

CITY OF ROSSFORD, OHIO

AUDIT REPORT

FOR THE YEAR ENDED DECEMBER 31, 2005



**Auditor of State
Betty Montgomery**

Members of City Council
City of Rossford
133 Osborn Street
Rossford, Ohio 43460-1236

We have reviewed the *Independent Auditor's Report* of the City of Rossford, Wood County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2005 through December 31, 2005. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

BETTY MONTGOMERY
Auditor of State

July 20, 2006

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**CITY OF ROSSFORD, OHIO
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2005**

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rossford, Ohio, as of and for the year ended December 31, 2005, which collectively comprise the City's basic financial statements and have issued our report thereon dated April 13, 2006. We did not audit the financial statements of the component unit of the City of Rossford, Ohio (see Note 2 for a description), which statements reflect the total assets and revenues constituting 26 percent and 0.08 percent, respectively, of the related consolidated totals. Those statements were audited by other auditors, whose report has been furnished to us. The accompanying financial statements have been prepared assuming the Rossford Arena Amphitheater Authority (a discretely presented component unit) will continue as a going concern. As discussed in Note 2, the Authority has been unable to pay debt obligations when due. Accordingly, there is substantial doubt about its ability to continue as a going concern. Management's plans in regards to these matters are also discussed in Note 2. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting


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

Compliance and Other Matters

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

We also noted certain matters that we reported to the management of the City of Rossford, Ohio, in a separate letter dated April 13, 2006.

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


James G. Zupka, CPA, Inc.
Certified Public Accountants

April 13, 2006

CITY OF ROSSFORD, OHIO
STATUS OF PRIOR AUDIT CITATIONS AND RECOMMENDATIONS
DECEMBER 31, 2005

There were no citations or recommendations in the audit for the year ended December 31, 2004.

Wood County, Ohio



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2005



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COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2005

Issued by:
Department of Finance
Laurie Sabin
Director



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WOOD COUNTY, OHIO

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INTRODUCTORY SECTION





City of Rossford, Ohio

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June 21, 2006

Introduction

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

We are pleased to present the Twelfth (12th) ***Comprehensive Annual Financial Report*** (CAFR) of the City of Rossford, Ohio, (the City) for the year ended December 31, 2005. The report has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) established by statements of the Governmental Accounting Standards Board (GASB), other authoritative pronouncements and guidelines recommended by the Government Finance Officers Association (GFOA) of the United States and Canada, and audited in accordance with Generally Accepted Auditing Standards (GAAS). GAAP requires a narrative introduction, overview, and analysis called the Management's Discussion and Analysis (MD&A) to accompany the basic financial statements. This Letter of Transmittal (LOT) is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

The Report

This report is comprised of three major sections:

1. ***The Introductory Section*** includes; this letter of transmittal, which presents the City's organization, operational structure and accomplishments; an organizational chart; and a list of principal officials.
2. ***The Financial Section*** contains the Independent Auditors' Report, Management's Discussion and Analysis, basic financial statements and notes that provide an overview of the City's financial position and operating results, the combining statements for nonmajor funds and other schedules that provide detailed information relative to the basic financial statements.
3. ***The Statistical Section*** presents social, economic and historical data in a multi-year format which can be used to identify financial trends and data relative to the fiscal capacity of the City.

State law, along with *Administrative Rules* of the Auditor of State, requires all city governments to publish an Annual Report within 150 days of the close of each fiscal year. This report must present a complete set of financial statements presented in conformity with GAAP. Various City debt service *Trust Agreements* require Audited Annual Reports in accordance with GAAS. Pursuant to these requirements, we hereby issue the CAFR of the City of Rossford, Ohio, for the fiscal year ended December 31, 2005.

CITY OF ROSSFORD, OHIO

Letter of Transmittal

For the Year Ended December 31, 2005

While there is no legal requirement for the preparation of a CAFR, it represents a commitment by the City, and its officers, to conform to nationally recognized standards of excellence in financial reporting. This report consists of management's representations concerning the finances of the City. Responsibility for both the accuracy of the presented data and the completeness and reliability of the presentation, including all disclosures, rests with City management.

Management of the City has established various internal controls designed to compile reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's various internal controls are designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City; and that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been presented.

The City's financial statements have been audited by the audit staff of James G. Zupka, C.P.A., Inc. The Auditor issued an unqualified opinion that the basic financial statements are presented fairly in conformity with GAAP, in all material respects, representing the financial position of the City as of December 31, 2005. The report from the Auditor is presented as the first component of the financial section of this report.

PROFILE OF THE CITY OF ROSSFORD

Historical Information

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

Location

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

***Letter of Transmittal
For the Year Ended December 31, 2005***

Form of Government

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

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

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

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

The Reporting Entity

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

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

In May 1997, the Wood County Commissioners approved formation of the Rossford Transportation Improvement District (TID) as permitted under Chapter 5540 of the Ohio Revised Code. The TID was originally formed as a component unit of Wood County and is governed by a board of trustees consisting of the following members: five members appointed by the board of county commissioners, one nonvoting member appointed by the speaker of the house of representatives of the general assembly and

CITY OF ROSSFORD, OHIO

Letter of Transmittal

For the Year Ended December 31, 2005

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

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

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

***Letter of Transmittal
For the Year Ended December 31, 2005***

Internal Control, Budgetary and the Accounting System

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

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

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

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

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

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

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

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

***Letter of Transmittal
For the Year Ended December 31, 2005***

INFORMATION USEFUL IN ASSESSING ECONOMIC CONDITION

Economic Outlook

The City of Rossford annexed 660 acres in August of 1994, 300 acres in May of 1997, 192 acres in 2000 and 45 acres in 2004. The annexed area is primarily farmland located at the intersection of Interstate I-80/90 and Interstate I-75 and is known locally as the "Crossroads of America". State Route 795 provides unlimited direct access to the area. As part of the annexation agreement, the City agreed to provide water and sanitary sewer services to the area. In order to accomplish this, the City entered into a Joint Economic Development Zone (JEDZ) agreement with the City of Toledo, whereby, in exchange for the City of Toledo's agreement to sell water to the area, the City of Rossford would share with the City of Toledo 0.615% of the 2.25% income tax revenue generated as a result of new businesses locating in the JEDZ. When the Crossroads of America area is fully developed, preliminary projections indicate over 1,400 jobs will be created with an estimated annual payroll of \$25 million. Annual tax revenues to cities, county, state and local schools are projected to exceed \$9 million.

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

A combination of sports, leisure activities, entertainment and retail will be featured in the Crossroads of America. Construction was completed during 1997 on a Courtyard by Marriott motel, a BP Mini-mart service station in the Crossroads and a 24-acre private development site north of State Route 795. The RAAA began construction of an arena with athletic event seating of 9,200 and concert seating of 12,000 and an amphitheater with 6,500 fixed seats and 7,500 lawn seats in May 1999. When financing could not be secured, construction was halted in November 1999. In 2003 the RAAA consented to foreclosure. In April 2005 the Wood County Treasurer filed for foreclosure of liens for delinquent land taxes for all parcels owned by the RAAA.

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

Letter of Transmittal

For the Year Ended December 31, 2005

In May 2000 the City entered into a tax increment financing agreement with Ramco-Gershenson, Inc., who proposed the development of a 78.7-acre parcel of property consisting of a commercial shopping center located at the northeast corner of US Route 20 and Parkway Boulevard. When all 78.7 acres are developed, Ramco-Gershenson projects 960 employees with annual payrolls of \$18 million, annual retail sales of \$96 million and annual tax revenues to cities, county, state and local schools to exceed \$9 million. In 2005, annual payrolls exceeded \$16 million. The service payments made by Ramco-Gershenson will be used to pay all costs of public road and storm drainage improvements including the principal and interest on the \$1,950,000 in bonds the City borrowed to finance the improvements.

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

Many residents are employed at the Chrysler Machining Plant and at several companies located in Ampoint Industrial Park, which is adjacent to the City. Ampoint employers include Crown Cork & Seal, Calphalon Corporation and Owens Community College.

Project Funding

During 2005, the City remained focused on improving the quality of life and employment opportunities for its residents and taxpayers. Where possible, the City continues to actively pursue and apply for possible assistance such as State Issue II funds and other federal, state and local grant funds. The City has been very successful in obtaining such funds as evidenced by the State Issue II Grants for Phases I, II, III and IV sewer replacement and the road and bridge widening of Buck Road and I-75, the Ohio Department of Development Community Housing Improvement Program Grant, the Ohio Department of Public Safety Emergency Medical Services Grant, the COPS Fast Grant and the Ohio Department of Natural Resources, Division of Watercraft Waterways Safety Fund Grant and Clean Vessel Act Grant.

Continuing and Future Projects

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

***Letter of Transmittal
For the Year Ended December 31, 2005***

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

In September 1999, the City was awarded 24 month \$645,000 Grant from the Ohio Department of Development for a Community Housing Improvement Program (CHIP). Program activities included full rehabilitation services to bring houses up to state residential rehab standards in the form of 0% deferred loans, home repair addressing one or two health or safety concerns in the house in the form of grants and home buyer assistance for down payment and closing costs in the form of 0% deferred loans. Program participants must meet certain low to moderate income limits and work is completed solely by program approved contractors. Because seven grantees paid off their loans, \$148,940 remains in the CHIP fund and can be used to aide Rossford residents in need of emergency home repairs.

In August 2000, the City entered into a 20-year road improvements lease-purchase agreement with the TID and issued a \$2,550,000 note to finance the first payment, pursuant to the provisions of Article XVII, Section 3 of the Ohio Constitution. Further lease payments are \$1 per year, ending December 1, 2020. The TID constructed a north-south collector boulevard from the intersection of State Route 795 and Simmons Road which extends south beginning at State Route 795 and ending at US 20 (The Parkway) and the east-west road know as Arena Drive. The cost of the roads are to be paid by the levy and collection of special assessments from the property owners who benefited by the improvements. In consideration of the agreement the TID has agreed to assign 35.84% of the assessments and other amounts connected therewith to the City. Proceeds from the assessments, which the City began receiving in 2001, will be used to pay the interest and principal of the \$2,550,000 note. In 2001 through 2005, assessments received covered note interest and note sale expenses in addition to \$250,000 in principal payments, leaving a \$124,650 fund balance.

In September 2000, the City entered into a 15-year water system improvements lease-purchase agreement and a 15 year sewer system improvements lease-purchase with the TID and issued two \$300,000 notes to finance the first payments, pursuant to the provisions of Article XVII, Section 3 of the Ohio Constitution. Further lease payments on each are \$1 per year, ending December 1, 2015. The TID acquired and installed approximately 11,653 feet of polyvinyl chloride water main along the west side of The Parkway and the south side of Arena Drive. The water main runs from US 20 to State Route 795 along The Parkway and along Arena Drive from its intersection with The Parkway to Lime City Road and is connected to the Wood County Regional Water and Sewer District and the City's water mains at US 20 and State Route 795, respectively, and dead ends at the Arena Drive/Lime City Road intersection. It also acquired and installed approximately 11,692 feet of polyvinyl and concrete sewer line. The sewer line is connected to an existing City sewer on the north side and is conveying sewage from the south northward. The cost of the water and sewer improvements are to be paid by connection fees, tap-in fees, capacity fees, user fees and other similar fees paid by users of the improvements. In consideration of the

CITY OF ROSSFORD, OHIO

**Letter of Transmittal
For the Year Ended December 31, 2005**

agreement the TID has agreed to assign 31.8% of the water and sewer fees and other amounts connected therewith to the City. The City will use these proceeds to pay the interest and principal of the two \$300,000 notes. As of December 31, 2005, the RTID water and sewer lines have generated tap fees of \$48,856. The remainder of note interest and note sale expenses has been paid by the City's Water and Sewer funds.

Employee Relations

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

Employees are represented by the following bargaining units:

<u>Bargaining Unit</u>	<u>Agreement Expiration Date</u>	<u>Number of Employees Covered</u>
AFSCME, Ohio Council 8 Local 2954	August 2007	9
MEBA, District 2A	March 2007	18
MEBA, District 2A-Fire (Volunteers)	December 2006	31
OPBA, Rossford, Ohio Unit: Patrol Officers and Command Officers	December 2006	18

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

Unemployment Rates

According to the Ohio Bureau of Employment services, the 2005 annual average unemployment rate for Wood County was 5.67%, which was slightly above the state unemployment rate of 5.6% and significantly higher than the national unemployment rate of 4.6%.

Debt Administration

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

The City's general obligation bond is not rated. The total bonded debt of the City at December 31, 2005 was \$1,737,569 for water lines, \$1,460,431 for sewer lines and \$3,717,000 for Capital Projects.

CITY OF ROSSFORD, OHIO

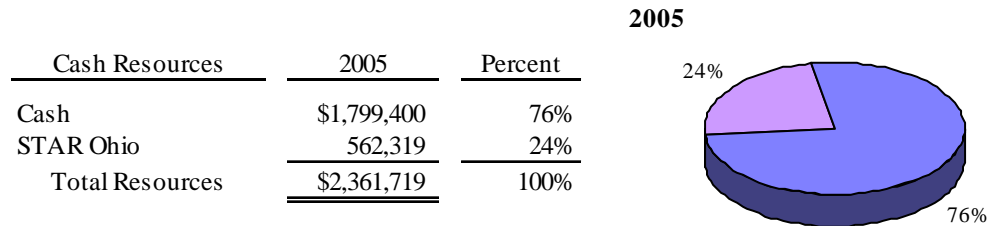
**Letter of Transmittal
For the Year Ended December 31, 2005**

Cash Management

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

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

The City's cash resources were invested at December 31, 2005 as follows:



The City earned general governmental interest of \$68,636 on investments for fiscal year 2005. Interest earned in the amount of \$61,700, was allocated to the General Fund.

At December 31, 2005, the City had deposits of \$1,799,400. Federal depository insurance covered \$300,000 of the bank balance and the rest of the deposits were classified as Category 3. Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state or any instrumentality of such county, municipal corporation or other authority. All deposits are made under contracts with local banking institutions pursuant to statute.

CITY OF ROSSFORD, OHIO

**Letter of Transmittal
For the Year Ended December 31, 2005**

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The proactive approach that the City employs in its ongoing operation is reflected in the composition of the City's insurance and favorable loss experience. The City has contracted with Ohio Government Risk Management for all liability including bodily injury, personal injury, property damage, police and fire liability, boiler and machinery and public officials.

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

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

AWARDS AND ACKNOWLEDGEMENTS

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Rossford, Ohio for its comprehensive annual financial report for the fiscal year ended December 31, 2004. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government finance reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The City of Rossford has received a Certificate of Achievement for the fiscal years ended 1994 - 2004. We believe that this, our twelfth Comprehensive Annual Financial Report, meets the high standards set by GFOA for a Certificate of Achievement for Excellence in Financial Reporting, and we are submitting it to GFOA.

***Letter of Transmittal
For the Year Ended December 31, 2005***

Public Disclosure

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

Acknowledgments

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

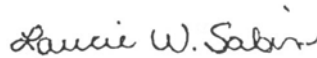
Special acknowledgment is extended to the staff of Donald J. Schonhardt and Associates, Inc. for their continued guidance in the preparation of this report.

Finally, special thanks to Mayor William Verbosky Jr., the members of the Rossford City Council and the City Administration whose support is necessary for the City of Rossford to conform to reporting requirements established for municipal governments.

Respectfully,



Edward J. Ciecka
City Administrator



Laurie W. Sabin
Finance Director

CITY OF ROSSFORD, OHIO

**List of Principal Officials
For the Year Ended December 31, 2005**

Elected Official

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>	<u>Years In Office</u>	<u>Surety</u>
William Verbosky, Jr.	Mayor	11/30/2007	7	A
James Richards	Council President	11/30/2009	4	A
Kenneth Hermes	Council Member	11/30/2007	8	A
Larry Oberdorf, Sr.	Council Member	11/30/2007	2	A
Leonard Michaels	Council Member	11/30/2009	0	A
Caroline Eckel	Council Member	11/30/2009	2	A
Gregory Marquette	Council Member	11/30/2007	7	A
Richard Kovach	Council Member	11/30/2009	9	A
Mark Radwanski	Treasurer	11/30/2009	2	A, B

Administrative Personnel

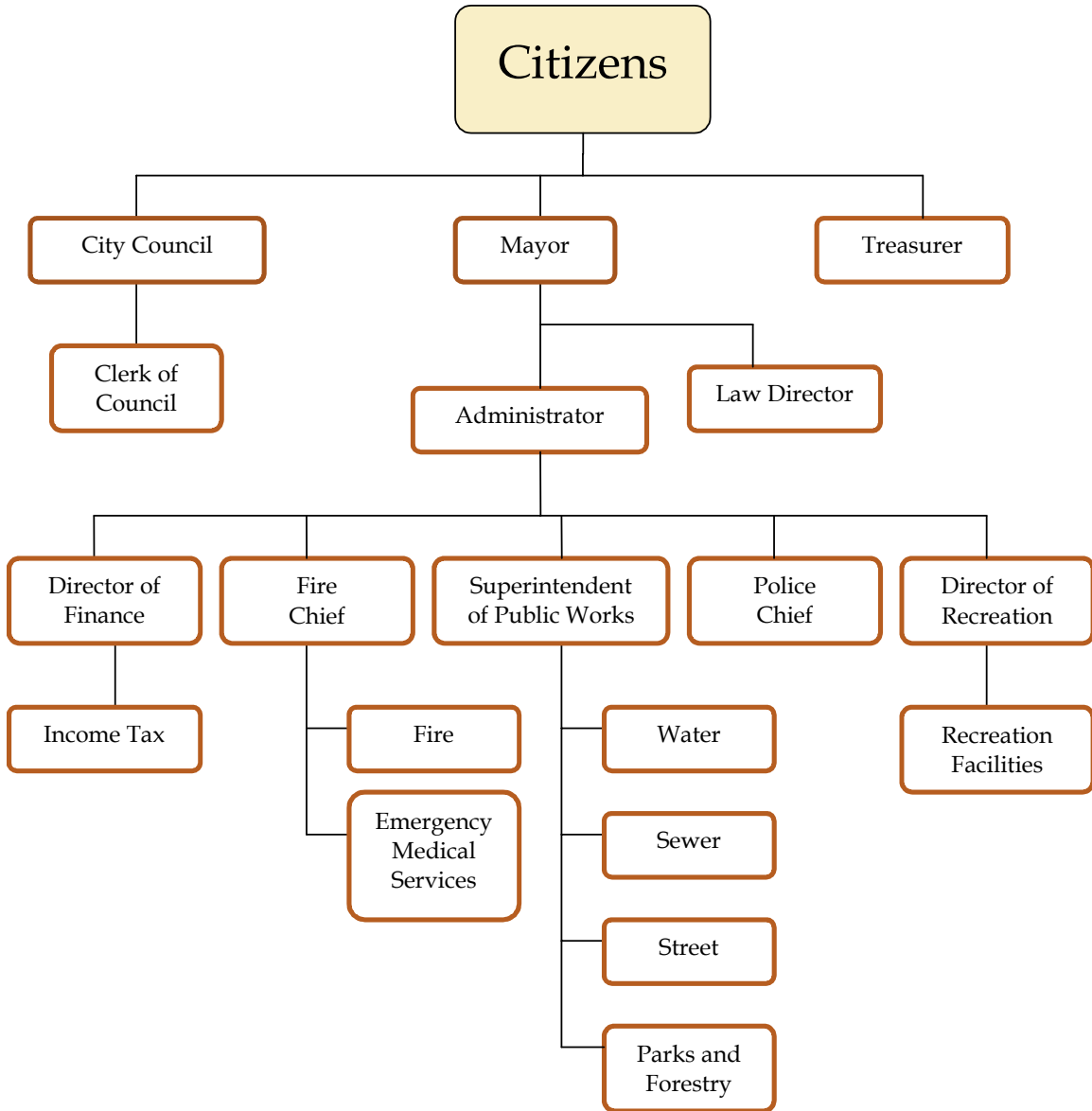
<u>Name</u>	<u>Office</u>	<u>Term Expires</u>	<u>Years Of Service</u>	<u>Surety</u>
Edward J. Ciecka	City Administrator	Indefinite	1	A, B
Laurie Sabin	Director Of Finance/	Indefinite	8	A, B
David Jones	Superintendent Of Public Works	Indefinite	25	A
Patricia Sloan	Director Of Recreation	Indefinite	25	A
Dennis Foy, Sr.	Police Chief	Indefinite	7	A
James Verbosky	Fire Chief	Indefinite	8	A
Kevin Heban	Acting Director Of Law	11/30/2007	0	A
Robert Watrol	Clerk Of Council	11/30/2007	18	A

(A) Public Officials \$5 Million Per Occurrence, \$6 Million Aggregate General Liability.

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

Insurance Term: September 5, 2005 Through September 5, 2006

**City Organizational Chart
For the Year Ended December 31, 2005**



Boards and Commissions

- | | |
|-------------------------------|------------------------------|
| Board of Zoning Appeals | Civil Service Commission |
| Recreation Board | City Tree Commission |
| Municipal Planning Commission | Records Retention Commission |

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Rossford,
Ohio

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

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



Carla E. Perry

President

Jeffrey R. Enos

Executive Director



FINANCIAL SECTION



JAMES G. ZUPKA, C.P.A., INC.

Certified Public Accountants

5240 East 98th Street

Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

The Honorable Betty Montgomery
Auditor of State
State of Ohio

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rossford, Ohio, as of and for the year ended December 31, 2005, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Rossford, Ohio's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the component unit of the City of Rossford, Ohio, which represents the total assets and revenues of 26 percent and 0.08 percent, respectively, of the City of Rossford, Ohio. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the component unit, is based solely on the report of the other auditors.

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


In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Rossford, Ohio, as of December 31, 2005, and the respective changes in financial position, and, where applicable cash flows, therefore and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated April 13, 2006 on our consideration of the City of Rossford, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 11 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Rossford, Ohio's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical information 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.


James G. Zupka, CPA, Inc.
Certified Public Accountants

April 13, 2006

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

FINANCIAL HIGHLIGHTS

Key financial highlights for 2005 are as follows:

- ❑ In total, net assets increased \$1,388,024. Net assets of governmental activities increased \$1,102,920, which represents a 106% increase from 2004. Net assets of business-type activities increased \$285,104 or 13.7% from 2004.
- ❑ General revenues accounted for \$4.7 million in revenue or 71.8% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for 28.2% of total revenues of \$6.5 million.
- ❑ The City had \$4.4 million in expenses related to governmental activities; only \$850,720 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$4.7 million were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$4.3 million in revenues and \$3.3 million in expenditures. The general fund's fund balance increased \$650,011 to \$1,289,899.
- ❑ Net assets for enterprise funds increased by \$285,104.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – *management's discussion and analysis*, the *basic financial statements*, and an optional section that presents *combining statements* for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the City:

These statements are as follows:

1. *The Government-Wide Financial Statements* – These statements provide both long-term and short-term information about the City's overall financial status.
2. *The Fund Financial Statements* – These statements focus on individual parts of the City, reporting the City's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Government-wide Statements

The government-wide statements report information about the City as a whole using accepting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net assets and how they have changed. Net-assets (the difference between the City's assets and liabilities) is one way to measure the City's financial health or position.

- Over time, increases or decreases in the City's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City you need to consider additional nonfinancial factors such as property tax base, current property tax laws, conditions of the City's streets and continued growth within the City.

The government-wide financial statements of the City are divided into two categories:

- Governmental Activities – Most of the City's programs and services are reported here including security of persons and property, public health and welfare services, leisure time activities, community environment, transportation and general government.
- Business-Type Activities – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The City's water and sewer services, and the marina are reported as business-type activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant funds, not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

Governmental Funds – Most of the City's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance operations. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

CITY OF ROSSFORD, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2005**

Unaudited

Proprietary Funds – Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. All of the City's fiduciary activities are reported in separate Statements of Fiduciary Net Assets.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following tables provides a comparison of the City's net assets between 2005 and 2004:

	Governmental		Business-type		Total	
	Activities		Activities			
	2005	2004	2005	2004	2005	2004
Current and other assets	\$5,645,264	\$5,245,658	\$859,127	\$1,149,819	\$6,504,391	\$6,395,477
Capital assets, Net	2,813,148	2,872,131	6,959,459	6,627,759	9,772,607	9,499,890
Total assets	8,458,412	8,117,789	7,818,586	7,777,578	16,276,998	15,895,367
Long-term debt outstanding	4,582,197	4,816,707	4,641,097	4,787,258	9,223,294	9,603,965
Other liabilities	3,810,325	4,338,112	815,110	913,045	4,625,435	5,251,157
Total liabilities	8,392,522	9,154,819	5,456,207	5,700,303	13,848,729	14,855,122
Net assets						
Invested in capital assets, net of related debt	0	0	1,650,574	1,110,066	1,650,574	1,110,066
Restricted	354,721	261,942	0	0	354,721	261,942
Unrestricted	(288,831)	(1,298,972)	711,805	967,209	422,974	(331,763)
Total net assets - restated	\$65,890	(\$1,037,030)	\$2,362,379	\$2,077,275	\$2,428,269	\$1,040,245

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CITY OF ROSSFORD, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2005**

Unaudited

Changes in Net Assets – The following table shows the changes in net assets for the fiscal year 2005 and 2004:

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Revenues						
Program revenues:						
Charges for Services and Sales	\$464,512	\$420,009	\$929,241	\$834,900	\$1,393,753	\$1,254,909
Operating Grants and Contributions	291,208	353,836	0	0	291,208	353,836
Capital Grants and Contributions	95,000	11,949	51,193	72,982	146,193	84,931
General revenues:						
Income Taxes	2,703,654	2,766,116	0	0	2,703,654	2,766,116
Property Taxes	503,505	396,838	0	0	503,505	396,838
Other Local Taxes	200,289	185,901	0	0	200,289	185,901
Grants and Entitlements not Restricted to Specific Programs	773,509	835,904	0	0	773,509	835,904
Investment Earnings	68,636	25,088	0	0	68,636	25,088
Miscellaneous	407,039	239,705	0	0	407,039	239,705
Total revenues	5,507,352	5,235,346	980,434	907,882	6,487,786	6,143,228
Program Expenses						
Security of Persons and Property	1,916,592	1,913,297	0	0	1,916,592	1,913,297
Leisure Time Activities	157,578	329,055	0	0	157,578	329,055
Basic Utility Services	78,740	241,282	0	0	78,740	241,282
Transportation	895,459	804,255	0	0	895,459	804,255
General Government	1,038,816	1,369,901	0	0	1,038,816	1,369,901
Interest and Fiscal Charges	317,247	296,781	0	0	317,247	296,781
Water	0	0	169,827	234,188	169,827	234,188
Sewer	0	0	450,778	466,894	450,778	466,894
Marina	0	0	74,725	73,306	74,725	73,306
Total expenses	4,404,432	4,954,571	695,330	774,388	5,099,762	5,728,959
Excess (deficiency) before Transfers	1,102,920	280,775	285,104	133,494	1,388,024	414,269
Transfers In (Out)	0	110,000	0	(110,000)	0	0
Total Change in Net Assets	1,102,920	390,775	285,104	23,494	1,388,024	414,269
Beginning Net Assets - Restated	(1,037,030)	(1,427,805)	2,077,275	2,053,781	1,040,245	625,976
Ending Net Assets	\$65,890	(\$1,037,030)	\$2,362,379	\$2,077,275	\$2,428,269	\$1,040,245

Governmental Activities

Net assets of the City's governmental activities increased by \$1,102,920. This was due primarily to new property tax valuations, the adoption of a \$9 per month per single family dwelling refuse collection fee and lower expenses due to City wide cost cutting measures.

CITY OF ROSSFORD, OHIO

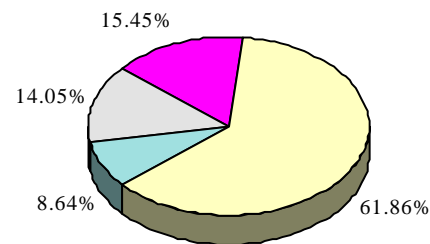
**Management's Discussion and Analysis
For the Year Ended December 31, 2005**

Unaudited

The City also receives an income tax, which is based on 2.25% of all salaries, wages, commissions and other compensation earned from residents living within the City and from nonresidents for work done or services performed or rendered in the City. Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly. Corporations and individuals are required to file a declaration annually. The City allows a 100% credit for income taxes paid to another municipality.

Property taxes and income taxes made up 9.1% and 49.1% respectively of revenues for governmental activities for the City in fiscal year 2005. The City's reliance upon tax revenues is demonstrated by the following graph indicating 61.86% of total revenues from general tax revenues:

Revenue Sources	2005	Percent of Total
General Shared Revenues	\$773,509	14.05%
Program Revenues	850,720	15.45%
General Tax Revenues	3,407,448	61.86%
General Other	475,675	8.64%
Total Revenue	\$5,507,352	100.00%



Business-Type Activities

Net assets of the business-type activities increased by \$285,104. This increase was due to higher revenues from user and tap fees. User rates in the enterprise funds are evaluated annually by management with rate changes made by the legislative body. Changes to user rates are made periodically when necessary to keep pace with increased operational and capital costs. Rates have remained the same since January 1, 2004.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$(544,183), which is an increase from last year's balance of \$(1,747,768). The schedule below indicates the fund balance and the total change in fund balance by fund type as of December 31, 2005 and 2004:

	Fund Balance December 31, 2005	Fund Balance, as Restated December 31, 2004	Increase (Decrease)
General	\$1,289,899	\$639,888	\$650,011
General Obligation Debt Service	(538,563)	(583,730)	45,167
TID Road Acquisition	(2,261,317)	(2,378,930)	117,613
Other Governmental	965,798	575,004	390,794
Total	(\$544,183)	(\$1,747,768)	\$1,203,585

CITY OF ROSSFORD, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2005**

Unaudited

General Fund – The City's General Fund balance increase is due to many factors. The tables that follow assist in illustrating the financial activities and balance of the General Fund:

	2005 Revenues	2004 Revenues	Increase (Decrease)
Property Taxes	\$225,754	\$224,927	\$827
Municipal Income Tax	2,702,108	2,761,282	(59,174)
Other Local Taxes	200,289	185,901	14,388
Intergovernmental Revenue	799,742	813,898	(14,156)
Charges for Services	92,262	55,123	37,139
Licenses and Permits	23,971	29,122	(5,151)
Investment Earnings	61,700	22,808	38,892
Special Assessments	171,661	157,097	14,564
Fines and Forfeitures	33,145	39,632	(6,487)
All Other Revenue	12,191	6,053	6,138
Total	<u>\$4,322,823</u>	<u>\$4,295,843</u>	<u>\$26,980</u>

General Fund revenues in 2005 remained virtually unchanged when compared to revenues in fiscal year 2004. Because refunds were higher in 2005, municipal income tax decreased. This decrease was offset by an increase in ambulance fee collections and an increase in investment earnings due to the significant rise in rates earned by approved investments.

	2005 Expenditures	2004 Expenditures	Increase (Decrease)
Security of Persons and Property	\$1,767,343	\$1,800,844	(\$33,501)
Leisure Time Activities	8,396	16,897	(8,501)
Basic Utility Services	78,740	241,282	(162,542)
Transportation	486,138	493,578	(7,440)
General Government	972,775	1,027,233	(54,458)
Debt Service:			
Principal Retirement	5,255	51,022	(45,767)
Interest and Fiscal Charges	158	2,737	(2,579)
Total	<u>\$3,318,805</u>	<u>\$3,633,593</u>	<u>(\$314,788)</u>

General Fund expenditures decreased by \$314,788 or 8.7% compared to the prior year. This was due to the adoption of a \$9 per month per single family dwelling refuse collection fee, lower expenses due to City wide cost cutting measures, decreased workers' compensation rates, decreased legal fees and the retirement of a vehicle capital lease.

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

CITY OF ROSSFORD, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2005**

Unaudited

During the course of fiscal year 2005 the City amended its General Fund budget several times, none significant.

Original General Fund budgeted revenues were \$4.2 million and were not amended throughout the year. The General Fund had an adequate fund balance to cover expenditures.

The balances in the General Obligation Debt Service Fund, the TID Road Acquisition Fund and Other Governmental Funds all showed increases. The General Obligation Fund balance increased because the City paid down \$50,000 on a note for the Community Center. The TID Road Acquisition Fund balance increased because \$120,000 was paid down on the note for the TID Road project. The balance in Other Governmental Funds increased mainly because the City paid down \$410,000 on a note taken out to build a fire station in the Crossroads. A \$75,000 note remains for the land purchased for the fire station.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2005 the City had \$9,772,607 net of accumulated depreciation invested in land, improvements, infrastructure, buildings, machinery and equipment and construction in progress. Of this total, \$2,813,148 was related to governmental activities and \$6,959,459 to the business-type activities. The following table shows fiscal year 2005 and 2004 balances:

	Governmental Activities		Increase (Decrease)
	2005	2004	
Land	\$361,137	\$361,137	\$0
Buildings	3,261,989	3,261,989	0
Improvements Other Than Buildings	162,605	153,775	8,830
Machinery and Equipment	3,117,473	2,998,831	118,642
Less: Accumulated Depreciation	(4,090,056)	(3,903,601)	(186,455)
Totals	<u>\$2,813,148</u>	<u>\$2,872,131</u>	<u>(\$58,983)</u>

	Business-Type Activities		Increase (Decrease)
	2005	2004 *	
Land	\$6,261	\$6,261	\$0
Buildings	303,720	297,324	6,396
Infrastructure	9,748,963	9,216,738	532,225
Machinery and Equipment	240,363	239,671	692
Less: Accumulated Depreciation	(3,339,848)	(3,148,286)	(191,562)
Totals	<u>\$6,959,459</u>	<u>\$6,611,708</u>	<u>\$347,751</u>

* Restated, see note 3

The primary increase occurred in infrastructure. Additional information on the City's capital assets can be found in Note 9.

CITY OF ROSSFORD, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2005**

Unaudited

Debt

At December 31, 2005, the City had \$7.1 million in bonds outstanding, \$240,000 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2005 and 2004:

	<u>2005</u>	<u>2004</u>
Governmental Activities:		
General Obligation Bonds	\$3,717,000	\$3,817,000
Special Assessment Bonds	165,000	190,000
Landfill Postclosure Care Liability	504,462	576,159
Compensated Absences	195,735	202,636
Capital Leases Payable	0	30,912
Total Governmental Activities	<u>4,582,197</u>	<u>4,816,707</u>
Business-Type Activities:		
General Obligation Bonds	\$3,198,000	\$3,248,000
OWDA Loans Payable	1,375,092	1,466,922
OPWC Loans Payable	65,725	70,420
Compensated Absences	2,280	1,916
Total Business-Type Activities	<u>4,641,097</u>	<u>4,787,258</u>
Totals	<u><u>\$9,223,294</u></u>	<u><u>\$9,603,965</u></u>

State statutes limit the amount of unvoted general obligation debt the City may issue. The aggregate amount of the City's unvoted debt is also subject to overlapping debt restrictions with other political subdivisions. The actual aggregate amount of the City's unvoted debt, when added to that of other political subdivisions within the respective counties in which Rossford lies, is limited to ten mills. At December 31, 2005, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 14.

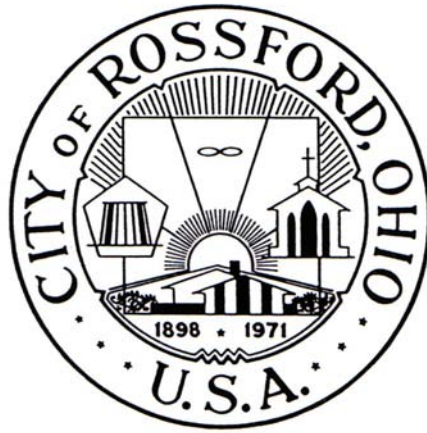
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ECONOMIC FACTORS

As part of the budget process each year the City performs an evaluation to project future revenues for the coming fiscal year. Major aspects of this evaluation are projecting income tax, hotel/motel tax and franchise tax revenues and utilizing property tax and shared local government revenues provided by the Wood County Auditor. Income tax revenue, hotel/motel and franchise taxes have remained relatively even when compared to the previous year. Property tax and local government revenues were flat in 2005. These trends are expected to continue in 2006. With General Fund revenues remaining relatively unchanged, the City instituted cost cutting measures to eliminate unnecessary spending. Except for inflationary increases, other general fund expenses have remained relatively constant. There are, however, two exceptions to these flat trends. Due to passage of a 3.5-mill operating levy, total 2006 General Fund receipts will increase by \$470,000 in 2006 over 2005. Basic utility service expenditures (refuse collection and recycling) are expected to increase in 2006 by \$175,000 because the one year \$9 per month per household refuse collection fee (\$5 per month for individuals with a homestead exemption) that City Council instituted in 2005 expired. The 2006 planned uses of the operating levy are as follows: replacement of the refuse fee \$175,000; employee raises \$90,000; police vehicles \$90,000; road improvements and maintenance \$70,000; public works equipment \$25,000 and storm water master plan expenses \$20,000. Management and City Council continue to pursue new revenue sources, while reviewing the possibility of increasing existing sources, in addition to a continued review of reducing expenditures. A close watch of current economic conditions is ongoing to determine if increased revenues or further reductions in expenditures are necessary in order to maintain fiscal stability.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information contact the Finance Department by calling 419-666-0210 or writing to City of Rossford Finance Department, 133 Osborn Street, Rossford, Ohio 43460.



CITY OF ROSSFORD, OHIO

**Statement of Net Assets
December 31, 2005**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Rossford Arena Amphitheater Authority
Assets:				
Cash and Cash Equivalents	\$ 1,814,732	\$ 545,483	\$ 2,360,215	\$ 15,093
Receivables:				
Taxes	1,201,529	0	1,201,529	0
Accounts	90,946	0	90,946	0
Intergovernmental	673,915	313,644	987,559	0
Special Assessments	1,842,944	0	1,842,944	0
Inventory of Supplies at Cost	14,119	0	14,119	0
Prepaid Items	7,079	0	7,079	0
Capital Assets:				
Capital Assets Not Being Depreciated	361,137	6,261	367,398	5,691,040
Capital Assets Being Depreciated, Net	2,452,011	6,953,198	9,405,209	0
Total Assets	8,458,412	7,818,586	16,276,998	5,706,133
Liabilities:				
Accounts Payable	\$ 114,770	\$ 4,821	\$ 119,591	5,885,344
Accrued Wages and Benefits	126,764	3,924	130,688	0
Retainage Payable	0	0	0	502,492
Unearned Revenue	566,974	0	566,974	0
Accrued Interest Payable	101,817	36,365	138,182	2,204,632
General Obligation Notes Payable	2,900,000	770,000	3,670,000	0
Long-Term Liabilities:				
Due Within One Year	157,000	183,347	340,347	0
Due in More Than One Year	4,425,197	4,457,750	8,882,947	11,030,953
Total Liabilities	8,392,522	5,456,207	13,848,729	19,623,421
Net Assets:				
Invested in Capital Assets, Net of Related Debt	0	1,650,574	1,650,574	0
Restricted For:				
Other Purposes	354,721	0	354,721	0
Unrestricted (Deficit)	(288,831)	711,805	422,974	(13,917,288)
Total Net Assets	\$ 65,890	\$ 2,362,379	\$ 2,428,269	\$ (13,917,288)

See accompanying notes to the basic financial statements

CITY OF ROSSFORD, OHIO

**Statement of Activities
For the Year Ended December 31, 2005**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Security of Persons and Property	\$ 1,916,592	\$ 320,684	\$ 4,172	\$ 95,000
Leisure Time Activities	157,578	105,295	0	0
Basic Utility Services	78,740	0	0	0
Transportation	895,459	11,276	284,340	0
General Government	1,038,816	27,257	2,696	0
Interest and Fiscal Charges	317,247	0	0	0
Total Governmental Activities	4,404,432	464,512	291,208	95,000
Business-Type Activities:				
Water	169,827	201,937	0	0
Sewer	450,778	619,314	0	51,193
Marina	74,725	107,990	0	0
Total Business-Type Activities	695,330	929,241	0	51,193
Total Primary Government	\$ 5,099,762	\$ 1,393,753	\$ 291,208	\$ 146,193
Component Unit:				
Rossford Arena				
Amphitheater Authority	\$ 332	\$ 5,100	\$ 0	\$ 0

General Revenues

Property Taxes
Municipal Income Taxes
Other Local Taxes
Grants and Entitlements not Restricted to Specific Programs
Investment Earnings
Miscellaneous

Total General Revenues

Change in Net Assets

Net Assets Beginning of Year, as Restated

Net Assets End of Year

See accompanying notes to the basic financial statements

CITY OF ROSSFORD, OHIO

Net (Expense) Revenue and Changes in Net Assets			Component Unit
Governmental Activities	Business-Type Activities	Total	Rossford Arena Amphiteater Authority
\$ (1,496,736)	\$ 0	\$ (1,496,736)	\$ 0
(52,283)	0	(52,283)	0
(78,740)	0	(78,740)	0
(599,843)	0	(599,843)	0
(1,008,863)	0	(1,008,863)	0
(317,247)	0	(317,247)	0
<u>(3,553,712)</u>	<u>0</u>	<u>(3,553,712)</u>	<u>0</u>
0	32,110	32,110	0
0	219,729	219,729	0
0	33,265	33,265	0
<u>0</u>	<u>285,104</u>	<u>285,104</u>	<u>0</u>
<u>(3,553,712)</u>	<u>285,104</u>	<u>(3,268,608)</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>4,768</u>
503,505	0	503,505	0
2,703,654	0	2,703,654	0
200,289	0	200,289	0
773,509	0	773,509	0
68,636	0	68,636	12
407,039	0	407,039	0
<u>4,656,632</u>	<u>0</u>	<u>4,656,632</u>	<u>12</u>
1,102,920	285,104	1,388,024	4,780
<u>(1,037,030)</u>	<u>2,077,275</u>	<u>1,040,245</u>	<u>(13,922,068)</u>
<u>\$ 65,890</u>	<u>\$ 2,362,379</u>	<u>\$ 2,428,269</u>	<u>\$ (13,917,288)</u>

CITY OF ROSSFORD, OHIO

**Balance Sheet
Governmental Funds
December 31, 2005**

	General	General Obligation Debt Service	TID Road Acquisition
Assets:			
Cash and Cash Equivalents	\$ 724,547	\$ 0	\$ 109,983
Taxes	862,666	0	0
Accounts	90,946	0	0
Intergovernmental	500,675	0	0
Special Assessments	160,000	0	1,621,897
Inventory of Supplies, at Cost	0	0	0
Prepaid Items	7,079	0	0
Total Assets	\$ 2,345,913	\$ 0	\$ 1,731,880
Liabilities:			
Accounts Payable	\$ 81,260	\$ 0	\$ 0
Accrued Wages and Benefits Payable	118,890	0	0
Deferred Revenue	855,864	0	1,621,897
Accrued Interest Payable	0	13,563	71,300
General Obligation Notes Payable	0	525,000	2,300,000
Total Liabilities	1,056,014	538,563	3,993,197
Fund Balances:			
Reserved for Encumbrances	187,237	0	0
Reserved for Prepaid Items	7,079	0	0
Reserved for Supplies Inventory	0	0	0
Undesignated/Unreserved in:			
General Fund	1,095,583	0	0
Special Revenue Funds	0	0	0
Debt Service Fund	0	(538,563)	0
Capital Projects Fund	0	0	(2,261,317)
Total Fund Balances (Deficit)	1,289,899	(538,563)	(2,261,317)
Total Liabilities and Fund Balances	\$ 2,345,913	\$ 0	\$ 1,731,880

See accompanying notes to the basic financial statements

CITY OF ROSSFORD, OHIO

Other Governmental Funds	Total Governmental Funds
\$ 980,202	\$ 1,814,732
338,863	1,201,529
0	90,946
173,240	673,915
61,047	1,842,944
14,119	14,119
0	7,079
<u>\$ 1,567,471</u>	<u>\$ 5,645,264</u>
\$ 33,510	\$ 114,770
7,874	126,764
482,964	2,960,725
2,325	87,188
75,000	2,900,000
<u>601,673</u>	<u>6,189,447</u>
74,672	261,909
0	7,079
14,119	14,119
0	1,095,583
267,537	267,537
0	(538,563)
609,470	(1,651,847)
<u>965,798</u>	<u>(544,183)</u>
<u>\$ 1,567,471</u>	<u>\$ 5,645,264</u>

***Reconciliation Of Total Governmental Fund Balances
To Net Assets Of Governmental Activities
December 31, 2005***

Total Governmental Fund Balances	\$ (544,183)
<i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.	2,813,148
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.	2,393,751
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(4,596,826)</u>
<i>Net Assets of Governmental Funds</i>	<u><u>\$ 65,890</u></u>

See accompanying notes to the basic financial statements



CITY OF ROSSFORD, OHIO

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

	General	General Obligation Debt Service	TID Road Acquisition
Revenues:			
Property Taxes	\$ 225,754	\$ 0	\$ 0
Municipal Income Tax	2,702,108	0	0
Other Local Taxes	200,289	0	0
Intergovernmental Revenues	799,742	0	0
Charges for Services	92,262	0	0
Licenses and Permits	23,971	0	0
Investment Earnings	61,700	0	0
Special Assessments	171,661	0	225,029
Fines and Forfeitures	33,145	0	0
All Other Revenue	12,191	0	0
Total Revenue	4,322,823	0	225,029
Expenditures:			
Current:			
Security of Persons and Property	1,767,343	0	0
Leisure Time Activities	8,396	0	0
Basic Utility Services	78,740	0	0
Transportation	486,138	0	0
General Government	972,775	0	0
Capital Outlay	0	0	1
Debt Service:			
Principal Retirement	5,255	0	0
Interest and Fiscal Charges	158	22,320	107,415
Total Expenditures	3,318,805	22,320	107,416
Excess (Deficiency) of Revenues Over Expenditures	1,004,018	(22,320)	117,613
Other Financing Sources (Uses):			
Transfers In	0	67,487	0
Transfers Out	(354,007)	0	0
Total Other Financing Sources (Uses)	(354,007)	67,487	0
Net Change in Fund Balances	650,011	45,167	117,613
Fund Balances (Deficit)			
at Beginning of Year, as Restated	639,888	(583,730)	(2,378,930)
Increase in Inventory Reserve	0	0	0
Fund Balances (Deficit) End of Year	\$ 1,289,899	\$ (538,563)	\$ (2,261,317)

See accompanying notes to the basic financial statements

CITY OF ROSSFORD, OHIO

Other Governmental Funds	Total Governmental Funds
\$ 277,751	\$ 503,505
0	2,702,108
0	200,289
408,927	1,208,669
80,368	172,630
0	23,971
6,936	68,636
295,321	692,011
3,128	36,273
165,521	177,712
<u>1,237,952</u>	<u>5,785,804</u>
3,418	1,770,761
200,806	209,202
0	78,740
318,704	804,842
0	972,775
273,231	273,232
150,657	155,912
189,614	319,507
<u>1,136,430</u>	<u>4,584,971</u>
101,522	1,200,833
297,822	365,309
<u>(11,302)</u>	<u>(365,309)</u>
<u>286,520</u>	<u>0</u>
388,042	1,200,833
575,004	(1,747,768)
2,752	2,752
<u>\$ 965,798</u>	<u>\$ (544,183)</u>

***Reconciliation Of The Statement Of Revenues, Expenditures
And Changes In Fund Balances Of Governmental Funds
To The Statement Of Activities
For The Fiscal Year Ended December 31, 2005***

Net Change in Fund Balances - Total Governmental Funds \$ 1,200,833

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period. (58,983)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (278,452)

The issuance of long-term debt provides current financial resources to governmental funds, but has no effect on net assets. In addition, repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 227,609

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 2,260

Some expenses reported in the statement of activities, such as compensated absences and intergovernmental payable which represents contractually required pension contributions, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. 9,653

Change in Net Assets of Governmental Activities \$ 1,102,920

See accompanying notes to the basic financial statements

CITY OF ROSSFORD, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2005**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 243,042	\$ 243,042	\$ 225,754	\$ (17,288)
Municipal Income Tax	2,590,000	2,590,000	2,615,721	25,721
Other Local Taxes	192,600	192,600	195,455	2,855
Intergovernmental Revenue	726,927	731,099	785,631	54,532
Charges for Services	65,200	65,200	68,254	3,054
Licenses and Permits	53,000	53,000	23,971	(29,029)
Investment Earnings	20,000	20,000	61,700	41,700
Special Assessments	150,000	150,000	171,661	21,661
Fines and Forfeitures	28,100	28,100	33,145	5,045
All Other Revenues	84,246	87,726	12,191	(75,535)
Total Revenues	4,153,115	4,160,767	4,193,483	32,716
Expenditures:				
Current:				
Security of Persons and Property	1,901,897	1,983,949	1,787,196	196,753
Leisure Time Activities	20,456	20,456	16,706	3,750
Basic Utility Services	260,000	105,175	105,174	1
Transportation	543,751	550,882	525,646	25,236
General Government	1,240,488	1,262,343	1,168,786	93,557
Debt Service:				
Principal Retirement	23,647	5,255	5,255	0
Interest and Fiscal Charges	847	167	158	9
Total Expenditures	3,991,086	3,928,227	3,608,921	319,306
Excess (Deficiency) of Revenues Over (Under) Expenditures	162,029	232,540	584,562	352,022
Other Financing Sources (Uses):				
Transfers Out	(360,735)	(435,455)	(354,007)	81,448
Total Other Financing Sources (Uses):	(360,735)	(435,455)	(354,007)	81,448
Net Change in Fund Balance	(198,706)	(202,915)	230,555	433,470
Fund Balance at Beginning of Year	101,700	101,700	101,700	0
Prior Year Encumbrances	159,690	159,690	159,690	0
Fund Balance at End of Year	\$ 62,684	\$ 58,475	\$ 491,945	\$ 433,470

See accompanying notes to the basic financial statements

CITY OF ROSSFORD, OHIO

**Statement of Net Assets
Proprietary Funds
December 31, 2005**

	Business-Type Activities			Total
	Enterprise Funds			
	Water	Sewer	Marina	
ASSETS				
Current assets:				
Cash and Cash Equivalents	\$ 296,555	\$ 225,569	\$ 23,359	\$ 545,483
Intergovernmental receivable	82,500	231,144	0	313,644
Total current assets	379,055	456,713	23,359	859,127
Noncurrent assets:				
Capital assets:				
Property, Plant and Equipment	3,290,933	6,406,126	602,249	10,299,308
Less accumulated depreciation	(1,343,296)	(1,938,207)	(58,346)	(3,339,849)
Total capital assets (net of accumulated depr)	1,947,637	4,467,919	543,903	6,959,459
Total noncurrent assets	1,947,637	4,467,919	543,903	6,959,459
Total assets	2,326,692	4,924,632	567,262	7,818,586
LIABILITIES				
Current liabilities:				
Accounts Payable	0	4,618	203	4,821
Accrued Wages and Benefits	0	1,874	2,050	3,924
Accrued Interest Payable	16,381	19,984	0	36,365
General Obligation Notes Payable	310,000	460,000	0	770,000
Revenue Bond Payable - Current	38,520	44,480	0	83,000
OWDA Loans Payable - Current	0	95,652	0	95,652
OPWC Loans Payable - Current	4,695	0	0	4,695
Total Current Liabilities	369,596	626,608	2,253	998,457
Noncurrent Liabilities:				
Revenue Bonds Payable	1,699,049	1,415,951	0	3,115,000
OWDA Loans Payable	0	1,279,440	0	1,279,440
OPWC Loans Payable	61,030	0	0	61,030
Compensated Absences Payable	0	2,280	0	2,280
Total noncurrent liabilities	1,760,079	2,697,671	0	4,457,750
Total Liabilities	2,129,675	3,324,279	2,253	5,456,207
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	0	1,106,671	543,903	1,650,574
Unrestricted	197,017	493,682	21,106	711,805
Total Net Assets	\$ 197,017	\$ 1,600,353	\$ 565,009	\$ 2,362,379

See accompanying notes to the basic financial statements

CITY OF ROSSFORD, OHIO

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

	Business-Type Activities Enterprise Funds			Total
	Water	Sewer	Marina	
Operating Revenues:				
Charges for Services	\$ 191,699	\$ 618,872	\$ 107,990	\$ 918,561
Other Operating Revenue	10,238	442	0	10,680
Total Operating Revenues	<u>201,937</u>	<u>619,314</u>	<u>107,990</u>	<u>929,241</u>
Operating Expenses:				
Personal Services	0	70,386	46,060	116,446
Contractual Services	14,560	100,401	1,808	116,769
Materials and Supplies	0	12,092	11,216	23,308
Other Operating Expenses	0	0	975	975
Depreciation	58,827	118,069	14,666	191,562
Total Operating Expenses	<u>73,387</u>	<u>300,948</u>	<u>74,725</u>	<u>449,060</u>
Operating Income	128,550	318,366	33,265	480,181
Nonoperating Revenue (Expenses):				
Interest Expense	(96,440)	(149,830)	0	(246,270)
Total Nonoperating Revenues (Expenses)	<u>(96,440)</u>	<u>(149,830)</u>	<u>0</u>	<u>(246,270)</u>
Income Before Contributions	32,110	168,536	33,265	233,911
Capital Contributions	0	51,193	0	51,193
Change in Net Assets	32,110	219,729	33,265	285,104
Net Assets Beginning of Year, as Restated	164,907	1,380,624	531,744	2,077,275
Net Assets End of Year	<u>\$ 197,017</u>	<u>\$ 1,600,353</u>	<u>\$ 565,009</u>	<u>\$ 2,362,379</u>

See accompanying notes to the basic financial statements

CITY OF ROSSFORD, OHIO

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

	Business-Type Activities			Totals
	Enterprise Funds			
	Water	Sewer	Marina	
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Customers	\$205,686	\$606,596	\$107,990	\$920,272
Cash Payments for Goods and Services	(14,560)	(139,131)	(32,490)	(186,181)
Cash Payments to Employees	0	(69,337)	(45,412)	(114,749)
Net Cash Provided by Operating Activities	191,126	398,128	30,088	619,342
<u>Cash Flows from Noncapital Financing Activities:</u>				
Capital Contributions	0	33,855	346,494	380,349
Net Cash Provided by Noncapital Financing Activities	0	33,855	346,494	380,349
<u>Cash Flows from Capital and Related Financing Activities:</u>				
Acquisition and Construction of Assets	(1,240)	(86,777)	(435,245)	(523,262)
Proceeds from General Obligation Notes	310,000	460,000	0	770,000
Principal Paid on General Obligation Notes	(310,000)	(525,000)	0	(835,000)
Principal Paid on General Obligation Bonds	(30,301)	(19,699)	0	(50,000)
Principal Paid on Ohio Water Development Authority Loans	0	(91,830)	0	(91,830)
Principal Paid on Ohio Public Works Commission Loan	(4,695)	0	0	(4,695)
Interest Paid on All Debt	(91,603)	(143,541)	0	(235,144)
Net Cash Used by Capital and Related Financing Activities	(127,839)	(406,847)	(435,245)	(969,931)
Net Increase (Decrease) in Cash and Cash Equivalents	63,287	25,136	(58,663)	29,760
Cash and Cash Equivalents at Beginning of Year	233,268	200,433	82,022	515,723
Cash and Cash Equivalents at End of Year	\$296,555	\$225,569	\$23,359	\$545,483
<u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</u>				
Operating Income	\$128,550	\$318,366	\$33,265	\$480,181
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation Expense	58,827	118,069	14,666	191,562
Changes in Assets and Liabilities:				
Decrease in Accounts Receivables	8,678	11,570	0	20,248
Increase in Intergovernmental Receivables	(4,929)	(24,288)	0	(29,217)
Decrease in Accounts Payable	0	(26,638)	(18,491)	(45,129)
Increase in Accrued Wages and Benefits	0	685	648	1,333
Increase in Compensated Absences Payable	0	364	0	364
Total Adjustments	62,576	79,762	(3,177)	139,161
Net Cash Provided by Operating Activities	\$191,126	\$398,128	\$30,088	\$619,342

See accompanying notes to the basic financial statements

CITY OF ROSSFORD, OHIO

***Statement of Assets and Liabilities
Fiduciary Funds
December 31, 2005***

	<u>Agency</u>
Assets:	
Restricted Assets:	
Cash and Cash Equivalents	\$ 1,504
Total Assets	<u>1,504</u>
Liabilities:	
Due to Others	1,504
Total Liabilities	<u>1,504</u>
Total Net Assets	<u>\$ 0</u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements are presented as of December 31, 2005 and for the year then ended and have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the "GASB") is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

A. Reporting Entity

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

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

Discretely Presented Component Unit - The component unit column in the combined financial statements includes the financial data of the City's component unit. It is reported in a separate column to emphasize that it is legally separate from the City. The Rossford Arena Amphitheater Authority (RAAA) is a not-for-profit Ohio corporation incorporated in February 1999 to develop, finance, construct and operate an arena and amphitheater in Rossford, Ohio. The Authority was created under an ordinance passed by the City's Council to further the growth and development of the City and surrounding areas. The ordinance specified that the Trustees of the Authority are to be the City's Mayor, President of Council, City Administrator and the Director of Parks and Recreation. The RAAA is being presented as a part of the City's reporting entity because it would be misleading to exclude it. Complete financial statements for the RAAA may be obtained from the City's offices at 133 Osborn Street, Rossford, Ohio 43460.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

Jointly Governed Organizations

Rossford Transportation Improvement District: In May 1997, the Wood County Commissioners approved formation of the Rossford Transportation Improvement District (TID) as permitted under Chapter 5540 of the Ohio Revised Code. In July 2002, at the request of the Wood County Commissioners, the membership and appointments section of the TID bylaws was amended to eliminate the TID as a component unit of Wood County. The board of trustees consists of the following members: two voting members appointed by Wood County, three voting members appointed by the City of Rossford, two voting members appointed by Perrysburg Township, the Wood County Engineer as a voting member, and two nonvoting members of the general assembly in whose legislative district the TID is located. It is empowered to provide for the construction, improvement, alteration or repair of any road, highway, public place or other infrastructure within the limits of the City and to issue bonds. See Note 19 "Jointly Governed Organizations."

Rossford/Perrysburg Township Joint Economic Development Authority/Port Authority: In December 1998, the Rossford/Perrysburg Township Joint Economic Development Authority/Port Authority (JEDA/Port Authority) was created jointly with Perrysburg Township, pursuant to Ohio Revised Code Sections 4582.21 to 4582.59. The JEDA/Port Authority was created for the benefit of the people of the State of Ohio. Its jurisdiction includes all of the area of the City of Rossford and all of the unincorporated area of Perrysburg Township. The JEDA/Port Authority has five directors, two appointed by the City of Rossford, two appointed by Perrysburg Township and one jointly appointed by the City of Rossford and Perrysburg Township. The directors appointed by the City are appointed by the mayor subject to the approval of the Council, but the City's accountability for the JEDA/Port Authority does not extend beyond making the appointments. See Note 19 "Jointly Governed Organizations."

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

B. Basis of Presentation - Fund Accounting

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

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

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

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

TID Road Acquisition Fund - This fund is used to account for financial resources from assessments against property owners used to lease-purchase the Transportation Improvements District's new road project.

Proprietary Funds

Enterprise Funds - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, whereby the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City's major enterprise funds are:

Water Fund - This fund is used to account for the operation of the City's water service.

Sewer Fund - This fund is used to account for the operation of the City's sanitary sewer service.

Marina Fund - This fund is used to account for the operation of the City owned Marina.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary 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 therefore not available to support the City's own programs. The agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operation. These funds operate on a full accrual basis of accounting. The City's only fiduciary fund is an agency fund. This fund is used to account for monies received by the City in situations where the City's role is purely custodial in nature. The fund is the Cafeteria Plan Fund, which accounts for funds related to the IRS 125 Employees Benefit Plan.

C. Basis of Presentation – Financial Statements

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 statements distinguish between those activities of the City that are governmental and those that are considered business-type activities. The interfund services provided and used are not eliminated in the process of consolidation.

The government-wide statements are prepared using the economics resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function or program of the City's governmental activities. 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 and grants and contributions that are restricted to meeting the operational or capital requirements of 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 function is self-financing or draws from the general revenues of the City.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

Fund Financial Statements – Fund financial statements report detailed information about the City. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this 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 net total assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

D. Basis of Accounting

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

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

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. Revenue from income taxes is recognized in the period in which the income is earned and is available. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the revenue is available. Eligibility requirements include

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. Revenues considered susceptible to accrual at year end include income taxes withheld by employers, interest on investments, and state levied locally shared taxes (including motor vehicle license fees, and local government assistance). Other revenues, including licenses, permits, certain charges for services, income taxes other than those withheld by employers and miscellaneous revenues, are recorded as revenue when received in cash because generally these revenues are not measurable until received.

Special assessment installments which are measurable, but not available at December 31, are recorded as deferred revenue. Property taxes measurable as of December 31, 2005 but which are not intended to finance 2005 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred revenue as further described in Note 7, "Taxes."

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

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

E. Budgetary Process

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

All funds other than agency funds are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. The only funds required to be reported in the basic financial statements are the general fund and any major special revenue funds. The legal level of budgetary control is by fund at the major object level (personal services, materials and supplies, contractual services, capital outlay and transfers) by department. Budgetary control is maintained by not permitting expenditures to exceed appropriations at the major object level

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

for each department within each fund without the approval of City Council. Administrative control is maintained through the establishment of more detailed line-item budgets. Budgetary modifications may only be made by ordinance of the City Council. During 2005, all appropriations were approved as required and all funds and departments completed the year within the legally authorized appropriations.

1. Estimated Revenues

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2005.

2. Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 through March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 through December 31. The appropriation ordinance establishes spending controls at the fund, department and object level, and may be modified during the year by Ordinance of the City Council. Total fund appropriations may not exceed the current estimated resources as certified by the County Budget Commission. Expenditures may not legally exceed budgeted appropriations at the object level. During the year, appropriation changes were necessary to budget for turnout gear, two EMS defibrillators, and the replacement of air masks, hose and nozzles and a tornado siren for the fire department, police bulletproof vests, signal improvements at Olde U.S. Route 20 and Parkway Boulevard and Glenwood/Maybar Sewer Phase IV.

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

3. Encumbrances

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

4. Lapsing of Appropriations

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

5. Budgetary Basis of Accounting

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

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2005**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

5. Budgetary Basis of Accounting (Continued)

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund:

	<u>Net Change In Fund Balance</u>
	<u>General Fund</u>
GAAP Basis (as reported)	\$650,011
Increase (Decrease):	
Accrued Revenues at December 31, 2005 received during 2006	(758,423)
Accrued Revenues at December 31, 2004 received during 2005	629,083
Accrued Expenditures at December 31, 2005 paid during 2006	280,150
Accrued Expenditures at December 31, 2004 paid during 2005	(346,028)
2004 Prepays for 2005	15,443
2005 Prepays for 2006	(7,079)
Outstanding Encumbrances	<u>(232,602)</u>
Budget Basis	<u><u>\$230,555</u></u>

F. Cash and Cash Equivalents

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

The City pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintained its own cash and investment account. For purposes of the statement of cash flows, the proprietary funds' shares of equity in pooled certificates of deposit are considered to be cash equivalents. See Note 6, "Cash, Cash Equivalents and Investments."

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Investments

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", the City records all its investments at fair value except for nonparticipating investment contracts which are reported at cost, which approximates fair value. All investment income, including changes in the fair value of investments, are recognized as revenue in the operating statements. Fair value is determined by quoted market prices. The City deposits interest earned on investments directly into the General Fund. See Note 6, "Cash, Cash Equivalents and Investments."

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

H. Inventory

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

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2005, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

J. Capital Assets and Depreciation

Capital assets are defined by the City as assets with an initial, individual cost of more than \$500.

1. Property, Plant and Equipment - Governmental Activities

Governmental activities capital assets are those not directly related to the business type funds. These generally are acquired or constructed for governmental activities and are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years). These assets are reported in the Governmental Activities column of the Government-wide Statement of Net Assets, but they are not reported in the Fund Financial Statements.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets and Depreciation (Continued)

2. Property, Plant and Equipment – Business Type Activities

Contributed capital assets are recorded at fair market value at the date received. Capital assets include land, buildings, building improvements, machinery, equipment and infrastructure. Infrastructure is defined as long-lived capital assets that normally are stationary in nature and normally can be preserved for a significant number of years. Examples of infrastructure include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems. Estimated historical costs for governmental activities capital asset values were initially determined by identifying historical costs when such information was available. In cases where information supporting original cost was not obtainable, estimated historical costs were developed. For certain capital assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition.

Property, plant and equipment acquired by the proprietary funds are stated at cost (or estimated historical cost), including interest capitalized during construction and architectural and engineering fees where applicable. Contributed capital assets are recorded at fair market value at the date received. These assets are reported in both the Business-Type Activities column of the Government-wide Statement of Net Assets and in the respective funds.

3. Depreciation

All capital assets are depreciated, excluding land and construction in progress. Depreciation has been provided using the straight-line method over the following estimated useful lives:

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Long-Term Obligations

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

<u>Obligation</u>	<u>Fund</u>
Compensated Absences	General Fund Street Construction, Maintenance and Repair Fund Recreation Fund
Capital Leases	General Fund Fire Capital Improvement Fund
General Obligation Bonds	Landfill Improvement Fund Lewis Street Repaving and Curbs Fund Capital Improvement Fund TIF Ramco Gershenson Fund Electrical Industrial Court Fund Water Fund Sewer Fund
OWDA Loan	Sewer Fund
OPWC Loan	Sewer Fund
Landfill Postclosure Care Liability	Landfill Closure Fund

L. Compensated Absences

Employees of the City earn vacation leave at various rates within limits specified under collective bargaining agreements or under statute. Vacation earned in a calendar year must be used during the current year. Vacation time cannot carry over into the subsequent year. At termination or retirement, employees are paid at their full rate for 100% of their unused vacation leave.

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

In accordance with GASB Statement No. 16, "Accounting for Compensated Absences," the City records a liability for vacation time and sick leave when the obligation is attributable to services previously rendered or to rights that vest or accumulate, and when payment of the obligation is probable and can be reasonably determined.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Compensated Absences (Continued)

For governmental funds, that portion of unpaid compensated absences that has matured and is expected to be paid using expendable, available resources is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account "Compensated Absences Payable." In the government wide statement of net assets, "Compensated Absences Payable" is recorded within the "Due within one year" account and the long-term portion of the liability is recorded within the "Due in more than one year" account. Compensated absences are expensed in the proprietary funds when earned and the related liability is reported within the fund.

M. Pensions

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

N. Interfund Activity

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 financial statements.

O. Reservations of Fund Balance

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

P. 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 borrowings used for the acquisition, construction of improvements of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net Assets restricted for Other Purposes include programs for street and highway improvements, federal grants for security of persons and property and mandatory fines for various court programs.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Net Assets (Continued)

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

Q. Estimates

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

R. Operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water treatment and distribution, wastewater collection and treatment, collection of solid waste refuse and the operation of a marina. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Council and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2005.

NOTE 2 – DISCRETELY PRESENTED COMPONENT UNIT

Organization (Rossford Arena Amphitheater Authority)

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 2 – DISCRETELY PRESENTED COMPONENT UNIT (Continued)

A. Basis of Accounting

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

B. Revenue Sources

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

C. Going Concern

The Authority's financial statements are presented on the basis that the Authority is a going concern. Going concern contemplates the realization of assets and the satisfaction of liabilities in the normal course of business over a reasonable length of time. As more fully described in paragraphs F and H, the Authority's loan agreements require periodic interest payments with principal to be paid from the proceeds of an anticipated debt issue. Management has been unable to obtain the financing on terms sufficiently favorable to help insure the financial success of the project. Construction of the facilities was stopped in November 1999 and the Authority has been unable to make its semiannual interest payments of \$200,000 on its loan payable to Perrysburg Township. In 2001, the Township trustees passed a motion calling the loan and accrued interest and filed a lawsuit against the authority and the City of Rossford. In February 2003, the lawsuit was dismissed and the township appealed to the Ohio Supreme Court. In 2004, the Ohio Supreme Court sent the lawsuit back to trial court where the case is currently pending. In March 2000, the Authority was unable to pay off its loan from the Rossford, Ohio Transportation Improvement District and its terms were extended indefinitely. In May 2000, the Authority was unable to commence monthly interest payments on the debt described in paragraph F, and has subsequently been unable to pay real estate taxes to Wood County.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 2 – DISCRETELY PRESENTED COMPONENT UNIT (Continued)

C. Going Concern (Continued)

The Authority was, in 2003, served with notice of forfeiture legal action by several of its debtors. In April 2005 the Wood County Treasurer filed for foreclosure of liens for delinquent land taxes for all parcels owned by the RAAA. In June 2006, Wood County will attempt to sell the land by means of a foreclosure sale. The authority has initiated legal action against its financial consultant who advised it regarding the feasibility of the project. The outcome of these lawsuits is unknown.

Management continues efforts to complete the project through efforts to sell the project in part or in its entirety. As a result of the uncertainty, management has written down the value of the project, leaving only the original cost of the land remaining.

D. Cash

At year end, the carrying amount of the Authority's deposits was \$15,093 and the bank balance was \$15,093. Federal depository insurance covered \$15,093 of the bank balance.

E. Capital Assets

Capital assets owned by the Authority at December 31, 2005 consisted of land, valued at \$5,691,040.

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 2 – DISCRETELY PRESENTED COMPONENT UNIT (Continued)

F. Loans Payable

Loans payable consist of amounts borrowed temporarily to purchase land and fund construction project costs. The loans were intended to be repaid from the proceeds of a \$48 million bond issue. At December 31, 2005, the loans payable comprised the following:

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 2 – DISCRETELY PRESENTED COMPONENT UNIT (Continued)

F. Loans Payable (Continued)

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

G. Risk Management

The Authority maintained commercial insurance coverage against most normal hazards, through September 2003. There have been no claims against that coverage. Effective in September 2003, the coverage was not renewed. The Authority has no employees, so there is no health care workers compensation coverage.

H. Commercial Development Property

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

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 3 – CHANGES IN ACCOUNTING PRINCIPLES AND PRIOR PERIOD ADJUSTMENTS

A. Changes in Accounting Principles

For fiscal year 2005, the City has implemented GASB Statement No. 40, “*Deposit and Investment Risk Disclosures*” and GASB Statement No. 42, “*Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*.”

GASB Statement No. 40 establishes and modifies disclosure requirements related to investment risks, credit risk (including custodial credit risk and concentrations of credit risk) and interest rate risk. This statement also establishes and modifies disclosure requirements for custodial credit risk on deposits.

GASB Statement No. 42 establishes accounting and financial reporting standards for impairment of capital assets. This statement also clarifies and establishes accounting revenues for insurance recoveries.

The implementation of GASB Statement No. 40 did not have an effect on the financial statements of the City, however additional note disclosure can be found in Note 6, "Cash, Cash Equivalents and Investments." The implementation of GASB Statement No. 42 did not have an effect on the financial statements of the City.

B. Prior Period Adjustments

During the year ended December 31, 2004, it was determined that the interfund loans receivable/payable were misstated. It was also determined that capital asset additions to the Marina Fund were also misstated. It was also determined that the OPWC Loans payable being reported in the Sewer Fund should be reported in the Water Fund. It was also determined that the estimate for the total post closure liability associated with monitoring and maintaining the landfill site for the next fifteen years had increased. The adjustments had the following effect on the beginning fund balance/net assets of the General Fund, Water Fund, Sewer Fund and Marina Fund:

	General Fund
Fund Balance at December 31, 2004 as reported	\$559,888
Correction of Accounting Error for interfund balances	80,000
Fund Balance at December 31, 2004 as restated	<u>\$639,888</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2005**

NOTE 3 – CHANGES IN ACCOUNTING PRINCIPLES AND PRIOR PERIOD ADJUSTMENTS

(Continued)

B. Prior Period Adjustments (Continued)

	Water <u>Fund</u>	Sewer <u>Fund</u>	Marina <u>Fund</u>	<u>Total</u>
Net Assets at December 31, 2004 as reported	\$338,802	\$1,286,729	\$515,693	\$2,141,224
Correction of Accounting Error for interfund balances	(80,000)	0	0	(80,000)
Correction of Accounting Error for OPWC Loan Payable	(93,895)	93,895	0	0
Restate Capital Assets	<u>0</u>	<u>0</u>	<u>16,051</u>	<u>16,051</u>
Net Assets at December 31, 2004 as restated	<u>\$164,907</u>	<u>\$1,380,624</u>	<u>\$531,744</u>	<u>\$2,077,275</u>

The changes to the beginning General Fund, Sewer Fund and Marina Fund balance/net assets, as well as the change to the beginning balance of the landfill liability, had the following effect on the governmental activities and business-type activities beginning net assets:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Net Assets December 31, 2004 as reported	(\$765,123)	\$2,141,224
Adjustments:		
Correction of Accounting Error for Interfund Loans	80,000	(80,000)
Change in Landfill Liability Estimate	(351,907)	0
Restate Capital Assets	<u>0</u>	<u>16,051</u>
Net Assets December 31, 2004 as restated	<u>(\$1,037,030)</u>	<u>\$2,077,275</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 4 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets of governmental funds as reported in the government-wide statement of net assets. The following is a detailed listing of those reconciling items that are net adjustments or a combination of several transactions:

Other long-term assets not available to pay for current-period expenditures:

Delinquent Property Tax Revenue	\$49,077
Delinquent Income Tax Revenue	28,857
Shared Revenues	418,309
Charges for Services Revenues	54,564
Special Assessment Revenue	1,842,944
	<hr/>
	\$2,393,751

Long-Term liabilities not reported in the funds:

General Obligation Bonds Payable	(\$3,717,000)
Special Assessments Bonds Payable	(165,000)
Landfill Postclosure Care Liability	(504,462)
Accrued Interest on Long-Term Debt	(14,629)
Compensated Absences Payable	(195,735)
	<hr/>
	(\$4,596,826)

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 4 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government – wide statement of activities. The following is a detailed listing of those reconciling items that are net adjustments or a combination of several transactions:

Amount by which depreciation exceeded capital outlay in the current period:

Capital Outlay	\$127,472
Depreciation Expense	(186,455)
	<u>(\$58,983)</u>

Governmental revenues not reported in the funds:

Increase in Delinquent Income Tax	\$1,546
Decrease in Shared Revenue	(48,952)
Increase in Charges for Services Revenue	18,094
Decrease in Special Assessment Revenue	(249,140)
	<u>(\$278,452)</u>

Expenses not requiring the use of current financial resources:

Decrease in Compensated Absences Payable	\$6,901
Increase in supplies inventory	2,752
	<u>\$9,653</u>

NOTE 5 - COMPLIANCE AND ACCOUNTABILITY

A. Fund Deficits

The fund deficits at December 31, 2005 of \$2,261,317 in the TID Road Acquisition Fund (capital projects fund) and \$538,563 in the General Obligation Debt Service Fund were created by the recognition of notes payable within the funds and expenditures on the modified accrual basis which are greater than expenditures on a budgetary basis. Deficits do not exist under the budgetary basis of accounting. Deficits do not exist under the cash basis of accounting. The General Fund provides transfers when cash is required, not when accruals occur.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2005**

NOTE 5 - COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Excess of Appropriations Over Estimated Resources

The following funds had final appropriations exceeding estimated resources contrary to Ohio Revised Code Section 5705.39:

<u>Fund</u>	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Excess</u>
<u>Special Revenue Funds:</u>			
Street Construction, Maintenance and Repair Fund	\$243,125	\$335,084	(\$91,959)
Downtown Streetscape Fund	1	3,480	(3,479)
<u>Capital Projects Fund:</u>			
Permanent Recreation Improvement Fund	87,909	90,000	(2,091)
<u>Enterprise Fund:</u>			
Marina Fund	484,061	498,020	(13,959)

NOTE 6 - CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 6 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

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

A. Deposits

At year end the carrying amount of the City's deposits was \$1,799,100 and the bank balance was \$1,884,767. In addition, the City had \$300 petty cash on hand. The Federal Deposit Insurance Corporation (FDIC) covered \$300,000 of the bank balance and \$1,584,767 was uninsured. Of the remaining uninsured bank balance, the City was exposed to custodial risk as follows:

	<u>Balance</u>
Uninsured and collateralized with securities held by the pledging institution's trust department not in the City's name	<u>\$1,584,767</u>
Total Balance	<u><u>\$1,584,767</u></u>

Investment earnings of \$42,759 earned by other funds were credited to the General Fund as required by state statute.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2005**

NOTE 6 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

B. Investments

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

	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Investment Maturities (in Years) less than 1</u>
STAR Ohio	\$562,319	AAA ¹	\$562,319
Total Investments	<u>\$562,319</u>		<u>\$562,319</u>

¹ Standard & Poor's

Interest Rate Risk – The Ohio Revised Code generally limits security purchases to those that mature within five years of settlement date.

Concentration of Credit Risk – The City places no limit on the amount the City may invest in one issuer.

C. Reconciliation of Cash, Cash Equivalents and Investments

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

	<u>Cash and Cash Equivalents *</u>	<u>Investments</u>
Per Financial Statements	\$2,361,719	\$0
Investments:		
STAR Ohio	(562,319)	562,319
Per GASB Statement No. 3	<u>\$1,799,400</u>	<u>\$562,319</u>

* Includes Petty Cash

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 7 - TAXES

A. Property Taxes

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the City. Real property taxes (other than public utility) collected during 2005 were levied after October 1, 2004 on assessed values as of January 1, 2004, the lien date. Assessed values were established by the County Auditor at 35 percent of appraised market value. All property is required to be revalued every six years and equalization adjustments made in the third year following reappraisal. The last revaluation was completed in 2005 and the last equalization adjustment was completed in 2003. Real property taxes are payable annually or semi-annually. The first payment is due January 20; the remainder is payable by June 20.

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

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

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

The full property tax rate for all City operations for the year ended December 31, 2005 was \$3.20 per \$1,000 of assessed value. The assessed value upon which the 2005 tax receipts were based was \$139,795,865. This amount constitutes \$120,406,330 in real property assessed value, \$3,104,480 in public utility assessed value and \$16,285,055 in tangible personal property assessed value.

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 7 – TAXES (Continued)

B. Income Tax

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

NOTE 8 - RECEIVABLES

Receivables at December 31, 2005 consisted of taxes, special assessments, accounts receivable and intergovernmental receivables.

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2005**

NOTE 9 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2005:

<i>Historical Cost:</i>				
Class	December 31, 2004	Additions	Deletions	December 31, 2005
<i>Capital assets not being depreciated:</i>				
Land	\$361,137	\$0	\$0	\$361,137
Subtotal	361,137	0	0	361,137
<i>Capital assets being depreciated:</i>				
Buildings	3,261,989	0	0	3,261,989
Improvements Other Than Buildings	153,775	8,830	0	162,605
Machinery and Equipment	2,998,831	118,642	0	3,117,473
Subtotal	6,414,595	127,472	0	6,542,067
Total Cost	\$6,775,732	\$127,472	\$0	\$6,903,204
<i>Accumulated Depreciation:</i>				
Class	December 31, 2004	Additions	Deletions	December 31, 2005
Buildings	(\$1,343,683)	(\$73,606)	\$0	(\$1,417,289)
Improvements Other Than Buildings	(44,164)	(6,224)	0	(50,388)
Machinery and Equipment	(2,515,754)	(106,625)	0	(2,622,379)
Total Depreciation	(\$3,903,601)	(\$186,455) *	\$0	(\$4,090,056)
<i>Net Value:</i>	\$2,872,131			\$2,813,148

* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	\$73,483
Leisure Time Activities	17,450
Transportation	26,152
General Government	69,370
Total Depreciation Expense	\$186,455

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2005**

NOTE 9 - CAPITAL ASSETS (continued)

B. Business-Type Activities Capital Assets

Summary by Category at December 31, 2005:

<i>Historical Cost:</i>	Restated December 31,			December 31,
Class	2004	Additions	Deletions	2005
<i>Capital assets not being depreciated:</i>				
Land	\$6,261	\$0	\$0	\$6,261
<i>Capital assets being depreciated:</i>				
Buildings	297,324	6,396	0	303,720
Infrastructure	9,232,789	516,174	0	9,748,963
Machinery and Equipment	239,671	692	0	240,363
Total Cost	<u>\$9,776,045</u>	<u>\$523,262</u>	<u>\$0</u>	<u>\$10,299,307</u>
 <i>Accumulated Depreciation:</i>				
Class	December 31, 2004	Additions	Deletions	December 31, 2005
Buildings	(\$134,237)	(\$6,660)	\$0	(\$140,897)
Infrastructure	(2,800,898)	(182,559)	0	(2,983,457)
Machinery and Equipment	(213,151)	(2,343)	0	(215,494)
Total Depreciation	<u>(\$3,148,286)</u>	<u>(\$191,562)</u>	<u>\$0</u>	<u>(\$3,339,848)</u>
 <i>Net Value:</i>	 <u>\$6,627,759</u>			 <u>\$6,959,459</u>

NOTE 10 – DEFINED BENEFIT PENSION PLANS

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

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

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

All employees of the City, except full-time uniformed police officers and full-time firefighters, participate in one of the three pension plans administered by the Ohio PERS: the Traditional Pension Plan (TP), the Member-Directed Plan (MD), and the Combined Plan (CO). The TP Plan is a cost-sharing multiple employer defined benefit pension plan. The MD Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the MD Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

plus any investment earnings thereon. The CO Plan is a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. Under the CO Plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the TP Plan. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the MD Plan.

The Ohio PERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the TP Plan and CO Plan. Members of the MD Plan do not qualify for ancillary benefits, including postemployment health care benefits. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Ohio Public Employees Retirement System issues a stand-alone financial report that includes financial statements and required supplementary information for the Ohio PERS. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6701 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2005, employee and employer contribution rates were consistent across all three plans (TP, MD and CO). The employee contribution rate is 8.5%. The 2005 employer contribution rate for local government employer units was 13.55%, of covered payroll, 9.55% to fund the pension and 4.0% to fund health care. The contribution requirements of plan members and the City are established and may be amended by the Public Employees Retirement Board. The City's contributions to the Ohio PERS for the years ending December 31, 2005, 2004, and 2003 were \$141,847, \$155,104 and \$141,832, respectively, which were equal to the required contributions for each year.

The Ohio PERS provides postemployment health care benefits to age and service retirants with ten or more years of qualifying Ohio service credit under the TP and CO plans and to primary survivor recipients of such retirants. Health care coverage for disability recipients is also available. The health care coverage provided by the Ohio PERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to the Ohio PERS is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority requiring public employers to fund postemployment health care through their contributions to the Ohio PERS. The portion of the 2005 employer contribution rate (identified above) that was used to fund health care for the year 2005 was 4.0% of covered payroll which amounted to \$41,874.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

The significant actuarial assumptions and calculations relating to postemployment health care benefits were based on the Ohio Public Employees Retirement System’s latest actuarial review performed as of December 31, 2004. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets. The investment assumption rate for 2004 was 8.0%. An annual increase of 4.0% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.0% base increase, were assumed to range from 0.5% to 6.3%. Health care costs were assumed to increase 4.0% annually plus an additional factor ranging from 1% to 6% for the next 8 years. In subsequent years (9 and beyond) health care costs were assumed to increase 4% (the projected wage inflation rate).

Benefits are advanced-funded on an actuarially determined basis. The number of active contributing participants for the TP and CO Plans was 376,109. The actuarial value of the Ohio PERS net assets available for OPEB at December 31, 2004 is \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$29.5 billion and \$18.7 billion, respectively.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, will be effective January 1, 2007. In addition to the HCPP, Ohio PERS has taken additional action to improve the solvency of the Health Care Fund in 2005 by creating a separate investment pool for health care assets. As an additional component of the HCPP, member and employer contribution rates increased as of January 1, 2006, which will allow additional funds to be allocated to the health care plan

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% for police officers. The City's contributions to the OP&F Fund for the years ending December 31, 2005, 2004, and 2003 were \$142,934, \$148,014 and \$150,929 for police, which were equal to the required contributions for each year.

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

The portion of the 2005 covered payroll that was used to fund postemployment health care benefits was \$56,807 representing 7.75% of covered payroll for police. Health care funding and accounting was on a pay-as-you-go basis. In addition, since July 1, 1992 most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions. As of December 31, 2004, the date of the last actuarial evaluation available, the number of participants eligible to receive health care benefits was 13,812 for police and 10,528 for firefighters. The OP&F Fund does not provide separate data on the funded status and funding progress of postemployment health care benefits. The Fund's total health care expenses for the year ended December 31, 2004 were \$102,173,796, which was net of member contributions of \$55,665,341.

NOTE 11 - COMPENSATED ABSENCES

In accordance with GASB Statement No. 16, "*Accounting for Compensated Absences*," vacation and compensatory time are accrued as liabilities when an employee's right to receive compensation is attributable to services already rendered and it is probable the employee will be compensated through paid time off or some other means, such as cash payments at termination or retirement. Leave time that has been earned but is unavailable for use as paid time off or as some other form of compensation because an employee has not met the minimum service time requirement, is accrued to the extent that it is considered to be probable that the conditions for compensation will be met in the future.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2005**

NOTE 11 - COMPENSATED ABSENCES (Continued)

Sick leave is accrued using the vesting method, whereby the liability is recorded on the basis of leave accumulated by employees who are eligible to receive termination payments as of the balance sheet date, and on leave balances accumulated by other employees who are expected to become eligible in the future to receive such payments.

Vacation earned in a calendar year must be used during the current year. Vacation time cannot carry over into the subsequent year. At termination or retirement, employees are paid at their full rate for 100% of their unused vacation leave.

At December 31, 2005, the City's accumulated, unpaid compensated absences amounted to \$198,015, of which \$195,735 is recorded as a liability of the Governmental Activities and \$2,280 is recorded as a liability of the Business-Type Activities. There was no compensated absences balance due within one year.

NOTE 12 - TRANSFERS

Following is a summary of transfers in and out for all funds for 2005:

	General Obligation Debt Service Fund	Nonmajor Governmental Funds	Total
Transfers Out:			
General Fund	\$67,487	\$286,520	\$354,007
Other Governmental Funds	0	11,302	11,302
	<u>\$67,487</u>	<u>\$297,822</u>	<u>\$365,309</u>

Transfers are used to (1) move revenues from the fund that statute or budget required 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 authorization.

NOTE 13 - NOTES PAYABLE

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 13 - NOTES PAYABLE (Continued)

The following general obligation notes were payable at December 31, 2005:

	Issue Date	Balance January 1, 2005	Issued	(Retired)	Balance December 31, 2005
Capital Projects Notes Payable:					
3.09% T.I.D. Road Improvements	06/23/04	\$2,420,000	\$0	(\$2,420,000)	\$0
4.00% T.I.D. Road Improvements	06/14/05	0	2,300,000	0	2,300,000
3.09% Community Center	06/23/04	575,000	0	(575,000)	0
5.00% Community Center	06/14/05	0	525,000	0	525,000
3.09% Fire Improvement	06/23/04	485,000	0	(485,000)	0
4.00% Fire Improvement	06/14/05	0	75,000	0	75,000
Total Capital Projects Notes Payable		<u>3,480,000</u>	<u>2,900,000</u>	<u>(3,480,000)</u>	<u>2,900,000</u>
Enterprise Notes Payable:					
3.09% T.I.D. Water System	06/23/04	310,000	0	(310,000)	0
4.00% T.I.D. Water System	06/14/05	0	310,000	0	310,000
Total Water Fund Notes Payable		<u>310,000</u>	<u>310,000</u>	<u>(310,000)</u>	<u>310,000</u>
3.09% T.I.D. Sewer System	06/23/04	310,000	0	(310,000)	0
4.00% T.I.D. Sewer System	06/14/05	0	310,000	0	310,000
3.09% Glenwood/Maybar Sewer Phase IV	06/23/04	215,000	0	(215,000)	0
4.00% Glenwood/Maybar Sewer Phase IV	06/14/05	0	150,000	0	150,000
Total Sewer Fund Notes Payable		<u>525,000</u>	<u>460,000</u>	<u>(525,000)</u>	<u>460,000</u>
Total Enterprise Notes Payable		<u>835,000</u>	<u>770,000</u>	<u>(835,000)</u>	<u>770,000</u>
Total Notes Payable		<u><u>\$4,315,000</u></u>	<u><u>\$3,670,000</u></u>	<u><u>(\$4,315,000)</u></u>	<u><u>\$3,670,000</u></u>

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CITY OF ROSSFORD, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2005**

NOTE 14- LONG-TERM DEBT

Long-term debt of the City at December 31, 2005 is as follows:

	Restated Balance January 1, 2005	Issued	(Retired)	Balance December 31, 2005	Amount Due Within One Year
Business-Type Activities:					
General Obligation Bonds:					
3.05% SR 795 to Perrysburg Waterline	\$1,395,000	\$0	(\$25,000)	\$1,370,000	\$25,000
3.05% Interstate Brands Waterline	217,728	0	(2,979)	214,749	6,554
3.05% Wales/Fairfield Water	155,142	0	(2,322)	152,820	6,966
3.05% Crossroads Sewerline	840,000	0	(10,000)	830,000	25,000
3.05% Interstate Brands Sewerline	158,638	0	(2,021)	156,617	4,446
3.05% Wales/Fairfield Sewer	179,492	0	(2,678)	176,814	8,034
3.05% Glenwood Road Sewer Phase III	302,000	0	(5,000)	297,000	7,000
Total General Obligation Bonds	3,248,000	0	(50,000)	3,198,000	83,000
4.12% Ohio Water Development Authority Loan	1,466,922	0	(91,830)	1,375,092	95,652
0.00% Ohio Public Works Commission Loan	70,420	0	(4,695)	65,725	4,695
Compensated Absences Payable	1,916	2,280	(1,916)	2,280	0
Total Business-Type Long-Term Debt	\$4,787,258	\$2,280	(\$148,441)	\$4,641,097	\$183,347
Governmental Activities:					
General Obligation Bonds:					
3.05% Landfill Improvement	\$262,000	\$0	(\$7,000)	\$255,000	\$10,000
3.05% Lewis Street Repaving	75,000	0	(5,000)	70,000	5,000
3.05% Buck Road Widening	228,000	0	(8,000)	220,000	10,000
3.05% Buck Road Improvements	946,000	0	(15,000)	931,000	42,000
3.05% Public Works Building	150,000	0	(5,000)	145,000	5,000
3.05% Rinker Point Court	165,000	0	(5,000)	160,000	5,000
3.05% Arena Drainage Ditch	96,000	0	(5,000)	91,000	5,000
2.75% US Route 20	1,895,000	0	(50,000)	1,845,000	50,000
Total General Obligation Bonds	3,817,000	0	(100,000)	3,717,000	132,000
Special Assessment Bond:					
2.75% Street Construction	190,000	0	(25,000)	165,000	25,000
Landfill Postclosure Care Liability	576,159	0	(71,697)	504,462	0
Compensated Absences Payable	202,636	195,735	(202,636)	195,735	0
Capital Leases Payable	30,912	0	(30,912)	0	0
Total Governmental Activities Long-Term Debt	\$4,816,707	\$195,735	(\$430,245)	\$4,582,197	\$157,000

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2005**

NOTE 14 - LONG-TERM DEBT (Continued)

The principal amount of the City's special assessment debt outstanding at December 31, 2005, \$165,000, is general obligation debt (backed by the full faith and credit of the City) that is being retired with the proceeds from special assessments levied against benefited property owners. The City is obligated to repay the debt irrespective of the amount of special assessments collected from property owners.

During 1996 the Ohio Water Development Authority (OWDA) approved a loan to the City to finance a portion of Phases I and IA of the Sanitary Sewer Improvements Project. The OWDA committed up to \$2,048,160 at a 4.12% interest rate for twenty years. As of December 31, 2005, the City had received \$2,025,175 against this commitment.

The final payment schedule will be determined when the total loan is disbursed or the project is completed, whichever is earlier. The preliminary semi-annual payment amount assuming full disbursement of the loan commitment is \$75,663, due July 1 and January 1. The City made two payments during 2005 totaling \$91,830 towards the principal and \$59,496 in interest expense.

A Principal and Interest Requirements

A summary of the City's future long-term debt funding requirements including principal and interest payments as of December 31, 2005 follows:

Years	<u>Governmental Activities</u>			
	<u>General Obligation Bonds</u>		<u>Special Assessment Bond</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2006	\$132,000	\$169,480	\$25,000	\$6,060
2007	135,000	165,274	25,000	5,310
2008	135,000	160,619	25,000	4,485
2009	145,000	155,588	30,000	3,585
2010	155,000	149,944	30,000	2,445
2011-2015	880,000	646,296	30,000	1,245
2016-2020	1,065,000	1,016,353	0	0
2021-2027	1,070,000	191,922	0	0
Totals	<u>\$3,717,000</u>	<u>\$2,655,476</u>	<u>\$165,000</u>	<u>\$23,130</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2005**

NOTE 14 - LONG-TERM DEBT (Continued)

A Principal and Interest Requirements (Continued)

Years	<u>Business Type Activities</u>					
	<u>General Obligation Bonds</u>		<u>OWDA Loan Payable</u>		<u>OPWC Loan Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2006	\$83,000	\$149,036	\$95,652	\$55,674	\$4,695	\$0
2007	105,000	146,144	99,634	51,692	4,695	0
2008	105,000	142,416	103,780	47,546	4,695	0
2009	115,000	138,426	108,100	43,226	4,695	0
2010	115,000	133,884	112,600	38,726	4,695	0
2011-2015	650,000	593,559	637,329	119,301	23,475	0
2016-2020	830,000	408,644	217,997	9,104	18,775	0
2021-2027	1,195,000	244,400	0	0	0	0
Totals	<u>\$3,198,000</u>	<u>\$1,956,509</u>	<u>\$1,375,092</u>	<u>\$365,269</u>	<u>\$65,725</u>	<u>\$0</u>

NOTE 15 - INSURANCE AND RISK MANAGEMENT

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 16- SOLID WASTE LANDFILL POSTCLOSURE CARE COSTS

The City owns a former landfill site known as the Wales Road Landfill. The facility's operation predates most modern regulatory and recordkeeping requirements. The exact date for commencement of waste placement activities is unknown, but in the mid 1960's waste placement activities were modified to follow the layered approach to sanitary landfill operations. The landfill reached its capacity and ceased accepting waste at the 19.71 acre facility in 1990. The Ohio Environmental Protection Agency acting in accordance with applicable state and federal laws required the City to complete final closure of the site during 1994. The approximate total cost of closure was \$482,456. A new estimate of \$526,285 was made in 2005. State and federal laws require that the City monitor and maintain the site for thirty years after closure. The City estimates that the total postclosure liability associated with monitoring and maintaining the landfill site for the next fifteen years is \$504,462. The estimated costs of postclosure care are subject to changes corresponding to the effects of inflation, revision of laws and other variables. A portion of postclosure care costs are to be paid from an annual county grant specifically designated for said purpose. The balance of any postclosure care costs not covered by the county grant will be paid from the general tax revenues of the City.

NOTE 17 - CONTINGENCIES

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

NOTE 18 - SIGNIFICANT TAXPAYER

Pilkington North America (formerly Libbey-Owens-Ford Company) provided approximately \$330,000 of the City's income tax withholdings, \$26,000 of the City's personal property tax and \$8,000 of the City's real property taxes in 2005.

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 19 – JOINTLY GOVERNED ORGANIZATIONS

Rossford Transportation Improvement District: In May 1997, the Wood County Commissioners approved formation of the Rossford Transportation Improvement District (TID) as permitted under Chapter 5540 of the Ohio Revised Code. In July 2002, at the request of the Wood County Commissioners, the membership and appointments section of the TID bylaws was amended to eliminate the TID as a component unit of Wood County. The board of trustees consists of the following members: two voting members appointed by Wood County, three voting members appointed by the City of Rossford, two voting members appointed by Perrysburg Township, the Wood County Engineer as a voting member, and two nonvoting members of the general assembly in whose legislative district the TID is located. It is empowered to provide for the construction, improvement, alteration or repair of any road, highway, public place or other infrastructure within the limits of the City and to issue bonds. During 2002, the City of Rossford issued \$3,150,000 of special assessment notes on behalf of the TID. These notes were retired and \$3,139,893 were reissued during 2003. The debt service for the notes is to be paid for by special assessments levied by the TID against the parcels of land and lots that are benefited by the project. In the event that the TID is unable to make payments on the principal and interest associated with these notes, the City of Rossford is responsible for making these payments.

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

*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

*THE FOLLOWING COMBINING STATEMENTS AND SCHEDULES
INCLUDE THE MAJOR AND NONMAJOR GOVERNMENTAL FUNDS,
AND FIDUCIARY FUNDS.*



Nonmajor Governmental Funds

Special Revenue Funds

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

State Highway Fund

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

Street Construction, Maintenance and Repair Fund

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

Drug Fine Fund

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

Enforcement and Education Fund

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

Law Enforcement Trust Fund

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

Community Oriented Policing Services (COPS) Fast Grant Fund

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

Recreation Fund

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

Free Community Entertainment Fund

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

Block Grant Fund

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

(Continued)

Special Revenue Funds

Downtown Streetscape Fund

To account for the revenues from Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) grants and assessments. Expenditures are to be used for Downtown Streetscape projects. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Capital Projects Funds

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

Landfill Closure Fund

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

Lewis Street Paving and Curbs Fund

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

Capital Improvement Fund

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

Fire Capital Improvement Fund

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

Permanent Recreation Improvement Fund

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

Arena Drainage Ditch Fund

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

(Continued)

Capital Projects Funds

Electrical Industrial Court Fund

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

TIF Ramco Gershenson Fund

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

TIF Henry Court Road Construction Fund

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

CITY OF ROSSFORD, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2005**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:			
Cash and Cash Equivalents	\$ 275,806	\$ 704,396	\$ 980,202
Receivables (net of allowance for doubtful accounts):			
Taxes	46,959	291,904	338,863
Intergovernmental	126,734	46,506	173,240
Special Assessments	0	61,047	61,047
Inventory of Supplies, at Cost	14,119	0	14,119
Total Assets	\$ 463,618	\$ 1,103,853	\$ 1,567,471
Liabilities:			
Accounts Payable	\$ 28,541	\$ 4,969	\$ 33,510
Accrued Wages and Benefits Payable	7,874	0	7,874
Deferred Revenue	130,013	352,951	482,964
Accrued Interest Payable	0	2,325	2,325
General Obligation Notes Payable	0	75,000	75,000
Total Liabilities	166,428	435,245	601,673
Fund Balances:			
Reserved for Encumbrances	15,534	59,138	74,672
Reserved for Supplies Inventory	14,119	0	14,119
Undesignated/Unreserved	267,537	609,470	877,007
Total Fund Balances	297,190	668,608	965,798
Total Liabilities and Funds Balances	\$ 463,618	\$ 1,103,853	\$ 1,567,471

CITY OF ROSSFORD, OHIO

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

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Property Taxes	\$ 38,736	\$ 239,015	\$ 277,751
Intergovernmental Revenues	334,753	74,174	408,927
Charges for Services	80,368	0	80,368
Investment Earnings	0	6,936	6,936
Special Assessments	3,480	291,841	295,321
Fines and Forfeitures	3,128	0	3,128
All Other Revenue	70,521	95,000	165,521
Total Revenue	530,986	706,966	1,237,952
Expenditures:			
Current:			
Security of Persons and Property	3,418	0	3,418
Leisure Time Activities	200,806	0	200,806
Transportation	318,704	0	318,704
Capital Outlay	0	273,231	273,231
Debt Service:			
Principal Retirement	0	150,657	150,657
Interest & Fiscal Charges	0	189,614	189,614
Total Expenditures	522,928	613,502	1,136,430
Excess (Deficiency) of Revenues Over Expenditures	8,058	93,464	101,522
Other Financing Sources (Uses):			
Transfers In	99,089	198,733	297,822
Transfers Out	(2,146)	(9,156)	(11,302)
Total Other Financing Sources (Uses)	96,943	189,577	286,520
Net Change in Fund Balances	105,001	283,041	388,042
Fund Balances at Beginning of Year	189,437	385,567	575,004
Increase in Inventory Reserve	2,752	0	2,752
Fund Balances End of Year	\$ 297,190	\$ 668,608	\$ 965,798

CITY OF ROSSFORD, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2005**

	State Highway	Street Construction, Maintenance and Repair	Drug Fine	Enforcement and Education
Assets:				
Cash and Cash Equivalents	\$ 21,244	\$ 16,617	\$ 9,366	\$ 134
Receivables (net of allowance for doubtful accounts):				
Taxes	0	0	0	0
Intergovernmental	9,344	115,237	0	0
Inventory of Supplies, at Cost	0	14,119	0	0
Total Assets	<u>\$ 30,588</u>	<u>\$ 145,973</u>	<u>\$ 9,366</u>	<u>\$ 134</u>
Liabilities:				
Accounts Payable	\$ 0	\$ 10,419	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	2,903	0	0
Deferred Revenue	6,229	76,825	0	0
Total Liabilities	<u>6,229</u>	<u>90,147</u>	<u>0</u>	<u>0</u>
Fund Balances:				
Reserved for Encumbrances	868	8,991	0	0
Reserved for Supplies Inventory	0	14,119	0	0
Undesignated/Unreserved	23,491	32,716	9,366	134
Total Fund Balances	<u>24,359</u>	<u>55,826</u>	<u>9,366</u>	<u>134</u>
Total Liabilities and Funds Balances	<u>\$ 30,588</u>	<u>\$ 145,973</u>	<u>\$ 9,366</u>	<u>\$ 134</u>

CITY OF ROSSFORD, OHIO

<u>Law Enforcement Trust</u>	<u>COPS Fast Grant</u>	<u>Recreation</u>	<u>Free Community Entertainment</u>	<u>Block Grant</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 65,008	\$ 7	\$ 9,609	\$ 4,881	\$ 148,940	\$ 275,806
0	0	46,959	0	0	46,959
0	0	2,153	0	0	126,734
0	0	0	0	0	14,119
<u>\$ 65,008</u>	<u>\$ 7</u>	<u>\$ 58,721</u>	<u>\$ 4,881</u>	<u>\$ 148,940</u>	<u>\$ 463,618</u>
\$ 16,000	\$ 0	\$ 2,122	\$ 0	\$ 0	\$ 28,541
0	0	4,971	0	0	7,874
0	0	46,959	0	0	130,013
<u>16,000</u>	<u>0</u>	<u>54,052</u>	<u>0</u>	<u>0</u>	<u>166,428</u>
0	0	5,675	0	0	15,534
0	0	0	0	0	14,119
<u>49,008</u>	<u>7</u>	<u>(1,006)</u>	<u>4,881</u>	<u>148,940</u>	<u>267,537</u>
<u>49,008</u>	<u>7</u>	<u>4,669</u>	<u>4,881</u>	<u>148,940</u>	<u>297,190</u>
<u>\$ 65,008</u>	<u>\$ 7</u>	<u>\$ 58,721</u>	<u>\$ 4,881</u>	<u>\$ 148,940</u>	<u>\$ 463,618</u>

CITY OF ROSSFORD, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005**

	State Highway	Street Construction, Maintenance and Repair	Drug Fine	Enforcement and Education
Revenues:				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	22,253	274,445	0	0
Charges for Services	0	0	0	0
Special Assessments	0	0	0	0
Fines and Forfeitures	0	0	1,722	1,406
All Other Revenue	0	0	0	0
Total Revenue	22,253	274,445	1,722	1,406
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	3,418
Leisure Time Activities	0	0	0	0
Transportation	3,851	311,373	0	0
Total Expenditures	3,851	311,373	0	3,418
Excess (Deficiency) of Revenues Over Expenditures	18,402	(36,928)	1,722	(2,012)
Other Financing Sources (Uses):				
Transfers In	0	40,535	0	2,146
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	0	40,535	0	2,146
Net Change in Fund Balances	18,402	3,607	1,722	134
Fund Balances (Deficit) at Beginning of Year	5,957	49,467	7,644	0
Increase in Inventory Reserve	0	2,752	0	0
Fund Balances End of Year	\$ 24,359	\$ 55,826	\$ 9,366	\$ 134

CITY OF ROSSFORD, OHIO

Law Enforcement Trust	COPS Fast Grant	Recreation	Free Community Entertainment	Block Grant	Downtown Streetscape	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 38,736	\$ 0	\$ 0	\$ 0	\$ 38,736
0	0	6,432	0	31,623	0	334,753
0	0	80,368	0	0	0	80,368
0	0	0	0	0	3,480	3,480
0	0	0	0	0	0	3,128
45,594	0	21,711	3,216	0	0	70,521
45,594	0	147,247	3,216	31,623	3,480	530,986
0	0	0	0	0	0	3,418
0	0	196,856	3,950	0	0	200,806
0	0	0	0	0	3,480	318,704
0	0	196,856	3,950	0	3,480	522,928
45,594	0	(49,609)	(734)	31,623	0	8,058
0	0	56,408	0	0	0	99,089
(2,146)	0	0	0	0	0	(2,146)
(2,146)	0	56,408	0	0	0	96,943
43,448	0	6,799	(734)	31,623	0	105,001
5,560	7	(2,130)	5,615	117,317	0	189,437
0	0	0	0	0	0	2,752
\$ 49,008	\$ 7	\$ 4,669	\$ 4,881	\$ 148,940	\$ 0	\$ 297,190

CITY OF ROSSFORD, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2005**

	Landfill Closure	Lewis Street Paving and Curbs	Capital Improvement	Fire Capital Improvement
Assets:				
Cash and Cash Equivalents	\$ 12,950	\$ 13,895	\$ 10,495	\$ 103,658
Receivables (net of allowance for doubtful accounts):				
Taxes	0	0	0	244,945
Intergovernmental	0	0	0	11,837
Special Assessments	0	0	0	0
Total Assets	\$ 12,950	\$ 13,895	\$ 10,495	\$ 360,440
Liabilities:				
Accounts Payable	\$ 4,400	\$ 0	\$ 0	\$ 569
Deferred Revenue	0	0	0	244,945
Accrued Interest Payable	0	0	0	2,325
General Obligation Notes Payable	0	0	0	75,000
Total Liabilities	4,400	0	0	322,839
Fund Balances:				
Reserved for Encumbrances	12,510	0	10,495	36,133
Undesignated/Unreserved	(3,960)	13,895	0	1,468
Total Fund Balances	8,550	13,895	10,495	37,601
Total Liabilities and Funds Balances	\$ 12,950	\$ 13,895	\$ 10,495	\$ 360,440

CITY OF ROSSFORD, OHIO

<u>Permanent Recreation Improvement</u>	<u>Electrical Industrial Court</u>	<u>TIF Ramco Gershenson</u>	<u>TIF Henry Court Road Construction</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$ 84,620	\$ 41,694	\$ 434,584	\$ 2,500	\$ 704,396
46,959	0	0	0	291,904
2,153	0	32,516	0	46,506
0	61,047	0	0	61,047
<u>\$ 133,732</u>	<u>\$ 102,741</u>	<u>\$ 467,100</u>	<u>\$ 2,500</u>	<u>\$ 1,103,853</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,969
46,959	61,047	0	0	352,951
0	0	0	0	2,325
0	0	0	0	75,000
<u>46,959</u>	<u>61,047</u>	<u>0</u>	<u>0</u>	<u>435,245</u>
0	0	0	0	59,138
<u>86,773</u>	<u>41,694</u>	<u>467,100</u>	<u>2,500</u>	<u>609,470</u>
<u>86,773</u>	<u>41,694</u>	<u>467,100</u>	<u>2,500</u>	<u>668,608</u>
<u>\$ 133,732</u>	<u>\$ 102,741</u>	<u>\$ 467,100</u>	<u>\$ 2,500</u>	<u>\$ 1,103,853</u>

CITY OF ROSSFORD, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2005***

	Landfill Closure	Lewis Street Paving and Curbs	Capital Improvement	Fire Capital Improvement
Revenues:				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 200,279
Intergovernmental Revenues	0	0	0	35,226
Investment Earnings	0	0	0	0
Special Assessments	0	7,796	0	0
All Other Revenue	0	0	0	95,000
Total Revenue	0	7,796	0	330,505
Expenditures:				
Capital Outlay	69,172	0	0	193,988
Debt Service:				
Principal Retirement	7,000	5,000	33,000	25,657
Interest & Fiscal Charges	11,358	3,078	65,731	10,485
Total Expenditures	87,530	8,078	98,731	230,130
Excess (Deficiency) of Revenues Over Expenditures	(87,530)	(282)	(98,731)	100,375
Other Financing Sources (Uses):				
Transfers In	90,846	0	98,731	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	90,846	0	98,731	0
Net Change in Fund Balances	3,316	(282)	0	100,375
Fund Balances (Deficit) at Beginning of Year	5,234	14,177	10,495	(62,774)
Fund Balances End of Year	\$ 8,550	\$ 13,895	\$ 10,495	\$ 37,601

CITY OF ROSSFORD, OHIO

Permanent Recreation Improvement	Arena Drainage Ditch	Electrical Industrial Court	TIF Ramco Gershenson	TIF Henry Court Road Construction	Total Nonmajor Capital Project Funds
\$ 38,736	\$ 0	\$ 0	\$ 0	\$ 0	\$ 239,015
6,432	0	0	32,516	0	74,174
0	0	0	6,936	0	6,936
0	0	33,196	250,849	0	291,841
0	0	0	0	0	95,000
<u>45,168</u>	<u>0</u>	<u>33,196</u>	<u>290,301</u>	<u>0</u>	<u>706,966</u>
0	0	0	10,071	0	273,231
0	5,000	25,000	50,000	0	150,657
0	4,156	6,748	88,058	0	189,614
<u>0</u>	<u>9,156</u>	<u>31,748</u>	<u>148,129</u>	<u>0</u>	<u>613,502</u>
45,168	(9,156)	1,448	142,172	0	93,464
0	9,156	0	0	0	198,733
0	0	0	(9,156)	0	(9,156)
<u>0</u>	<u>9,156</u>	<u>0</u>	<u>(9,156)</u>	<u>0</u>	<u>189,577</u>
45,168	0	1,448	133,016	0	283,041
41,605	0	40,246	334,084	2,500	385,567
<u>\$ 86,773</u>	<u>\$ 0</u>	<u>\$ 41,694</u>	<u>\$ 467,100</u>	<u>\$ 2,500</u>	<u>\$ 668,608</u>

CITY OF ROSSFORD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2005**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 243,042	\$ 243,042	\$ 225,754	\$ (17,288)
Municipal Income Taxes	2,590,000	2,590,000	2,615,721	25,721
Other Local Taxes	192,600	192,600	195,455	2,855
Intergovernmental Revenues	726,927	731,099	785,631	54,532
Charges for Services	65,200	65,200	68,254	3,054
Licenses and Permits	53,000	53,000	23,971	(29,029)
Investment Earnings	20,000	20,000	61,700	41,700
Special Assessments	150,000	150,000	171,661	21,661
Fines and Forfeitures	28,100	28,100	33,145	5,045
All Other Revenues	84,246	87,726	12,191	(75,535)
Total Revenues	<u>4,153,115</u>	<u>4,160,767</u>	<u>4,193,483</u>	<u>32,716</u>
Expenditures:				
Security of Persons and Property:				
Police:				
Personal Services	1,150,362	1,241,422	1,138,822	102,600
Contractual Services	95,824	76,274	65,994	10,280
Materials and Supplies	29,530	54,675	53,643	1,032
Capital Outlay	2,000	1,000	438	562
Total Police	<u>1,277,716</u>	<u>1,373,371</u>	<u>1,258,897</u>	<u>114,474</u>
Fire:				
Personal Services	363,005	349,402	298,420	50,982
Contractual Services	59,630	59,630	41,676	17,954
Materials and Supplies	22,052	22,052	14,668	7,384
Total Fire	<u>444,687</u>	<u>431,084</u>	<u>354,764</u>	<u>76,320</u>
Civil Defense:				
Contractual Services	6,000	6,000	5,599	401
Total Civil Defense	<u>6,000</u>	<u>6,000</u>	<u>5,599</u>	<u>401</u>
Street Lighting:				
Contractual Services	173,494	173,494	167,936	5,558
Total Street Lighting	<u>173,494</u>	<u>173,494</u>	<u>167,936</u>	<u>5,558</u>
Total Security of Persons and Property	<u>1,901,897</u>	<u>1,983,949</u>	<u>1,787,196</u>	<u>196,753</u>

(Continued)

CITY OF ROSSFORD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2005**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Leisure Time Activities:				
Parks:				
Contractual Services	7,474	5,214	4,608	606
Materials and Supplies	6,253	4,350	1,206	3,144
Capital Outlay	6,729	10,892	10,892	0
Total Parks	<u>20,456</u>	<u>20,456</u>	<u>16,706</u>	<u>3,750</u>
Total Leisure Time Activities	<u>20,456</u>	<u>20,456</u>	<u>16,706</u>	<u>3,750</u>
Basic Utility Services:				
Refuse Pick-up/Curbside Recycling:				
Contractual Services	260,000	105,175	105,174	1
Total Refuse Pick-up/Curbside Recycling	<u>260,000</u>	<u>105,175</u>	<u>105,174</u>	<u>1</u>
Total Basic Utility Services	<u>260,000</u>	<u>105,175</u>	<u>105,174</u>	<u>1</u>
Transportation:				
Public Works:				
Personal Services	436,288	424,347	405,278	19,069
Contractual Services	83,345	103,377	99,199	4,178
Materials and Supplies	22,117	22,117	20,369	1,748
Capital Outlay	2,001	1,041	800	241
Total Public Works	<u>543,751</u>	<u>550,882</u>	<u>525,646</u>	<u>25,236</u>
Total Transportation	<u>543,751</u>	<u>550,882</u>	<u>525,646</u>	<u>25,236</u>
General Government:				
City Council:				
Personal Services	29,950	29,950	28,739	1,211
Contractual Services	500	500	0	500
Total City Council	<u>30,450</u>	<u>30,450</u>	<u>28,739</u>	<u>1,711</u>
Mayor:				
Personal Services	33,228	45,805	43,741	2,064
Contractual Services	500	500	0	500
Capital Outlay	500	500	0	500
Total Mayor	<u>34,228</u>	<u>46,805</u>	<u>43,741</u>	<u>3,064</u>

(Continued)

CITY OF ROSSFORD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2005***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Administrator:				
Personal Services	157,813	129,714	121,375	8,339
Contractual Services	1,000	715	295	420
Capital Outlay	0	286	285	1
Total Administrator	<u>158,813</u>	<u>130,715</u>	<u>121,955</u>	<u>8,760</u>
General Government:				
Personal Services	14,656	24,502	23,354	1,148
Contractual Services	316,965	298,090	276,478	21,612
Materials and Supplies	13,429	12,879	10,752	2,127
Other Expenditures	10,500	15,500	14,683	817
Capital Outlay	13,500	36,050	36,024	26
Total General Government	<u>369,050</u>	<u>387,021</u>	<u>361,291</u>	<u>25,730</u>
Building and Occupancy:				
Personal Services	10,825	10,825	3,985	6,840
Contractual Services	302,548	333,608	332,983	625
Materials and Supplies	9,932	14,872	14,521	351
Total Building and Occupancy	<u>323,305</u>	<u>359,305</u>	<u>351,489</u>	<u>7,816</u>
Finance/Tax:				
Personal Services	105,635	100,540	94,330	6,210
Contractual Services	500	500	0	500
Materials and Supplies	8,325	6,825	6,386	439
Other Expenditures	10,000	0	0	0
Capital Outlay	500	500	0	500
Total Finance/Tax	<u>124,960</u>	<u>108,365</u>	<u>100,716</u>	<u>7,649</u>
Treasurer:				
Personal Services	1,185	1,185	1,155	30
Law:				
Contractual Services	198,497	198,497	159,700	38,797
Total Law	<u>199,682</u>	<u>199,682</u>	<u>160,855</u>	<u>38,827</u>
Total General Government	<u>1,240,488</u>	<u>1,262,343</u>	<u>1,168,786</u>	<u>93,557</u>

(Continued)

CITY OF ROSSFORD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2005**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Debt Service:				
Principal Retirement	23,647	5,255	5,255	0
Interest and Fiscal Charges	847	167	158	9
Total Expenditures	<u>3,991,086</u>	<u>3,928,227</u>	<u>3,608,921</u>	<u>319,306</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	162,029	232,540	584,562	352,022
Other Financing Sources (Uses):				
Transfers Out	<u>(360,735)</u>	<u>(435,455)</u>	<u>(354,007)</u>	<u>81,448</u>
Total Other Financing Sources (Uses)	<u>(360,735)</u>	<u>(435,455)</u>	<u>(354,007)</u>	<u>81,448</u>
Net Change in Fund Balance	(198,706)	(202,915)	230,555	433,470
Fund Balance at Beginning of Year	101,700	101,700	101,700	0
Prior Year Encumbrances	159,690	159,690	159,690	0
Fund Balance at End of Year	<u>\$ 62,684</u>	<u>\$ 58,475</u>	<u>\$ 491,945</u>	<u>\$ 433,470</u>

CITY OF ROSSFORD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Debt Service Fund
For the Year Ended December 31, 2005**

GENERAL OBLIGATION DEBT SERVICE FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Debt Service:				
Principal Retirement	575,000	575,000	575,000	0
Interest and Fiscal Charges	17,768	17,768	17,487	281
Total Expenditures	592,768	592,768	592,487	281
Excess (Deficiency) of Revenues Over (Under) Expenditures	(592,768)	(592,768)	(592,487)	281
Other Financing Sources (Uses):				
General Obligation Notes Issued	575,000	575,000	525,000	(50,000)
Transfers In	17,768	67,488	67,487	(1)
Total Other Financing Sources (Uses)	592,768	642,488	592,487	(50,001)
Net Change in Fund Balance	0	49,720	0	(49,720)
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$ 0	\$ 49,720	\$ 0	\$ (49,720)

CITY OF ROSSFORD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Projects Fund
For the Year Ended December 31, 2005**

TID ROAD ACQUISITION FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Special Assessments	\$ 201,719	\$ 201,719	\$ 225,029	\$ 23,310
Total Revenues	<u>201,719</u>	<u>201,719</u>	<u>225,029</u>	<u>23,310</u>
Expenditures:				
Capital Outlay	1	1	1	0
Debt Service:				
Principal Retirement	2,420,000	2,420,000	2,420,000	0
Interest and Fiscal Charges	86,878	86,878	72,856	14,022
Total Expenditures	<u>2,506,879</u>	<u>2,506,879</u>	<u>2,492,857</u>	<u>14,022</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,305,160)	(2,305,160)	(2,267,828)	37,332
Other Financing Sources (Uses):				
General Obligation Notes Issued	2,538,893	2,538,893	2,300,000	(238,893)
Total Other Financing Sources (Uses)	<u>2,538,893</u>	<u>2,538,893</u>	<u>2,300,000</u>	<u>(238,893)</u>
Net Change in Fund Balance	233,733	233,733	32,172	(201,561)
Fund Balance at Beginning of Year	77,811	77,811	77,811	0
Fund Balance at End of Year	<u>\$ 311,544</u>	<u>\$ 311,544</u>	<u>\$ 109,983</u>	<u>\$ (201,561)</u>

CITY OF ROSSFORD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 19,000	\$ 19,000	\$ 22,716	\$ 3,716
Total Revenues	<u>19,000</u>	<u>19,000</u>	<u>22,716</u>	<u>3,716</u>
Expenditures:				
Transportation:				
Materials and Supplies	<u>13,878</u>	<u>13,878</u>	<u>4,719</u>	<u>9,159</u>
Total Expenditures	<u>13,878</u>	<u>13,878</u>	<u>4,719</u>	<u>9,159</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,122	5,122	17,997	12,875
Fund Balance at Beginning of Year	1	1	1	0
Prior Year Encumbrances	<u>2,378</u>	<u>2,378</u>	<u>2,378</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 7,501</u>	<u>\$ 7,501</u>	<u>\$ 20,376</u>	<u>\$ 12,875</u>

CITY OF ROSSFORD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005***

STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 206,000	\$ 236,000	\$ 280,161	\$ 44,161
Total Revenues	<u>206,000</u>	<u>236,000</u>	<u>280,161</u>	<u>44,161</u>
Expenditures:				
Transportation:				
Personal Services	74,122	181,593	172,130	9,463
Contractual Services	82,119	49,467	44,780	4,687
Materials and Supplies	96,676	113,818	113,582	236
Total Expenditures	<u>252,917</u>	<u>344,878</u>	<u>330,492</u>	<u>14,386</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(46,917)	(108,878)	(50,331)	58,547
Other Financing Sources (Uses):				
Transfers In	37,124	62,124	40,535	(21,589)
Total Other Financing Sources (Uses)	<u>37,124</u>	<u>62,124</u>	<u>40,535</u>	<u>(21,589)</u>
Net Change in Fund Balance	(9,793)	(46,754)	(9,796)	36,958
Fund Balance at Beginning of Year	1	1	1	0
Prior Year Encumbrances	9,795	9,795	9,795	0
Fund Balance at End of Year	<u>\$ 3</u>	<u>\$ (36,958)</u>	<u>\$ 0</u>	<u>\$ 36,958</u>

CITY OF ROSSFORD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005***

	DRUG FINE FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Fines and Forfeitures	\$ 0	\$ 0	\$ 1,722	\$ 1,722
Total Revenues	<u>0</u>	<u>0</u>	<u>1,722</u>	<u>1,722</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	1,722	1,722
Fund Balance at Beginning of Year	<u>7,644</u>	<u>7,644</u>	<u>7,644</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 7,644</u>	<u>\$ 7,644</u>	<u>\$ 9,366</u>	<u>\$ 1,722</u>

CITY OF ROSSFORD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,406</u>	<u>\$ 406</u>
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>1,406</u>	<u>406</u>
Expenditures:				
Security of Persons and Property:				
Materials and Supplies	<u>3,500</u>	<u>3,500</u>	<u>3,418</u>	<u>82</u>
Total Expenditures	<u>3,500</u>	<u>3,500</u>	<u>3,418</u>	<u>82</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,500)	(2,500)	(2,012)	488
Other Financing Sources (Uses):				
Transfers In	<u>2,500</u>	<u>2,500</u>	<u>2,146</u>	<u>(354)</u>
Total Other Financing Sources (Uses)	<u>2,500</u>	<u>2,500</u>	<u>2,146</u>	<u>(354)</u>
Net Change in Fund Balance	0	0	134	134
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 134</u>	<u>\$ 134</u>

CITY OF ROSSFORD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005**

LAW ENFORCEMENT TRUST FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
All Other Revenues	\$ 1,000	\$ 1,000	\$ 61,594	\$ 60,594
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>61,594</u>	<u>60,594</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,000	1,000	61,594	60,594
Other Financing Sources (Uses):				
Transfers Out	<u>(2,500)</u>	<u>(2,500)</u>	<u>(2,146)</u>	<u>354</u>
Total Other Financing Sources (Uses)	<u>(2,500)</u>	<u>(2,500)</u>	<u>(2,146)</u>	<u>354</u>
Net Change in Fund Balance	(1,500)	(1,500)	59,448	60,948
Fund Balance at Beginning of Year	5,560	5,560	5,560	0
Fund Balance at End of Year	<u>\$ 4,060</u>	<u>\$ 4,060</u>	<u>\$ 65,008</u>	<u>\$ 60,948</u>

CITY OF ROSSFORD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005***

	COPS FAST GRANT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Total Expenditures	0	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	7	7	7	0
Fund Balance at End of Year	<u>\$ 7</u>	<u>\$ 7</u>	<u>\$ 7</u>	<u>\$ 0</u>

CITY OF ROSSFORD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005***

	RECREATION FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Property Taxes	\$ 38,366	\$ 38,366	\$ 38,736	\$ 370
Intergovernmental Revenues	4,000	4,000	4,279	279
Charges for Services	76,200	76,200	80,368	4,168
All Other Revenues	16,500	16,500	21,711	5,211
Total Revenues	<u>135,066</u>	<u>135,066</u>	<u>145,094</u>	<u>10,028</u>
Expenditures:				
Leisure Time Activities:				
Personal Services	139,064	143,116	133,573	9,543
Contractual Services	41,115	42,325	40,709	1,616
Materials and Supplies	34,824	33,652	28,570	5,082
Other Expenditures	1,000	1,127	1,127	0
Capital Outlay	1,000	320	0	320
Total Expenditures	<u>217,003</u>	<u>220,540</u>	<u>203,979</u>	<u>16,561</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(81,937)	(85,474)	(58,885)	26,589
Other Financing Sources (Uses):				
Transfers In	98,535	98,535	56,408	(42,127)
Total Other Financing Sources (Uses)	<u>98,535</u>	<u>98,535</u>	<u>56,408</u>	<u>(42,127)</u>
Net Change in Fund Balance	16,598	13,061	(2,477)	(15,538)
Fund Balance at Beginning of Year	238	238	238	0
Prior Year Encumbrances	4,939	4,939	4,939	0
Fund Balance at End of Year	<u>\$ 21,775</u>	<u>\$ 18,238</u>	<u>\$ 2,700</u>	<u>\$ (15,538)</u>

CITY OF ROSSFORD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
All Other Revenues	\$ 5,000	\$ 5,000	\$ 3,386	\$ (1,614)
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>3,386</u>	<u>(1,614)</u>
Expenditures:				
Leisure Time Activities:				
Contractual Services	<u>5,000</u>	<u>5,000</u>	<u>3,950</u>	<u>1,050</u>
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>3,950</u>	<u>1,050</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	(564)	(564)
Fund Balance at Beginning of Year	<u>5,445</u>	<u>5,445</u>	<u>5,445</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 5,445</u>	<u>\$ 5,445</u>	<u>\$ 4,881</u>	<u>\$ (564)</u>

CITY OF ROSSFORD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005***

	BLOCK GRANT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 0	\$ 31,623	\$ 31,623
Total Revenues	<u>0</u>	<u>0</u>	<u>31,623</u>	<u>31,623</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	31,623	31,623
Fund Balance at Beginning of Year	<u>117,317</u>	<u>117,317</u>	<u>117,317</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 117,317</u>	<u>\$ 117,317</u>	<u>\$ 148,940</u>	<u>\$ 31,623</u>

CITY OF ROSSFORD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Special Assessments	\$ 0	\$ 0	\$ 3,480	\$ 3,480
Total Revenues	<u>0</u>	<u>0</u>	<u>3,480</u>	<u>3,480</u>
Expenditures:				
Transportation:				
Other Expenditures	0	3,480	3,480	0
Total Expenditures	<u>0</u>	<u>3,480</u>	<u>3,480</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(3,480)	0	3,480
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ (3,480)</u>	<u>\$ 0</u>	<u>\$ 3,480</u>

CITY OF ROSSFORD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2005***

LANDFILL CLOSURE FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Capital Outlay	87,159	87,144	84,647	2,497
Debt Service:				
Principal Retirement	7,000	7,000	7,000	0
Interest and Fiscal Charges	11,345	11,360	11,358	2
Total Expenditures	105,504	105,504	103,005	2,499
Excess (Deficiency) of Revenues Over (Under) Expenditures	(105,504)	(105,504)	(103,005)	2,499
Other Financing Sources (Uses):				
Transfers In	93,345	93,345	90,846	(2,499)
Total Other Financing Sources (Uses)	93,345	93,345	90,846	(2,499)
Net Change in Fund Balance	(12,159)	(12,159)	(12,159)	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances	12,159	12,159	12,159	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF ROSSFORD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2005**

LEWIS STREET PAVING AND CURBS FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Special Assessments	\$ 7,700	\$ 7,700	\$ 7,796	\$ 96
Total Revenues	<u>7,700</u>	<u>7,700</u>	<u>7,796</u>	<u>96</u>
Expenditures:				
Debt Service:				
Principal Retirement	5,000	5,000	5,000	0
Interest and Fiscal Charges	<u>3,078</u>	<u>3,078</u>	<u>3,078</u>	<u>0</u>
Total Expenditures	<u>8,078</u>	<u>8,078</u>	<u>8,078</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(378)	(378)	(282)	96
Fund Balance at Beginning of Year	<u>14,177</u>	<u>14,177</u>	<u>14,177</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 13,799</u>	<u>\$ 13,799</u>	<u>\$ 13,895</u>	<u>\$ 96</u>

CITY OF ROSSFORD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2005**

CAPITAL IMPROVEMENT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Capital Outlay	10,495	10,495	10,495	0
Debt Service:				
Principal Retirement	33,000	33,000	33,000	0
Interest and Fiscal Charges	98,731	98,731	65,731	33,000
Total Expenditures	<u>142,226</u>	<u>142,226</u>	<u>109,226</u>	<u>33,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(142,226)	(142,226)	(109,226)	33,000
Other Financing Sources (Uses):				
Transfers In	131,731	131,731	98,731	(33,000)
Total Other Financing Sources (Uses)	<u>131,731</u>	<u>131,731</u>	<u>98,731</u>	<u>(33,000)</u>
Net Change in Fund Balance	(10,495)	(10,495)	(10,495)	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances	10,495	10,495	10,495	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF ROSSFORD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2005**

	FIRE CAPITAL IMPROVEMENT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Property Taxes	\$ 226,869	\$ 226,869	\$ 200,279	\$ (26,590)
Intergovernmental Revenues	4,000	4,000	23,389	19,389
All Other Revenues	0	95,000	95,000	0
Total Revenues	<u>230,869</u>	<u>325,869</u>	<u>318,668</u>	<u>(7,201)</u>
Expenditures:				
Capital Outlay	51,070	242,407	239,226	3,181
Debt Service:				
Principal Retirement	510,657	510,657	510,657	0
Interest and Fiscal Charges	19,398	19,398	15,524	3,874
Total Expenditures	<u>581,125</u>	<u>772,462</u>	<u>765,407</u>	<u>7,055</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(350,256)	(446,593)	(446,739)	(146)
Other Financing Sources (Uses):				
General Obligation Notes Issued	485,000	485,000	75,000	(410,000)
Total Other Financing Sources (Uses)	<u>485,000</u>	<u>485,000</u>	<u>75,000</u>	<u>(410,000)</u>
Net Change in Fund Balance	134,744	38,407	(371,739)	(410,146)
Fund Balance at Beginning of Year	430,259	430,259	430,259	0
Prior Year Encumbrances	8,881	8,881	8,881	0
Fund Balance at End of Year	<u>\$ 573,884</u>	<u>\$ 477,547</u>	<u>\$ 67,401</u>	<u>\$ (410,146)</u>

CITY OF ROSSFORD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2005***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 37,366	\$ 37,366	\$ 38,736	\$ 1,370
Intergovernmental Revenues	3,600	93,600	4,279	(89,321)
Total Revenues	<u>40,966</u>	<u>130,966</u>	<u>43,015</u>	<u>(87,951)</u>
Expenditures:				
Capital Outlay	<u>0</u>	<u>90,000</u>	<u>0</u>	<u>90,000</u>
Total Expenditures	<u>0</u>	<u>90,000</u>	<u>0</u>	<u>90,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	40,966	40,966	43,015	2,049
Fund Balance at Beginning of Year	<u>41,605</u>	<u>41,605</u>	<u>41,605</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 82,571</u>	<u>\$ 82,571</u>	<u>\$ 84,620</u>	<u>\$ 2,049</u>

CITY OF ROSSFORD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2005**

ARENA DRAINAGE DITCH FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Debt Service:				
Principal Retirement	5,000	5,000	5,000	0
Interest and Fiscal Charges	4,157	4,157	4,156	1
Total Expenditures	9,157	9,157	9,156	1
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,157)	(9,157)	(9,156)	1
Other Financing Sources (Uses):				
Transfers In	9,157	9,157	9,156	(1)
Total Other Financing Sources (Uses)	9,157	9,157	9,156	(1)
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF ROSSFORD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2005**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Special Assessments	\$ 32,492	\$ 32,492	\$ 33,196	\$ 704
Total Revenues	<u>32,492</u>	<u>32,492</u>	<u>33,196</u>	<u>704</u>
Expenditures:				
Debt Service:				
Principal Retirement	25,000	25,000	25,000	0
Interest and Fiscal Charges	<u>6,748</u>	<u>6,748</u>	<u>6,748</u>	<u>0</u>
Total Expenditures	<u>31,748</u>	<u>31,748</u>	<u>31,748</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	744	744	1,448	704
Fund Balance at Beginning of Year	<u>40,246</u>	<u>40,246</u>	<u>40,246</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 40,990</u>	<u>\$ 40,990</u>	<u>\$ 41,694</u>	<u>\$ 704</u>

CITY OF ROSSFORD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2005**

	TIF RAMCO GERSHENSON FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Investment Earnings	\$ 1,500	\$ 1,500	\$ 6,936	\$ 5,436
Special Assessments	175,000	175,000	250,849	75,849
Total Revenues	<u>176,500</u>	<u>176,500</u>	<u>257,785</u>	<u>81,285</u>
Expenditures:				
Capital Outlay	0	19,000	10,071	8,929
Debt Service:				
Principal Retirement	50,000	50,000	50,000	0
Interest and Fiscal Charges	88,058	88,058	88,058	0
Total Expenditures	<u>138,058</u>	<u>157,058</u>	<u>148,129</u>	<u>8,929</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	38,442	19,442	109,656	90,214
Other Financing Sources (Uses):				
Transfers Out	(53,301)	(53,301)	(9,156)	44,145
Total Other Financing Sources (Uses)	<u>(53,301)</u>	<u>(53,301)</u>	<u>(9,156)</u>	<u>44,145</u>
Net Change in Fund Balance	(14,859)	(33,859)	100,500	134,359
Fund Balance at Beginning of Year	334,084	334,084	334,084	0
Fund Balance at End of Year	<u>\$ 319,225</u>	<u>\$ 300,225</u>	<u>\$ 434,584</u>	<u>\$ 134,359</u>

CITY OF ROSSFORD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2005**

TIF HENRY COURT ROAD CONSTRUCTION FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 2,500</u>	<u>\$ 2,500</u>	<u>\$ 2,500</u>	<u>\$ 0</u>

Fiduciary Funds

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

Agency Fund

Cafeteria Plan Fund

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

CITY OF ROSSFORD, OHIO

***Combining Statement Of Changes In Assets And Liabilities
Agency Fund
For the Year Ended December 31, 2005***

	Balance December 31, 2004	Additions	Deductions	Balance December 31, 2005
<u>Cafeteria Plan</u>				
Assets:				
Restricted Assets:				
Cash and Cash Equivalents	\$828	\$3,799	(\$3,123)	\$1,504
Total Assets	<u>\$828</u>	<u>\$3,799</u>	<u>(\$3,123)</u>	<u>\$1,504</u>
Liabilities:				
Due to Others	\$828	\$3,799	(\$3,123)	\$1,504
Total Liabilities	<u>\$828</u>	<u>\$3,799</u>	<u>(\$3,123)</u>	<u>\$1,504</u>

*CAPITAL ASSETS USED IN THE
OPERATION OF GOVERNMENTAL FUNDS*

CITY OF ROSSFORD, OHIO

***Capital Assets Used in the Operation of Governmental Funds
Schedule by Source
December 31, 2005***

<u>Capital Assets</u>	
Land	\$361,137
Buildings	3,261,989
Improvements Other Than Buildings	162,605
Machinery and Equipment	<u>3,117,473</u>
Total Capital Assets	<u><u>\$6,903,204</u></u>
<u>Investment in Capital Assets</u>	
Acquired Prior to 1994	\$4,512,065
General Fund	787,588
Special Revenue Funds	322,393
Capital Projects Funds	1,234,612
Proprietary Funds	1,546
Donated	<u>45,000</u>
Total Investment in Capital Assets	<u><u>\$6,903,204</u></u>

CITY OF ROSSFORD, OHIO

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

<u>Function and Activity</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements Other Than Buildings</u>	<u>Machinery and Equipment</u>	<u>Total</u>
<u>General Government:</u>					
Council	\$0	\$0	\$0	\$700	\$700
Mayor	0	0	0	1,748	1,748
Administrator	0	0	0	10,091	10,091
Finance/Tax	0	0	0	87,868	87,868
Prosecutor	0	0	0	2,898	2,898
General Government	324,151	2,955,591	86,535	44,170	3,410,447
Civil Defense	0	0	0	34,411	34,411
Total	<u>324,151</u>	<u>2,955,591</u>	<u>86,535</u>	<u>181,886</u>	<u>3,548,163</u>
<u>Security of Persons and Property:</u>					
Police	0	0	0	533,124	533,124
Fire	36,986	0	0	1,379,018	1,416,004
Total	<u>36,986</u>	<u>0</u>	<u>0</u>	<u>1,912,142</u>	<u>1,949,128</u>
<u>Transportation:</u>					
Public Works	0	224,089	15,550	700,926	940,565
<u>Leisure Time Activities:</u>					
Park	0	82,309	60,520	322,519	465,348
Total Capital Assets	<u>\$361,137</u>	<u>\$3,261,989</u>	<u>\$162,605</u>	<u>\$3,117,473</u>	<u>\$6,903,204</u>

CITY OF ROSSFORD, OHIO

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

<u>Function and Activity</u>	<u>December 31, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31, 2005</u>
<u>General Government:</u>				
Council	\$700	\$0	\$0	\$700
Mayor	1,748	0	0	1,748
Administrator	5,208	4,883	0	10,091
Finance/Tax	87,868	0	0	87,868
Prosecutor	2,898	0	0	2,898
General Government	3,399,922	10,525	0	3,410,447
Civil Defense	34,411	0	0	34,411
Total	<u>3,532,755</u>	<u>15,408</u>	<u>0</u>	<u>3,548,163</u>
<u>Security of Persons and Property:</u>				
Police	533,124	0	0	533,124
Fire	1,307,647	108,357	0	1,416,004
Total	<u>1,840,771</u>	<u>108,357</u>	<u>0</u>	<u>1,949,128</u>
<u>Transportation:</u>				
Public Works	<u>940,565</u>	<u>0</u>	<u>0</u>	<u>940,565</u>
<u>Leisure Time Activities:</u>				
Park	<u>461,641</u>	<u>3,707</u>	<u>0</u>	<u>465,348</u>
Total Capital Assets	<u>\$6,775,732</u>	<u>\$127,472</u>	<u>\$0</u>	<u>\$6,903,204</u>

STATISTICAL SECTION



STATISTICAL TABLES

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

CITY OF ROSSFORD, OHIO

**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)
LAST TEN YEARS**

Year	Security of Persons and Property	Leisure Time Activities	Community Environment	Basic Utility Services	Trans- portation	General Government	Debt Service	Total
1996	\$1,255,367	\$199,096	\$188,221	\$205,528	\$552,698	\$865,592	\$168,865	\$3,435,367
1997	1,351,688	177,616	10,314	210,245	586,279	987,399	165,031	3,488,572
1998	1,375,385	192,506	223,475	210,169	781,844	1,013,058	245,097	4,041,534
1999	1,599,527	208,846	258,382	208,283	789,415	866,887	194,173	4,125,513
2000	1,544,121	199,381	181,898	214,569	918,062	1,059,887	235,467	4,353,385
2001	1,887,972	236,888	240,586	208,181	897,282	1,067,504	171,304	4,709,717
2002	1,795,309	237,125	0	232,469	898,680	1,112,502	186,224	4,462,309
2003	1,869,529	229,826	0	218,480	863,773	1,258,426	181,758	4,621,792
2004	1,803,917	240,324	0	241,282	815,235	1,027,233	651,938	4,779,929
2005	1,770,761	209,202	0	78,740	804,842	972,775	27,733	3,864,053

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

CITY OF ROSSFORD, OHIO

**GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
LAST TEN YEARS**

<u>Year</u>	<u>Taxes</u>	<u>Inter-Governmental Revenues</u>	<u>Charges for Services</u>	<u>Licenses and Permits</u>	<u>Investment Earnings</u>	<u>Special Assessments</u>	<u>Fines and Forfeitures</u>	<u>All Other</u>	<u>Total</u>
1996	\$2,097,353	\$969,792	\$96,434	\$26,647	\$79,919	\$111,430	\$39,867	\$44,092	\$3,465,534
1997	2,268,951	818,327	97,779	24,668	59,669	135,035	37,813	88,458	3,530,700
1998	2,373,203	1,180,873	102,258	41,233	72,647	129,868	36,614	78,268	4,014,964
1999	2,363,444	1,216,585	110,081	43,163	45,357	132,689	30,877	80,789	4,022,985
2000	2,519,617	1,194,098	126,297	73,834	49,941	125,604	32,431	56,713	4,178,535
2001	2,876,327	1,265,406	139,019	201,775	36,700	123,844	30,495	61,521	4,735,087
2002	2,852,728	1,009,615	149,742	70,198	20,852	130,409	29,386	37,069	4,299,999
2003	2,904,450	1,063,829	181,948	64,071	14,427	134,061	32,329	40,489	4,435,604
2004	3,210,693	1,143,704	136,010	29,122	22,808	161,470	42,541	24,743	4,771,091
2005	3,166,887	1,134,495	172,630	23,971	61,700	175,141	36,273	82,712	4,853,809

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

CITY OF ROSSFORD, OHIO

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS**

<u>Collection Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections To Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes</u>	<u>Percentage of Accumulated Delinquent Taxes to Total Tax Levy</u>
1996	\$203,632	\$185,458	not available	\$185,458	91.08%	\$18,174	8.92%
1997	194,611	187,125	not available	187,125	96.15%	7,486	3.85%
1998	195,756	182,350	7,754	190,104	97.11%	5,647	2.88%
1999	268,751	250,351	10,646	260,997	97.11%	7,753	2.88%
2000	301,217	284,157	10,865	295,022	97.94%	6,195	2.06%
2001	302,645	284,060	8,231	292,291	96.58%	10,354	3.42%
2002	259,979	236,163	6,960	243,123	93.52%	16,857	6.48%
2003	400,832	364,624	13,267	377,891	94.28%	22,942	5.72%
2004	484,649	413,957	21,744	435,701	89.90%	48,948	10.10%
2005	585,658	475,021	18,232	493,253	84.22%	92,405	15.78%

Source: Wood County Auditor

CITY OF ROSSFORD, OHIO

**TANGIBLE TAX COLLECTED
LAST TEN YEARS**

<u>Year Paid</u>	<u>Amount</u>
1996	\$35,223
1997	33,849
1998	37,792
1999	44,233
2000	40,015
2001	38,267
2002	35,658
2003	56,457
2004	52,671
2005	73,273

Source: Wood County Auditor

CITY OF ROSSFORD, OHIO

ASSESSED VALUATIONS AND ESTIMATED TRUE VALUES OF TAXABLE PROPERTY LAST TEN YEARS

Tax Year	Real Property		Public Utility Personal		Tangible Personal Property		Total		Assessed Value as a Percent of Actual Value
	Assessed	Actual	Assessed	Actual	Assessed	Actual	Assessed	Actual	
1996	\$76,524,260	\$218,629,811	\$3,903,660	\$4,435,977	\$10,787,221	\$43,148,884	\$91,215,141	\$266,214,672	34.26%
1997	78,758,890	225,014,149	4,482,260	5,093,477	10,553,975	42,215,900	93,795,125	272,323,526	34.44%
1998	81,548,500	232,984,065	4,713,020	5,355,705	12,296,174	49,184,696	98,557,694	287,524,466	34.28%
1999	105,623,040	301,765,025	4,595,930	5,222,648	13,828,807	55,315,228	124,047,777	362,302,901	34.24%
2000	108,311,790	309,446,784	4,461,040	5,069,364	12,675,581	50,702,324	125,448,411	365,218,472	34.35%
2001	111,281,150	317,946,143	3,129,510	3,556,262	15,249,573	60,998,292	129,660,233	382,500,697	33.90%
2002	118,762,310	339,236,028	3,140,820	3,577,243	13,120,227	52,481,119	135,023,357	395,294,390	34.16%
2003	119,779,670	342,227,628	3,165,640	3,597,318	16,973,384	67,893,536	139,918,694	413,718,482	33.82%
2004	120,406,330	344,018,086	3,104,480	3,527,818	16,285,055	65,140,220	139,795,865	412,686,124	33.87%
2005	144,422,800	412,636,571	2,925,850	3,324,829	11,737,621	46,950,484	159,086,271	462,911,884	34.37%

Source: Wood County Auditor

CITY OF ROSSFORD, OHIO

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

Collection Year	City of Rossford					Total City	Rossford Exempted Village School District	Wood County Penta Joint Vocational School District	Wood County	Special Taxing District	Total
	General Fund	Permanent Recreation Improvement Fund	Recreation Fund	Fire Capital Fund							
1996	1.80	0.40	0.40	0.60	3.20	45.15	2.20	11.90	2.50	64.95	
1997	1.80	0.40	0.40	0.60	3.20	45.15	2.20	11.90	2.50	64.95	
1998	1.80	0.40	0.40	0.60	3.20	45.40	2.20	11.90	2.50	65.20	
1999	1.80	0.40	0.40	0.60	3.20	47.40	2.20	12.10	2.50	67.40	
2000	1.80	0.40	0.40	0.60	3.20	46.40	2.20	12.80	2.50	67.10	
2001	1.80	0.40	0.40	0.60	3.20	46.40	2.20	14.10	2.50	68.40	
2002	1.80	0.40	0.40	0.60	3.20	54.30	2.20	14.40	3.50	77.60	
2003	1.80	0.40	0.40	0.60	3.20	52.30	3.20	14.40	3.50	76.60	
2004	1.80	0.40	0.40	0.60	3.20	52.30	3.20	14.40	3.50	76.60	
2005	5.30	0.40	0.40	1.60	7.70	52.30	3.20	14.90	3.50	81.60	

Source: Wood County Auditor
Wood County Treasurer

CITY OF ROSSFORD, OHIO

**SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS (1)
LAST TEN YEARS**

<u>Collection Year</u>	<u>Amount Billed</u>	<u>Amount Collected</u>	<u>Percent Collected</u>
1996	\$119,334	\$110,111	92.27%
1997	125,854	118,009	93.77%
1998	130,754	127,477	97.49%
1999	130,983	128,323	97.97%
2000	133,394	133,231	99.88%
2001	133,393	135,090	101.27%
2002	176,273	175,796	99.73%
2003	180,340	176,920	98.10%
2004	202,875	204,763	100.93%
2005	194,693	215,418	110.64%

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

Source: Wood County Auditor

CITY OF ROSSFORD, OHIO

**COMPUTATION OF LEGAL DEBT MARGIN
DECEMBER 31, 2005**

	Total Debt	Unvoted Debt
Net Assessed Valuation	\$159,086,271	\$159,086,271
Legal Debt Limitation (%) (1)	10.50%	5.50%
Legal Debt Limitation (\$) (1)	16,704,058	8,749,745
Applicable City Debt Outstanding (2)	5,247,000	5,247,000
Less: Applicable Debt Service Fund Amounts	0	0
Net Indebtedness Subject to Limitation	5,247,000	5,247,000
Legal Debt Margin	\$11,457,058	\$3,502,745

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

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

CITY OF ROSSFORD, OHIO

**RATIO OF NET GENERAL OBLIGATION DEBT TO ASSESSED
VALUE AND NET GENERAL OBLIGATION DEBT PER CAPITA
LAST TEN YEARS**

<u>Year</u>	<u>Population (1)</u>	<u>Assessed Value (2)</u>	<u>Gross General Obligation Debt (3)</u>	<u>Debt Service Funds Available</u>	<u>Net Bonded Debt</u>	<u>Ratio of General Obligation Debt to Assessed Valuation</u>	<u>Net General Obligation Debt Per Capita</u>
1996	5,861	\$91,215,141	\$1,525,000	\$5	\$1,524,995	1.67%	\$260.19
1997	5,861	93,795,125	1,810,000	0	1,810,000	1.93%	308.82
1998	5,861	98,557,694	1,730,000	0	1,730,000	1.76%	295.17
1999	5,861	124,047,777	1,601,500	0	1,601,500	1.29%	273.25
2000	6,406	125,448,411	5,744,568	0	5,744,568	4.58%	896.75
2001	6,406	129,660,233	6,150,000	0	6,150,000	4.74%	960.04
2002	6,406	135,023,357	5,250,000	0	5,250,000	3.89%	819.54
2003	6,406	139,918,694	5,586,893	0	5,586,893	3.99%	872.13
2004	6,406	139,795,865	5,462,000	0	5,462,000	3.91%	852.64
2005	6,406	159,086,271	5,247,000	0	5,247,000	3.30%	819.08

(1) Source: U.S. Bureau of Census, 1990 Federal Census, 2000 Federal Census

(2) Source: Wood County Auditor

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

CITY OF ROSSFORD, OHIO

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL OBLIGATION BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN YEARS**

<u>Year</u>	<u>Debt Principal</u>	<u>Debt Interest</u>	<u>Total Debt Service</u>	<u>Total General Governmental Expenditures</u>	<u>Ratio of Tax Debt Service to General Governmental Expenditures</u>
1996	\$75,000	\$58,045	\$133,045	\$3,435,367	3.87%
1997	75,000	55,270	130,270	3,488,572	3.73%
1998	80,000	52,270	132,270	4,041,534	3.27%
1999	80,000	48,910	128,910	4,125,513	3.12%
2000	85,000	45,430	130,430	4,353,385	3.00%
2001	90,000	41,605	131,605	4,709,717	2.79%
2002	95,000	37,465	132,465	4,462,309	2.97%
2003	95,000	33,000	128,000	4,621,792	2.77%
2004	560,000	38,179	598,179	4,779,929	12.51%
2005	575,000	17,487	592,487	3,864,053	15.33%

CITY OF ROSSFORD, OHIO

**COMPUTATION OF ALL DIRECT AND OVERLAPPING GOVERNMENTAL DEBT
DECEMBER 31, 2005**

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to City of Rossford</u>	<u>Amount Applicable to City of Rossford</u>
Direct:			
City of Rossford	\$5,247,000	100.00%	\$5,247,000
Overlapping Subdivisions:			
Wood County	10,696,338	5.33%	<u>570,115</u>
		Subtotal	<u>570,115</u>
		Total	<u><u>\$5,817,115</u></u>

Source: Wood County

CITY OF ROSSFORD, OHIO

DEMOGRAPHIC STATISTICS LAST TEN YEARS

<u>Year</u>	<u>City of Rossford Population (1)</u>	<u>Wood County Population (1)</u>	<u>Unemployment Rate County Area (2)</u>	<u>Per Capita Income County Area (2)</u>	<u>School Enrollment (3)</u>
1996	5,861	116,820	3.68%	23,541	2,183
1997	5,861	116,820	3.50%	24,801	2,190
1998	5,861	116,820	3.38%	25,892	2,127
1999	5,861	116,820	3.41%	26,737	2,172
2000	6,406	116,820	3.20%	N/A	2,084
2001	6,406	116,820	3.52%	N/A	2,038
2002	6,406	116,820	4.63%	N/A	2,026
2003	6,406	116,820	5.26%	N/A	2,059
2004	6,406	116,820	5.39%	N/A	2,029
2005	6,406	116,820	5.67%	N/A	1,976

Source: (1) U.S. Bureau of Census of Population: 1990 Federal Census, 2000 Federal Census
 (2) Ohio Department of Development, Office of Strategic Research
 (3) Rossford City School District, Board of Education

CITY OF ROSSFORD, OHIO

**PROPERTY VALUE AND CONSTRUCTION PERMITS
LAST TEN YEARS**

<u>Year</u>	<u>Residential</u>		<u>Commercial</u>	
	<u>Number of Permits</u>	<u>Property Value</u>	<u>Number of Permits</u>	<u>Property Value</u>
1996	59	\$4,116,975	12	\$7,415,760
1997	39	1,607,500	22	7,173,800
1998	12	1,358,215	1	60,000
1999	46	1,589,265	11	42,392,086
2000	54	2,121,225	35	22,632,480
2001	43	1,926,855	31	16,020,400
2002	47	2,584,875	17	2,763,520
2003	38	2,037,960	15	7,641,200
2004	26	1,727,700	12	1,549,350
2005	41	2,803,365	7	2,686,500

Source: Wood County Building Inspection Department

CITY OF ROSSFORD, OHIO

PRINCIPAL TAXPAYERS (PERSONAL PROPERTY TAX) DECEMBER 31, 2005

	<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation (Tax Duplicate)</u>	<u>Percentage of Total Assessed Valuation</u>
1	Pilkington North America	Float Glass Manufacturer	\$6,113,650	37.54%
2	Tamarkin Company	Grocery Store	1,572,820	9.66%
3	Home Depot USA Inc.	Home Improvement Retailer	1,330,430	8.17%
4	Target Corporation	General Merchandise Retailer	860,950	5.29%
5	Hammill Manufacturing Corporation	Tool and Die Manufacturer	800,060	4.91%
6	National City Leasing	Leasing Company	412,420	2.53%
7	Block Communications Inc.	Newspaper/Television/Cable	393,920	2.42%
8	LNT Inc.	Housewares Retailer	357,460	2.20%
9	Seaway Food Town Inc.	Grocery Store	233,420	1.43%
10	BP America Inc.	Gas Station/Convenience Store	210,060	1.29%
		Sub-Total	12,285,190	75.44%
		All Others	3,999,865	24.56%
		Total	\$16,285,055	100.00%

Based on 2003 Property Tax Assessed Valuations
Source: Wood County Auditor - Land and Buildings

CITY OF ROSSFORD, OHIO

PRINCIPAL TAXPAYERS (REAL PROPERTY TAX) DECEMBER 31, 2005

Taxpayer	Type of Business	Assessed Valuation (Tax Duplicate)	Percentage of Total Assessed Valuation
1 Pilkington North America	Float Glass Manufacturer	\$2,626,230	2.19%
2 JG Rossford Hotel North & South LTD	Hotels	1,705,210	1.42%
3 Port Lawrence Title	Apartments/Land Holding	1,375,690	1.14%
4 Rossford Arena Amphitheater Authority	Sports Facility	1,273,780	1.06%
5 Toledo Edison	Utility Company - Electric	953,570	0.79%
6 Hunger US Special Hydraulic Cylinders Corporation	Hydraulic Cylinder Manufacturer	874,280	0.73%
7 Rossford Hills Apartments	Apartments	809,970	0.67%
8 Hammill Manufacturing Corp.	Tool and Die Manufacturer	650,760	0.54%
9 Toledo Terminal Railroad	Railroad	618,230	0.51%
10 Charles Crest Inc.	Medical Center/Housing	593,150	0.49%
	Sub-Total	11,480,870	9.54%
	All Others	108,925,460	90.46%
	Total	\$120,406,330	100.00%

Based on 2003 Property Tax Assessed Valuations
Source: Wood County Auditor - Land and Buildings

CITY OF ROSSFORD, OHIO

**PRINCIPAL TAXPAYERS (INCOME TAX)
DECEMBER 31, 2005**

	<u>Taxpayer</u>	<u>Type of Business</u>	<u>Amount of Tax Paid in 2005</u>	<u>Percentage of Total</u>
1	Pilkington North America	Float Glass Manufacturer	\$329,967	12.61%
2	Rossford Board of Education	Education	282,162	10.79%
3	Meijer Stores LP	General Merchandise Retailer	90,572	3.46%
4	Adecco USA Inc	Emploment Agency	76,298	2.92%
5	Tamarkin Company	Giant Eagle Grocery Stores	53,971	2.06%
6	Home Depot USA	Home Improvement Retailer	51,338	1.96%
7	Target Corporation	General Merchandise Retailer	47,853	1.83%
8	Chrysler Corporation	Automobile Parts Manufacturer	46,520	1.78%
9	City of Rossford	Local Government	39,331	1.50%
10	Electro Prime Group LLC	Electroplating/Polishing Service	38,112	1.46%
		Sub-Total	1,056,124	40.37%
		All Others	1,559,598	59.63%
		Total	<u>\$2,615,722</u>	<u>100.00%</u>

Source: Finance Department

CITY OF ROSSFORD, OHIO

PRINCIPAL EMPLOYERS DECEMBER 31, 2005

	<u>Employer</u>	<u>Type of Business</u>	<u>Number of Employees</u>
1	Pilkington North America	Float Glass Manufacturer	300
2	Rossford Board of Education	Education	290
3	Target Corporation	General Merchandise Retailer	185
4	Tamarken Company	Giant Eagle Grocery Stores	164
5	Home Depot USA	Home Improvement Retailer	160
6	Meijer Stores LP	General Merchandise Retailer	154
7	Adecco Employment Services	Employment Agency	126
8	JCIA Enterprises	Labor Union	120
9	IBEW Local 8 - Electrical	Labor Union	67
10	Electro Prime Group LLC	Electroplating/Polishing Service	66

Source: City of Rossford Income Tax Department

CITY OF ROSSFORD, OHIO

MISCELLANEOUS STATISTICS DECEMBER 31, 2005

Date of Incorporation	1939		Location:	Northwest Ohio
Charter Adopted	1970	Population:		Wood County
Form of Government	Council / Mayor	Area (square miles)	Major Highway:	I-75
		Education:	Water System:	
Facilities and Services:		Elementary Schools	Miles of Water Service Lir	33.5
Miles of Streets	27	Elementary School Student	Number of Fire Hydrants	277
Number of Street Lights	940	Pupil / Teacher Ratio	Number of Service	
		Middle Schools	Connections	2,267
Police Services:		Middle School Students	Sewerage System:	
Number of Stations	1	Pupil / Teacher Ratio	Miles of Sanitary Sewers	29
Number of Uniformed Police		High Schools	Miles of Storm Sewers	16
Personnel and Officers	15	High School Students		
Number of Patrol Units	13	Pupil / Teacher Ratio	Recreation and Culture:	
Criminal/Juvenile Citations	275		Community Center	
Traffic Citations Issued	882	Number of Libraries	(square feet)	21,500
Parking Tickets Written	60		Number of Parks	3
Fire/Emergency Medical Services:		Number of Cemeteries	Park Area (acres)	21
Number of Stations	1	Cemetery Area (acres)	Number of Ball Fields:	
Number of Officers and			Lighted	2
Fire Personnel - Volunteers	33		Number of Tennis Courts:	
Number of Calls Answered	700		Lighted	2
Number of Inspections	50		Marina:	
			Number of Dock Spaces	250





**Auditor of State
Betty Montgomery**

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800-282-0370

Facsimile 614-466-4490

CITY OF ROSSFORD

WOOD COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 1, 2006**