>\$ 161,006</u>	<u>\$ 161,006</u>	<u>\$ -</u>	<u>\$ 256,924</u>

**CITY OF FINDLAY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL  
COURT COMPUTERIZATION FUND

FOR THE YEAR ENDED DECEMBER 31, 2003  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2002)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2002</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
<b>Revenues:</b>					
Fines and forfeitures . . . . .	\$ 45,000	\$ 45,000	\$ 42,697	\$ (2,303)	\$ 46,374
Total revenues . . . . .	45,000	45,000	42,697	(2,303)	46,374
<b>Expenditures:</b>					
General government . . . . .	157,500	157,500	11,592	145,908	13,720
Capital outlay . . . . .	12,500	12,500	-	12,500	-
Total expenditures . . . . .	170,000	170,000	11,592	158,408	13,720
Net change in fund balance . . . . .	(125,000)	(125,000)	31,105	156,105	32,654
<b>Fund balance at beginning of year. . . . .</b>	<u>145,277</u>	<u>145,277</u>	<u>145,277</u>	<u>-</u>	<u>112,623</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 20,277</u>	<u>\$ 20,277</u>	<u>\$ 176,382</u>	<u>\$ 156,105</u>	<u>\$ 145,277</u>

**CITY OF FINDLAY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL  
LEGAL RESEARCH FUND

FOR THE YEAR ENDED DECEMBER 31, 2003  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2002)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2002</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
<b>Revenues:</b>					
Fines and forfeitures . . . . .	\$ 10,000	\$ 10,000	\$ 9,710	\$ (290)	\$ 10,768
Total revenues . . . . .	10,000	10,000	9,710	(290)	10,768
<b>Expenditures:</b>					
General government . . . . .	5,000	5,000	-	5,000	-
Capital outlay . . . . .	15,000	15,000	-	15,000	-
Total expenditures . . . . .	20,000	20,000	-	20,000	-
Net change in fund balance . . . . .	(10,000)	(10,000)	9,710	19,710	10,768
<b>Fund balance at beginning of year. . . . .</b>	<b>55,561</b>	<b>55,561</b>	<b>55,561</b>	<b>-</b>	<b>44,793</b>
<b>Fund balance at end of year . . . . .</b>	<b>\$ 45,561</b>	<b>\$ 45,561</b>	<b>\$ 65,271</b>	<b>\$ 19,710</b>	<b>\$ 55,561</b>

**CITY OF FINDLAY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL  
MEDIATION SERVICES FUND

FOR THE YEAR ENDED DECEMBER 31, 2003  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2002)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2002</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
<b>Revenues:</b>					
Fines and forfeitures . . . . .	\$ 10,000	\$ 10,000	\$ 9,564	\$ (436)	\$ 10,498
Total revenues . . . . .	10,000	10,000	9,564	(436)	10,498
<b>Expenditures:</b>					
General government . . . . .	10,000	10,000	-	10,000	-
Total expenditures . . . . .	10,000	10,000	-	10,000	-
Net change in fund balance . . . . .	-	-	9,564	9,564	10,498
<b>Fund balance at beginning of year. . . . .</b>	44,617	44,617	44,617	-	34,119
<b>Fund balance at end of year . . . . .</b>	<u>\$ 44,617</u>	<u>\$ 44,617</u>	<u>\$ 54,181</u>	<u>\$ 9,564</u>	<u>\$ 44,617</u>

**CITY OF FINDLAY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL  
HRC CAPITAL TRUST FUND

FOR THE YEAR ENDED DECEMBER 31, 2003  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2002)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2002</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
<b>Revenues:</b>					
Contributions and donations . . . . .	\$ -	\$ -	\$ 112,217	\$ 112,217	\$ -
Total revenues . . . . .	-	-	112,217	112,217	-
Net change in fund balance . . . . .	-	-	112,217	112,217	-
<b>Fund balance at beginning of year . . . . .</b>	-	-	-	-	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 112,217</u>	<u>\$ 112,217</u>	<u>\$ -</u>

**CITY OF FINDLAY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL  
 WESTERN AVENUE PILOT DEBT SERVICE FUND

FOR THE YEAR ENDED DECEMBER 31, 2003  
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR 2002)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2002</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
<b>Expenditures:</b>					
Debt service					
Principal retirement . . . . .	\$ 75,000	\$ 75,000	\$ 75,000	\$ -	\$ 145,000
Interest and fiscal charges . . . . .	8,063	8,063	8,063	-	15,385
Total expenditures . . . . .	<u>83,063</u>	<u>83,063</u>	<u>83,063</u>	<u>-</u>	<u>160,385</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>(83,063)</u>	<u>(83,063)</u>	<u>(83,063)</u>	<u>-</u>	<u>(160,385)</u>
<b>Other financing sources:</b>					
Transfers in . . . . .	<u>83,063</u>	<u>83,063</u>	<u>83,063</u>	<u>-</u>	<u>160,385</u>
Total other financing sources . . . . .	<u>83,063</u>	<u>83,063</u>	<u>83,063</u>	<u>-</u>	<u>160,385</u>
Net change in fund balance. . . . .	-	-	-	-	-
<b>Fund balance at beginning of year. . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF FINDLAY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL  
 SIXTH STREET PILOT DEBT SERVICE FUND

FOR THE YEAR ENDED DECEMBER 31, 2003  
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR 2002)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2002</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
<b>Revenues:</b>					
Special assessments . . . . .	\$ 135,705	\$ 135,705	\$ 131,764	\$ (3,941)	\$ 194,016
Total revenues . . . . .	<u>135,705</u>	<u>135,705</u>	<u>131,764</u>	<u>(3,941)</u>	<u>194,016</u>
<b>Other financing uses:</b>					
Transfers out . . . . .	(83,063)	(83,063)	(83,063)	-	(160,385)
Total other financing uses . . . . .	<u>(83,063)</u>	<u>(83,063)</u>	<u>(83,063)</u>	<u>-</u>	<u>(160,385)</u>
Net change in fund balance . . . . .	52,642	52,642	48,701	(3,941)	33,631
<b>Fund balance at beginning of year. . . . .</b>	<u>33,637</u>	<u>33,637</u>	<u>33,637</u>	<u>-</u>	<u>6</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 86,279</u>	<u>\$ 86,279</u>	<u>\$ 82,338</u>	<u>\$ (3,941)</u>	<u>\$ 33,637</u>

**CITY OF FINDLAY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL  
DEBT SERVICE FUND

FOR THE YEAR ENDED DECEMBER 31, 2003  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2002)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2002</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
<b>Revenues:</b>					
Special assessments . . . . .	\$ 128,779	\$ 128,779	\$ 124,314	\$ (4,465)	\$ 127,254
Total revenues . . . . .	<u>128,779</u>	<u>128,779</u>	<u>124,314</u>	<u>(4,465)</u>	<u>127,254</u>
<b>Expenditures:</b>					
Debt service					
Principal retirement . . . . .	308,215	308,215	308,215	-	255,550
Interest and fiscal charges . . . . .	<u>200,530</u>	<u>200,530</u>	<u>200,529</u>	<u>1</u>	<u>207,949</u>
Total expenditures . . . . .	<u>508,745</u>	<u>508,745</u>	<u>508,744</u>	<u>1</u>	<u>463,499</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>(379,966)</u>	<u>(379,966)</u>	<u>(384,430)</u>	<u>(4,464)</u>	<u>(336,245)</u>
<b>Other financing sources:</b>					
Transfers in . . . . .	379,970	379,970	414,602	34,632	379,623
Transfers out . . . . .	<u>-</u>	<u>(1,712)</u>	<u>(1,712)</u>	<u>-</u>	<u>-</u>
Total other financing sources . . . . .	<u>379,970</u>	<u>378,258</u>	<u>412,890</u>	<u>34,632</u>	<u>379,623</u>
Net change in fund balance. . . . .	4	(1,708)	28,460	30,168	43,378
<b>Fund balance at beginning of year. . . . .</b>	<u>146,493</u>	<u>146,493</u>	<u>146,493</u>	<u>-</u>	<u>103,115</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 146,497</u>	<u>\$ 144,785</u>	<u>\$ 174,953</u>	<u>\$ 30,168</u>	<u>\$ 146,493</u>



**CITY OF FINDLAY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL  
CAPITAL PROJECTS FUND

FOR THE YEAR ENDED DECEMBER 31, 2003  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2002)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2002</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
<b>Revenues:</b>					
Special assessments . . . . .	\$ -	\$ 466,803	\$ 300,032	\$ (166,771)	\$ 61,986
Total revenues . . . . .	-	466,803	300,032	(166,771)	61,986
<b>Expenditures:</b>					
Capital outlay . . . . .	-	388,419	334,696	53,723	133,654
Debt service					
Interest and fiscal charges . . . . .	-	-	-	-	1,855
Total expenditures . . . . .	-	388,419	334,696	53,723	135,509
Excess (deficiency) of revenues over (under) expenditures . . . . .	-	78,384	(34,664)	(113,048)	(73,523)
<b>Other financing sources (uses):</b>					
Proceeds from the sale of bonds. . . . .	-	57,002	36,550	(20,452)	119,850
Transfers in . . . . .	-	-	-	-	3,000
Transfers out . . . . .	-	(3,000)	(3,000)	-	(410)
Total other financing sources (uses) . . . . .	-	54,002	33,550	(20,452)	122,440
Net change in fund balance . . . . .	-	132,386	(1,114)	(133,500)	48,917
<b>Fund balance at beginning of year. . . . .</b>	<u>1,114</u>	<u>1,114</u>	<u>1,114</u>	<u>-</u>	<u>(47,803)</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 1,114</u>	<u>\$ 133,500</u>	<u>\$ -</u>	<u>\$ (133,500)</u>	<u>\$ 1,114</u>

**CITY OF FINDLAY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL  
 MUNICIPAL COURT IMPROVEMENT FUND

FOR THE YEAR ENDED DECEMBER 31, 2003  
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR 2002)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2002</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
<b>Revenues:</b>					
Fines and forfeitures . . . . .	\$ 80,000	\$ 80,000	\$ 92,873	\$ 12,873	\$ 83,305
Total revenues . . . . .	80,000	80,000	92,873	12,873	83,305
<b>Expenditures:</b>					
General government . . . . .	128,000	128,000	1,074	126,926	3,603
Capital outlay . . . . .	72,000	72,000	-	72,000	14,204
Total expenditures . . . . .	200,000	200,000	1,074	198,926	17,807
Net change in fund balance . . . . .	(120,000)	(120,000)	91,799	211,799	65,498
<b>Fund balance at beginning of year. . . . .</b>	<b>504,139</b>	<b>504,139</b>	<b>504,139</b>	<b>-</b>	<b>438,641</b>
<b>Fund balance at end of year . . . . .</b>	<b>\$ 384,139</b>	<b>\$ 384,139</b>	<b>\$ 595,938</b>	<b>\$ 211,799</b>	<b>\$ 504,139</b>

**CITY OF FINDLAY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL  
PERMANENT FUND

FOR THE YEAR ENDED DECEMBER 31, 2003  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2002)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2002</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
<b>Revenues:</b>					
Contributions and donations . . . . .	\$ 40,000	\$ 40,000	\$ 27,294	\$ (12,706)	\$ 28,800
Investment income . . . . .	30,000	30,000	16,525	(13,475)	37,108
Total revenues . . . . .	<u>70,000</u>	<u>70,000</u>	<u>43,819</u>	<u>(26,181)</u>	<u>65,908</u>
<b>Other financing uses:</b>					
Transfers out . . . . .	<u>(116,151)</u>	<u>(116,151)</u>	<u>(116,151)</u>	<u>-</u>	<u>(31,798)</u>
Total other financing uses . . . . .	<u>(116,151)</u>	<u>(116,151)</u>	<u>(116,151)</u>	<u>-</u>	<u>(31,798)</u>
Net change in fund balance . . . . .	(46,151)	(46,151)	(72,332)	(26,181)	34,110
<b>Fund balance at beginning of year . . . . .</b>	<u>1,010,029</u>	<u>1,010,029</u>	<u>1,010,029</u>	<u>-</u>	<u>975,919</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 963,878</u>	<u>\$ 963,878</u>	<u>\$ 937,697</u>	<u>\$ (26,181)</u>	<u>\$ 1,010,029</u>

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## STATISTICAL SECTION

THE FOLLOWING UNAUDITED STATISTICAL TABLES  
REFLECT SOCIAL AND ECONOMIC DATA FINANCIAL TRENDS AND  
FISCAL CAPACITY OF THE CITY

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**CITY OF FINDLAY, OHIO**

GENERAL GOVERNMENT EXPENDITURES (1)  
LAST TEN FISCAL YEARS

Fiscal Year	Security of Persons and Property	Public Health and Welfare	Leisure Time Activities	Transportation	General Government	Capital Outlay	Other	Debt Service	Total
1994	\$ 7,475,461	\$ 803,212	\$ 497,804	\$ 1,040,651	\$ 3,600,899	\$ 2,026,603	\$ -	\$ -	\$15,444,630
1995	7,922,548	874,953	553,429	1,116,682	3,800,206	2,835,646	-	-	17,103,464
1996	8,563,774	970,508	598,474	1,173,431	4,026,826	3,631,190	-	-	18,964,203
1997	9,501,196	1,014,831	661,609	1,288,336	4,336,992	4,937,050	-	-	21,740,014
1998	9,817,349	1,030,722	654,402	1,221,917	4,420,483	1,985,443	-	-	19,130,316
1999	10,387,007	1,128,912	696,805	1,379,006	4,612,742	2,973,670	-	-	21,178,142
2000	10,805,889	1,114,922	674,902	1,499,571	4,955,208	2,902,229	-	-	21,952,721
2001	11,601,542	1,264,665	820,908	1,563,537	5,702,120	3,946,183	-	-	24,898,955
2002	11,473,558	1,341,562	884,368	1,620,918	5,664,145	4,950,754	-	772,787	26,708,092
2003	12,659,590	1,334,612	1,305,622	1,618,551	5,542,145	4,913,419	1,807	603,712	27,979,458

(1) Years 1994 - 2001 include general and special revenue funds. Years 2002 - 2003 include total governmental funds (general, special revenue, debt service, capital projects and permanent fund). Certain 2002 amounts have been restated to conform to 2003 presentation.

**CITY OF FINDLAY, OHIO**

GENERAL GOVERNMENT REVENUES (1)  
LAST TEN FISCAL YEARS

Fiscal Year	City Income Tax (2)	Other Local Taxes	Licenses and Permits	Intergovernmental	Charges for Services	Investment Earnings
1994	\$ 8,844,417	\$ 1,865,727	\$ 72,459	\$ 3,855,446	\$ 514,029	\$ 264,070
1995	9,516,934	2,022,747	87,440	4,029,631	570,123	546,674
1996	9,881,857	2,146,679	82,631	3,778,635	474,630	629,300
1997	10,612,877	2,286,406	102,034	3,642,035	470,116	725,230
1998	11,971,583	2,421,604	110,535	4,009,104	523,498	580,976
1999	13,039,592	2,670,514	96,613	4,358,959	466,650	688,561
2000	13,210,815	2,671,228	104,710	4,086,594	528,254	957,950
2001	14,806,202	2,876,539	256,264	4,489,752	528,138	769,202
2002	14,447,353	2,864,133	294,599	4,527,289	572,362	454,434
2003	14,002,165	2,826,806	319,748	5,396,980	916,668	269,067

(1) Years 1994 - 2001 include general and special revenue funds. Years 2002 - 2003 include total governmental funds (general, special revenue, debt service, capital projects and permanent fund). Certain 2002 amounts have been restated to conform to 2003 presentation.

(2) The amount of cash collected in 2003, 2002, 2001, 2000, 1999, 1998, 1997, 1996, 1995 and 1994 was \$14,278,805, \$14,930,706, \$14,360,692, \$13,097,275, \$13,122,926, \$11,720,360, \$10,530,692, \$9,958,154, \$9,447,944, and \$9,367,598, respectively. The difference between the amount collected and the revenues recognized is the change in receivables for income taxes withheld in the fourth quarter and remitted to the City in the first quarter of the following year.



<u>Fines and Forfeitures</u>	<u>All Other</u>	<u>Total</u>
\$ 1,066,451	\$ 720,710	\$ 17,203,309
1,116,847	777,739	18,668,135
1,231,933	1,132,455	19,358,120
1,263,007	954,200	20,055,905
1,407,323	1,248,658	22,273,281
1,441,953	904,049	23,666,891
1,437,798	981,262	23,978,611
1,378,926	1,130,911	26,235,934
1,518,046	1,333,064	26,011,280
1,538,397	1,731,981	27,001,812

**CITY OF FINDLAY, OHIO**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**REAL ESTATE AND PUBLIC UTILITY**  
**LAST TEN FISCAL YEARS**

<u>Collection Year</u>	<u>Billed (1)</u>	<u>Collected (2)</u>	<u>% Collected</u>
1994	\$ 1,380,583	\$ 1,346,776	97.6%
1995	1,419,700	1,384,231	97.5%
1996	1,564,762	1,514,910	96.8%
1997	1,608,999	1,565,917	97.3%
1998	1,634,556	1,599,203	97.8%
1999	1,896,708	1,841,703	97.1%
2000	1,949,594	1,879,701	96.4%
2001	1,992,482	1,956,575	98.2%
2002	2,090,064	2,025,332	96.9%
2003	2,133,732	2,073,489	97.2%

Source: Hancock County Auditor

(1) The amounts shown as billed are inclusive of outstanding delinquencies billed and the state reimbursement (rollback) amounts. The amounts are exclusive of any special assessments.

(2) The collected amounts in the above table include the collection of delinquent taxes, which amounts cannot be segregated from current year collections based upon the County Auditor's records. The outstanding delinquencies as they relate to the City also could not be determined from the County Auditor's records as delinquencies are kept on the County Auditor's records in a total amount for the entire county.

**CITY OF FINDLAY, OHIO**

**PERSONAL PROPERTY TAX LEVIES AND COLLECTIONS**

**LAST TEN FISCAL YEARS**

<u>Collection Year</u>	<u>Billed</u>	<u>Collected (1)</u>	<u>% Collected</u>
1994	\$ 365,618	\$ 335,152	91.7%
1995	384,440	429,696	111.8%
1996	429,149	421,722	98.3%
1997	433,622	479,082	110.5%
1998	502,047	516,610	102.9%
1999	527,992	516,903	97.9%
2000	486,134	476,429	98.0%
2001	613,077	614,527	100.2%
2002	551,864	492,563	89.3%
2003	480,632	468,412	97.5%

Source: Hancock County Auditor

(1) The amounts shown as billed are the totals of the tax bills as mailed to the taxpayers by the County Treasurer.

(2) The collected amounts in the above table include the collection of delinquent taxes, which amounts cannot be segregated from current year collections based upon the County Auditor's records. The outstanding delinquencies as they relate to the City also could not be determined from the County Auditor's records as delinquencies are kept on the County Auditor's records in a total amount for the entire county.

**CITY OF FINDLAY, OHIO**

**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**

**LAST TEN FISCAL YEARS**

<u>Calendar Year (1)</u>	<u>Real Estate Other Than Public Utility (2)</u>	<u>Public Utility Real and Tangible Personal Property (3)</u>	<u>Tangible Personal Property Other Than Public Utility (4)</u>	<u>Total</u>	<u>Estimated Actual Value (5)</u>
1995	\$ 403,778,590	\$ 30,201,300	\$ 114,255,574	\$ 548,235,464	\$ 1,566,387,040
1996	448,014,540	28,350,120	120,137,602	596,502,262	1,704,292,177
1997	460,980,100	28,205,230	134,109,133	623,294,463	1,934,109,760
1998	472,667,350	28,093,070	153,103,629	653,864,049	2,043,158,573
1999 (6)	551,462,520	28,395,260	156,889,861	736,747,641	2,284,295,958
2000	564,268,950	25,705,800	164,997,670	754,972,420	2,345,632,822
2001	574,141,030	26,603,490	151,916,904	752,661,424	2,324,080,530
2002	611,410,130	20,339,970	191,586,739	823,336,839	2,571,347,241
2003	626,960,430	20,705,880	172,457,599	820,123,909	2,540,305,567
2004	645,430,870	20,894,840	144,017,614	810,343,324	2,479,858,199

Source: Hancock County Auditor

(1) Valuations are amounts for collection year.

(2) Real property taxes collected in a calendar year are levied as of January 1 of that year based on the assessed values as of January 1 of the preceding year.

(3) Public utility real and tangible personal property taxes collected in a calendar year are levied in the preceding calendar year based on assessed values determined as of December 31 of the second preceding year.

(4) Tangible personal property taxes collected in a calendar year are levied in the same calendar year as assessed on values at the close of the most recent fiscal year of the taxpayer (ending on or before March 31st of such calendar year) at tax rates determined in the preceding year.

(5) Real estate assessed value is 35% of appraised value and tangible personal property assessed value is 25% of appraised value by state statute.

(6) Sexennial update of property values, effective in tax collection year 1999.

**CITY OF FINDLAY, OHIO**

**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
(PER \$1,000 OF ASSESSED VALUATION)**

**LAST TEN FISCAL YEARS**

<u>Calendar Year Collected (1)</u>	<u>City</u>	<u>Hancock County</u>	<u>Hancock County Park District</u>	<u>Findlay City School District</u>	<u>Total</u>
1995	\$ 3.20	\$ 4.91	\$ 0.80	\$ 53.35	\$ 62.26
1996	3.20	4.90	0.80	53.35	62.25
1997	3.20	5.18	0.80	53.35	62.53
1998	3.20	5.18	0.80	53.35	62.53
1999	3.20	5.14	0.80	53.35	62.49
2000	3.20	5.15	0.80	53.35	62.50
2001	3.20	5.14	0.80	53.35	62.49
2002	3.20	5.12	0.80	53.35	62.47
2003	3.20	5.51	0.80	53.35	62.86
2004	3.20	5.40	0.80	53.35	62.75

Source: Hancock County Auditor

(1) Property tax rates are the rates for the respective years of collection.

**CITY OF FINDLAY, OHIO**

**REAL ESTATE AND PUBLIC UTILITY  
PRINCIPAL TAXPAYERS**

DECEMBER 31, 2003

<u>Name of Taxpayer</u>	<u>Assessed Values</u>	<u>Percentage of Total Assessed Valuation</u>
Ohio Power Company	\$ 13,005,860	1.60%
Marathon Oil/Petroleum Company	11,553,890	1.43%
Cooper Tire & Rubber Company	7,850,840	0.97%
Findlay Shopping Center, Inc.	5,830,950	0.72%
Ohio Bell Telephone Company	5,606,970	0.69%
Logistics Solutions of Ohio	3,588,720	0.44%
Best Buy Distribution Center	2,768,650	0.34%
Owens Illinois/Brockway Plastics Company	2,511,150	0.31%
LP Investment Company	2,402,160	0.30%
Lowe's Home Centers Inc	<u>2,384,000</u>	0.29%
Totals	<u>\$ 57,503,190</u>	<u>7.10%</u>

Source: Hancock County Auditor

**CITY OF FINDLAY, OHIO**

**SPECIAL ASSESSMENT COLLECTIONS**

**LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Current Assessments Due</u>	<u>Total Assessments Collected (1)</u>	<u>Rate of Collections to Amount Due</u>	<u>Total Outstanding Assessments</u>
1994	\$ 24,631	\$ 24,214	98.3%	\$ 189,102
1995	26,927	27,254	101.2%	416,837
1996	57,010	58,498	102.6%	358,339
1997	51,674	57,380	111.0%	300,959
1998	37,087	36,649	98.8%	573,398
1999	75,427	76,569	101.5%	492,933
2000	64,044	64,683	101.0%	428,250
2001	81,631	77,017	94.3%	573,926
2002	102,943	98,333	95.5%	614,867
2003	135,518	133,140	98.2%	584,896

Source: Hancock County Auditor

(1) The collected amounts in the above table include the collection of delinquent assessments and the collection of assessments paid in advance of the actual due date.

**CITY OF FINDLAY, OHIO**

COMPUTATION OF LEGAL DEBT MARGINS

DECEMBER 31, 2003

**DIRECT DEBT LIMITATION**

Assessed Value		\$ <u>810,343,324</u>
Overall Debt Limitation		
10 1/2 Percent of Assessed Valuation		\$ 85,086,049
<b>TOTAL INDEBTEDNESS:</b>	\$ 67,740,856	
Less: Debt outside limitations (1)		
Water General Obligation Bonds	4,515,000	
Sewer General Obligation Bonds	7,210,000	
OWDA Loans	34,849,100	
Ohio Public Works Commission Loans	483,121	
Water Refunding Bonds - 2003 Issue	10,830,000	
Sewer Refunding Bonds - 2003 Issue	5,070,000	
Airport General Obligation Bonds	350,000	
Special Assessment Bonds	<u>443,635</u>	
Total Outside Limits	<u>63,750,856</u>	
Debt Within 10 1/2 Percent Limitation	3,990,000	
Less: Debt Service Fund Balance	<u>257,291</u>	
Net Debt Subject to 10 1/2 Percent Limitation		<u>3,732,709</u>
Legal Debt Margin Within 10 1/2 Percent Limitation		\$ <u>81,353,340</u>

**INDIRECT DEBT LIMITATION**

Unvoted Debt Limitation		
5 1/2 Percent of Assessed Valuation		\$ 44,568,883
<b>TOTAL INDEBTEDNESS:</b>	\$ 67,740,856	
Less: Debt outside limitations (1)	<u>63,750,856</u>	
Debt Within 5 1/2 Percent Limitation	3,990,000	
Less: Debt Service Fund Balance	<u>-</u>	
Net Debt Subject to 5 1/2 Percent Limitation		<u>3,990,000</u>
Legal Debt Margin Within 5 1/2 Percent Limitation		\$ <u>40,578,883</u>

(1) The above debt limitations are established by Section 133.03 of the Ohio Revised Code. Excluded from these limitations are special assessment bonds and notes because they are supported by levies against specifically benefited properties. Also excluded from these limitations is Enterprise fund debt to the extent the related debt service costs are supported by the net operating revenues of the individual funds. All airport, water and water pollution control debt is self supporting and therefore not subject to the debt limitations established by Section 133.03 of the Ohio Revised Code.



**CITY OF FINDLAY, OHIO**

COMPUTATION OF DIRECT AND OVERLAPPING  
GENERAL OBLIGATION BONDED DEBT

DECEMBER 31, 2003

<u>Jurisdiction</u>	<u>Assessed Valuation</u>	<u>General Obligation Debt</u>	<u>Percent Applicable to City of Findlay (1)</u>	<u>Amount Applicable to City of Findlay</u>
City of Findlay	\$ 810,343,324	\$ -	- (2)	\$ -
Hancock County	1,503,214,299	14,810,000	54.58%	8,083,298
Findlay City School District	789,924,174	-	93.54%	-
Liberty-Benton Local School District	136,461,292	4,568,427	18.22%	832,367
Van Buren Local School District	208,792,028	<u>10,675,000</u>	24.77%	<u>2,644,198</u>
 Total Direct and Overlapping Debt		<u>\$ 30,053,427</u>		<u>\$ 11,559,863</u>

(1) Source: Ohio Municipal Advisory Council

(2) The City has no General Obligation Debt which is supported by general property tax receipts.

**CITY OF FINDLAY, OHIO**

DEBT SERVICE COVERAGE FOR ENTERPRISE FUND DEBT (1)

LAST TEN FISCAL YEARS

Fiscal Year	Gross Revenue	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (3)			Coverage
				Principal	Interest	Total	
1994	\$ 10,780,490	\$ 5,303,846	\$ 5,476,644	\$ 1,229,782	\$ 2,542,752	\$ 3,772,534	1.45
1995	11,225,536	5,431,484	5,794,052	1,247,929	2,537,844	3,785,773	1.53
1996	10,721,445	5,841,884	4,879,561	1,516,228	2,002,443	3,518,671	1.39
1997	11,482,769	6,473,213	5,009,556	1,589,689	2,162,064	3,751,753	1.34
1998	13,008,877	6,831,392	6,177,485	2,083,317	2,139,558	4,222,875	1.46
1999	13,303,935	7,134,087	6,169,848	2,217,121	2,137,338	4,354,459	1.42
2000	14,380,162	7,484,038	6,896,124	2,320,073	2,014,519	4,334,592	1.59
2001	14,934,831	8,330,582	6,604,249	2,423,218	2,652,004	5,075,222	1.30
2002	15,810,297	7,921,290	7,889,007	3,568,452	3,210,304	6,778,756	1.16
2003	15,657,956	7,549,229	8,108,727	3,826,545	3,139,605	6,966,150	1.16

(1) Water fund, Water Pollution Control fund and Airport fund.

(2) Depreciation expense and the loss on disposal of fixed assets have not been included in direct operating expenses in the above table as they do not require the outlay of working capital.

(3) Represents debt service payments made in the respective year.

**CITY OF FINDLAY, OHIO**

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS

LAST TEN FISCAL YEARS

Fiscal Year	Property Value	Commercial		Residential		Bank Deposits (2)
		Number of Units	Construction Value (1)	Number of Units	Construction Value (1)	
1994	\$ 1,119,143,000	127	\$ 15,708,458	325	\$ 13,745,571	\$ 676,286,000
1995	1,153,653,114	99	32,092,584	392	21,094,213	677,990,000
1996	1,280,041,542	102	16,832,097	377	21,463,137	666,501,000
1997	1,317,086,000	117	28,332,110	562	27,885,972	708,092,000
1998	1,350,478,142	163	34,823,784	657	37,219,838	725,770,000
1999	1,575,607,200	137	32,084,295	540	25,894,507	736,464,000
2000	1,612,197,000	111	78,267,638	525	24,194,546	796,580,000
2001	1,640,402,942	97	19,521,233	552	22,206,943	804,542,000
2002	1,746,886,086	87	17,930,974	680	27,836,181	870,754,000
2003	1,791,315,514	84	20,849,510	670	36,145,947	826,967,000

(1) Source: City of Findlay Engineering Department

(2) Source: FDIC Market Share Report for all of Hancock County as of June 30 of each year

**CITY OF FINDLAY, OHIO**

**FIFTEEN LARGEST EMPLOYERS**

DECEMBER 31, 2003

<u>Employer</u>	<u>Business</u>	<u>Number of Employees</u>
Cooper Tire and Rubber Company	General Offices & Tire Manufacturing	2,212
Whirlpool Corporation	Home Appliances (1)	1,974
Marathon Ashland Petroleum LLC	Petroleum Products	1,381
Blanchard Valley Hospital	Hospital Service	1,300
Findlay City Schools	Education	800
Findlex Corporation	Automotive & Recreational Vehicle Brake Parts	746
Kohl's Distribution Center	Retail Distribution Center	724
Hancock County	County Government	605
HiSan Corporation	Automotive - Small Tubing	563
Lowe's Distribution	Distribution Center	540
University of Findlay	Education	499
Ball Metal Container Group	Beverage Cans (1)	457
City of Findlay	City Government	413
Wal-Mart	Department Store	410
Best Buy Company	Distribution Center	351

(1) Located outside City limits, but major source of employment for Findlay residents.

**CITY OF FINDLAY, OHIO**

**MISCELLANEOUS STATISTICS**

DECEMBER 31, 2003

Founded in 1812 as Fort Findlay	
Form of government	Mayor - Council
Area - square miles	18,919
Miles of streets	182.63
Population (2000 Census)	38,967
Unemployment Rate	4.40%
Number of Full-time Employees (including Police & Fire)	413
 Fire Protection:	
Number of stations	4
Number of firefighters	73
 Police Protection:	
Number of stations	1
Number of police officers	72
Number of auxiliary police officers	14
 Water and Wastewater Utilities:	
Number of accounts	16,803
Average daily water consumption (gallons)	5,967,500
Reservoir capacity (gallons)	6.4 billion
Miles of water mains	285.19
Water Treatment Plants	1
Miles of sanitary sewer lines	276.71
Sewage Treatment Plants	1
 Recreation:	
Number of parks	19 (356.1 acres)
Findlay Reservoir (Boating and Fishing)	775 acres
Ballfields (Baseball and Softball)	37
Tennis Courts, Volleyball and Basketball	32 (2 lighted)
Soccer Fields	25
Swimming Pool	1
 Education Enrollment:	
Findlay City School District (grades K-12)	6,510
St. Michael's Catholic School (grades K-8)	545
University of Findlay	3,577
Winebrenner Theological Seminary	149
Owens Community College	2,623
Southern Ohio College	468

**CITY OF FINDLAY, OHIO**

**COMPLIANCE INFORMATION**

**SECURITIES AND EXCHANGE COMMISSION RULE  
15c2-12**

In compliance with the S.E.C. rule, the City of Findlay submits the following regarding its outstanding obligations.

**Description of Material Events**

1. There were no delinquencies of principal and/or interest payments.
2. There were no non-payment related defaults.
3. There were no unscheduled draws on debt service reserves reflecting financial difficulties.
4. There were no unscheduled draws on credit enhancements reflecting financial difficulties.
5. There was no substitution of credit or liquidity providers, nor was there a failure to perform.
6. There have been no adverse tax opinions affecting the tax exempt status of any of the City's outstanding obligations.
7. There were no modifications to rights of bond holders.
8. The City issued three calls for outstanding obligations during 2003:

<u>Description</u>	<u>Dated Date</u>	<u>Call Date</u>	<u>Amount</u>
Sewage System Refunding Bonds	3/1/1993	7/1/2003	\$4,940,000
Water System Improvement Bonds	3/1/1993	7/1/2003	\$3,690,000
Waterworks System Revenue Refunding Bonds	8/1/1995	11/1/2003	\$8,565,000

9. The City defeased only those bonds as described in 8. above.
10. The City did not release, substitute or sell any property securing repayment of its obligations.
11. The City has a credit rating for General Obligation bonds from Moody's Investors Services, Inc. of Aa3. The City also has a rating from Standard and Poors Corporation of AA-.

In order to provide full disclosure, this Comprehensive Annual Financial Report will be sent to the Municipal Securities Rulemaking Board, all nationally recognized municipal securities information repositories (NRMSIRS), and to the Ohio Municipal Advisory Council.



**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**CITY OF FINDLAY**

**HANCOCK 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  
JULY 27, 2004**