



**Auditor of State  
Betty Montgomery**



**CITY OF BOWLING GREEN  
SANDUSKY COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Accountants' Report.....	1
Combined Balance Sheet – All Fund Types and Account Groups .....	4
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – All Governmental Fund Types and Expendable Trust Funds .....	8
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget (Non-GAAP Budgetary Basis) and Actual Comparison – All Governmental Fund Types and Expendable Trust Funds .....	10
Combined Statement of Revenues, Expenses, and Changes in Fund Equity – All Proprietary Fund Types and Nonexpendable Trust Funds.....	14
Combined Statement of Revenues, Expenses, and Changes in Fund Balances – Budget (Non-GAAP Budgetary Basis) and Actual Comparison – All Proprietary Fund Types and Nonexpendable Trust Funds.....	16
Combined Statement of Cash Flows – All Proprietary Fund Types and Nonexpendable Trust Fund .....	19
Notes to the Financial Statements .....	21
Schedule of Federal Awards Expenditures.....	51
Notes to the Schedule of Federal Awards Expenditures .....	52
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	53
Independent Accountants' Report on Compliance with Requirements Applicable to Major Federal Programs and Internal Control Over Compliance in Accordance with <i>OMB Circular A-133</i> .....	55
Schedule of Findings.....	57

**This page intentionally left blank.**



**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

City of Bowling Green  
Wood County  
304 N. Church Street  
Bowling Green, Ohio 43402-2399

To the City Council:

We have audited the accompanying general-purpose financial statements of the City of Bowling Green, Wood County, (the City) as of and for the year ended December 31, 2002, as listed in the table of contents. These general-purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2003 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The schedule of federal awards expenditures is presented for additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general-purpose financial statements. We subjected this information to the auditing procedures applied in the audit of the general-purpose financial statements. In our opinion, it is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

September 23, 2003

**This page intentionally left blank.**

**CITY OF BOWLING GREEN  
WOOD COUNTY**

**Combined Balance Sheet  
All Fund Types and Account Groups  
December 31, 2002**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>ASSETS AND OTHER DEBITS:</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents	\$ 3,583,765	\$ 5,454,606	\$ 111,235	\$ 11,974,301
Cash and cash equivalents in segregated accounts	-	3,375	-	-
Receivables:				
Property taxes	1,457,092	538,469	-	-
Municipal income taxes	1,284,093	802,815	-	1,200,581
Other local taxes	19,027	-	-	-
Special assessments	-	-	799,481	-
Accounts	346,581	294	-	-
Intergovernmental	937,510	428,826	-	19,552
Accrued interest	206,116	-	-	-
Interfund	116,806	-	-	-
Notes	-	828,696	-	-
Due from other funds	-	-	-	-
Materials and supplies inventory	-	-	-	-
Prepaid items	94,910	342	-	-
Restricted assets:				
Cash and cash equivalents with escrow agents	-	-	-	50,168
Fixed assets (net, where applicable, of accumulated depreciation)	-	-	-	-
Investment in joint venture	-	-	-	-
<b>Other debits:</b>				
Amount to be provided from general governmental resources	-	-	-	-
<b>Total assets and other debits</b>	<b><u>\$ 8,045,900</u></b>	<b><u>\$ 8,057,423</u></b>	<b><u>\$ 910,716</u></b>	<b><u>\$ 13,244,602</u></b>



<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Types</u>	<u>Account Groups</u>		<u>Totals (Memorandum Only)</u>
<u>Enterprise</u>	<u>Internal Service</u>	<u>Trust and Agency</u>	<u>General Fixed Assets</u>	<u>General Long-Term Obligations</u>	
\$ 10,272,490	\$ 18,817	\$ 96,795	\$ -	\$ -	\$ 31,512,009
-	-	224,666	-	-	228,041
-	-	-	-	-	1,995,561
-	-	-	-	-	3,287,489
-	-	-	-	-	19,027
-	-	193,773	-	-	993,254
2,819,205	1,609	-	-	-	3,167,689
-	-	-	-	-	1,385,888
-	-	-	-	-	206,116
-	-	-	-	-	116,806
-	-	-	-	-	828,696
48,533	16,461	-	-	-	64,994
1,010,041	-	-	-	-	1,010,041
70,037	-	-	-	-	165,289
2,662	-	-	-	-	52,830
78,653,750	40,098	-	25,567,251	-	104,261,099
8,573,074	-	-	-	-	8,573,074
-	-	-	-	24,539,175	24,539,175
<b><u>\$ 101,449,792</u></b>	<b><u>\$ 76,985</u></b>	<b><u>\$ 515,234</u></b>	<b><u>\$ 25,567,251</u></b>	<b><u>\$ 24,539,175</u></b>	<b><u>\$ 182,407,078</u></b>

(Continued)

**CITY OF BOWLING GREEN  
WOOD COUNTY**

**Combined Balance Sheet  
All Fund Types and Account Groups  
December 31, 2002  
(Continued)**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>LIABILITIES, FUND EQUITY, AND OTHER CREDITS:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 182,349	\$ 86,404	\$ -	\$ 89,009
Contracts payable	9,059	-	-	68,116
Accrued wages payable	196,702	90,470	-	-
Compensated absences payable	52,933	12,589	-	-
Intergovernmental payable	89,073	31,494	-	872
Interfund payable	-	-	-	-
Due to other funds	27,191	5,338	-	3,182
Deferred revenue	3,017,460	1,122,383	799,481	355,764
Undistributed assets	-	-	-	-
Accrued interest payable	-	-	-	-
Notes payable	-	-	-	-
Liabilities payable from restricted assets:				
Retainage payable	-	-	-	50,168
Capital leases payable	-	-	-	-
General obligation bonds payable	-	-	-	-
OWDA loans payable	-	-	-	-
AMP Ohio payable	-	-	-	-
Total liabilities	3,574,767	1,348,678	799,481	567,111
<b>Fund equity and other credits:</b>				
Investment in general fixed assets	-	-	-	-
Retained earnings (deficit)	-	-	-	-
Contributed capital	-	-	-	-
Fund balance:				
Reserved for notes receivable	-	828,696	-	-
Reserved for non-expendable trust	-	-	-	-
Reserved for encumbrances	350,574	152,598	-	3,947,031
Unreserved	4,120,559	5,727,451	111,235	8,730,460
Total fund equity and other credits	4,471,133	6,708,745	111,235	12,677,491
<b>Total liabilities, fund equity, and other credits</b>	<b>\$ 8,045,900</b>	<b>\$ 8,057,423</b>	<b>\$ 910,716</b>	<b>\$ 13,244,602</b>

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

<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Types</u>	<u>Account Groups</u>		<u>Totals (Memorandum Only)</u>
<u>Enterprise</u>	<u>Internal Service</u>	<u>Trust and Agency</u>	<u>General Fixed Assets</u>	<u>General Long-Term Obligations</u>	
\$ 2,645,745	\$ 479	\$ -	\$ -	\$ -	\$ 3,003,986
-	-	-	-	-	77,175
140,913	6,872	-	-	-	434,957
983,155	53,901	-	-	969,250	2,071,828
196,358	10,976	-	-	411,253	740,026
116,806	-	-	-	-	116,806
29,113	170	-	-	-	64,994
-	-	-	-	-	5,295,088
-	-	418,439	-	-	418,439
75,236	-	-	-	-	75,236
12,633,500	-	-	-	11,657,500	24,291,000
2,662	-	-	-	-	52,830
77,490	-	-	-	-	77,490
-	-	-	-	90,000	90,000
-	-	-	-	11,411,172	11,411,172
8,606,453	-	-	-	-	8,606,453
<u>25,507,431</u>	<u>72,398</u>	<u>418,439</u>	<u>-</u>	<u>24,539,175</u>	<u>56,827,480</u>
-	-	-	25,567,251	-	25,567,251
4,623,958	(57,140)	-	-	-	4,566,818
71,318,403	61,727	-	-	-	71,380,130
-	-	-	-	-	828,696
-	-	5,950	-	-	5,950
-	-	-	-	-	4,450,203
-	-	90,845	-	-	18,780,550
<u>75,942,361</u>	<u>4,587</u>	<u>96,795</u>	<u>25,567,251</u>	<u>-</u>	<u>125,579,598</u>
<u>\$ 101,449,792</u>	<u>\$ 76,985</u>	<u>\$ 515,234</u>	<u>\$ 25,567,251</u>	<u>\$ 24,539,175</u>	<u>\$ 182,407,078</u>

**CITY OF BOWLING GREEN  
WOOD COUNTY**

**Combined Statement of Revenues, Expenditures, and Changes in Fund Balances  
All Governmental Fund Types and Expendable Trust Fund  
For the Year Ended December 31, 2002**

	<b>Governmental Fund Types</b>	
	<b>General</b>	<b>Special Revenue</b>
<b>Revenues:</b>		
Property taxes	\$ 1,314,718	\$ 511,493
Municipal income taxes	5,115,468	3,204,799
Other local taxes	1,990,817	163,763
Special assessments	-	-
Intergovernmental	2,227,499	1,737,315
Charges for services	900,109	385,535
Fees, licenses, and permits	72,118	8,944
Fines and forfeitures	452,165	32,119
Interest	614,034	70,573
Other	161,119	13,897
Total revenues	12,848,047	6,128,438
<b>Expenditures:</b>		
Current:		
Security of persons and property	5,084,910	2,917,176
Public health	127,627	1,175
Community environment	322,408	764,580
Leisure time activities	-	1,061,432
Basic utility services	531,860	-
Transportation	1,730,135	1,261,652
General government	4,538,098	58,590
Other	-	-
Capital outlay	-	-
Debt service:		
Principal retirement	-	100,000
Interest and fiscal charges	-	87,000
Total expenditures	12,335,038	6,251,605
Excess of revenues over (under) expenditures	513,009	(123,167)
<b>Other financing sources (uses):</b>		
Proceeds of notes	-	-
Proceeds of bonds	-	-
Proceeds of OWDA loans	-	-
Operating transfers - in	2,475	50,000
Operating transfers - out	(815,031)	(68,377)
Total other financing sources (uses)	(812,556)	(18,377)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(299,547)	(141,544)
Fund balances at beginning of year	4,770,680	6,850,289
<b>Fund balances at end of year</b>	<b>\$ 4,471,133</b>	<b>\$ 6,708,745</b>

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

Governmental Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)
Debt Service	Capital Projects	Expendable Trust	
\$ -	\$ -	\$ -	\$ 1,826,211
-	4,774,450	-	13,094,717
-	-	-	2,154,580
76,412	331	-	76,743
-	247,458	-	4,212,272
-	15,020	-	1,300,664
-	49,258	-	130,320
-	109,008	-	593,292
-	8,763	-	693,370
-	126,760	9,662	311,438
<u>76,412</u>	<u>5,331,048</u>	<u>9,662</u>	<u>24,393,607</u>
-	-	-	8,002,086
-	-	-	128,802
-	-	-	1,086,988
-	-	-	1,061,432
-	-	-	531,860
-	-	-	2,991,787
-	239,282	-	4,835,970
-	-	34	34
-	3,567,112	-	3,567,112
-	9,459,467	-	9,559,467
9,881	864,146	-	961,027
<u>9,881</u>	<u>14,130,007</u>	<u>34</u>	<u>32,726,565</u>
<u>66,531</u>	<u>(8,798,959)</u>	<u>9,628</u>	<u>(8,332,958)</u>
-	11,470,000	-	11,470,000
-	90,000	-	90,000
-	1,298,729	-	1,298,729
-	1,311,302	-	1,363,777
-	(502,894)	(2,475)	(1,388,777)
-	<u>13,667,137</u>	<u>(2,475)</u>	<u>12,833,729</u>
66,531	4,868,178	7,153	4,500,771
44,704	7,809,313	11,291	19,486,277
<u>\$ 111,235</u>	<u>\$ 12,677,491</u>	<u>\$ 18,444</u>	<u>\$ 23,987,048</u>

**CITY OF BOWLING GREEN  
WOOD COUNTY**

**Combined Statement of Revenues, Expenditures, and Changes in Fund Balances  
Budget (Non-GAAP Budgetary Basis) and Actual Comparison  
All Governmental Fund Types and Expendable Trust Fund  
For the Year Ended December 31, 2002**

	<b>General</b>		<b>Variance Favorable (Unfavorable)</b>
	<b>Budget</b>	<b>Actual</b>	
<b>Revenues:</b>			
Property taxes	\$ 1,319,129	\$ 1,314,718	\$ (4,411)
Municipal income taxes	5,147,268	5,109,052	(38,216)
Other local taxes	1,816,000	1,950,709	134,709
Special assessments	-	-	-
Intergovernmental	2,073,788	2,273,105	199,317
Charges for services	868,202	885,475	17,273
Fees, licenses, and permits	49,350	72,618	23,268
Fines and forfeitures	530,000	476,076	(53,924)
Interest	850,000	620,894	(229,106)
Other	23,751	133,292	109,541
Revolving loan payments	-	-	-
Total revenues	<u>12,677,488</u>	<u>12,835,939</u>	<u>158,451</u>
<b>Expenditures:</b>			
Current:			
Security of persons and property	5,614,246	5,072,545	541,701
Public health	245,016	129,670	115,346
Community environment	474,546	347,645	126,901
Leisure time activities	-	-	-
Basic utility services	658,381	538,451	119,930
Transportation	2,305,574	1,767,127	538,447
General government	6,083,471	4,916,797	1,166,674
Capital outlay	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>15,381,234</u>	<u>12,772,235</u>	<u>2,608,999</u>
Excess of revenues over (under) expenditures	<u>(2,703,746)</u>	<u>63,704</u>	<u>2,767,450</u>
<b>Other financing sources (uses):</b>			
Other financing sources	5,500	27,707	22,207
Other financing uses	-	-	-
Proceeds of notes	-	-	-
Proceeds of bonds	-	-	-
Proceeds of OWDA loans	-	-	-
Advances - in	50,000	50,000	-
Advances - out	(50,000)	(50,000)	-
Operating transfers - in	2,475	2,475	-
Operating transfers - out	(815,865)	(815,031)	834
Total other financing sources (uses)	<u>(807,890)</u>	<u>(784,849)</u>	<u>23,041</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>(3,511,636)</u>	<u>(721,145)</u>	<u>2,790,491</u>
Fund balances at beginning of year	3,458,328	3,458,328	-
Prior year encumbrances appropriated	417,016	417,016	-
<b>Fund balances at end of year</b>	<b><u>\$ 363,708</u></b>	<b><u>\$ 3,154,199</u></b>	<b><u>\$ 2,790,491</u></b>

Special Revenue			Debt Service		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 564,245	\$ 511,493	\$ (52,752)	\$ -	\$ -	\$ -
3,182,402	3,200,778	18,376	-	-	-
170,000	175,108	5,108	-	-	-
-	-	-	-	76,412	76,412
1,964,582	1,720,863	(243,719)	-	-	-
391,993	386,979	(5,014)	-	-	-
6,550	10,064	3,514	-	-	-
28,000	24,619	(3,381)	-	-	-
61,463	70,976	9,513	-	-	-
13,368	13,796	428	-	-	-
174,821	203,962	29,141	-	-	-
<u>6,557,424</u>	<u>6,318,638</u>	<u>(238,786)</u>	<u>-</u>	<u>76,412</u>	<u>76,412</u>
3,222,662	2,889,917	332,745	-	-	-
-	-	-	-	-	-
1,413,877	1,197,525	216,352	-	-	-
1,529,082	1,080,748	448,334	-	-	-
-	-	-	-	-	-
1,542,906	1,333,837	209,069	-	-	-
81,723	51,376	30,347	-	-	-
-	-	-	-	-	-
100,000	100,000	-	-	-	-
87,000	87,000	-	9,881	9,881	-
<u>7,977,250</u>	<u>6,740,403</u>	<u>1,236,847</u>	<u>9,881</u>	<u>9,881</u>	<u>-</u>
<u>(1,419,826)</u>	<u>(421,765)</u>	<u>998,061</u>	<u>(9,881)</u>	<u>66,531</u>	<u>76,412</u>
-	1,500	1,500	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
50,000	50,000	-	-	-	-
(50,000)	(50,000)	-	-	-	-
51,239	50,000	(1,239)	-	-	-
(69,590)	(68,377)	1,213	-	-	-
<u>(18,351)</u>	<u>(16,877)</u>	<u>1,474</u>	<u>-</u>	<u>-</u>	<u>-</u>
(1,438,177)	(438,642)	999,535	(9,881)	66,531	76,412
5,446,886	5,446,886	-	44,704	44,704	-
264,846	264,846	-	-	-	-
<u>\$ 4,273,555</u>	<u>\$ 5,273,090</u>	<u>\$ 999,535</u>	<u>\$ 34,823</u>	<u>\$ 111,235</u>	<u>\$ 76,412</u>

(Continued)

**CITY OF BOWLING GREEN  
WOOD COUNTY**

**Combined Statement of Revenues, Expenditures, and Changes in Fund Balances  
Budget (Non-GAAP Budgetary Basis) and Actual Comparison  
All Governmental Fund Types and Expendable Trust Fund  
For the Year Ended December 31, 2002  
(Continued)**

	<b>Capital Projects</b>		<b>Variance Favorable (Unfavorable)</b>
	<b>Budget</b>	<b>Actual</b>	
<b>Revenues:</b>			
Property taxes	\$ -	\$ -	\$ -
Municipal income taxes	4,803,803	4,768,461	(35,342)
Other local taxes	-	-	-
Special assessments	-	331	331
Intergovernmental	1,594,948	247,458	(1,347,490)
Charges for services	14,000	14,788	788
Fees, licenses, and permits	-	49,258	49,258
Fines and forfeitures	115,000	107,891	(7,109)
Interest	12,000	6,834	(5,166)
Other	-	11,899	11,899
Revolving loan payments	-	-	-
Total revenues	<u>6,539,751</u>	<u>5,206,920</u>	<u>(1,332,831)</u>
<b>Expenditures:</b>			
Current:			
Security of persons and property	-	-	-
Public health	-	-	-
Community environment	-	-	-
Leisure time activities	-	-	-
Basic utility services	-	-	-
Transportation	-	-	-
General government	243,844	231,315	12,529
Capital outlay	16,159,445	8,207,386	7,952,059
Debt service:			
Principal retirement	9,482,767	9,459,467	23,300
Interest and fiscal charges	865,662	864,146	1,516
Total expenditures	<u>26,751,718</u>	<u>18,762,314</u>	<u>7,989,404</u>
Excess of revenues over (under) expenditures	<u>(20,211,967)</u>	<u>(13,555,394)</u>	<u>6,656,573</u>
<b>Other financing sources (uses):</b>			
Other financing sources	75,664	114,861	39,197
Other financing uses	-	-	-
Proceeds of notes	7,620,000	11,470,000	3,850,000
Proceeds of bonds	90,000	90,000	-
Proceeds of OWDA loans	6,020,448	1,298,729	(4,721,719)
Advances - in	-	-	-
Advances - out	-	-	-
Operating transfers - in	1,164,537	1,311,302	146,765
Operating transfers - out	(520,159)	(502,894)	17,265
Total other financing sources (uses)	<u>14,450,490</u>	<u>13,781,998</u>	<u>(668,492)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>(5,761,477)</u>	<u>226,604</u>	<u>5,988,081</u>
Fund balances at beginning of year	5,900,535	5,900,535	-
Prior year encumbrances appropriated	1,844,277	1,844,277	-
<b>Fund balances at end of year</b>	<b><u>\$ 1,983,335</u></b>	<b><u>\$ 7,971,416</u></b>	<b><u>\$ 5,988,081</u></b>

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



Expendable Trust			Totals (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 1,883,374	\$ 1,826,211	\$ (57,163)
-	-	-	13,133,473	13,078,291	(55,182)
-	-	-	1,986,000	2,125,817	139,817
-	-	-	-	76,743	76,743
-	-	-	5,633,318	4,241,426	(1,391,892)
-	-	-	1,274,195	1,287,242	13,047
-	-	-	55,900	131,940	76,040
-	-	-	673,000	608,586	(64,414)
-	-	-	923,463	698,704	(224,759)
1,000	9,662	8,662	38,119	168,649	130,530
-	-	-	174,821	203,962	29,141
<u>1,000</u>	<u>9,662</u>	<u>8,662</u>	<u>25,775,663</u>	<u>24,447,571</u>	<u>(1,328,092)</u>
-	-	-	8,836,908	7,962,462	874,446
-	-	-	245,016	129,670	115,346
-	-	-	1,888,423	1,545,170	343,253
-	-	-	1,529,082	1,080,748	448,334
-	-	-	658,381	538,451	119,930
-	-	-	3,848,480	3,100,964	747,516
-	-	-	6,409,038	5,199,488	1,209,550
-	-	-	16,159,445	8,207,386	7,952,059
-	-	-	9,582,767	9,559,467	23,300
-	-	-	962,543	961,027	1,516
-	-	-	<u>50,120,083</u>	<u>38,284,833</u>	<u>11,835,250</u>
<u>1,000</u>	<u>9,662</u>	<u>8,662</u>	<u>(24,344,420)</u>	<u>(13,837,262)</u>	<u>10,507,158</u>
-	-	-	81,164	144,068	62,904
(1,000)	(34)	966	(1,000)	(34)	966
-	-	-	7,620,000	11,470,000	3,850,000
-	-	-	90,000	90,000	-
-	-	-	6,020,448	1,298,729	(4,721,719)
-	-	-	100,000	100,000	-
-	-	-	(100,000)	(100,000)	-
-	-	-	1,218,251	1,363,777	145,526
(2,475)	(2,475)	-	(1,408,089)	(1,388,777)	19,312
<u>(3,475)</u>	<u>(2,509)</u>	<u>966</u>	<u>13,620,774</u>	<u>12,977,763</u>	<u>(643,011)</u>
(2,475)	7,153	9,628	(10,723,646)	(859,499)	9,864,147
11,291	11,291	-	14,861,744	14,861,744	-
-	-	-	2,526,139	2,526,139	-
<u>\$ 8,816</u>	<u>\$ 18,444</u>	<u>\$ 9,628</u>	<u>\$ 6,664,237</u>	<u>\$ 16,528,384</u>	<u>\$ 9,864,147</u>

**CITY OF BOWLING GREEN  
WOOD COUNTY**

**Combined Statement of Revenues, Expenses, and Changes in Fund Equity  
All Proprietary Fund Types and Nonexpendable Trust Fund  
For the Year Ended December 31, 2002**

	<u>Proprietary Fund Types</u>	
	<u>Enterprise</u>	<u>Internal Service</u>
<b>Operating revenues:</b>		
Charges for services	\$ 30,921,566	\$ 286,880
Other	1,154,187	924
Total operating revenues	<u>32,075,753</u>	<u>287,804</u>
<b>Operating expenses, excluding depreciation:</b>		
Purchased power	19,655,588	-
Plant operation	1,024,891	-
Plant maintenance	741,025	-
Distribution operation	1,458,997	-
Distribution maintenance	2,204,311	-
Customer account collection	400,102	-
Administrative and general	2,676,405	-
Other	114,133	344,864
Total operating expenses	<u>28,275,452</u>	<u>344,864</u>
Operating income (loss) before depreciation	3,800,301	(57,060)
Depreciation	4,147,077	8,337
Operating income (loss)	<u>(346,776)</u>	<u>(65,397)</u>
<b>Non-operating revenues (expenses):</b>		
Other local taxes	1,552,365	-
Excise taxes expense	(1,552,365)	-
Grants	10,001	-
Interest revenue	148,177	-
Interest expense	(320,873)	-
Capital contributions	39,561	-
Loss on disposal of fixed assets	(2,596)	-
Investment in joint venture	(17,321)	-
Total non-operating revenues (expenses)	<u>(143,051)</u>	<u>-</u>
Income (loss) before operating transfers	(489,827)	(65,397)
Operating transfers - in	25,000	-
Net income (loss)	(464,827)	(65,397)
Retained earnings/fund balance at beginning of year	5,088,785	8,257
Retained earnings (deficit)/fund balance at end of year	4,623,958	(57,140)
Contributed capital at beginning of year	67,103,758	61,727
Contributions from other funds	4,214,645	-
Contributed capital at end of year	<u>71,318,403</u>	<u>61,727</u>
<b>Total fund equity at end of year</b>	<b><u>\$ 75,942,361</u></b>	<b><u>\$ 4,587</u></b>

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

<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
<u>Nonexpendable Trust</u>	
\$ 3,983	\$ 31,212,429
33,050	1,188,161
<u>37,033</u>	<u>32,400,590</u>
-	19,655,588
-	1,024,891
-	741,025
-	1,458,997
-	2,204,311
-	400,102
-	2,676,405
<u>18</u>	<u>459,015</u>
<u>18</u>	<u>28,620,334</u>
37,015	3,780,256
-	4,155,414
<u>37,015</u>	<u>(375,158)</u>
-	1,552,365
-	(1,552,365)
-	10,001
-	148,177
-	(320,873)
-	39,561
-	(2,596)
-	(17,321)
<u>-</u>	<u>(143,051)</u>
37,015	(518,209)
-	25,000
<u>37,015</u>	<u>(493,209)</u>
<u>41,336</u>	<u>5,138,378</u>
78,351	4,645,169
-	67,165,485
-	4,214,645
<u>-</u>	<u>71,380,130</u>
<u>\$ 78,351</u>	<u>\$ 76,025,299</u>

**CITY OF BOWLING GREEN  
WOOD COUNTY**

**Combined Statement of Revenues, Expenses, and Changes in Fund Balances  
Budget (Non-GAAP Budgetary Basis) and Actual Comparison  
All Proprietary Fund Types and Nonexpendable Trust Fund  
For the Year Ended December 31, 2002**

	<b>Enterprise</b>		<b>Variance Favorable (Unfavorable)</b>
	<b>Budget</b>	<b>Actual</b>	
<b>Revenues:</b>			
Charges for services	\$ 32,569,511	\$ 30,976,284	\$ (1,593,227)
Other local taxes	-	1,552,365	1,552,365
Intergovernmental	-	10,001	10,001
Interest revenue	441,115	148,460	(292,655)
Proceeds of notes	20,442,500	12,446,000	(7,996,500)
Other	941,830	1,154,187	212,357
<b>Total revenues</b>	<b>54,394,956</b>	<b>46,287,297</b>	<b>(8,107,659)</b>
<b>Expenses:</b>			
Purchased power	20,253,747	20,146,949	106,798
Plant operation	10,878,772	2,466,992	8,411,780
Plant maintenance	908,845	810,860	97,985
Distribution operation	4,843,704	3,364,152	1,479,552
Distribution maintenance	2,432,305	2,201,080	231,225
Customer account collection	448,119	401,229	46,890
Administrative and general	5,040,789	4,407,305	633,484
Other	159,316	130,434	28,882
Debt service:			
Principal retirement	12,884,248	12,884,248	0
Interest expense	445,660	341,810	103,850
<b>Total expenses</b>	<b>58,295,505</b>	<b>47,155,059</b>	<b>11,140,446</b>
Excess of revenues over (under) expenses	(3,900,549)	(867,762)	3,032,787
Operating transfers - in	21,016	25,000	3,984
Operating transfers - out	(24,424)	-	24,424
Excess of revenues over (under) expenses and operating transfers	(3,903,957)	(842,762)	3,061,195
Fund balances at beginning of year	7,906,015	7,906,015	-
Prior year encumbrances appropriated	2,335,951	2,335,951	-
<b>Fund balances at end of year</b>	<b>\$ 6,338,009</b>	<b>\$ 9,399,204</b>	<b>\$ 3,061,195</b>

Internal Service			Nonexpendable Trust		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 455,000	\$ 314,434	\$ (140,566)	\$ 1,000	\$ 3,983	\$ 2,983
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	924	924	-	33,050	33,050
<u>455,000</u>	<u>315,358</u>	<u>(139,642)</u>	<u>1,000</u>	<u>37,033</u>	<u>36,033</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
485,542	341,195	144,347	120	18	102
-	-	-	-	-	-
-	-	-	-	-	-
<u>485,542</u>	<u>341,195</u>	<u>144,347</u>	<u>120</u>	<u>18</u>	<u>102</u>
(30,542)	(25,837)	4,705	880	37,015	36,135
-	-	-	-	-	-
-	-	-	-	-	-
<u>(30,542)</u>	<u>(25,837)</u>	<u>4,705</u>	<u>880</u>	<u>37,015</u>	<u>36,135</u>
38,170	38,170	-	41,336	41,336	-
2,277	2,277	-	-	-	-
<u>\$ 9,905</u>	<u>\$ 14,610</u>	<u>\$ 4,705</u>	<u>\$ 42,216</u>	<u>\$ 78,351</u>	<u>\$ 36,135</u>

(Continued)

**CITY OF BOWLING GREEN  
WOOD COUNTY**

**Combined Statement of Revenues, Expenses, and Changes in Fund Balances  
Budget (Non-GAAP Budgetary Basis) and Actual Comparison  
All Proprietary Fund Types and Nonexpendable Trust Fund  
For the Year Ended December 31, 2002  
(Continued)**

	<u>Totals (Memorandum Only)</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues:</b>			
Charges for services	\$ 33,025,511	\$ 31,294,701	\$ (1,730,810)
Other local taxes	-	1,552,365	1,552,365
Intergovernmental	-	10,001	10,001
Interest revenue	441,115	148,460	(292,655)
Proceeds of notes	20,442,500	12,446,000	(7,996,500)
Other	941,830	1,188,161	246,331
	<u>54,850,956</u>	<u>46,639,688</u>	<u>(8,211,268)</u>
<b>Total revenues</b>			
	54,850,956	46,639,688	(8,211,268)
<b>Expenses:</b>			
Purchased power	20,253,747	20,146,949	106,798
Plant operation	10,878,772	2,466,992	8,411,780
Plant maintenance	908,845	810,860	97,985
Distribution operation	4,843,704	3,364,152	1,479,552
Distribution maintenance	2,432,305	2,201,080	231,225
Customer account collection	448,119	401,229	46,890
Administrative and general	5,040,789	4,407,305	633,484
Other	644,978	471,647	173,331
Debt service:			
Principal retirement	12,884,248	12,884,248	0
Interest expense	445,660	341,810	103,850
	<u>58,781,167</u>	<u>47,496,272</u>	<u>11,284,895</u>
<b>Total expenses</b>			
	58,781,167	47,496,272	11,284,895
Excess of revenues over (under) expenses	(3,930,211)	(856,584)	3,073,627
Operating transfers - in	21,016	25,000	3,984
Operating transfers - out	(24,424)	-	24,424
	<u>(3,933,619)</u>	<u>(831,584)</u>	<u>3,102,035</u>
Excess of revenues over (under) expenses and operating transfers	(3,933,619)	(831,584)	3,102,035
Fund balances at beginning of year	7,985,521	7,985,521	-
Prior year encumbrances appropriated	2,338,228	2,338,228	-
	<u>7,985,521</u>	<u>7,985,521</u>	<u>-</u>
<b>Fund balances at end of year</b>	<u><b>\$ 6,390,130</b></u>	<u><b>\$ 9,492,165</b></u>	<u><b>\$ 3,102,035</b></u>

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

**CITY OF BOWLING GREEN  
WOOD COUNTY**

**Combined Statement of Cash Flows  
All Proprietary Fund Types and Nonexpendable Trust Fund  
For the Year Ended December 31, 2002**

	<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Nonexpendable Trust</u>	
<b>Increases (decreases) in cash and cash equivalents:</b>				
<u>Cash flows from operating activities:</u>				
Cash received from customers	\$30,976,004	\$ -	\$ 3,983	\$ 30,979,987
Cash received from quasi-external operating transactions with other funds	-	314,434	-	314,434
Cash payments for purchased power	(20,146,749)	-	-	(20,146,749)
Cash payments for plant operation	(1,271,967)	-	-	(1,271,967)
Cash payments for plant maintenance	(759,728)	-	-	(759,728)
Cash payments for distribution operation	(1,390,716)	-	-	(1,390,716)
Cash payments for distribution maintenance	(2,164,314)	-	-	(2,164,314)
Cash payments for customer account collection	(394,349)	-	-	(394,349)
Cash payments for administrative and general	(2,606,146)	-	-	(2,606,146)
Cash received from other revenues	1,154,187	924	33,050	1,188,161
Cash payments for other expenses	(130,434)	(336,988)	(18)	(467,440)
Net cash provided (used) by operating activities	<u>3,265,788</u>	<u>(21,630)</u>	<u>37,015</u>	<u>3,281,173</u>
<u>Cash flows from non-capital financing activities:</u>				
Cash received from other local taxes	1,552,365	-	-	1,552,365
Cash payments for contributions	(1,545,504)	-	-	(1,545,504)
Cash received from grants	10,001	-	-	10,001
Cash received from operating transfers - in	25,000	-	-	25,000
Net cash provided by non-capital financing activities	<u>41,862</u>	<u>-</u>	<u>-</u>	<u>41,862</u>
<u>Cash flows from capital and related financing activities:</u>				
Acquisition and construction of fixed assets	(2,663,335)	-	-	(2,663,335)
Proceeds from the sale of notes	12,446,000	-	-	12,446,000
Principal paid on bond anticipation notes	(12,861,500)	-	-	(12,861,500)
Interest paid on bond anticipation notes	(335,304)	-	-	(335,304)
Principal paid on capital leases	(22,748)	-	-	(22,748)
Interest paid on capital leases	(6,506)	-	-	(6,506)
Net cash used by capital and related financing activities	<u>(3,443,393)</u>	<u>-</u>	<u>-</u>	<u>(3,443,393)</u>
<u>Cash flows from investing activities:</u>				
Interest	148,177	-	-	148,177
Net increase (decrease) in cash and cash equivalents	12,434	(21,630)	37,015	27,819
Cash and cash equivalents at beginning of year	<u>10,262,718</u>	<u>40,447</u>	<u>41,336</u>	<u>10,344,501</u>
<b>Cash and cash equivalents at end of year</b>	<b><u>\$10,275,152</u></b>	<b><u>\$ 18,817</u></b>	<b><u>\$ 78,351</u></b>	<b><u>\$ 10,372,320</u></b>

(Continued)

**CITY OF BOWLING GREEN  
WOOD COUNTY**

**Combined Statement of Cash Flows  
All Proprietary Fund Types and Nonexpendable Trust Fund  
For the Year Ended December 31, 2002  
(Continued)**

	<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Nonexpendable Trust</u>	
	<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>			
Operating income (loss)	\$ (346,776)	\$ (65,397)	\$ 37,015	\$ (375,158)
<u>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:</u>				
Depreciation	4,147,077	8,337	-	4,155,414
Changes in assets and liabilities:				
Decrease in accounts receivable	51,859	9,129	-	60,988
Decrease in due from other funds	2,579	18,425	-	21,004
Decrease in materials and supplies inventory	4,244	-	-	4,244
Increase in prepaid items	(22,739)	-	-	(22,739)
Decrease in accounts payable	(647,591)	(1,098)	-	(648,689)
Increase in accrued wages payable	36,078	1,901	-	37,979
Increase in compensated absences payable	25,102	6,328	-	31,430
Decrease in retainage payable	(17,109)	-	-	(17,109)
Increase in intergovernmental payable	27,504	1,206	-	28,710
Increase (decrease) in due to other funds	5,560	(461)	-	5,099
Net cash provided by (used for) operating activities	<u>\$ 3,265,788</u>	<u>\$ (21,630)</u>	<u>\$ 37,015</u>	<u>\$ 3,281,173</u>

**Non-cash capital transactions:**

During 2002, the Water and Sewer enterprise funds received fixed assets that were constructed in the City's governmental funds, in the amount of \$2,723,044, and \$1,491,601, respectively. The Electric, Water, and Sewer enterprise funds also received fixed assets donated by developers and private contractors, in the amount of \$27,717, \$5,100, and \$6,744, respectively.

**Cash and cash equivalents - all fiduciary fund types:**

Equity in pooled cash and cash equivalents	\$ 96,795
Cash and cash equivalents in segregated accounts	224,666
Total cash and cash equivalents - all fiduciary fund types	321,461
Cash and cash equivalents - agency funds	(224,666)
Cash and cash equivalents - expendable trust fund	(18,444)
<b>Cash and cash equivalents - nonexpendable trust fund</b>	<u><u>\$ 78,351</u></u>

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



**CITY OF BOWLING GREEN  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
For the Year Ended December 31, 2002**

**1. DESCRIPTION OF THE CITY OF BOWLING GREEN AND THE REPORTING ENTITY**

The City of Bowling Green is a charter municipal corporation founded on November 9, 1855, with the charter adopted by the electors on October 31, 1972. The City may exercise all powers of home rule granted under Article XVIII, Section 3, of the Ohio Constitution not in conflict with applicable general laws of Ohio.

The City operates under a Mayor/Administrator/Council form of government. Services provided include police, fire, street maintenance, planning and zoning, parks and recreation, electric, water, sewer, and general administrative services.

A reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the City of Bowling Green consists of all funds, departments, boards, and agencies that are not legally separate from the City. For the City of Bowling Green this includes all departments and activities that are directly operated by the elected City officials.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations which are fiscally dependent on the City in that the City approves the budget, the issuance of debt, or the levying of taxes. There were no component units of the City of Bowling Green in 2002.

The City participates in a public entity shared risk pool and two joint ventures. These organizations are the Buckeye Ohio Risk Management Agency (BORMA), the Ohio Municipal Electric Generation Agency Joint Venture 2 (JV2), and the Ohio Municipal Electric Generation Agency Joint Venture 5 (JV5). These organizations are presented in Notes 21 and 22 to the general-purpose financial statements.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies followed in the preparation of these financial statements are summarized below. These policies conform to generally accepted accounting principles (GAAP) for local governmental units as prescribed in the statements issued by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources. The City also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its proprietary activities provided they do not conflict with or contradict GASB pronouncements.

**A. Basis of Presentation - Fund Accounting**

The City uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain City functions or activities.

**CITY OF BOWLING GREEN  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
For the Year Ended December 31, 2002  
(Continued)**

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net available expendable resources.

For financial statement presentation purposes, the various funds of the City are grouped into the following generic fund types under the broad fund categories of governmental, proprietary, and fiduciary.

Governmental Fund Types:

Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use, and balances of the City's expendable financial resources and the related current liabilities, except those accounted for in proprietary funds and trust funds, are accounted for through governmental funds. The measurement focus is upon determination of financial position and changes in financial position. The following are the City's governmental fund types:

General Fund - The General fund is the general operating fund of the City. This fund is used to account for all financial resources of the City, except those required to be 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 an ordinance of the City and/or the general laws of Ohio.

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

Debt Service Fund - This fund is used to account for the accumulation of resources for, and the payment of, special assessment long-term obligation principal, interest, and related costs.

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

Proprietary Fund Types:

Proprietary funds are used to account for the City's ongoing activities which are similar to those found in the private sector. The measurement focus is upon determination of net income, financial position, and cash flows. The following are the City's proprietary fund types:

Enterprise Funds - These funds are used to account for activities that are financed and operated in a manner similar to private business enterprises where the intent is that costs (expenses, including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges or where the City has decided that periodic determination of revenues earned, expenses incurred,

**CITY OF BOWLING GREEN  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
For the Year Ended December 31, 2002  
(Continued)**

and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Internal Service Fund - This fund is used to account for the financing of goods and services provided by one department to other departments of the City on a cost-reimbursement basis.

Fiduciary Fund Types:

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Expendable trust funds are accounted for in essentially the same manner as governmental funds. Nonexpendable trust funds are accounted for in essentially the same manner as proprietary funds. The City's agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups:

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

General Fixed Assets Account Group - The general fixed assets account group is used to account for all fixed assets of the City, except those accounted for in the proprietary funds. These assets do not represent financial resources available for expenditure.

General Long-Term Obligations Account Group - The general long-term obligations account group is used to account for all unmatured long-term obligations of the City, except those accounted for in the proprietary funds.

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

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types and the expendable trust fund are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary fund types and the nonexpendable trust fund are accounted for using 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 balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Operating statements of these funds present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

**CITY OF BOWLING GREEN  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
For the Year Ended December 31, 2002  
(Continued)**

The modified accrual basis of accounting is followed for the governmental fund types, expendable trust and agency funds. The full accrual basis of accounting is followed for the proprietary fund types and nonexpendable trust fund.

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

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

Under the modified accrual basis, the following revenue sources are considered both measurable and available at year end: income taxes, state levied locally shared taxes (including gasoline tax and motor vehicle license tax), grants, charges for services, fines and forfeitures, and interest.

Deferred revenues arise when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there was an enforceable legal claim as of December 31, 2002, but which were levied to finance 2003 operations, are recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue. On the modified accrual basis, revenues that are not collected within the available period are recorded as deferred revenue.

On the accrual basis, expenses are recognized at the time they are incurred.

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

**C. 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 certificate of estimated resources and the appropriations ordinance, which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations ordinance are subject to amendment throughout the year with the legal

**CITY OF BOWLING GREEN  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
For the Year Ended December 31, 2002  
(Continued)**

restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated.

Estimated Resources:

The County Budget Commission reviews the City's estimated revenues and determines if there is a need to levy all or part of previously authorized taxes. The County Budget Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources, which states the estimated beginning of year fund balance and projected revenue of each fund. Prior to December 31, the City must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include the actual unencumbered fund balances from the preceding year. The certificate of estimated resources may be further amended during the year if the Finance Director determines that revenue to be collected will be greater than or less than prior estimates and the County Budget Commission finds the revised estimates to be reasonable. The amounts set forth in the financial statements represent estimates from the amended certificate of estimated resources in effect at the time final appropriations were passed by City Council.

Appropriations:

A temporary appropriations ordinance to control the level of expenditures for all funds may be passed on or about January 1 of each year, for the period January 1 to March 31. An annual appropriations ordinance must be passed by April 1 of each year, for the period January 1 to December 31. Appropriations may not exceed estimated resources as established in the amended official certificate of estimated resources. Several supplemental appropriations ordinances were legally enacted by City Council during the year. The budget figures which appear in the statements of budgetary comparisons represent the appropriated budget amounts and all supplemental appropriations.

Budgeted Level of Expenditures:

Administrative control is maintained through the establishment of detailed line-item budgets. Expenditures plus encumbrances may not legally exceed appropriations at the level of appropriation adopted by City Council. For all funds, except enterprise funds, City Council appropriations are made by department and major object levels which include personal services, materials and supplies, contractual services, capital outlay, other expenditures/expenses, and individual accounts for bond and note principal retirement, interest and fiscal charges, and operating transfers. For enterprise funds, City Council appropriations are made at the function and object level. The appropriations set by City Council must remain fixed unless amended by City Council ordinance. More detailed appropriation allocations may be made by the Finance Director as long as the allocations are within City Council's appropriated amount.

Encumbrances:

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are encumbered and recorded as the equivalent of expenditures on the

**CITY OF BOWLING GREEN  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
For the Year Ended December 31, 2002  
(Continued)**

non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation. On the GAAP basis, encumbrances outstanding at year end are reported as a reservation of fund balance for subsequent year expenditures for governmental fund types and the expendable trust fund and disclosed in the notes to the financial statements for proprietary fund types and the nonexpendable trust fund.

Lapsing of Appropriations:

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. Encumbered appropriations are carried forward to the succeeding year and are not reappropriated.

**D. Cash and Investments**

To improve cash management, cash received by the City, except cash in segregated accounts and cash held by escrow agents, is pooled. Individual fund integrity is maintained through City records. Interest in the pool is presented as "Equity in pooled cash and cash equivalents" on the combined balance sheet.

Cash and cash equivalents that are held separately by individual departments of the City or by escrow agents are recorded on the combined balance sheet as "Cash and cash equivalents in segregated accounts" or "Cash and cash equivalents with escrow agents", respectively.

Investments are reported at fair value, except for non-negotiable certificates of deposit which are reported at cost. Fair value is based on quoted market prices. STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2002.

The City has allocated interest to various funds according to City Charter and State statutes. Interest revenue credited to the General fund during 2002 was \$614,034, which includes \$461,836 assigned from other City funds.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with a maturity of three months or less at the time they are purchased by the City are considered to be cash equivalents. Investments with an initial maturity of more than three months, and not purchased from the pool, are reported as investments.

**E. Notes Receivable**

Notes receivable represent the right to receive repayment for certain loans made by the City. The loans are based upon written agreements between the City and the various loan recipients.

**CITY OF BOWLING GREEN  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
For the Year Ended December 31, 2002  
(Continued)**

**F. Materials and Supplies Inventory**

Inventory is presented at cost on a first-in, first-out basis and is expensed when used. Inventory consists of expendable supplies held for consumption.

**G. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2002, are recorded as prepaid items by 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.

**H. Restricted Assets**

Restricted assets represent resources set aside in separate escrow accounts whose use is limited to the payment of retainage to contractors.

**I. Fixed Assets and Depreciation**

The fixed asset values were initially determined at December 31, 1985, assigning original acquisition costs when such information was available. In cases where information supporting original costs was not available, estimated historical costs were used. For certain fixed assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition. Donated fixed assets are capitalized at fair market value on the date donated.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements which extend the useful life or increase the capacity or operating efficiency of the asset are capitalized at cost.

General Fixed Assets:

General fixed assets (fixed assets used in governmental fund type operations) are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group at historical cost or estimated historical cost. Assets in the general fixed assets account group are not depreciated.

Public domain (infrastructure) general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are not capitalized or reported as these assets are immovable and of value only to the City.

Proprietary Fund Fixed Assets:

Fixed assets associated with proprietary fund activities are accounted for in those funds. Depreciation is calculated using the straight-line method over each asset's estimated useful life. Proprietary fund fixed assets are depreciated on the following basis:

Buildings and Improvements	15 - 25 Years
Furniture, Fixtures, Equipment, and Vehicles	1 - 20 Years
Infrastructure	15 - 50 Years

**CITY OF BOWLING GREEN  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
For the Year Ended December 31, 2002  
(Continued)**

Capitalization of Interest - Interest is capitalized on proprietary fund fixed assets acquired with tax-exempt debt. The City's policy is to capitalize net interest on construction projects until substantial completion of the project. The amount of capitalized interest equals the difference between the interest cost associated with the tax-exempt borrowing used to finance the project from the date of borrowing until completion of the project and the interest earned from the temporary investment of the debt proceeds over the same period. Capitalized interest is amortized on a straight-line basis over the estimated useful life of the asset. For 2002, there were no capitalized interest costs incurred on proprietary fund construction projects.

**J. Interfund Assets/Liabilities**

Short-term interfund loans are classified as "Interfund receivables/payables".

Receivables and payables arising between funds for goods provided or services rendered are classified as "Due from/to other funds" on the combined balance sheet.

**K. Compensated Absences**

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the City will compensate the employees for the benefits through paid time off or some other means. The City records a liability for accumulated unused vacation time when earned for all employees.

Sick leave benefits are accrued as a liability using the termination method for governmental fund types and the vesting method for proprietary fund types. For the governmental fund types, an accrual for sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the City's past experience of making termination payments. For proprietary fund types, the liability includes the employees who are currently eligible to receive termination benefits and those the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at year end, taking into consideration any limits specified in the City's termination policy.

For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using available expendable resources. These amounts are recorded in the account "Compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the general long-term obligations account group. In the proprietary funds, the entire amount of compensated absences is reported as a fund liability.

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

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, compensated absences and contractually required pension contributions are reported as liabilities in the general long-term obligations account group to the extent that they will not be paid with current available expendable resources. Payments made more than thirty-one days after year end are considered not to have used current available expendable resources. Long-



**CITY OF BOWLING GREEN  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
For the Year Ended December 31, 2002  
(Continued)**

term notes, bonds, and long-term loans are recognized as liabilities in the general long-term obligations account group until due.

Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate fund.

**M. Contributed Capital**

Contributed capital represents resources from other funds, other governments, and private sources provided to the proprietary funds prior to 2002 that is not subject to repayment. These assets are recorded at their fair market value on the date donated.

Capital contributions received from other governments and private sources subsequent to 2001 are recorded as revenues and retained earnings. Capital contributions from other funds continue to be reported as contributed capital.

**N. Reserves of Fund Equity**

The City records reservations for portions of fund balance which are legally segregated for specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund balance reserves have been established for notes receivable, nonexpendable trust (the amount of the nonexpendable contribution), and encumbrances.

**O. Interfund Transactions**

Quasi-external transactions are accounted for as revenues and expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**P. 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.

**Q. Total Columns on Combined Financial Statements**

Total columns on the general-purpose financial statements are captioned "Totals (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**CITY OF BOWLING GREEN  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
For the Year Ended December 31, 2002  
(Continued)**

**3. ACCOUNTABILITY AND COMPLIANCE**

**A. Accountability**

At December 31, 2002, the Sewer enterprise fund had deficit retained earnings of \$15,234,600 due to accumulated operating losses from prior years. The Engineering fund had deficit retained earnings of \$57,140 due to increased expenses. The City has not yet addressed a method for resolving the deficits.

**B. Compliance**

For the year ended December 31, 2002, the Police Levy special revenue fund had expenditures in excess of appropriations, in the amount of \$1,213, for operating transfers - out.

**4. BUDGETARY BASIS OF ACCOUNTING**

While reporting financial position, results of operations, and changes in fund balances/retained earnings on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual - All Governmental Fund Types and Expendable Trust Fund and the Combined Statement of Revenues, Expenses, and Changes in Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual - All Proprietary Fund Types and Nonexpendable Trust Fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
3. Outstanding year end encumbrances are treated as expenditures/expenses (budget basis) rather than as a reservation of fund balance for governmental fund types and the expendable trust fund (GAAP basis). Material encumbrances are disclosed in the notes to the financial statements for proprietary fund types and the nonexpendable trust fund (GAAP basis);
4. For proprietary funds, the acquisition and construction of fixed assets are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).

The adjustments necessary to convert the results of operations for the year on the GAAP basis to the budget basis are as follows:

**CITY OF BOWLING GREEN  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
For the Year Ended December 31, 2002  
(Continued)**

Excess of Revenues and Other Financing Sources Over  
(Under) Expenditures and Other Financing Uses  
Governmental Fund Types

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>
GAAP Basis	\$ (299,547)	\$ (141,544)	\$ 4,868,178
<u>Increases (Decreases) Due To</u>			
Revenue Accruals:			
Accrued 2001, Received in Cash 2002	1,357,613	636,517	857,031
Accrued 2002, Not Yet Received in Cash	(1,349,765)	(648,021)	(864,369)
Expenditure Accruals:			
Accrued 2001, Paid in Cash 2002	(564,870)	(272,360)	(793,170)
Accrued 2002, Not Yet Paid in Cash	557,307	226,295	161,179
Cash Adjustments:			
Unrecorded Activity 2001	34,088	6,449	640
Unrecorded Activity 2002	(26,337)	(125)	(2,569)
Prepaid Items	(26,405)	(342)	-
Notes Receivable:			
Additions	-	(284,000)	-
Reductions	-	203,962	-
Advances - In	50,000	50,000	-
Advances - Out	(50,000)	(50,000)	-
Excess of Revenues Under Expenditures of Nonbudgeted Activity	-	15,918	-
Encumbrances Outstanding at Year End (Budget Basis)	<u>(403,229)</u>	<u>(181,391)</u>	<u>(4,000,316)</u>
Budget Basis	<u>\$ (721,145)</u>	<u>\$ (438,642)</u>	<u>\$ 226,604</u>

**CITY OF BOWLING GREEN  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
For the Year Ended December 31, 2002  
(Continued)**

Net Income (Loss)/Excess of Revenues  
Under Expenses and Operating Transfers  
All Proprietary Fund Types

	Enterprise	Internal Service
GAAP Basis	\$ (464,827)	\$ (65,397)
<u>Increases (Decreases) Due to</u>		
Revenue Accruals:		
Accrued 2001, Received in Cash 2002	2,922,176	45,624
Accrued 2002, Not Yet Received in Cash	(2,867,738)	(18,070)
Expense Accruals:		
Accrued 2001, Paid in Cash 2002	(4,754,749)	(64,522)
Accrued 2002, Not Yet Paid in Cash	4,187,326	72,398
Cash Adjustments:		
Unrecorded Activity 2001	981	-
Unrecorded Activity 2002	(418)	-
Materials and Supplies Inventory	4,244	-
Prepaid Items	(22,739)	-
Acquisition of Fixed Assets	(2,663,335)	-
Depreciation Expense	4,147,077	8,337
Loss on Disposal of Fixed Assets	2,596	-
Notes Payable		
Additions	12,446,000	-
Reductions	(12,861,500)	-
Capital Lease Principal Retirement	(22,748)	-
Investment in Joint Venture	17,321	-
Capital Contributions	(39,561)	-
Encumbrances Outstanding at		
Year End (Budget Basis)	(872,868)	(4,207)
Budget Basis	\$ (842,762)	\$ (25,837)

**5. DEPOSITS AND INVESTMENTS**

State statutes classify monies held by the City into three categories.

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

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

**CITY OF BOWLING GREEN  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
For the Year Ended December 31, 2002  
(Continued)**

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit, or by savings or deposit accounts, including passbook accounts.

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Finance Director by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, 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;
2. Bonds, notes, debentures, or any other obligation or security 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;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
6. The State Treasurer's investment pool (STAR Ohio).

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

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

**CITY OF BOWLING GREEN  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
For the Year Ended December 31, 2002  
(Continued)**

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Finance Director or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

At year end, the City had \$5,344 in undeposited cash on hand which is included on the balance sheet of the City as part of "Equity in pooled cash and cash equivalents".

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

At year end, the carrying amount of the City's deposits was \$22,397,572 and the bank balance was \$22,984,159. Of the bank balance, \$555,952 was covered by federal depository insurance and \$22,428,207 was uninsured and uncollateralized. Although all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

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

	Category 1	Category 3	Fair Value
Federal Home Loan Bank Bonds	\$ -	\$ 503,125	\$ 503,125
Federal National Mortgage Association Notes	-	502,345	502,345
Federal National Mortgage Association Bonds	-	2,066,358	2,066,358
Federal Home Loan Mortgage Corporation Notes	-	351,092	351,092
Federal Home Loan Mortgage Corporation Bonds	-	501,565	501,565
City of Bowling Green Bonds	90,000	-	90,000
	\$ 90,000	\$ 3,924,485	4,014,485
STAR Ohio			5,375,479
Total			\$ 9,389,964

The classification of cash and cash equivalents and investments on the combined balance sheet is based on the criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting". A reconciliation between the classification of cash and cash equivalents and investments on the

**CITY OF BOWLING GREEN  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
For the Year Ended December 31, 2002  
(Continued)**

combined balance sheet and the classification of deposits and investments according to GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/ Deposits	Investments
GASB Statement No. 9	\$ 31,792,880	\$ -
Cash on Hand	(5,344)	-
Investments:		
Federal Home Loan Bank Bonds	(503,125)	503,125
Federal National Mortgage Association Notes	(502,345)	502,345
Federal National Mortgage Association Bonds	(2,066,358)	2,066,358
Federal Home Loan Mortgage Corporation Notes	(351,092)	351,092
Federal Home Loan Mortgage Corporation Bonds	(501,565)	501,565
City of Bowling Green Bonds	(90,000)	90,000
STAR Ohio	(5,375,479)	5,375,479
GASB Statement No. 3	\$ 22,397,572	\$ 9,389,964

**6. RECEIVABLES**

Receivables at December 31, 2002, consisted of taxes; special assessments; accounts (billings for user charged services, including unbilled utility services); intergovernmental receivables arising from grants, entitlements, and shared revenues; accrued interest; interfund; notes; and services charged to other funds. All receivables are considered fully collectible, including utility services. A summary of utility accounts receivable is as follows:

Electric	\$ 2,193,926
Water	310,010
Sewer	315,269
Total	\$ 2,819,205

A summary of the principal items of intergovernmental receivables follows:

Fund Type/Fund/Source	Amounts
General Fund	
Charges for Services	\$ 41,378
Wood County	9,823
Local Government	707,068
Kilowatt Tax	13,564
Municipal Court	469
Estate Taxes	50,212
Grants	3,792
Fines and Forfeitures	34,470

(Continued)

**CITY OF BOWLING GREEN  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
For the Year Ended December 31, 2002  
(Continued)**

Fund Type/Fund/Source	Amounts
Immobilization Fee	300
Homestead and Rollback	76,434
Total General Fund	937,510
Special Revenue Funds	
Street Maintenance and Repair	
Motor Vehicle License Tax	109,442
Gasoline Tax	179,062
Permissive Motor Vehicle License Tax	69,646
Bowling Green State University	8,255
State of Ohio	53
Total Street Maintenance and Repair	366,458
State Highway	
Gasoline Tax	14,517
Permissive Motor Vehicle License Tax	5,647
Total State Highway	20,164
Parks, Playground, and Recreation	
Homestead and Rollback	27,992
Fire Levy	
Grants	4,230
Law Enforcement Drug	
Fines and Forfeitures	805
Indigent Drivers Alcohol	
State of Ohio	5,687
Fines and Forfeitures	416
Total Indigent Drivers Alcohol	6,103
Education and Enforcement	
Fines and Forfeitures	224
Municipal Probation Services	
Charges for Services	2,850
Total Special Revenue Funds	428,826
Capital Projects Funds	
Municipal Court Improvement	
Charges for Services	800
Fines and Forfeitures	9,588
Total Municipal Court Improvement	10,388
Municipal Court Computerization	
Charges for Services	480
Street Repair	
Grants	8,684
Total Capital Projects Funds	19,552
Total All Funds	\$ 1,385,888



**CITY OF BOWLING GREEN  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
For the Year Ended December 31, 2002  
(Continued)**

**7. PROPERTY TAXES**

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the City. Real property tax revenues received in 2002 represent the collection of 2001 taxes. Real property taxes were levied in 2002 after October 1, 2002, on the assessed values as of January 1, 2002, the lien date. These taxes will be collected in and are intended to finance 2003 operations. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. All property is required to be revalued every six years. The last revaluation was completed in 1999. Real property taxes are payable annually or semiannually. The first payment is due on December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility real and tangible personal property taxes were levied in 2002 after October 1, 2002, on the assessed values as of December 31, 2001, the lien date. These taxes will be collected in and are intended to finance 2003 operations. Public utility real property is assessed at 35 percent of true value; tangible personal property is currently assessed at varying percentages of true value. Public utility property taxes are payable on the same dates as real property taxes described previously.

Tangible personal property tax revenues received in 2001 (other than public utility property) represent the collection of 2002 taxes. Tangible personal property taxes received in 2002 were levied after October 1, 2001, on the true value as of December 31, 2001. Tangible personal property is currently assessed at 25 percent of true value for equipment and 24 percent for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. The first payment is due April 30, with the remainder payable by September 20.

The County Treasurer collects property taxes on behalf of all taxing districts within the County, including the City of Bowling Green. The County Auditor periodically remits to the City its portion of the taxes collected.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, public utility property, and tangible personal property taxes which were measurable as of December 31, 2002, and for which there was an enforceable legal claim. Although total property tax collections for the next year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31 and are not intended to finance 2002 operations.

The full tax rate for all City operations for the year ended December 31, 2002, was \$5.00 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2002 property tax receipts were based are as follows:

**CITY OF BOWLING GREEN  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
For the Year Ended December 31, 2002  
(Continued)**

Category	Amount
Real Estate	
Residential/Agricultural	\$ 218,866,640
Commercial/Industrial	126,837,430
Public Utility Real	10,840
Public Utility Personal	4,061,870
Tangible Personal	53,255,559
Total	\$ 403,032,339

**8. MUNICIPAL INCOME TAXES**

The City levies and collects an income tax of 1.92 percent on all income 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 50 percent of the tax paid to another municipality, not to exceed 50 percent of the amount owed. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City at least quarterly. Corporations and individual taxpayers are also required to pay their estimated taxes at least quarterly and file a final return annually.

The City, by ordinance, allocates 1.5 percent of the income tax revenues and expenditures for collecting, administering, and enforcing the tax to the General fund (.75); Playground and Recreation (.05) special revenue fund; and the Capital Improvement (.13), Sewer and Water Capital Improvement (.50), and Street Repair Capital Improvement (.07) capital projects funds. The remaining .42 percent is split between the Police Levy (.14) and Fire Levy (.28) special revenue funds.

**9. NOTES RECEIVABLE**

Notes receivable represent low interest loans for development projects and home improvements granted to eligible City residents and businesses under the Federal Community Development Block Grant program. The notes have an annual interest rate of 3 percent and are repaid over periods ranging from five to twenty years. A summary of the changes in notes receivable during 2002 follows:

	Balance 12/31/01	New Loans	Repayments	Balance 12/31/02
Special Revenue Fund				
CDBG				
Revolving Loan Program	\$ 337,685	\$ -	\$ 30,999	\$ 306,686
Home Program	357,220	274,000	149,744	481,476
Downtown Revolving Loan Program	53,753	10,000	23,219	40,534
Total Notes Receivable	\$ 748,658	\$ 284,000	\$ 203,962	\$ 828,696

**10. FIXED ASSETS**

**A. General Fixed Assets**

A summary of the changes in general fixed assets during 2002 is as follows:

**CITY OF BOWLING GREEN  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
For the Year Ended December 31, 2002  
(Continued)**

	Balance 12/31/01	Additions	Reductions	Balance 12/31/02
Land and Improvements	\$ 3,479,343	\$ 332,891	\$ -	\$ 3,812,234
Buildings and Improvements	13,655,888	39,239	-	13,695,127
Furniture, Fixtures, Equipment, and Vehicles	7,311,556	1,085,382	337,048	8,059,890
Total	<u>\$ 24,446,787</u>	<u>\$ 1,457,512</u>	<u>\$ 337,048</u>	<u>\$ 25,567,251</u>

**B. Proprietary Fund Fixed Assets**

A summary of the proprietary funds' fixed assets at December 31, 2002, is as follows:

	Enterprise	Internal Service
Land and Improvements	\$ 3,182,941	\$ -
Buildings and Improvements	45,334,082	-
Furniture, Fixtures, Equipment, and Vehicles	7,992,994	102,090
Infrastructure	78,014,066	-
Construction in Progress	1,466,630	-
Total	135,990,713	102,090
Less Accumulated Depreciation	(57,336,963)	(61,992)
Total Fixed Assets Net of Accumulated Depreciation	<u>\$ 78,653,750</u>	<u>\$ 40,098</u>

**11. INTERFUND ASSETS/LIABILITIES**

As of December 31, 2002, receivables and payables that resulted from various interfund transactions were as follows:

Fund Type/Fund	Interfund		Due to/from Other Funds	
	Receivable	Payable	Receivable	Payable
General Fund	\$ 116,806	\$ -	\$ -	\$ 27,191
Special Revenue Funds				
Street Maintenance and Repair	-	-	-	3,377
Playground and Recreation	-	-	-	1,037
CDBG	-	-	-	14
Police Levy	-	-	-	910
Total Special Revenue Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,338</u>

(Continued)

**CITY OF BOWLING GREEN  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
For the Year Ended December 31, 2002  
(Continued)**

Fund Type/Fund	Interfund		Due to/from Other Funds	
	Receivable	Payable	Receivable	Payable
Capital Projects Funds				
Sewer and Water Capital Improvement	-	-	-	3,182
Enterprise Funds				
Electric	-	116,806	12,541	3,385
Water	-	-	23,435	3,328
Sewer	-	-	12,557	22,338
Parking Meter	-	-	-	62
Total Enterprise Funds	-	116,806	48,533	29,113
Internal Service Fund				
Engineering	-	-	16,461	170
Total All Funds	<u>\$ 116,806</u>	<u>\$ 116,806</u>	<u>\$ 64,994</u>	<u>\$ 64,994</u>

**12. 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. During 2002, the City contracted with the Buckeye Ohio Risk Management Agency (BORMA) for property, liability, and crime insurance. The BORMA program has a zero deductible, except for property damage which is \$1,000, and boiler and machinery which is \$1,000 to \$15,000. Coverage provided by BORMA is as follows:

Property	
Building and Contents	\$325,474,280
Flood Annual Aggregate	21,000,000
Earthquake Annual Aggregate	21,000,000
Boiler and Machinery	50,000,000
General Liability	
Per Occurrence	1,000,000
Annual Aggregate	1,000,000
Employee Benefit Liability	1,000,000
Ohio Stop Gap Liability	1,000,000
Public Official Liability	
Per Occurrence	1,000,000
Annual Aggregate	1,000,000
Law Enforcement Professional Liability	1,000,000
Automobile	
Liability	1,000,000
Uninsured Motorist	1,000,000
Crime	
Employee Dishonesty and Faithful Performance	1,000,000
Computer Fraud	500,000
Depositor's Forgery	1,000,000
Money and Securities	1,000,000

**CITY OF BOWLING GREEN  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
For the Year Ended December 31, 2002  
(Continued)**

Excess Liability	
Per Occurrence	9,000,000
Annual Aggregate	9,000,000

Settled claims have not exceeded this coverage in any of the past three years, and there has not been a significant reduction in coverage from the prior year.

The City participates in the Buckeye Ohio Risk Management Agency (BORMA), a public entity shared risk pool among several cities in Northern Ohio. The City pays monthly premiums for health care coverage for its employees and for property, liability, and crime insurance. BORMA is responsible for the management and operations of the programs. Member cities agree to share in the coverage of losses and pay all premiums necessary for the specified insurance coverage provided under the respective programs. In the event of deficiencies, member cities are subject to supplemental assessments of up to 25 percent of the premiums paid during the year for health insurance and in an amount equal to the annual premiums for property, liability, and crime insurance. Upon withdrawal from BORMA, a participant is responsible for the payment of all liabilities accruing as a result of withdrawal from the respective program.

Workers' compensation coverage is provided by the State of Ohio. The City pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

**13. CONTRACTUAL COMMITMENTS**

As of December 31, 2002, the City had contractual commitments as follows:

<u>Project</u>	<u>Outstanding Balance</u>
Main/Wooster Street	\$ 89,164
Clearwell/High Service Pump	2,708,907
North Main Reconstruction	336,757

**14. DEFINED BENEFIT PENSION PLANS**

**A. Ohio Public Employees Retirement System**

The City contributes to the Ohio Public Employees Retirement System (System), a cost-sharing multiple employer defined benefit pension plan administered by the Ohio Public Employees Retirement Board. The System provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. The System issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

Plan members are required to contribute 8.55 percent of their annual covered salary to fund pension obligations and the City is required to contribute 13.55 percent; 8.55 percent was the portion used to fund pension obligations for 2002. Contributions are authorized by State statute. The contribution rates are determined actuarially. The City's contributions to the

**CITY OF BOWLING GREEN  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
For the Year Ended December 31, 2002  
(Continued)**

System for the years ended December 31, 2002, 2001, and 2000, were \$778,038, \$804,509, and \$542,309, respectively; 76 percent has been contributed for 2002 and 100 percent has been contributed for 2001 and 2000. The unpaid contribution for 2002, in the amount of \$189,248, is recorded as a liability within the respective funds and the general long-term obligations account group.

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

The City contributes to the Ohio Police and Fire Pension Fund (Fund), a cost-sharing multiple employer defined benefit pension plan administered by the Fund's Board of Trustees. The Fund provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by the Ohio State Legislature and by Chapter 742 of the Ohio Revised Code. The Fund issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations and the City is required to contribute 19.5 percent for police (11.75 percent was the portion used to fund pension obligations for 2002); and 24 percent for firefighters (16.25 percent was the portion used to fund pension obligations for 2002). Contributions are authorized by State statute. The City's contributions to the Fund for the years ended December 31, 2002, 2001, and 2000, were \$689,989, \$661,007, and \$587,223, respectively; 75 percent has been contributed for 2002 and 100 percent has been contributed for 2001 and 2000. The unpaid contribution for 2002, in the amount of \$170,982, is recorded as a liability within the respective funds and the general long-term obligations account group.

**15. POSTEMPLOYMENT BENEFITS**

**A. Ohio Public Employees Retirement System**

The Ohio Public Employees Retirement System (System) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPB) as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits Other Than Pension Benefits by State and Local Governmental Employers". A portion of each employer's contribution to the System is set aside for the funding of postretirement health care based on authority granted by State statute. The employer contribution rate was 13.55 percent of covered payroll; 5 percent was the portion used to fund health care for 2002.

Benefits are advance funded using the entry age normal cost method. Significant actuarial assumptions include a rate of return on investments of 8 percent, an annual increase in active employee total payroll of 4 percent compounded annually, and an additional increase in total payroll of .5 percent to 6.3 percent based on additional pay increases. Health care premiums were assumed to increase 4 percent annually.

OPB are financed through employer contributions and investment earnings. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is

**CITY OF BOWLING GREEN  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
For the Year Ended December 31, 2002  
(Continued)**

used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets.

At December 31, 2002, the total number of benefit recipients eligible for OPB through the System was 402,041. As of December 31, 2001, the actuarial value of net assets available for future OPB payments was \$11.6 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$16.4 billion and \$4.8 billion, respectively. The City's actual contributions for 2002 which were used to fund OPB were \$454,993.

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

The Ohio Police and Fire Pension Fund (Fund) provides postretirement health care coverage to any person who receives or is eligible to receive a monthly benefit check, or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of eighteen, whether or not the child is attending school, or under the age of twenty-two if attending school full-time or on a two-thirds basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12. The Ohio Revised Code provides the authority allowing the Fund's Board of Trustees to provide health care coverage and states that health care costs paid from the Fund shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution rate was 19.5 percent of covered payroll and the firefighter employer contribution rate was 24 percent; 7.75 percent was the portion used to fund health care for 2002. 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.

The number of participants eligible to receive health care benefits as of December 31, 2001, was 13,174 for police and 10,239 for firefighters. The City's actual contributions for 2002 that were used to fund postemployment benefits were \$163,150 for police and \$211,102 for fire. The Fund's total health care expenses for the year ended December 31, 2001, (the latest information available), were \$122,298,771, which was net of member contributions of \$6,874,699.

**16. OTHER EMPLOYEE BENEFITS**

**A. Compensated Absences**

Vacation leave is earned at rates which vary depending upon length of service and standard work week. Current policy permits vacation leave to be carried forward with supervisory approval. Employees are paid for earned unused vacation leave at the time of termination of employment.

Sick leave is earned at a rate of four and six-tenths hours for every eighty hours worked. Current policy permits sick leave to be accumulated without limit. Each employee, at the time of retirement from active service with the City, is paid for 25 percent of their earned unused sick leave, with no maximum.

**CITY OF BOWLING GREEN  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
For the Year Ended December 31, 2002  
(Continued)**

**B. Health Insurance**

Health insurance is provided to all City employees through the Buckeye Ohio Risk Management Agency (BORMA). The cost of premiums for single and family coverage is shared between the City and its employees. The plan provides for a \$100 single and \$300 family deductible for all employees.

**17. SHORT-TERM OBLIGATIONS**

Short-term obligations activity for the year ended December 31, 2002, was as follows:

	Interest Rate	Balance 12/31/01	Additions	Reductions	Balance 12/31/02
Enterprise Funds:					
Electric Fund					
Electric System	2.75%	\$ 885,000	\$ 875,000	\$ 885,000	\$ 875,000
Real Estate Acquisition	2.625%	115,000	-	115,000	-
Electric System Improvement					
BGSU	1.65%	3,616,500	3,271,000	3,616,500	3,271,000
1999	1.65%	<u>3,750,000</u>	<u>3,750,000</u>	<u>3,750,000</u>	<u>3,750,000</u>
Total Electric Fund		<u>8,366,500</u>	<u>7,896,000</u>	<u>8,366,500</u>	<u>7,896,000</u>
Water Fund					
Water System Improvement	2.25%	<u>250,000</u>	<u>150,000</u>	<u>250,000</u>	<u>150,000</u>
Sewer Fund					
Wastewater Treatment					
Plant Improvement	2.25%	1,180,000	1,130,000	1,180,000	1,130,000
Sewage System Improvement	2.75%	2,945,000	2,870,000	2,945,000	2,870,000
Wastewater Treatment Plant 2002	2.00%	-	300,000	-	300,000
Total Sewer Fund		<u>4,125,000</u>	<u>4,300,000</u>	<u>4,125,000</u>	<u>4,300,000</u>
Off Street Parking Fund					
Real Estate Acquisition	2.25%	<u>120,000</u>	<u>100,000</u>	<u>120,000</u>	<u>100,000</u>
Total Notes Payable		<u>\$ 12,861,500</u>	<u>\$ 12,446,000</u>	<u>\$ 12,861,500</u>	<u>\$ 12,446,000</u>

According to Ohio law, notes can be issued in anticipation of bond proceeds, special assessment bond proceeds and levies, or for up to 50 percent of anticipated revenue collections. The City's notes are bond anticipation notes and are supported by the full faith and credit of the City. The liability for all notes is presented in the fund which received the proceeds and has a maturity of one year.

**18. LONG-TERM OBLIGATIONS**

Long-term obligations activity for the year ended December 31, 2002, was as follows:



**CITY OF BOWLING GREEN  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
For the Year Ended December 31, 2002  
(Continued)**

	Interest Rate	Balance 12/31/01	Additions	Reductions	Balance 12/31/02
<b>General Long-Term Obligations Account Group:</b>					
<u>General Obligation Bond Anticipation Notes</u>					
Research Park Drive	2.25%	\$ 445,000	\$ 410,000	\$ 445,000	\$ 410,000
Municipal Court Construction	2.25%	4,020,000	3,710,000	4,020,000	3,710,000
West Side Fire Station Construction	2.75%	800,000	700,000	800,000	700,000
Aquatic Complex Improvement	3.25%	125,000	-	125,000	-
Central Business District Revitalization	2.10%	2,900,000	2,800,000	2,900,000	2,800,000
Community Center Construction	2.00%	-	3,850,000	-	3,850,000
Total General Obligation Bond Anticipation Notes		<u>8,290,000</u>	<u>11,470,000</u>	<u>8,290,000</u>	<u>11,470,000</u>
<u>Real Estate Acquisition Note Payable</u>	0%	-	250,000	62,500	187,500
<u>General Obligation Bonds</u>					
1997 Carter Park Improvement (Pee-Wee) (Original issue - \$55,000)	5.00%	11,000	-	11,000	-
2002 Aquatic Complex Improvement (Original Issue - \$90,000)	4.00%	-	90,000	-	90,000
Total General Obligation Bonds		<u>11,000</u>	<u>90,000</u>	<u>11,000</u>	<u>90,000</u>
<u>Ohio Water Development Authority Loans</u>					
1985 Water System (Original Issue - \$1,583,371)	8.97%	1,451,014	-	276,588	1,174,426
1988 Dunbridge Road (Original Issue - \$883,788)	8.31%	834,734	-	102,189	732,545
1988 Sludge Lagoon/Reservoir (Original Issue - \$730,039)	8.05%	617,659	-	233,804	383,855
1994 Second Water Transmission Main (Original Issue - \$3,644,348)	5.77%	3,588,254	-	118,659	3,469,595
1997 Wintergarden/Sand Ridge Sewer (Original Issue - \$338,009)	3.20%	227,123	-	227,123	-
1999 Granular Activated Carbon System	5.50%	3,091,089	28,171	182,523	2,936,737
1999 Central Business District - Heritage 2000 (Original Issue - \$1,200,000)	3.00%	1,050,776	149,224	-	1,200,000
2001 Wintergarden Heights/Sand Ridge Sewer	3.20%	510,261	57,543	117,581	450,223
2002 Clearwell and High Service Pump	3.95%	-	1,063,791	-	1,063,791
Total Ohio Water Development Authority Loans		<u>11,370,910</u>	<u>1,298,729</u>	<u>1,258,467</u>	<u>11,411,172</u>
<u>Other Long-Term Obligations</u>					
Compensated Absences Payable		881,819	87,431	-	969,250
Intergovernmental Payable		382,908	411,253	382,908	411,253
Total Other Long-Term Obligations		<u>1,264,727</u>	<u>498,684</u>	<u>382,908</u>	<u>1,380,503</u>
Total General Long-Term Obligations		<u>20,936,637</u>	<u>13,607,413</u>	<u>10,004,875</u>	<u>24,539,175</u>
<b>Enterprise Funds:</b>					
<u>Real Estate Acquisition Note Payable</u>	0%	-	250,000	62,500	187,500
<u>Other Long-Term Obligations</u>					
AMP-Ohio Payable		8,906,976	-	300,523	8,606,453
Compensated Absences Payable		958,053	25,102	-	983,155
Capital Leases Payable		100,238	-	22,748	77,490
Total Enterprise Funds		<u>9,965,267</u>	<u>275,102</u>	<u>385,771</u>	<u>9,854,598</u>
Total Long-Term Obligations		<u>\$ 30,901,904</u>	<u>\$ 13,882,515</u>	<u>\$ 10,390,646</u>	<u>\$ 34,393,773</u>

**CITY OF BOWLING GREEN  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
For the Year Ended December 31, 2002  
(Continued)**

Bond anticipation notes are supported by the full faith and credit of the City of Bowling Green. The City's long-term bond anticipation notes are presented in the general long-term obligations account group and are payable from unvoted property tax revenues.

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities and for refinancing bond anticipation notes. General obligation bonds are direct obligations of the City for which its full faith and credit are pledged for repayment. All general obligation bonds will be paid from General fund and capital projects fund resources.

The OWDA loans represent amounts borrowed from the Ohio Water Development Authority for construction of water and sewer system improvements. The intention is to repay the loans with income tax revenues of the Sewer and Water Capital Improvement capital projects fund to the extent such resources are available.

The City is a participant, with thirty-six other subdivisions within the State of Ohio, in the Ohio Municipal Electric Generation Agency Joint Venture 2 (JV2), a joint venture to provide supplemental reserve electric power to the participants on a cooperative basis. During 2001, AMP-Ohio issued bonds, in the amount of \$50,260,000, to acquire fixed assets for JV2. Under a financing agreement between the participants of JV2 and AMP-Ohio, the participants have agreed to pay the debt service requirements of the bonds. Payments are to be made solely from resources of the City's Electric enterprise fund. At December 31, 2002, the City's requirement under the agreement was \$8,606,453 and is reflected as a liability in the City's Electric enterprise fund.

The compensated absences liability will be paid from the fund from which the employees' salaries are paid.

The intergovernmental payable, representing the City's contractually required pension contributions, will be paid from the fund from which the employees' salaries are paid.

Capital lease obligations will be paid from the fund that maintains custody of the related asset.

Under State statutes, the fund balance of the Special Assessment debt service fund is not available to pay other long-term obligations of the general long-term obligations account group. The balance can be used to pay other general obligation notes upon City Council ordinance or may be transferred to the General fund with the approval of the Court of Common Pleas.

The City's overall debt margin was \$30,758,396 at December 31, 2002.

The Granular Activated Carbon System, the Wintergarden Heights/Sand Ridge Sewer, and the Clearwell and High Service Pump projects funded by OWDA loans have not been completed. An amortization schedule for the repayment of these loans will not be available until the projects are completed, and therefore, they are not included in the following schedule.

Principal and interest requirements to retire the general long-term obligations outstanding at December 31, 2002, were as follows:

**CITY OF BOWLING GREEN  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
For the Year Ended December 31, 2002  
(Continued)**

Year	Real Estate Acquisition Notes Payable		Bond Anticipation	General Obligation	OWDA	AMP-Ohio	Total
	Enterprise	GLTOAG	Notes	Bonds	Loans	Payable	
2003	\$ -	\$ -	\$ 11,717,750	\$ 33,480	\$ 1,223,527	\$ 731,786	\$ 13,706,543
2004	62,500	62,500	-	32,400	1,081,762	731,259	1,970,421
2005	62,500	62,500	-	31,200	2,140,000	731,100	3,027,300
2006	62,500	62,500	-	-	700,629	731,275	1,556,904
2007	-	-	-	-	497,256	731,713	1,228,969
2008-2012	-	-	-	-	1,714,283	3,657,272	5,371,555
2013-2017	-	-	-	-	1,628,505	3,655,989	5,284,494
2018-2020	-	-	-	-	651,401	2,194,387	2,845,788
Total	<u>\$ 187,500</u>	<u>\$ 187,500</u>	<u>\$ 11,717,750</u>	<u>\$ 97,080</u>	<u>\$ 9,637,363</u>	<u>\$ 13,164,781</u>	<u>\$ 34,991,974</u>

The City is a participant in a joint venture that has issued Certificates of Beneficial Interest. The debt service payments are obligations of the joint ventures' participants, payable from each participant's municipal electric utility system, and subject only to the prior payment of operation and maintenance expenses. In case of default by a participant, the remaining participants become liable for that participant's debt service payments. The Certificates of Beneficial Interest are fully insured in case of total default by all of the participants. No defaults have occurred to date on the joint venture. For accounting purposes, the obligation for repayment of the Certificates is reflected in the financial statements of the joint venture.

The City has issued industrial revenue bonds and multi-family housing revenue bonds which are summarized in the following table:

	Date of Issue	Amount of Issue	Outstanding Amount
Industrial Revenue Bonds			
Lamson and Session Company	06/28/95	\$ 2,780,000	\$ 1,500,000
Multi-Family Housing Revenue Bonds			
Bowling Green Village Series 2001 A	06/01/01	3,320,000	3,300,000
Bowling Green Village Series 2001 B	06/01/01	500,000	500,000

The City is not obligated in any way to pay debt and related charges on industrial revenue bonds and multi-family housing revenue bonds from any of its funds, and therefore, they have been excluded entirely from the City's financial statements. There has not been and there is not currently any condition of default under the bonds or the related financing documents.

**19. CAPITAL LEASES - LESSEE DISCLOSURE**

The City has entered into capitalized leases for equipment. Each lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments are reflected as a reduction of the liability in the enterprise funds. Equipment has been capitalized in the Water and Sewer enterprise funds, in the amount of \$150,600. This amount represents the present value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded in the enterprise funds.

**CITY OF BOWLING GREEN  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
For the Year Ended December 31, 2002  
(Continued)**

The equipment has a carrying value of \$265,003. Principal payments in 2002 were \$22,748 in the enterprise funds.

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2002.

Year Ending December 31,	Enterprise
2003	\$ 29,253
2004	29,253
2005	<u>29,253</u>
Total Minimum Lease Payments	87,759
Less Amount Representing Interest	<u>(10,269)</u>
Present Value of Minimum Lease Payments	<u><u>\$ 77,490</u></u>

**20. SEGMENT INFORMATION - ENTERPRISE FUNDS**

The City's enterprise funds account for the provision of electric, water, sewer, and parking. Financial segment information as of and for the year ended December 31, 2002, was as follows:

	Electric	Water	Sewer	Parking Meter	Off Street Parking	Total
Operating Revenues	\$ 25,127,624	\$ 3,262,719	\$ 3,566,475	\$ 110,082	\$ 8,853	\$ 32,075,753
Depreciation Expense	1,006,874	1,093,682	1,999,296	-	47,225	4,147,077
Operating Income (Loss)	1,045,103	(572,215)	(777,241)	11,232	(53,655)	(346,776)
Grants	10,001	-	-	-	-	10,001
Investment in Joint Venture	(17,321)	-	-	-	-	(17,321)
Current Capital Contributions	27,717	2,728,144	1,498,345	-	-	4,254,206
Operating Transfers - In	-	-	-	-	25,000	25,000
Net Income (Loss)	931,233	(522,569)	(853,206)	11,232	(31,517)	(464,827)
Fixed Assets:						
Additions	3,464,905	2,795,185	2,586,583	-	-	8,846,673
Reductions	1,904,296	12,226	37,701	-	-	1,954,223
Net Working Capital	(3,758,813)	3,713,934	(1,603,156)	60,204	(95,672)	(1,683,503)
Long-Term Liabilities						
Compensated Absences	435,113	290,819	215,309	-	-	941,241
Capital Leases	-	-	53,266	-	-	53,266
Total Assets	33,718,860	29,836,022	36,833,447	153,866	907,597	101,449,792
Total Equity	14,087,555	29,212,279	31,685,897	149,754	806,876	75,942,361
Encumbrances Outstanding at						
Year End (Budget Basis)	399,858	236,658	236,352	-	-	872,868

**21. SHARED RISK POOL**

The Buckeye Ohio Risk Management Agency (BORMA) is a public entity shared risk pool among several cities in Northern Ohio. BORMA was formed as an Ohio not-for-profit corporation and operates a health insurance program and a property, crime, and liability insurance program. Each

**CITY OF BOWLING GREEN  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
For the Year Ended December 31, 2002  
(Continued)**

member appoints one person to represent the city on the Board of Directors for a term of one year for participation in the health insurance program and three years for participation in the property, crime, and liability insurance program. Each member city's control over the budgeting and financing of BORMA is limited to its voting authority and any representation it may have on the Board of Directors.

Participation in BORMA is by written application subject to approval of the Board of Directors and the payment of premiums. Member cities must remain members for cycles of three years. A member may withdraw from a program by giving a forty day notice prior to the beginning of the next cycle. BORMA does not have any outstanding debt obligations as of December 31, 2002. Financial information may be obtained from Arthur J. Gallagher & Co., Crown Centre Building, 5005 Rockside Road, 10<sup>th</sup> Floor, Cleveland, Ohio 44131-2157.

**22. JOINT VENTURES**

**A. Ohio Municipal Electric Generation Agency Joint Venture 2 (JV2)**

The City is a participant, with thirty-six other subdivisions within the State of Ohio, in a joint venture to provide supplemental reserve electric power to the participants on a cooperative basis. The Ohio Municipal Electric Generation Agency Joint Venture 2 (JV2) was created for that purpose. On dissolution of the joint venture, the net assets of JV2 will be shared by the participants on a percentage basis. The JV2 is managed by AMP-Ohio who acts as the joint venture's agent. The participants are obligated by the agreement to remit, on a monthly basis, those costs incurred from using electricity generated by the joint venture. In accordance with the joint venture agreement, the City remitted \$1,017,070 to the joint venture for 2002. The City's net investment and its share of the operating results of JV2 are reported in the City's Electric enterprise fund. The City's equity interest in JV2 was \$7,440,624 at December 31, 2002. Financial information for JV2 may be obtained from AMP-Ohio, 2600 Airport Drive, Columbus, Ohio 43219, or from the City's utility department.

**B. Ohio Municipal Electric Generation Agency Joint Venture 5 (JV5)**

The City is a participant, with forty-two other subdivisions within the State of Ohio, in a joint venture to construct a hydroelectric plant and associated transmission facilities in West Virginia (on the Ohio River at the Belleville Locks and Dam) and receive electricity from its operation. The Ohio Municipal Electric Generation Agency Joint Venture 5 (JV5) was created for that purpose. On dissolution of the joint venture, the net assets of JV5 will be shared by the participants on a percentage basis. The JV5 is managed by AMP-Ohio who acts as the joint venture's agent. The participants are obligated by the agreement to remit, on a monthly basis, those costs incurred from using electricity generated by the joint venture and a portion of the \$138,420,000 Certificates of Beneficial Interest debt that was issued to construct the fixed asset. In accordance with the joint venture agreement, the City remitted \$2,806,315 to the joint venture for 2002. The City's net investment and its share of the operating results of JV5 are reported in the City's Electric enterprise fund. The City's equity interest in JV5 was \$1,132,450 at December 31, 2002. Financial information for JV5 may be obtained from AMP-Ohio, 2600 Airport Drive, Columbus, Ohio 43219, or from the City's utility department.

**CITY OF BOWLING GREEN  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
For the Year Ended December 31, 2002  
(Continued)**

**23. CONTINGENT LIABILITIES**

**A. Litigation**

As of December 31, 2002, the City was a party to various legal proceedings seeking damages or injunctive relief arising in the course of ordinary business. The ultimate disposition of these proceedings is not presently determinable, but will not, in the opinion of the City Attorney, have a material adverse effect on the overall financial condition of the City.

**B. Federal and State Grants**

For the period January 1, 2002, to December 31, 2002, the City received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowances, if any, would be immaterial.

**24. SUBSEQUENT EVENTS**

On March 27, 2003, the City issued bond anticipation notes, in the amount of \$2,575,000, to retire notes previously issued, in the amount of \$2,800,000, for the Central Business District Revitalization Project. The notes have an interest rate of 5 percent and mature on September 1, 2003.

On June 12, 2003, the City issued bond anticipation notes, in the amount of \$2,780,000, to retire notes previously issued, in the amount of \$2,870,000, for the Sewerage System Improvement Project. The notes have an interest rate of 4 percent and mature on June 10, 2004.

On June 12, 2003, the City issued bond anticipation notes, in the amount of \$600,000, to retire notes previously issued, in the amount of \$700,000, for the West Side Fire Station Construction Project. The notes have an interest rate of 4 percent and mature on June 10, 2004.

On June 12, 2003, the City issued bond anticipation notes, in the amount of \$815,000, to retire notes previously issued, in the amount of \$875,000, for the Electric System Improvement Project. The notes have an interest rate of 4 percent and mature on June 10, 2004.

On June 12, 2003, the City issued bond anticipation notes, in the amount of \$1,170,000, to expand the City's Water Treatment Facilities. The notes have an interest rate of 4 percent and mature on June 10, 2004.

On June 12, 2003, the City issued bond anticipation notes, in the amount of \$1,380,000, for the Wooster Street Project. The notes have an interest rate of 4 percent and mature on June 10, 2004.

**CITY OF BOWLING GREEN  
WOOD COUNTY**

**Schedule of Federal Awards Expenditures  
For the Year Ended December 31, 2002**

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<b>U.S. DEPARTMENT OF JUSTICE - OFFICE OF JUSTICE PROGRAMS</b>			
Bullet Proof Vest Partnership Program	01-Grant	16.607	\$ 3,140
Local Law Enforcement Block Grants Program	2001-LB-BX-0124	16.592	4,792
Total U.S. Department of Justice			<b>7,932</b>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
Community Development Block Grants/Entitlement Grants	B-00-MC-39-0025	14.218	288,063
	B-01-MC-39-0025		217,790
Revolving Loan	B-01-MC-39-0025		10,000
			515,853
<i>Passed through Ohio Department of Development</i> HOME Investment Partnerships Program	A-C-01-096-2	14.239	338,254
Total U.S. Department of Housing and Urban Development			<b>854,107</b>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
<i>Passed through Ohio Department of Transportation</i>			
Formula Grants for Other Than Urbanized Areas	RPT-4087-016-991	20.509	114,326
Total U.S. Department of Transportation			<b>114,326</b>
<b>U.S. DEPARTMENT OF ENERGY</b>			
<i>Passed through Ohio Department of Development</i>			
State Energy Program	03-21	81.041	4,938
Total U.S. Department of Energy			<b>4,938</b>
<b>Total Federal Awards Expenditures</b>			<b>\$ 981,303</b>

*The accompanying notes are an integral part of this schedule.*

**CITY OF BOWLING GREEN  
WOOD COUNTY**

**Notes to the Schedule of Federal Awards Expenditures  
Fiscal Year Ended December 31, 2002**

**NOTE A – SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the City's federal award programs. The schedule has been prepared on the cash basis of accounting.

**NOTE B – COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REVOLVING LOAN PROGRAMS**

The City has established a revolving loan program to provide low-interest loans to businesses to create jobs for persons from low-moderate income households. The Federal Department of Housing and Urban Development (HUD) grants money for these loans to the City. The initial loan of this money is recorded as a disbursement on the accompanying Schedule of Federal Awards Expenditures (the Schedule). Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as disbursements on the Schedule.

These loans are collateralized by mortgages on the property, business assets including equipment, inventory and receivables, and personal assets. At December 31, 2002, the gross amount of loans outstanding under this program was \$481,476. Delinquent amounts due are \$7,987.

A new program was established in 2001 to assist downtown businesses who had experienced business interruption during the downtown revitalization program. These loans were granted for a maximum amount of \$10,000, for a period of 36 months at an interest rate of 3 percent. Loans repaid, including interest are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as disbursements on the Schedule.

No collateral is required for these working capital loans. At December 31, 2002, the gross amount of loans outstanding under this program was \$40,534.

**NOTE C – DOWNPAYMENT ASSISTANCE (HOME) LOAN PROGRAMS**

The City has established a revolving loan program to provide low-interest loans to low-moderate income households and to eligible persons and to rehabilitate homes. The Federal Department of Housing and Urban Development (HUD) grants money for these loans to the City passed through the Ohio Department of Development. The initial loan of this money is recorded as a disbursement on the accompanying Schedule of Federal Awards Expenditures (the Schedule). Loans repaid, including interest are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as disbursements on the Schedule.

These loans are collateralized by mortgages on the property. At December 31, 2002, the gross amount of loans outstanding under this program was \$306,686.

**NOTE D – MATCHING REQUIREMENTS**

Certain Federal programs require that the City contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.





## **Auditor of State Betty Montgomery**

### **INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

City of Bowling Green  
Wood County  
304 N. Church Street  
Bowling Green, Ohio 43402-2399

To the City Council:

We have audited the financial statements of the City of Bowling Green, Wood County, as of and for the year ended December 31, 2002, and have issued our report thereon dated September 23, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

#### **Compliance**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the City in a separate letter dated September 23, 2003.

#### **Internal Control over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the City in a separate letter dated September 23, 2003.

One Government Center / Room 1420 / Toledo, OH 43604-2246  
Telephone: (419) 245-2811 (800) 443-9276 Fax: (419) 245-2484  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

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

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

September 23, 2003



## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO MAJOR FEDERAL PROGRAMS AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH *OMB CIRCULAR A-133*

City of Bowling Green  
Wood County  
304 N. Church Street  
Bowling Green, Ohio 43402-2399

To the City Council:

#### Compliance

We have audited the compliance of the City of Bowling Green, Wood County, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2002. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2002.

#### Internal Control over Compliance

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

September 23, 2003

**CITY OF BOWLING GREEN  
WOOD COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 §.505  
DECEMBER 31, 2002**

**1. SUMMARY OF AUDITOR'S RESULTS**

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	HOME Investment Partnerships Program CFDA #14.239
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

None.

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

None.





**Auditor of State  
Betty Montgomery**

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

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**CITY OF BOWLING GREEN**

**WOOD COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
NOVEMBER 6, 2003**