

**CITY OF OREGON, OHIO**

**SINGLE AUDIT REPORT**

**DECEMBER 31, 2002**





**Auditor of State  
Betty Montgomery**

Mayor and Members of City Council  
City of Oregon

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

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

*Betty Montgomery*

BETTY MONTGOMERY  
Auditor of State

July 15, 2003

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CITY OF OREGON, OHIO  
AUDIT REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2002

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**JAMES G. ZUPKA, C.P.A., INC.**  
*Certified Public Accountants*  
5240 East 98<sup>th</sup> Street  
Garfield Hts., Ohio 44125

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Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

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

Honorable Mayor, Finance Director,  
and Members of City Council  
City of Oregon, Ohio

We have audited the general purpose financial statements of the City of Oregon, Ohio (the City), as of and for the year ended December 31, 2002, and have issued our report thereon dated May 30, 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 which we have reported to the management of the City of Oregon, Ohio in a separate letter dated May 30, 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 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 which we have reported to the management of the City of Oregon in a separate letter dated May 30, 2003.

This report is intended for the information and use of members of City Council, management, and 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.

May 30, 2003

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James G. Zupka  
Certified Public Accountant

**JAMES G. ZUPKA, C.P.A., INC.**  
*Certified Public Accountants*  
*5240 East 98<sup>th</sup> Street*  
*Garfield Hts., Ohio 44125*

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**REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL  
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH  
OMB CIRCULAR A-133**

Honorable Mayor, Finance Director,  
and Members of City Council  
City of Oregon, Ohio

**Compliance**

We have audited the compliance of the City of Oregon, Ohio, 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 each of its major federal programs for the year ended December 31, 2002. The City of Oregon, Ohio's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of Oregon, Ohio's management. Our responsibility is to express an opinion on the City of Oregon, Ohio'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 with the types of compliance requirements referred to above could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Oregon, Ohio's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Oregon, Ohio's compliance with those requirements.

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

**Internal Control Over Compliance**

The management of the City of Oregon, Ohio, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Oregon, Ohio’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 the 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.

**Schedule of Expenditures of Federal Awards**

We have audited the general purpose financial statements of the City of Oregon, Ohio, as of and for the year ended December 31, 2002, and have issued our report thereon dated May 30, 2003. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements of the City of Oregon, Ohio. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

This report is intended solely for the information and use of members of the City Council, management, and 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.

May 30, 2003

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James G. Zupka  
Certified Public Accountant

CITY OF OREGON, OHIO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2002

<b>Federal Grantor/ Pass Through Grantor/ Program Title</b>	<b>CFDA Number</b>	<b>Grant Number</b>	<b>Expenditures/ Disbursements</b>
<b>United States Department of Housing and Urban Development</b>			
<i>Passed through the Ohio Department of Development</i>			
CHIP Grant - 2000	14.239	A-C-00-161-1 and 2	\$ 294,126
CHIP Grant - 2002	14.239	A-C-02-161-1 and 2	6,161
Total CHIP Grant			300,287
Community Development Block Grant - 2000	14.219	A-F-00-161-1	3,125
Community Development Block Grant - 2002	14.219	A-F-01-161-1	69,646
Total Community Development Block Grant			72,771
<b>Total United States Department of Housing and Urban Development</b>			373,058
<b>United States Department of Justice</b>			
<i>Direct Payment to City</i>			
COPS In School Grant	16.710	1999 SHWX 0057	134,566
Total COPS In School Grant			134,566
Local Law Enforcement Block Grant	16.592	2000-LBVX0724	10,564
Local Law Enforcement Block Grant	16.592	2002-LBVX3328	11,566
Total Local Law Enforcement Block Grant			22,130
FY 02 Bulletproof Vest Grant	16.607	99000631	4,763
Total Bulletproof Vest Grant			4,763
<i>Passed through the State of Ohio</i>			
FY 00 Juvenile Accountability Incentive Block Grant	16.523	00-JB-002-A102	10,501
FY 00 Byrne Grant/Achievement Program	16.579	00-OG-B02-B1000	36,889
Subtotal			47,390
<b>Total United States Department of Justice</b>			208,849
<b>United States Department of Transportation</b>			
<i>Passed through the Ohio Department of Transportation</i>			
Seaman Road Overpass	20.205	TE21-G-990(657)	100,541
<b>Total United States Department of Transportation</b>			100,541
<b>Total Expenditures of Federal Awards</b>			\$ 682,448

See accompanying notes to the Schedule of Expenditures of Federal Awards.

CITY OF OREGON, OHIO  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2002

NOTE 1: **GENERAL**

The accompanying Schedule of Expenditures of Federal Awards of the City of Oregon, Ohio, presents the activity of all federal financial assistance programs of the City. The City's reporting entity is defined in Note 1 to the City's general purpose financial statements. Federal financial assistance received directly from federal agencies as well as financial assistance passed through other government agencies are included on this schedule.

NOTE 2: **BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards is presented on the accrual basis of accounting and has been reconciled to the program's federal financial reports. The following is a reconciliation by grant from the cash basis to the accrual basis at December 31, 2002.

	<u>Direct Program Expenditures</u>
<u>Department of HUD</u>	
Community Development -	
Cash Basis	\$ 82,039
Accrual Adjustment	(9,268)
Community Development - Accrual Basis	<u>\$ 72,771</u>
CHIP -	
Cash Basis	\$ 299,319
Accrual Adjustment	968
CHIP - Accrual Basis	<u>\$ 300,287</u>
<u>Department of Justice</u>	
Cash Basis	\$ 208,849
Accrual Adjustment	0
Department of Justice - Accrual Basis	<u>\$ 208,849</u>

NOTE 3: **SEAMAN ROAD OVERPASS PROJECT**

The City took out a note to cover expenses for the Seaman Road overpass project. The principal payments were \$400,000 and interest payments were \$14,803. Actual Federal expenditures for this project were \$100,541.

CITY OF OREGON  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
OMB CIRCULAR A-133 & .505  
DECEMBER 31, 2002

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

2002(i)	Type of Financial Statement Opinion	Unqualified
2002(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
2002(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
2002(iii)	Was there any reported noncompliance at the financial statement level (GAGAS)?	No
2002(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
2002(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
2002(v)	Type of Major Programs' Compliance Opinions	Unqualified
2002(vi)	Are there any reportable findings under .510?	No
2002(vii)	Major Programs (list):	CHIP Grant
2002(viii)	Dollar Threshold: A/B Programs	Type A: \$300,000 Type B: All Others
2002(ix)	Low Risk Auditee?	Yes

CITY OF OREGON  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
OMB CIRCULAR A-133 & .505  
DECEMBER 31, 2002

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.

CITY OF OREGON, OHIO  
STATUS OF PRIOR CITATIONS AND RECOMMENDATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2002

The prior audit report, as of December 31, 2002, included no citations. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.



***THE CITY OF OREGON, OHIO***

LUCAS COUNTY



*City of Opportunity*

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2002



# ***THE CITY OF OREGON, OHIO***

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LUCAS COUNTY

COMPREHENSIVE  
ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2002

Sandy Bihn  
Director of Finance

Prepared by:

**The Finance Department**

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Payroll Manager

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Deputy Finance Director

Susan M. Hopkins  
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Staff Accountant

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## *INTRODUCTORY SECTION*

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# City of Oregon, Ohio

Sandy Bihn, Finance Director

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5330 Seaman Road  
Phone (419) 698-7030

Oregon, Ohio 43616-2633  
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May 30, 2003

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

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

## INTRODUCTION

While there is no legal requirement for the preparation of this report, it represents a commitment by the City of Oregon (the "City") to conform to nationally recognized standards of excellence in financial reporting. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of my knowledge and belief, the enclosed data, as presented, is accurate in all material respects; is presented in a manner designed to fairly set forth the financial position and results of operations of the City; and includes all disclosures necessary to enable the reader to gain an understanding of the City's financial activity.

### **The Report**

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

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

## **The Reporting Entity**

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

Based on the foregoing, the City's financial reporting entity has no component units but includes all funds, account groups, agencies, boards and commissions that are part of the primary government, which includes the following services as authorized by its Charter: police and fire protection, emergency medical services, parks and recreation, planning, zoning, street maintenance, and other governmental services. In addition, the City owns and operates a water treatment and distribution system and a wastewater treatment and collection system, each of which is reported as an enterprise fund.

## **Historical Information**

Oregon, on the shores of Maumee Bay, was once part of the Great Black Swamp. Settlements were established as the sawmills were built to harvest the vast variety of trees in the area. The harvested forests created rich farmland, but the area remained swampy and in need of drainage. Ditches, draining into Maumee Bay, were constructed along the roadways that followed the path of the old Indian trails. These ditches remain today.

In 1838, the first government was formed as Oregon Township. In 1856 the township took ownership of two cemeteries that are still owned by the City today. The same area that was Oregon Township is now the City of Oregon. The City is bounded on the west by the City of Toledo, on the north by Maumee Bay/Lake Erie, on the east by Jerusalem Township (Lucas County), and on the south by the City of Northwood (Wood County).

The 1800's and 1900's saw the development of an extensive rail system. In the early 1800's, the Port of Toledo began operations. Port operations in Oregon began in 1955 in the northwest corner of the City. These operations have grown and continue today.

Around the turn of the century, two major oil refineries, British Petroleum (BP) and Sun Marketing, located in Oregon. These two refineries took advantage of the water, rail, pipeline and surface transportation available in the City, and have historically been two of the City's largest employers.

Northwestern Oregon grew as an industrial center with a coal powered electrical generating facility, the refinery, and several chemical plants. Pipelines were laid to carry petroleum products to and from the port facilities and other states East of the Mississippi. Buckeye Pipeline has the largest pipeline distribution system in Oregon.

As industrialization continued, commercial and residential growth followed. Generally, urban growth continued eastward from Interstate 280. Recently, residential growth has also occurred south of Maumee Bay in the waterfront areas and in the more rural areas of the City's perimeter.

In 1954 Oregon Township trustees sought to zone the area. At about the same time, City of Toledo officials sought to annex the northwest industrial area of Oregon Township. The annexation failed, and in 1957 there was an election for Oregon to become an incorporated City. The vote was 3,660 in favor and 2,925 opposed. A key issue in incorporation was to have Oregon own and operate a water and a wastewater plant.

The City of Oregon adopted a home rule Charter in 1958. The City's slogan was "City of Opportunity," which was amended in the 1980's to, *Oregon on the Bay, City of Opportunity*. In 1959 voters approved a municipal income tax. The City's first major project was a seven million-gallon per day regional water plant constructed with federal and local funds in 1964. The treated water coming from Lake Erie, services over 90% of the land in Oregon and also provides water to surrounding communities. A multi-phase \$17.9 million expansion to double the capacity of the water plant is now underway. The water plant expansion is being financed through a combination of grants, loans and debt. The City also has a wastewater treatment plant, constructed in 1977 with local and federal funds, which can process up to eight million gallons per day. In 1997 a major upgrade to the wastewater plant was completed. Sanitary sewer lines service approximately one-third of the land in the City. The City's water and wastewater operations also service portions of Jerusalem Township, northern Wood County and northwest Ottawa County.

### **Form of Government**

The original Charter adopted in 1958 called for a Mayor/Council form of government. The City was divided into five wards, each represented by a councilman, and there were two at-large members for a total of seven councilmen. The Charter named the Mayor as the Administrator. The Mayor and Council were elected for two-year terms. In 1968, the Charter was amended to elect all councilmen at large and to eliminate the ward system. In 1988, the Charter was amended to change the term of the Mayor from two to four years. Five years later, in 1993, there were two charter changes: The first created the position of City Administrator, who reports to the Mayor, the second created the positions of Finance Director and Clerk of Council. Other technical charter changes, such as reading the title of an ordinance instead of the entire ordinance, have been periodically approved by the voters.

### **Location**

The City of Oregon is located in northwestern Ohio in the Toledo Metropolitan area. Oregon is Lucas County's largest suburb with 28.5 square miles and a population of 19,355. The City has approximately five miles of shoreline along Maumee Bay/Lake Erie. The City's elevation is approximately 606 feet above sea level. Local temperatures average 73 degrees in the summer and 25 degrees in the winter. The City has approximately 120 miles of roads with I-280 (linking east - west to the Ohio Turnpike, I-80/90 and linking north-south to I-75), State Route 2 (Lake Erie access road) and State Route 51 (Wood County and Ottawa County access road). The port facilities service foreign and domestic cargo shipments in the Saint Lawrence Seaway and the Great Lakes.

The City of Oregon provides a variety of recreational opportunities for residents, workers, and visitors to the area. The City is home to Pearson Metropark, Maumee Bay State Park, South Shore Park, South Shore Boardwalk, and the Koontz Recreational Complex. Maumee Bay State Park has over 1,800 acres, with one mile of Lake Erie shoreline, and over one million visitors annually. Maumee Bay is a full service state park that includes the eighteen-hole Arthur Hill's golf course. Pearson Metropark has 320 acres for biking, a nature center, fishing, picnicking, and paddleboats. There are two municipal parks: Koontz Park with eight-lit ball fields and South Shore Park (across the street from the Maumee Bay shoreline) with a sledding hill, picnic area, and a fitness trail. The South Shore Boardwalk is a landscaped walkway along the shoreline.

Oregon schools offer a full range of programs from advanced placement courses to vocational education. The Oregon City School District includes a high school, two middle schools, and four elementary schools, one of which is located in Jerusalem Township. As well, there is a private coeducational parochial school, Cardinal Stritch High School. In addition to Oregon City Schools, the region is serviced by the University of Toledo, Bowling Green State University, Medical College of Ohio, Lourde's College, and Michael J. Owen's Technical College, a leading two-year college. All of these schools are within approximately one-half hour drive time of the City.

## **Municipal Services**

The City provides a wide variety of services authorized by its Charter and administrative codes. City services include police and fire protection, emergency medical service, municipal court, planning and engineering, zoning, code enforcement, street maintenance, traffic control, parks and recreation, building inspection, cemetery, community development, curbside recycling, solid waste collection and disposal and general administrative services. The City does not operate hospitals, schools or landfills. In 2002, the City continued to receive federal funding for persons, with qualifying income levels, to rehabilitate and/or receive down payments to purchase homes.

The City also operates two enterprise activities: water treatment and distribution, and wastewater collection and treatment. The enterprise funds are used to account for activities operated in a manner similar to a private business. The intent of the City is that the costs of providing the services to the general public on a continuing basis be financed primarily through user charges. The cost of capitalizing the water and wastewater plants is subsidized with a voter-approved designation of approximately twenty percent of income tax revenues for said purpose.

The City's enterprise activities are not subject to rate review or determination by the Public Utilities Commission of Ohio or any similar regulatory body. The City Council has the necessary authority to establish and to amend appropriate user rates as required. The rates are monitored on an ongoing basis to insure their adequacy to meet operational and maintenance needs. The rates remain competitive in northwest Ohio. Responsibility for the frequency and amount of rate change lies solely with the City Council.

## **Basis of Accounting**

Except for that used for budgetary purposes, the basis of accounting used by the City is in conformity with generally accepted accounting principles (GAAP) as applicable to governmental units and is consistent with GASB Codified Section 1600, "Basis of Accounting." All governmental and expendable trust funds are accounted for using current financial resources (current assets and current liabilities) measurement focus. The modified accrual basis of accounting is utilized for governmental, expendable trust and agency funds.

Under the modified accrual basis of accounting revenues are recognized when they are susceptible to accrual, both measurable and available. Expenditures are recognized when the related liability is incurred, except for interest on long-term debt which is recorded when due.

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

The City's basis of accounting for budgetary purposes differs from generally accepted accounting principles in that revenues are recognized when received, rather than when susceptible to accrual (measurable and available). A reconciliation of the results of this method appears in Note 1. During 2002 the City implemented GASB Statement Nos. 33 and 36, all other accounting policies were applied consistently with those of 2001. Accounting policies are further stated in Note 1.

## **ECONOMIC CONDITION AND OUTLOOK**

### **Local Economy**

The City of Oregon is located in the eastern Toledo Metropolitan Statistical Area (MSA) in Lucas County, and is the largest in the M.S.A. area. According to the World Almanac, the Toledo MSA is the 67<sup>th</sup> largest MSA in the United States and lists Lucas County as the sixth most populous of the 88 counties in the State of Ohio. The Toledo area is a key intermodal transportation hub with one-half of the United States population living within one day's driving time. The following are the primary transportation routes within the City of Oregon: I-280 connecting with I-75 and I-80/90 and State Routes 2 and 51; rail access from the CSX, Norfolk and Southern and Conrail lines; and the Lucas County Port general cargo and loading docks.

The City's largest employer is St. Charles Hospital. St. Charles Hospital, owned by the Sisters of Mercy, is a regional hospital serving the eastern suburbs. St. Charles has 885 full time jobs and 320 part time positions. A second hospital, Bay Park Community Hospital is complete and has 304 full time jobs and 86 part time jobs.

The City maintains a solid manufacturing base with two major refineries, British Petroleum (BP) and Sun Marketing and Refining. These two refineries provided for 17.29% of the income tax revenue in 2002. Both B.P. and Sun Petroleum continue to invest in upgrading the refineries, primarily to meet environmental requirements. One of the two mid sized companies, Ivy Steel closed in 2002 with a loss of 131 jobs. Spartan Warehouses, a growing business, has 75 new jobs with a third warehouse to be added in 2003 with an estimated 46 additional jobs.

The Spartan Warehouse complex is part of a 500-acre industrial area owned by the City, the Oregon on the Bay Regional Economic Development Foundation and major industries. The City works with the Foundation to attract and retain industry in the City.

The City offers economic incentives to businesses that locate in the industrial area. These include municipal link deposits, an enterprise zone, a community reinvestment area, and an approved foreign trade zone. For businesses receiving real and personal property tax abatement, the City requires a contract for direct payment to the schools in lieu of all or a portion of the abated school taxes.

Major transportation improvements continue in the community. The regional \$227 million Maumee River Crossing continues in 2002 with the northern touchdown in Toledo and the southern touchdown in Oregon. This project is the State of Ohio's largest bridge project and first ever signature bridge. The project is scheduled for completion in 2005. The State Route 2, \$27 million project, including an overpass and four miles of widening, on the seven mile City stretch, was completed in 2001 and is spurring interest in retail establishments. Wall Mart opened in the spring of 2003, and Gordon Foods is now under construction. Several other big box users continue to have an interest in Oregon locations. In addition 8.5 miles of new sewer lines are or will be under construction in the next several years providing opportunities for additional development.

The City's \$4 million Seaman Rd. overpass will be completed in the summer of 2003. Nearly 100% of the cost is funded through federal grants. The new Bay Park Hospital opened in 2001 is generating additional traffic along Wheeling Street. The Wheeling Street corridor between S.R.2 and S.R.51 is programmed for improvements in the next five years.

### **Unemployment Rate**

The 2002 unemployment rate for Lucas County was 5.7% compared to 5.1% in 2001. The Toledo Metropolitan area rates were about the same as the national and state unemployment rates of 5.8% and 5.7% respectively. There are no statistics specifically for the City of Oregon, because statistics are not kept for communities with a population of less than 50,000. As in 2001, the estimate for unemployment in the City of Oregon is estimated to be below the Toledo Metropolitan area average.

### **Business Retention and Recruitment**

Bay Park Hospital's new facility added 59 full time and 34 part time jobs in 2002. Wall Mart is expected to add several hundred jobs in 2003. Businesses in Oregon generally maintained status quo in 2002. Ivy Steel, a mid-sized manufacturing firm closed in 2002 with a loss of 131 full time jobs. There are no reports of any other industries leaving or substantially reducing in 2003. After a restructuring, B.P.'s employment was one job less in 2002 with 459 employees. Toledo Edison expected the Bay Shore Power Plant to be sold in 2002, but the purchaser backed out. Toledo Edison's employment fell from 200 jobs to 185 jobs in 2002. Spartan Warehouses with 75 current jobs is now adding another \$2 million building and \$1.7 million in machinery and equipment with 46 new City jobs.

The 500 acre Cedar Point Development Park, where Spartan is located, is Oregon's prime industrial development, which includes a foreign trade zone. The development park is zoned with a 'user friendly' flexible commercial/industrial code. The City owns 80 acres in this area, purchased through an Ohio Department of Development grant. The industrial park is approved for abatements on a case by case basis for credit through the Community Reinvestment Area(C.R.A.), and/or an Enterprise Zone programs.

There are two major commercial areas in the community – the Interstate 280/Meijers area and State Route 2. The recent widening of State Route 2 is attracting major box users: Wall Mart; Gordon Foods; and a strip mall under construction with continuing interest in this retail area precipitated by the widening of State Route 2. This commercial corridor connects the Detroit - Toledo area with Cedar Point, Put'n Bay and the other Lake Erie tourist spots, as well as providing a toll free alternative truck route to the Ohio Turnpike.

The Oregon shoreline is an attraction for local residents and tourists. Visitors enjoy golfing, fishing and water related activities including wind surfing. The area's premier attraction, Maumee Bay State Park, one of Ohio's busiest, has over a million visitors a year. Oregon's four miles of shoreline includes a boardwalk at South Shore Park, University of Toledo Research Center, boat ramp, and Maumee Bay State Park. Another Oregon plus are the new bikeways which, when completed will connect Pearson Metropark to Maumee Bay State Park. These bikeways will also provide links to Clay High School and the Oregon Municipal Recreation Complex. The tourist attractions increase vehicular traffic and commercial spending.

There are also community events. The largest is the German American Fest attracting nearly 100,000 people to the three day August event. Visitors are also attracted to the Oregon Spring Fest, the Choralier's music programs, Oregon Community Theater, the Oregon/Jerusalem Historical Society Brandville School and the Toledo Symphony summer program at Maumee Bay State Park.

## **Residential Development**

An estimated \$14.4 million was invested in residential construction in 2002 with 74 new homes. The City has gained over 700 new homes in the past decade. Residential construction increased in 2002 by \$2.7 million from 2001, with 74 new homes built. There is a new interest in subdivisions because of the new Seaman Rd. sewer trunk line and the Stadium and Pickle Rd. subtrunks. Most of the residential growth is moving east and along the shoreline area. The growth in residential construction is expected to continue because of new transportation projects, infrastructure improvements, bikeways and commercial development.

## **Employee Relations**

At the end of 2002, the City had 189 full-time employees and three regular part time employees, approximately 75% of which are represented by a bargaining unit. The number of employees in each group are as follows with a total of 141 employees in unions: The American Federation of State, County and Municipal Employees (AFSCME) Local 755 Ohio Council 8, 77 employees; Oregon Police Command Officers, Fraternal Order of Police, Inc. (FOP), 11 employees; Oregon Patrolman's Association (OPPA) 42 employees; Full-Time Firefighters; 10 employees; Oregon Part-Time Firefighters 88 part-time firefighters; and non-bargaining employees, 49.

The current City contracts were negotiated in 2000 for three year terms ending on June 30, 2003. No contracts have been agreed to for the period after June 30, 2003. Health Insurance continues to be the most expensive escalating personnel cost. The City's contract for health insurance was renewed with the same carriers at the end of 2002. In 2002, the City paid \$1,143,803 for health insurance, a 16.4 % increase from 2001. The benefit level for prescription drugs remained at a \$10 co-pay for generics and \$20 for name brands. The employees family premium share remained at \$30 of the \$717.21 in 2003. The per family cost in 2002 was \$616.20. This excludes the F.O.P. bargaining unit which has a slightly richer health benefit. There is a Health Insurance Committee working to find ways to improve the health of employees and their families and to find ways to control costs. Health insurance premiums are the second in employee benefit cost, the first is the employer paid pension share. Because of rising health care costs and a tight budget, the administration states that there are no funds available for raises.

## **MAJOR CITY INITIATIVES**

The City continues its largest capital investment with the completion of Phase 2 of the water treatment plant expansion, doubling the treatment capacity. The total project cost is \$17.9 million over five phases with completion in 2006. An additional four million gallons of capacity is now available. Another major project is the \$5.2 million Seaman Rd. overpass with completion in mid 2003. Construction began in the fall of 2001 and is financed with nearly 100% federal and state grants. Another major improvement is a \$4.9 million sewer trunk line and local lines that will service an area of about three square miles including the high school, school administration offices, the City complex, a county school, fire station and several churches. The trunk line is financed through grants and debt, while the service to parcels is financed through assessments. Two additional miles of sewer lines have been petitioned for. This will increase the amount of land that can be developed from 50% to 75% of the total land area in the City with sewers.

The Seaman Rd. overpass will be the third overpass constructed in the City in the last five years. (Millard and State Route 2 are the others). The new I-280 Maumee River crossing is the State of Ohio's largest bridge project, and will be a signature bridge, connecting the Eastern Toledo and Oregon area with downtown Toledo and I-75 North. This new Maumee River project also eliminates one of the nation's last interstate drawbridges - even though the existing bridge will remain for local traffic. The \$227 million river crossing project is financed with federal and state funds. The construction bid was awarded in 2001. The City of Oregon is not a financial participant in the River Crossing. All of these key transportation improvement projects will enhance development and the quality of life for all who live and/or work in Oregon.

The city replaced its financial software systems in 2002. In 2002, the software was purchased and installed from a national firm called Munis, at a cost of \$177,535. Five years of historical data was successfully transferred. The City had regionally operated Creative Microsystems software since 1985. The new system offers improved security, department access and workflow products, as well as improved capabilities for meeting GASB 34 requirements.

### **Infrastructure Improvements**

In addition to transportation projects, the City continues to upgrade and add infrastructure. Sanitary sewers and water extensions continue to be located in needed areas, usually requested by petition and funded through assessments.

A major new sewer trunk line began construction in 2002 with completion in 2003. This project was prompted by neighboring Jerusalem Township, who was ordered by the Ohio EPA to provide sanitary sewers for the township's shoreline area. The City agreed to tie the township line into Oregon's wastewater treatment system. This creates a new sanitary sewer trunk line in the City that will run 3.5 miles down Seaman Road. This trunk/local line will service a large area that includes the municipal complex, high school, county school, main fire station, several churches as well as many residences and adds hundreds of acres of land that can be developed. In addition to the Seaman Road line, another subtrunk is to be constructed down Stadium Rd. The three mile Stadium Rd. sewer project was petitioned, therefore most of this project is assessed. Financing for the Seaman trunk/local sewer line \$4.9 million project includes \$700,000 from Lucas County and \$290,000 in federal grants with the remaining \$3.9 million financed through a combination of City funds and assessed funds. These key infrastructure improvements support private sector investments for industrial, commercial and residential development.

The annual estimated income tax allocation for water and sewer capital improvements is fully committed to the debt of these projects and some reserves may be required to cover a portion of the debt over the next five years. Until the debt is paid or additional resources are found, major new projects will require a new source of funding for the next decade or longer. Capital projects for water and sewer improvements are City financed projects derived from income tax, not user fees. Therefore, under current funding policies, increases in water use will not provide additional revenue for debt. If there are increased jobs within the City, then the water and sewer allocation of the income tax will increase allowing for funding of new projects.

## **Water Plant Improvements**

The water plant began improvements to double the capacity and to upgrade the plant in 1999. This \$20.2 million expansion project is being conducted in five phases. The City received a \$12.58 million EPA loan in 2001 for Phases One and Two of the project. Other Sources of funding for Phases One and Two include \$556,000 in grants from O.P.W.C. and \$1.064 million in zero percent loans from O.P.W.C. The City will finance the loans from a designated portion of the income tax. There is some offset from outside users; the Wood County Regional Water and Sewer Authority, the Village of Genoa in Ottawa County and Jerusalem Township in Lucas County, estimated at 15% of the total project cost. Of the current \$20.2 million estimate for the water plant expansion, \$1.6 million is projected from grants, \$2.6 million from O.P.W.C. zero percent loans, \$3.4 million from outside users and the remaining \$12.6 from E.P.A. loans. It is expected that there will be a reduction in the E.P.A. loan amount from Phases One and Two. Debt repayment for Phases One and Two began in July 2002. The primary source of repayment will be from an allocation of the income tax revenues. The water plant expansion at current levels depletes the income tax allocation for water and sewer improvements.

## **Streets**

The City invested \$652,954 in street repaving, signals and related projects in 2002. This is a \$61,533 decrease from 2001. The City utilizes funding from the General Fund, Street Construction, Maintenance and Repair Fund, State Highway Improvement Fund and Capital Improvement Fund for these street projects. The City traditionally repairs several miles of the estimated 120 miles of streets each year, but as the budget is tightening, the amount of roads repaved is decreasing.

An important regional project for the City is a new river crossing that will improve I-280. This is a \$227 million project. Construction continues in 2002. The new river crossing is a signature bridge with a unique architecture. No City funds are part of this project. Construction should be complete by 2006.

## **Police and Fire Departments**

The Fire Department has made major equipment purchases in the last decade. There were no purchases in 2002. The City purchased ten cars for \$187,000 for 2002 and 2003 replacement needs. Federal grants paid a portion of the annual cost of four school resource police officers. This funding is no longer available in 2003 and the City is working with the schools for partial funding. The City is committed to keeping the officers. The fire department maintains an ISO (insurance) rating of 4, which is the lowest possible rating for a part-time department. This rating lowers insurance costs for all types of buildings and operations in the City. The fire department also operates a fire training center, which is financed by the refineries and the electrical company.

## **Parks and Recreation**

The Parks and Recreation Department continues to recruit state, regional and national baseball and softball tournaments and the soccer program continues to expand. During 2002, \$186,000 in improvements to the lighting at the main diamond Koontz facility was completed. The City began a phased construction of a skate park at the end of 2002. The Recreation Director resigned at the end of 2002, effective July 1, 2003. Recreation department programs include basketball, baseball, football, volleyball, senior activities and summer theatre programs. In addition, there are summer playground programs, golf lessons, senior exercise and swimming at the YMCA.

The Oregon Senior Center, located at the northeastern edge of South Shore Park, across the street from Maumee Bay, leases a City owned building. In its eight year of operations, the Senior Center continues to expand senior programs including nutritional lunches during the week.

## **Continuing and Future Projects**

The City continues to plan for projects that improve infrastructure and the quality of life for Oregon residents along with improved municipal operations to better serve the citizens. Major improvements such as the water plant expansion, additional water and sewer lines, overpasses and the new river crossing should aid in economic development efforts. Quality of life continues to improve with the addition of bikeways, additions to Pearson Metropark and the continuing designation as Tree City. Funding is very limited for future improvements to the water and wastewater plants and related projects. Debt financing in other areas is not at the maximum of amount of estimated resources.

Planning continues for bikeway connections that link Pearson Metropark, South Shore Park and Boardwalk, Maumee Bay State Park, the Koontz Complex and the high school. The City received a grant for fifty percent of the costs for the next phase along Stadium Road. A grant has also been awarded for the Municipal Connector portion of the projects. Construction is expected to begin 2004.

## **FINANCIAL INFORMATION**

### **Internal Control, Budgetary Control and Accounting System**

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

1. The City's assets are protected against loss and other unauthorized use or disposition; and
2. Reliable financial reports for preparing financial statements and providing accountability for assets are maintained.

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

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

All internal control evaluations occur within this framework. It is the belief of the administration and financial management personnel that the City's financial controls adequately safeguard existing assets and provide reasonable assurance of the proper recording of financial transactions. Administrative policies 59 and 60 provide the policies for purchase requisitions and invoice approval. These policies are reviewed annually to determine if there are better methods available, which will improve efficiency and reduce redundancy, as well as lower the overall cost of purchases. The Finance Department is responsible for the auditing and analysis of all purchase orders and vouchers of the City. Finance Department personnel review and process requisitions, purchase orders and vouchers. Personnel responsibilities are carefully managed to ensure the availability of moneys in the proper funds and accounts prior to the certification and payment of approved invoices. The City utilizes a fully automated accounting system as well as an automated system of controls for fixed assets, accounting and payroll. These systems, coupled with the review and examination performed by the Finance Department, ensure that the financial information generated is both accurate and reliable.

Budgetary control is maintained at the objective level for each function within each fund via legislation approved by City Council. The various object levels are:

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

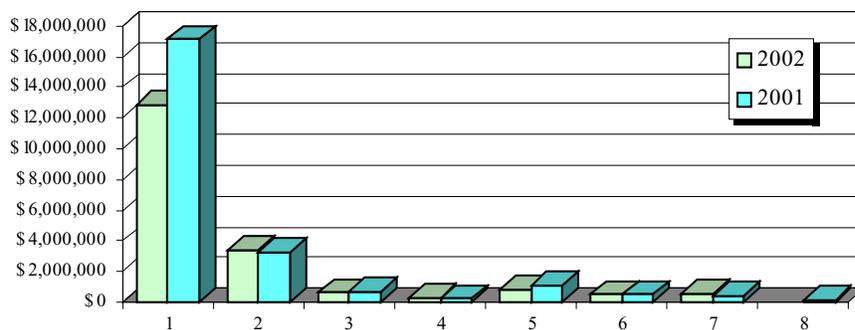
Lower levels within each object are accounted for and reported internally. Such lower levels are referred to as line items of expenditure. Estimated amounts must be encumbered prior to final approval of purchase orders or other contracts for vendors. Encumbrances in excess of the available object level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

### General Government Functions

#### Revenue Narrative

The following schedule presents a summary of general governmental functions (including general, special revenue and debt service funds), revenues for the year ended December 31, 2002, the percentage of each revenue source to total revenues and the amount of increases and decreases in relation to prior year revenues.

Revenue Source	Total 2002 Revenues	Percent of Total	Increase (Decrease) over 2001
1. Taxes	\$12,817,898	66.83%	(\$4,300,468)
2. Intergovernmental Revenues	3,440,070	17.94%	164,681
3. Charges for Services	615,488	3.21%	(74,113)
4. Licenses, Permits and Fees	262,031	1.37%	33,044
5. Investment Earnings	873,423	4.55%	(222,909)
6. Special Assessments	502,159	2.62%	14,712
7. Fines and Forfeitures	582,280	3.04%	117,625
8. All Other Revenues	84,086	0.44%	(45,455)
Total	<u>\$19,177,435</u>	<u>100.00%</u>	<u>(\$4,312,883)</u>



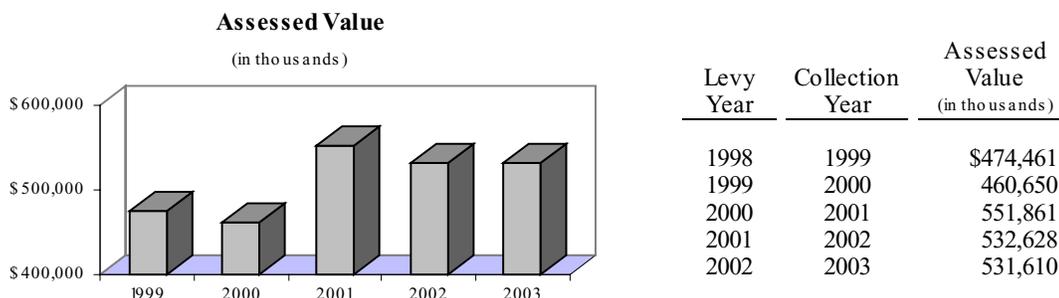
Comparison of General Governmental Revenues

The income tax continued to be the primary source of revenue for the City. The City's income tax applies to all wages, salaries, commissions and other compensation paid by employees and/or the net proceeds from the operation of a profession or other enterprise activity.

The initial rate of 1% was established in 1959 for the construction of the water plant. The rate was increased to 1½% in 1966, ½% for general government, and 1% for income tax collections and the water plant and distribution systems. The income tax rate changed to 2¼% in 1984 with an additional ¾% allocated to general government. Since then there have been several income tax redistributions. The current allocation for the 2¼% is ½% for income tax administration and for construction, maintenance and distribution of the municipal water and wastewater systems; ¼% for solid waste management and capital improvements; 1/8% for storm sewers and 1³/8% for the general fund. Income tax rates of cities within the State of Ohio are limited to a maximum rate of 1% unless specifically approved by a majority of the resident voters of the City. The state legislature is considering legislation that would create consistency in local income tax returns and could have portions of the income tax collected by the state. The voters renewed the 2 1/4% with a 67% approval for a five year period ending December 31, 2006. Normally approximately 85% of the City's income tax is derived from employers withholding from employee earnings. In 2002, that percentage was 82%. The decrease occurred because of an expected \$4.0 million decrease in business profits taxes. The remaining income tax collection categories gained \$150,491 over 2001. There was an overall decrease in special revenue of \$684,352. Of this, \$716,943 was a decrease in the income tax allocation for the same reasons stated earlier.

Property taxes are levied and collected by the Lucas County Treasurer. After collections the Lucas County Auditor distributes portions of the taxes collected to the various political subdivisions within the geographic boundaries of the County. Property tax rates for the City are 3.5 mills representing \$3.50 per \$1,000 of valuation. The tax rate is applied to the assessed value of the property in the City. Assessed value is approximately 35% of appraised value. The City receives 2.0 mills from inside unvoted millage and 1.5 mills from voted millage. The 1.5 voted millage was first approved in 1965 and there have been renewals since then with .5 mills for police, expiring in 2005, .5 mills for recreation, expiring in 2006, and .8 mills for fire, expiring in 2006. Certain levies are designed to return approximately the same amount of revenue each year despite increases in assessed values. As assessed values increase the effective rate of these levies is reduced so that they continue to generate a relatively constant amount of revenue. Upon expiration of such a levy, voters may approve a renewal levy that will continue to maintain revenues at the original level. Or the voters may approve a new levy in which case the revenues will be determined on the basis of the approved rate and assessed values in place at the time of the new levy approval. Increases in the property tax rate can only occur with the approval of the City's voters. Revenues from property taxes are used for general fund operations, recreation fund operations and for partial funding of police operations and pensions, and also part of the fire department costs.

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



Total assessed value decreased approximately 1.0%. Real property assessed value grew by \$11 million, while tangible personal property fell by \$12 million. The deregulation of public utilities in Ohio continues to be a concern. Of the \$531.61 million of assessed valuation, 8.2% was from public utilities in 2002, this compares to 8.25% in 2001 for very little change. The total impact of utility deregulation on the schools and the City is unknown.

All investment earnings are credited to the general fund pursuant to legislation. Investment earnings vary with the economy and the amount available for investments including capital improvement projects financed by the City. There was a decrease in investment earnings credited to the general fund of \$222,909 from 2001 to 2002 caused by lower yields. The City received approval for long term financing from E.P.A. through O.W.D.A. for the water plant expansion and phases one and two of the Seaman Rd. trunk line. The City has discontinued the use of an investment advisory firm for assistance with investment options. The City bids banking services as required by the Uniform Depository Act (Chapter 135 of the Ohio Revised Code) and Sky Bank currently has the business. Bidding for banking services is expected in 2003. The City continues to use the State Treasury Asset Reserve (STAR Ohio) for daily investments.

Intergovernmental revenues consist primarily of state income, sales, corporate franchise and public utility taxes collected by the State of Ohio and redistributed to other political subdivisions from the local government fund and government revenue assistance fund. The state also provides a reimbursement for real and personal property tax reductions, gasoline tax, state-levied motor vehicle license tax, inheritance and permissive motor vehicle license tax. These revenues are collected by the state or county and partially redistributed to the City and other political subdivisions. Intergovernmental revenues increased by \$164,681. In the General Fund, estate taxes decreased by \$140,768 and special revenue funds increased by \$345,189, of this \$243,082 is an increase in revenue from grants for the housing rehabilitation assistance program. The State of Ohio's precarious financial situation continues to be of concern. Other sources for intergovernmental grants were similar to prior years with no significant increase and decreases. The City also receives grants under \$100,000 that vary from year to year.

The City performs certain services for the public and other governmental entities for which it levies charges. The increase of \$33,044 in fees is due to a continuing increase in construction activity. The City is also paid for services provided to outside entities that include dispatch for Jerusalem Township and the Village of Harbor View, and fire protection for the Village of Harbor View. There are mutual aide agreements for emergency police and fire backup in Lucas County and the region. The recreation department levies fees for some of their programs. The City also collects fees for inspections and engineering services. Special assessments increased by \$14,712 from 2001 primarily from additional projects. The County Health department is citing property owners who have failing septic systems, this continues to impact requests for sanitary sewer petitions, which if approved, become assessed projects.

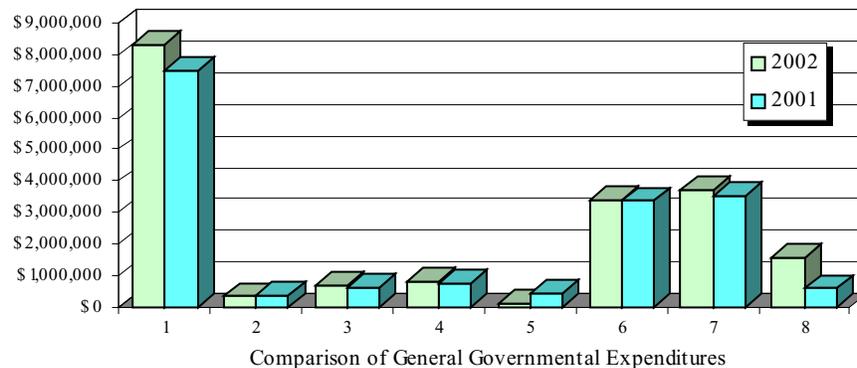
The Municipal Court collects fines and court costs reported under the line item fines and forfeitures. The Clerk of Court makes deposits and reports revenue in the same month in which it is received. Fines and forfeitures increased by \$117,625 from 2001.

All other revenue is a miscellaneous category, which includes a variety of less significant revenue sources. This revenue category decreased by \$45,455 from 2001. There are a large number of small deposits that impact this account.

## Expenditure Narrative

Expenditures for general government proposes (including general, special revenue and debt service funds), totaled \$18,979,134, an increase of \$1,751,585 compared to 2001. Expenditures for the major functions of the City, increases/(decreases) over 2001 and the percentage of the total are shown in the following table:

Expenditures	Total 2002 Expenditures	Percent of Total	Increase (Decrease) over 2001
1. Security of Persons and Property	\$8,277,181	43.61%	\$763,916
2. Public Health and Welfare Services	353,550	1.86%	(26,957)
3. Leisure Time Activities	689,201	3.63%	32,174
4. Community Environment	847,210	4.46%	109,744
5. Basic Utility Services	139,851	0.74%	(287,268)
6. Transportation	3,380,881	17.81%	12,173
7. General Government	3,730,573	19.66%	193,065
8. Debt Service	1,560,687	8.23%	954,738
Total	\$18,979,134	100.00%	\$1,751,585



Costs for security of persons and property are primarily the cost of operations of the Police and Fire Department including dispatching. The \$763,916 increase for security of persons and property is primarily due to a \$453,927 increase in cost for more beds used for prisoner care. There was also a \$184,346 increase in police personal services and a \$137,979 in fire personal services. This includes a 4% pay increase on July 1, 2002, step increases, and health insurance. An additional employee was added to the fire department. The City continues to keep the four additional police officers originally hired through federal grants, which expired at the end of 2002.

Public Health and welfare cost incurred a \$26,957 decrease, primarily from a \$44,085 decrease in cemetery capital outlays. Community environment costs increased by \$109,744 because of the availability of funding from multi year grants, which fluctuate from year to year. Basic Utility costs decreased by \$287,268 of which \$226,664 was caused by fewer storm sewer maintenance projects. These projects vary from year to year. Transportation expenditures remained constant with a \$12,173 increase. General Government increased by \$193,065, \$88,691 was due to an increase in refuse collection costs. Debt service experienced an increase of \$954,738 due to special assessments for new infrastructure.

The City continued to monitor workers' compensation costs by using light duty assignments and using a City medical provider to determine eligibility. The City is now in a workers' compensation pool. The City was previously in the State of Ohio retrospective rating program, which provided for a lower current premium payment in exchange for an agreement by the City to pay for claims incurred during the period the retrospective rating plan was in effect. The known liability for this period continued to be minimal and there are funds set aside for claims.

### **Enterprise Funds**

The City's enterprise operations included a water treatment plant and distribution system, and a wastewater treatment facility and collection system. The enterprise funds were supported by revenues derived from user charges from City users, as well as by funds collected for water and wastewater distribution systems extended to Jerusalem Township in Lucas County, Northern Wood County and Ottawa County.

Certain pertinent data relating to enterprise operations in the City are presented below:

	<u>Total Assets</u>	<u>Total Equity</u>	<u>Net Income (Loss)</u>	<u>Return on Assets</u>	<u>Return on Equity</u>
Water	\$20,606,297	\$20,111,021	\$3,456,255	(16.77%)	(17.19%)
Sewer	31,354,794	22,701,616	(237,897)	(0.76%)	(1.05%)

The increase in assets for the water plant is from an additional \$4.2 million in construction in progress from the water plant expansion. The operating income was at a loss of \$663,031. These factors are due to Water improvements being subsidized through an income tax allocation, which included a transfer of \$1.39 million to water construction in 2002. Rates for enterprise fund operations are artificially kept competitively low because of the income tax subsidization that is not reflected in the rates. A 20% water rate increase was enacted in early 1998, the first since 1990. Wastewater rates have not been increased since 1987. The operating balance in the Water Fund decreased by \$311,620 in 2002, while the balance in the Wastewater Fund increased by \$29,019. Personnel costs increased by \$205,837 primarily caused by increases in hospitalization insurance and a 4% pay raise. Major capital improvement costs for these operations continue to be derived from an allocation of the City's income tax, which is now nearly fully committed to pay for the debt on past projects. Because of the income tax allocation, enterprise funds can operate at a deficit and still maintain operating fund balances with few rate increases.

### **Internal Service Fund**

The City's two internal service funds were used to account for a self-funded and third party administered dental insurance program and for the payments for the workers' compensation program and claims. These funds maintained fund balances to equal or exceed the cost of the programs.

### **Fiduciary Funds**

Trust and agency funds are established to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The City maintained one expendable trust fund with assets totaling \$74,992 and two nonexpendable trust funds with assets totaling \$80,399, an increase of \$2,911 from 2001. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Total assets and liabilities of the agency funds of the City amounted to \$58,680.

## Debt Administration

The debt service funds accumulate resources for the payment of principal, interest and associated administrative costs on the City's general and special assessment long-term debt. In 1998 the City received a Moody's rating of Aaa - one step above its previous rating. Resources to pay debt are derived from property taxes (real and personal), special assessments, income taxes, and operating transfers. The City's general obligation notes are prepared by Squire, Sanders, and Dempsey and if offered for bid, submitted to the Ohio Municipal Advisory Council. The rate for the various issues was 2.58% on various improvement notes of \$1,440,000.

The total long-term debt of the City as of December 31, 2002 consisted of the following:

Ohio Public Works Commission Loans	\$1,436,357
Ohio Water Development Authority Loans	14,788,716
Promissory Notes	108,500
Special Assessment Bonds with Governmental Commitment	1,654,254
General Obligation Bonds	4,125,000
Total	<u><u>\$22,112,827</u></u>

The City has loans obtained from the Ohio Water Development Authority (OWDA), which have been used to finance water and wastewater plants and distribution and collection systems. The loans are being repaid from the water and wastewater income tax allocation, and from areas outside the City in Wood and Lucas Counties that have tapped into the City water and/or wastewater systems.

The ratio of property tax supported general bond debt to assessed value and the amount of bond debt per capita are considered to be good indicators to municipal managers, citizens and investors in general government debt of the City's debt position. The City's debt position as of December 31, 2002 was as follows:

Ratio of Net General Obligation Bonded Debt to Assessed Value	0.25%
Net General Obligation Bonded Debt per Capita	\$67.85
Net General Obligation Bonded Debt	\$1,313,301

A more thorough presentation of the calculation of these figures is located in the statistical section of this report.

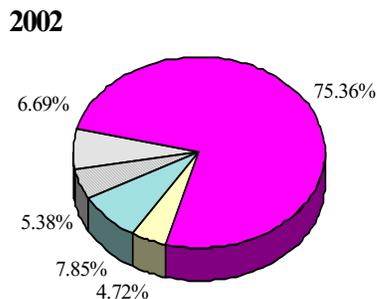
## Cash Management

Cash Management is a vital component of the City of Oregon's financial strategy. The primary objective of the City's investments was to maximize the rate of return while preserving the investment principal. The City pooled its cash for maximizing investment efficiency, except for that held by law in trusts and perpetual care funds, fiscal and escrow agents and certain debt service and trust and agency funds.

Public funds were invested to achieve the maximum return on the portfolio without assuming unreasonable risk. The City purchases investments only through member banks of the Federal Reserve System or broker-dealers registered with the US Securities and Exchange Commission. Investments are diversified to avoid incurring unreasonable risks relating to a specific type of security or to a particular type of financial institution. Portfolio investments remain sufficiently liquid to ensure that all operating requirements are satisfied in a timely manner.

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

Cash Resources	2002	Percent of Total
Cash	\$1,422,295	6.69%
Certificates of Deposit	16,009,669	75.36%
US Government Securities	1,001,875	4.72%
STAR Ohio	1,668,539	7.85%
City of Oregon SA Bonds	1,143,154	5.38%
<b>Total Resources</b>	<b>\$21,245,532</b>	<b>100.00%</b>



The City earned \$873,423 on investments for fiscal year 2002, which was credited to the governmental funds. The nonexpendable trust funds also received investment earnings totaling \$2,911 in 2002, as required by the trust instruments.

At December 31, 2002, the City had bank deposits of \$18,091,325. Federal depository insurance covered \$379,216 of the bank balance and the rest of the deposits were classified as Category 3. Ohio law requires that deposits be placed in eligible banks or savings and loans associations in Ohio. Any public depository in which the City places its deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of the deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state or instrumentality of such county, municipal corporation or other authority. Based upon criteria in GASB Statement No. 3, "*Deposits With Financial Institutions, Investments, (Including Repurchase Agreements) and Reverse Repurchase Agreements,*" collateral held in single financial institution collateral pools with securities being held by the pledging financial institution's agent in the pool's name are classified as Category 3.

### **Risk Management**

The City provides a self-funded dental insurance program for its employees, which is funded through the City's self-insurance dental internal service fund. The City also participated in the Ohio Bureau of Workers' Compensation (Bureau) Retrospective Rating Program for premium periods (calendar years) 1996 and 1997 and joined the Ohio Municipal League Joint Self-Insurance Pool (the "Pool") in 1999, an insurance purchasing pool. See Note 15 to the general purpose financial statements for additional information. The City has a contract with the Ohio Municipal League Joint Self-Insurance Pool for losses relating to general liability, law enforcement liability, public officials liability and emergency medical services liability coverage. Deductibles have been selected so as not to expose the City to excessive "first dollars" in claims.

Deductibles for property damage coverages are as follows:

Liability Coverage	Occurrence Limits	Aggregate Limits	Deductible
Bodily Injury	\$5,000,000	\$7,000,000	
Property Damage	Included		
Personal Injury	Included		
Governmental Medical Service Liability	Included		
Fire Department Errors and Omissions	Included		
Public Officials Wrongful Act Liability	\$5,000,000	\$6,000,000	\$5,000 per Occurrence
Law Enforcement Agency Officers	\$5,000,000	\$6,000,000	\$5,000 per Occurrence
Employee Benefits Liability	\$1,000,000	\$1,000,000	
Automobile Liability	\$5,000,000		
		Police	\$500 Comprehensive \$500 Collision
		All Other	\$100 Comprehensive \$250 Collision
Premises	\$10,000		
Legal Liability - Real Property	\$500,000		

All claims are handled by the Finance Department, which is in direct contact with the insurance company. All claims are reviewed by the administration's legal counsel who is consulted on a regular basis.

There are periodic reviews of the City's claims and evaluations of acquisitions and disposals of fixed assets. All vehicle changes are reported within thirty days of the purchase and/or disposal.

### **OTHER INFORMATION**

#### **Independent Audit**

The general purpose financial statements of the City of Oregon were audited by James G. Zupka, Inc., Certified Public Accountant, who was approved by the State Auditor's office to conduct the audit. The auditor's unqualified opinion has been included in this report.

#### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for excellence in Financial Reporting to those governmental entities that qualify. To be awarded the Certificate of Achievement, a governmental unit must prepare an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents satisfy all program standards. The report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements respective to the reporting entity. A certificate of Achievement is valid for a period of one year. The City received Certificates of Achievement for fiscal years 1993 through 2001. I believe that this, our tenth Comprehensive Annual Financial Report, meets the high standards set by GFOA for a Certificate of Achievement for Excellence in Financial Reporting, and we are submitting the report to GFOA.

## Public Disclosure

The publication of this Comprehensive Financial Report is indicative of the City's commitment to provide significantly enhanced financial information and accountability to its citizens. In addition to the citizens of Oregon, the recipients of this report include city, state, and federal officials, schools, libraries, newspapers, investment banking firms, banks and rating agencies. The report is made available to any person or organization requesting it. The extensive effort to prepare and distribute this report is an example of the City's continued efforts to improve its overall financial accounting, management and reporting capabilities.

## Acknowledgments

The City of Oregon is pleased to be submitting the GAAP financial report utilizing the guidelines recommended by the GFOA. This report is the result of the continued cooperation and combined services of the Mayor, City Council, Judge, and administrative officials of the City of Oregon, the Lucas County Auditor's Office, independent auditors, James G. Zupka, Inc., and the State Auditor.

In addition, a special thank you to Donald J. Schonhardt and Associates, Inc. who provided the expertise, professionalism and guidance to complete this report. The Schonhardt firm was knowledgeable, kind and cooperative in working with the Finance Department staff.

I would especially like to recognize the Mayor and Council for allowing this project to continue. Also, I would like to thank Mrs. Jacqueline Holzauer for her contributions in assisting with the coordination and creation of this report, as well as the remaining Finance Department staff. Finance Department personnel are dedicated, professional, experienced accountants who work hard to provide excellent service to the financial operations of the City. Each of them substantively contributes to the information contained in this publication. The Finance Department Staff is:

### Payroll

Cheryl Kneisley  
Susan Hopkins

### Accounts Payable

Vicki Schwamberger  
DarLynn Huntermark  
Deborah Levy

### Assessments, Grants, Investments, Debt

Kathleen Hufford

### Accounts Receivable, Grants, Risk Management and CAFR

Jacqueline Holzauer

Sincerely,



Sandy Bihn  
Finance Director

City of Oregon  
Principal Officials

Elected Officials as of December 31, 2002

Name	Office	Term Expires	Surety
Marge Brown	Mayor	11/30/05	A,C
Donald Petroff	Municipal Judge	12/31/05	A,B,C
Mathew Szollosi	City Council	11/30/03	A,C
James Seaman	City Council	11/30/03	A,C
Jerry Peach	City Council	11/30/03	A,C
Tony Romano	City Council	11/30/03	A,C
Gene Hagedorn	City Council	11/30/03	A,C
Sharon Rudess	City Council	11/30/03	A,C
Michael Sheehy	City Council, President	11/30/03	A,C

Administrators as of December 31, 2002

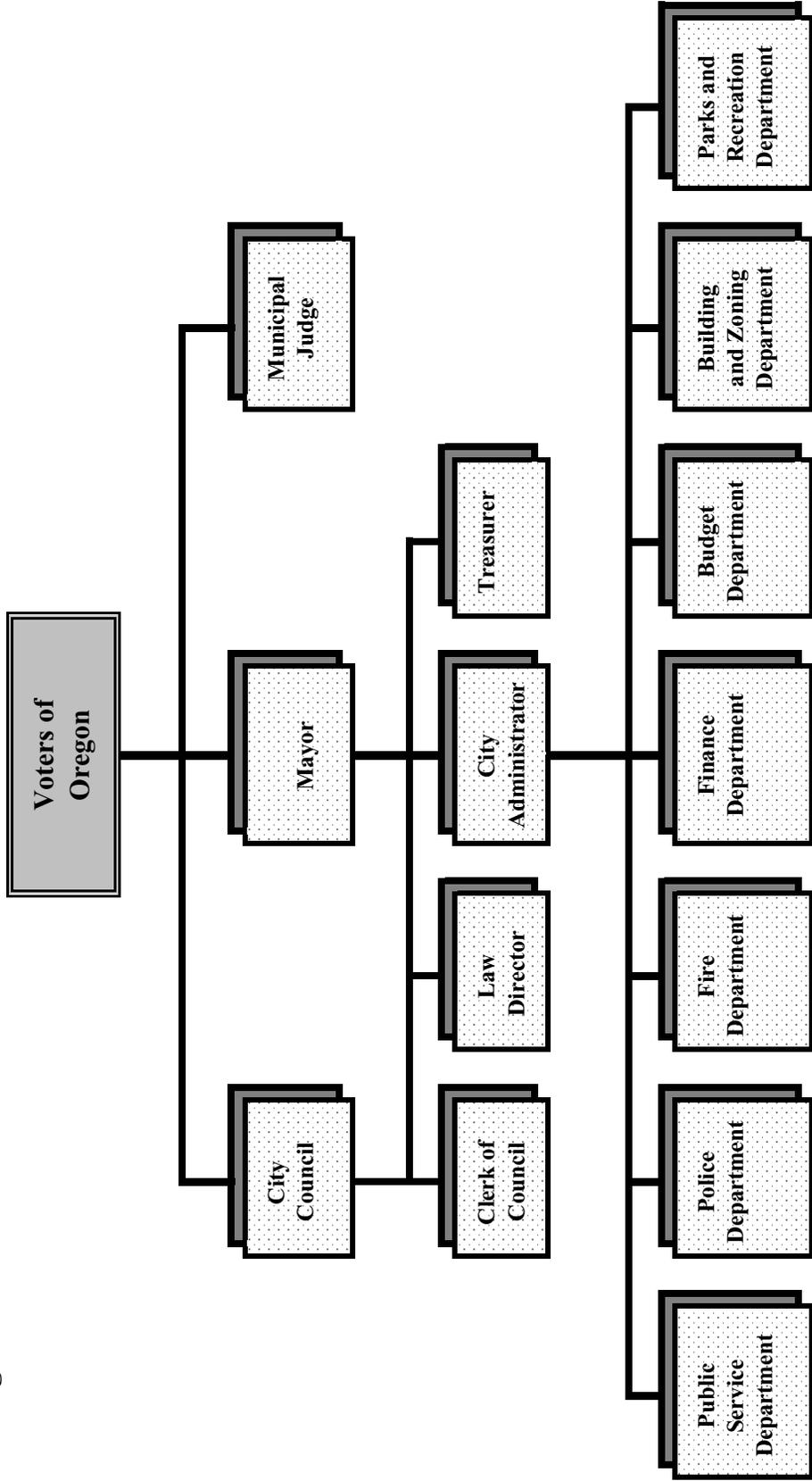
Name	Office	Term Expires	Surety
Paul Goldberg	Director of Law	06/03/03	A,C
James Zsigray	Treasurer	Indefinite	\$25,000 Bond A,C
Kenneth Filipiak	City Administrator	Indefinite	A,B,C
Paul Roman	Director of Public Service	Indefinite	A,B,C
Sandy Bihn	Director of Finance	Indefinite	A,B,C
Thomas Gulch	Chief of Police	Indefinite	A,B,C
Raymond Walendzak	Chief of Fire	Indefinite	A,B,C
Douglas Young	Commissioner of Building and Zoning	Indefinite	A,B,C
Douglas Joyce	Commissioner of Parks and Recreation	Indefinite	A,B,C
Patricia Fisher	Commissioner of Taxation	Indefinite	\$25,000 Bond A,B,C
Stacy A. DeShetler	Clerk of Courts	Indefinite	\$10,000 Bond A,B,C

Applies to All Elected Officials

- A. Public Officials \$10 Million/occurrence.
- B. In addition to individual bonds, there is a \$250,000 blanket bond for those administrators and employees who receive cash, and or receipt revenues.
- C. Insurance Term: July 15, 2002 thru July 14, 2003.

# The City of Oregon, Ohio

## Organizational Chart



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Oregon,  
Ohio

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

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



*William Patrick Bate*

President

*Jeffrey R. Emer*

Executive Director

## *FINANCIAL SECTION*

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

*Certified Public Accountants  
5240 East 98th Street  
Garfield Heights, Ohio 44125*

Member American Institute of Certified Public Accountants

(216) 475-6136

Ohio Society of Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

The Honorable Marge Brown, Mayor  
and Members of City Council  
City of Oregon, Ohio

The Honorable Betty Montgomery  
Auditor of State  
State of Ohio

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

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

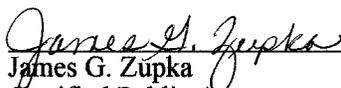
In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Oregon, Ohio, as of December 31, 2002, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust funds 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 a report dated May 30, 2003 on our consideration of the City of Oregon, Ohio'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.

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

We did not audit the statistical data included in the statistical section of this report and, therefore, express no opinion thereon.

May 30, 2003

  
James G. Zupka  
Certified Public Accountant



*City of Opportunity*

## *GENERAL PURPOSE FINANCIAL STATEMENTS*

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

**THE CITY OF OREGON, OHIO**  
**COMBINED BALANCE SHEET**  
**ALL FUND TYPES AND ACCOUNT GROUPS**  
**DECEMBER 31, 2002**

	<b>Governmental Fund Types</b>			<b>Proprietary Fund Types</b>			<b>Fiduciary Fund Types</b>		<b>Account Groups</b>		Totals (Memorandum Only)
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Enterprise Funds	Internal Service Funds	Trust and Agency Funds	General Fixed Assets	Long-Term Obligations		
<b>Assets and Other Debits:</b>											
Assets:											
Cash and Cash Equivalents	\$28,169	\$2,597,724	\$32,094	\$254,667	\$13,459	\$29,502	\$74,992	\$0	\$0	\$3,030,607	
Investments	5,609,640	1,134,746	0	8,227,423	2,679,332	425,889	0	0	0	18,077,030	
Receivables (net of allowance for doubtful accounts):											
Taxes	2,590,554	874,925	0	0	0	0	0	0	0	3,465,479	
Accounts	61,020	52,847	0	0	761,497	0	0	0	0	875,364	
Special Assessments	99,118	3,151,553	3,854,904	0	0	0	0	0	0	7,105,575	
Interest	161,209	0	0	0	0	0	2,731	0	0	163,940	
Intergovernmental Receivables	677,475	948,155	0	322,903	0	0	0	0	0	1,948,533	
Intergovernmental Loan Receivable	0	0	0	0	211,544	0	0	0	0	211,544	
Inventory of Supplies at Cost	461,898	0	0	0	249,358	0	0	0	0	711,256	
Prepaid Items	91,961	8,535	0	0	84,100	0	0	0	0	184,596	
Restricted Assets:											
Cash and Cash Equivalents	0	0	0	0	0	0	58,680	0	0	58,680	
Cash with Fiscal Agent	0	0	0	0	1,547	0	0	0	0	1,547	
Investments	0	0	0	0	0	0	77,668	0	0	77,668	
Fixed Assets (net of accumulated depreciation)	0	0	0	0	47,960,254	0	0	19,852,606	0	67,812,860	
Other Debits:											
Amount Available in Debt Service Funds	0	0	0	0	0	0	0	0	32,094	32,094	
Amount to be Provided for											
General Long-Term Obligations	0	0	0	0	0	0	0	0	15,537,027	15,537,027	
<b>Total Assets and Other Debits</b>	<b>\$9,781,044</b>	<b>\$8,768,485</b>	<b>\$3,886,998</b>	<b>\$8,804,993</b>	<b>\$51,961,091</b>	<b>\$455,391</b>	<b>\$2,14,071</b>	<b>\$19,852,606</b>	<b>\$15,569,121</b>	<b>\$119,293,800</b>	

(Continued)

	<b>Government</b>			<b>Proprietary</b>			<b>Fiduciary</b>			<b>Account</b>		
	<b>Fund Types</b>			<b>Fund Types</b>			<b>Fund Types</b>			<b>Graps</b>		
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Enterprise Funds	Internal Service Funds	Trust and Agency Funds	General Fixed Assets	Long-Term Obligations	Totals (Memorandum Only)		
<b>Liabilities, Equity and Other Credits:</b>												
Liabilities:												
Accounts Payable	\$230,893	\$179,265	\$0	\$96,050	\$222,073	\$0	\$0	\$0	\$0	\$0	\$0	\$728,281
Accrued Wages and Benefits	630,730	224,094	0	0	171,773	0	0	0	0	0	0	1,026,597
Intergovernmental Payables	37,614	0	0	0	0	0	30,984	0	0	0	0	68,598
Due to Others	0	0	0	0	0	0	27,696	0	0	0	0	27,696
Workers' Compensation Liability	0	0	0	0	0	237,001	0	0	0	0	0	237,001
Matured Bonds and Interest	0	0	0	0	1,547	0	0	0	0	0	0	1,547
Accrued Interest Payable	0	0	0	24,665	7,610	0	0	0	0	0	0	32,275
Deferred Revenue	2,081,545	4,615,223	3,854,904	0	0	0	0	0	0	0	0	10,551,672
General Obligation Notes Payable	0	0	0	1,440,000	0	0	0	0	0	0	0	1,440,000
Compensated Absences Payable	0	0	0	0	542,760	0	0	0	0	0	0	2,143,537
General Obligation Bonds Payable	0	0	0	0	2,810,000	0	0	0	0	0	0	4,125,000
Special Assessment Bonds Payable												
with Governmental Commitment	0	0	0	0	0	0	0	0	0	0	0	1,654,254
Promissory Notes Payable	0	0	0	0	0	0	0	0	0	0	0	108,500
Ohio Public Works Commission Loans Payable	0	0	0	0	16,057	0	0	0	0	0	0	1,420,300
Ohio Water Development												
Authority Loans Payable	0	0	0	0	5,376,634	0	0	0	0	0	0	14,788,716
Police and Firemen's Pension Accrued Liability	0	0	0	0	0	0	0	0	0	0	0	58,208
Total Liabilities	2,980,782	5,018,582	3,854,904	1,560,715	9,148,454	237,001	58,680	0	15,569,121	0	0	38,428,239
Equity and Other Credits:												
Investment in General Fixed Assets	0	0	0	0	0	0	0	19,852,606	0	0	0	19,852,606
Contributed Capital	0	0	0	0	15,199,983	0	0	0	0	0	0	15,199,983
Retained Earnings:												
Unreserved	0	0	0	0	27,612,654	218,390	0	0	0	0	0	27,831,044
Fund Balances:												
Reserved for Encumbrances	352,744	539,368	0	1,422,083	0	0	0	0	0	0	0	2,314,195
Reserved for Supplies Inventory	461,898	0	0	0	0	0	0	0	0	0	0	461,898
Reserved for Prepaid Items	91,961	8,535	0	0	0	0	0	0	0	0	0	100,496
Reserved for Debt Service	0	0	32,094	0	0	0	0	0	0	0	0	32,094
Reserved for Endowments	0	0	0	0	0	0	80,399	0	0	0	0	80,399
Unreserved:												
Undesignated	5,893,659	3,202,000	0	5,822,195	0	0	74,992	0	0	0	0	14,992,846
Total Equity and Other Credits	6,800,262	3,749,903	32,094	7,244,278	42,812,637	218,390	155,391	19,852,606	0	0	0	80,865,561
Total Liabilities, Equity and Other Credits	\$9,781,044	\$8,768,485	\$3,886,998	\$8,804,993	\$51,961,091	\$455,391	\$214,071	\$19,852,606	\$15,569,121	\$0	\$0	\$119,293,800

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



*City of Opportunity*

**THE CITY OF OREGON, OHIO**  
**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**

	<i>Governmental</i>			<i>Fiduciary</i>		Totals (Memorandum Only)
	<i>Fund Types</i>			<i>Fund Type</i>		
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Expendable Trust Fund	
<b>Revenues:</b>						
Taxes	\$10,434,684	\$2,572,099	\$0	\$0	\$0	\$13,006,783
Intergovernmental Revenues	1,527,606	1,912,464	0	802,356	0	4,242,426
Charges for Services	195,947	419,541	0	0	0	615,488
Licenses, Permits and Fees	262,031	0	0	0	0	262,031
Investment Earnings	868,605	4,818	0	0	0	873,423
Special Assessments	857	351,194	150,108	0	0	502,159
Fines and Forfeitures	339,408	242,872	0	0	0	582,280
All Other Revenues	22,369	61,717	0	169,986	43,708	297,780
Total Revenues	<u>13,651,507</u>	<u>5,564,705</u>	<u>150,108</u>	<u>972,342</u>	<u>43,708</u>	<u>20,382,370</u>
<b>Expenditures:</b>						
<b>Current:</b>						
Security of Persons and Property	6,699,947	1,577,234	0	0	0	8,277,181
Public Health and Welfare Services	344,694	8,856	0	0	0	353,550
Leisure Time Activities	22,535	666,666	0	0	0	689,201
Community Environment	523,972	323,238	0	0	0	847,210
Basic Utility Services	0	139,851	0	0	0	139,851
Transportation	2,689,296	691,585	0	0	0	3,380,881
General Government	2,686,912	1,043,661	0	0	0	3,730,573
Other Expenditures	0	0	0	0	3,778	3,778
Capital Outlay	0	0	0	5,121,524	0	5,121,524
<b>Debt Service:</b>						
Principal Retirements	0	0	870,171	0	0	870,171
Interest and Fiscal Charges	0	0	690,516	46,928	0	737,444
Total Expenditures	<u>12,967,356</u>	<u>4,451,091</u>	<u>1,560,687</u>	<u>5,168,452</u>	<u>3,778</u>	<u>24,151,364</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	684,151	1,113,614	(1,410,579)	(4,196,110)	39,930	(3,768,994)
<b>Other Financing Sources (Uses):</b>						
Proceeds from Sale of Fixed Assets	64,877	43,381	0	19,090	0	127,348
Proceeds from Ohio Public Works Commission Loans	0	0	0	420,908	0	420,908
Proceeds from Ohio Water Development Authority Loans	0	0	0	3,867,284	0	3,867,284
Operating Transfers In	848,517	575,411	1,352,551	3,051,510	0	5,827,989
Operating Transfers Out	(3,209,311)	(826,778)	0	(2,462,190)	0	(6,498,279)
Total Other Financing Sources (Uses)	<u>(2,295,917)</u>	<u>(207,986)</u>	<u>1,352,551</u>	<u>4,896,602</u>	<u>0</u>	<u>3,745,250</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,611,766)	905,628	(58,028)	700,492	39,930	(23,744)
Fund Balance Beginning of Year	8,350,671	2,844,275	90,122	6,543,786	35,062	17,863,916
Increase in Inventory Reserve	61,357	0	0	0	0	61,357
Fund Balance End of Year	<u>\$6,800,262</u>	<u>\$3,749,903</u>	<u>\$32,094</u>	<u>\$7,244,278</u>	<u>\$74,992</u>	<u>\$17,901,529</u>

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

**THE CITY OF OREGON, OHIO**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NONGAAP BUDGETARY BASIS)**  
**ALL GOVERNMENTAL FUND TYPES AND REVENABLE TRUST FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

	<i>General Fund</i>			<i>Special Revenue Funds</i>		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>						
Taxes	\$10,232,900	\$10,254,157	\$21,257	\$2,340,754	\$2,543,260	\$202,506
Intergovernmental Revenues	1,484,980	1,513,632	28,652	1,706,273	1,869,260	162,987
Charges for Services	168,926	192,085	23,159	326,225	414,300	88,075
Licenses and Permits	259,000	262,031	3,031	0	0	0
Investment Earnings	750,000	757,712	7,712	0	4,818	4,818
Special Assessments	500	857	357	344,573	351,194	6,621
Fines and Forfeitures	290,600	336,204	45,604	137,500	240,169	102,669
All Other Revenues	36,100	20,858	(15,242)	32,600	63,755	31,155
Total Revenues	13,223,006	13,337,536	114,530	4,887,925	5,486,756	598,831
<b>Expenditures:</b>						
Current:						
Security of Persons and Property	7,154,347	6,943,558	210,789	1,760,194	1,585,302	174,892
Public Health and Welfare Services	360,240	354,508	5,732	20,067	8,648	11,419
Leisure Time Activities	40,000	29,575	10,425	709,832	686,406	23,426
Community Environment	554,566	530,247	24,319	459,066	390,325	68,741
Basic Utility Services	0	0	0	494,314	183,627	310,687
Transportation	3,258,938	2,807,188	451,750	832,465	788,264	44,201
General Government	3,142,444	2,933,255	209,189	1,718,151	1,487,279	230,872
Other Expenditures	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0
Debt Service:						
Principal Retirement	0	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0	0
Total Expenditures	14,510,535	13,598,331	912,204	5,994,089	5,129,851	864,238
Excess (Deficiency) of						
Revenues Over (Under) Expenditures	(1,287,529)	(260,795)	1,026,734	(1,106,164)	356,905	1,463,069
<b>Other Financing Sources (Uses):</b>						
Proceeds from Sale of Fixed Assets	60,000	64,877	4,877	0	43,381	43,381
Proceeds from General Obligation Notes	0	0	0	0	0	0
Proceeds from Ohio Public						
Works Commission Loans	0	0	0	0	0	0
Proceeds from Ohio Water						
Development Authority Loans	0	0	0	0	0	0
Operating Transfers In	891,526	848,517	(43,009)	581,704	575,411	(6,293)
Operating Transfers Out	(3,232,333)	(3,209,311)	23,022	(872,556)	(826,778)	45,778
Total Other Financing Sources (Uses)	(2,280,807)	(2,295,917)	(15,110)	(290,852)	(207,986)	82,866
Excess (Deficiency) of Revenues						
and Other Financing Sources Over (Under)						
Expenditures and Other Financing Uses	(3,568,336)	(2,556,712)	1,011,624	(1,397,016)	148,919	1,545,935
Fund Balance at Beginning of Year	6,894,776	6,894,776	0	2,522,241	2,522,241	0
Prior Year Encumbrances	739,332	739,332	0	385,686	385,686	0
Fund Balance at End of Year	\$4,065,772	\$5,077,396	\$1,011,624	\$1,510,911	\$3,056,846	\$1,545,935

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

(Continued)

**THE CITY OF OREGON, OHIO**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NONGAAP BUDGETARY BASIS)**  
**ALL GOVERNMENTAL FUND TYPES AND REVENABLE TRUST FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

	<i>Debt Service Funds</i>			<i>Capital Projects Funds</i>		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>						
Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Intergovernmental Revenues	0	0	0	756,664	569,531	(187,133)
Charges for Services	0	0	0	0	0	0
Licenses and Permits	0	0	0	0	0	0
Investment Earnings	0	0	0	0	0	0
Special Assessments	244,157	187,037	(57,120)	0	0	0
Fines and Forfeitures	0	0	0	0	0	0
All Other Revenues	0	0	0	177,000	169,986	(7,014)
Total Revenues	244,157	187,037	(57,120)	933,664	739,517	(194,147)
<b>Expenditures:</b>						
Current:						
Security of Persons and Property	0	0	0	0	0	0
Public Health and Welfare Services	0	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0	0
Community Environment	0	0	0	0	0	0
Basic Utility Services	0	0	0	0	0	0
Transportation	0	0	0	0	0	0
General Government	0	0	0	0	0	0
Other Expenditures	0	0	0	0	0	0
Capital Outlay	0	0	0	7,704,952	7,053,785	651,167
Debt Service:						
Principal Retirement	540,130	522,308	17,822	1,740,000	1,740,000	0
Interest and Fiscal Charges	321,555	312,297	9,258	64,623	64,393	230
Total Expenditures	861,685	834,605	27,080	9,509,575	8,858,178	651,397
Excess (Deficiency) of						
Revenues Over (Under) Expenditures	(617,528)	(647,568)	(30,040)	(8,575,911)	(8,118,661)	457,250
<b>Other Financing Sources (Uses):</b>						
Proceeds from Sale of Fixed Assets	0	0	0	0	19,090	19,090
Proceeds from General Obligation Notes	0	0	0	1,527,758	1,440,000	(87,758)
Proceeds from Ohio Public						
Works Commission Loans	0	0	0	1,105,200	420,908	(684,292)
Proceeds from Ohio Water						
Development Authority Loans	0	0	0	3,867,284	3,867,284	0
Operating Transfers In	589,540	589,540	0	2,866,914	3,051,510	184,596
Operating Transfers Out	0	0	0	(2,462,190)	(2,462,190)	0
Total Other Financing Sources (Uses)	589,540	589,540	0	6,904,966	6,336,602	(568,364)
Excess (Deficiency) of Revenues						
and Other Financing Sources Over (Under)						
Expenditures and Other Financing Uses	(27,988)	(58,028)	(30,040)	(1,670,945)	(1,782,059)	(111,114)
Fund Balance at Beginning of Year	90,122	90,122	0	3,199,402	3,199,402	0
Prior Year Encumbrances	0	0	0	5,512,962	5,512,962	0
Fund Balance at End of Year	\$62,134	\$32,094	(\$30,040)	\$7,041,419	\$6,930,305	(\$111,114)

(Continued)

**THE CITY OF OREGON, OHIO**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NONGAAP BUDGETARY BASIS)**  
**ALL GOVERNMENTAL FUND TYPES AND REVENABLE TRUST FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

	<i>Expendable Trust Fund</i>			<i>Totals (Nonrevenue Only)</i>		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>						
Taxes	\$0	\$0	\$0	\$12,573,654	\$12,797,417	\$223,763
Intergovernmental Revenues	0	0	0	3,947,917	3,952,423	4,506
Charges for Services	0	0	0	495,151	606,385	111,234
Licenses and Permits	0	0	0	259,000	262,031	3,031
Investment Earnings	0	0	0	750,000	762,530	12,530
Special Assessments	0	0	0	589,230	539,088	(50,142)
Fines and Forfeitures	0	0	0	428,100	576,373	148,273
All Other Revenues	1,000	43,708	42,708	246,700	298,307	51,607
Total Revenues	1,000	43,708	42,708	19,289,752	19,794,554	504,802
<b>Expenditures:</b>						
Current:						
Security of Persons and Property	0	0	0	8,914,541	8,528,860	385,681
Public Health and Welfare Services	0	0	0	380,307	363,156	17,151
Leisure Time Activities	0	0	0	749,832	715,981	33,851
Community Environment	0	0	0	1,013,632	920,572	93,060
Basic Utility Services	0	0	0	494,314	183,627	310,687
Transportation	0	0	0	4,091,403	3,595,452	495,951
General Government	0	0	0	4,860,595	4,420,534	440,061
Other Expenditures	33,000	3,778	29,222	33,000	3,778	29,222
Capital Outlay	0	0	0	7,704,952	7,053,785	651,167
Debt Service:						
Principal Retirement	0	0	0	2,280,130	2,262,308	17,822
Interest and Fiscal Charges	0	0	0	386,178	376,690	9,488
Total Expenditures	33,000	3,778	29,222	30,908,884	28,424,743	2,484,141
Excess (Deficiency) of Revenues Over (Under) Expenditures	(32,000)	39,930	71,930	(11,619,132)	(8,630,189)	2,988,943
<b>Other Financing Sources (Uses):</b>						
Proceeds from Sale of Fixed Assets	0	0	0	60,000	127,348	67,348
Proceeds from General Obligation Notes	0	0	0	1,527,758	1,440,000	(87,758)
Proceeds from Ohio Public Works Commission Loans	0	0	0	1,105,200	420,908	(684,292)
Proceeds from Ohio Water Development Authority Loans	0	0	0	3,867,284	3,867,284	0
Operating Transfers In	0	0	0	4,929,684	5,064,978	135,294
Operating Transfers Out	0	0	0	(6,567,079)	(6,498,279)	68,800
Total Other Financing Sources (Uses)	0	0	0	4,922,847	4,422,239	(500,608)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(32,000)	39,930	71,930	(6,696,285)	(4,207,950)	2,488,335
Fund Balance at Beginning of Year	35,062	35,062	0	12,741,603	12,741,603	0
Prior Year Encumbrances	0	0	0	6,637,980	6,637,980	0
Fund Balance at End of Year	\$3,062	\$74,992	\$71,930	\$12,683,298	\$15,171,633	\$2,488,335

**THE CITY OF OREGON, OHIO**  
**COMBINED STATEMENT OF REVENUES, ERENSSES**  
**AND CHANGES IN RETAINED EARNINGSFUND BALANCE**  
**ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

	<i>Proprietary</i>		<i>Fiduciary</i>	Totals (Memorandum Only)
	<i>Fund Types</i>		<i>Fund Type</i>	
	Enterprise Funds	Internal Service Funds	Nonexpendable Trust Funds	
<u>Operating Revenues:</u>				
Charges for Services	\$4,762,086	\$113,890	\$0	\$4,875,976
Other Charges for Services	87,008	0	0	87,008
Other Operating Revenues	12,614	31,763	0	44,377
Investment Earnings	0	0	2,911	2,911
Total Operating Revenues	4,861,708	145,653	2,911	5,010,272
<u>Operating Expenses:</u>				
Personal Services	2,500,276	151,422	0	2,651,698
Materials and Supplies	358,141	0	0	358,141
Contractual Services	674,351	0	0	674,351
Utilities	589,730	0	0	589,730
Depreciation	2,194,126	0	0	2,194,126
Total Operating Expenses	6,316,624	151,422	0	6,468,046
Operating Income (Loss)	(1,454,916)	(5,769)	2,911	(1,457,774)
<u>Non-Operating Revenues (Expenses):</u>				
Investment Earnings	19,808	0	0	19,808
Interest and Fiscal Charges	(417,143)	0	0	(417,143)
Capital Contributions	4,407,866	0	0	4,407,866
Proceeds from Sale of Fixed Assets	35	0	0	35
Loss on Disposal of Fixed Assets	(7,582)	0	0	(7,582)
Total Non-Operating Revenues (Expenses)	4,002,984	0	0	4,002,984
Income (Loss) Before Operating Transfers	2,548,068	(5,769)	2,911	2,545,210
<u>Operating Transfers:</u>				
Operating Transfers In	1,668,009	30,000	0	1,698,009
Operating Transfers Out	(997,719)	(30,000)	0	(1,027,719)
Total Operating Transfers	670,290	0	0	670,290
Net Income (Loss)	3,218,358	(5,769)	2,911	3,215,500
Retained Earnings/Fund Balance at Beginning of Year	24,394,296	224,159	77,488	24,695,943
Retained Earnings/Fund Balance at End of Year	\$27,612,654	\$218,390	\$80,399	\$27,911,443

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

**THE CITY OF OREGON, OHIO**  
**COMBINED STATEMENT OF CASH FLOWS**  
**ALL PROPRIETARY FUND TYPES AND NONRENDERABLE TRUST FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

	<i>Proprietary</i>		<i>Fiduciary</i>	Totals (Memorandum Only)
	<i>Fund Types</i>	Internal Service Funds	Nonexpendable Trust Funds	
<b><u>Cash Flows from Operating Activities:</u></b>				
Cash Received from Customers	\$4,898,996	\$145,653	\$0	\$5,044,649
Cash Payments for Goods and Services	(1,663,663)	0	0	(1,663,663)
Cash Payments to Employees	<u>(2,428,407)</u>	<u>(146,253)</u>	<u>0</u>	<u>(2,574,660)</u>
Net Cash Provided (Used) by Operating Activities	<u>806,926</u>	<u>(600)</u>	<u>0</u>	<u>806,326</u>
<b><u>Cash Flows from Noncapital Financing Activities:</u></b>				
Transfers In from Other Funds	2,335,418	30,000	0	2,365,418
Transfers Out to Other Funds	<u>(997,719)</u>	<u>(30,000)</u>	<u>0</u>	<u>(1,027,719)</u>
Net Cash Provided by Noncapital Financing Activities	<u>1,337,699</u>	<u>0</u>	<u>0</u>	<u>1,337,699</u>
<b><u>Cash Flows from Capital and Related Financing Activities:</u></b>				
Intergovernmental Grants	31,565	0	0	31,565
Acquisition and Construction of Assets	(2,911,641)	0	0	(2,911,641)
Principal Paid on General Obligation Bond	(120,000)	0	0	(120,000)
Proceeds from Ohio Water Development Authority Loans	2,520,780	0	0	2,520,780
Principal Paid on Ohio Water Development Authority Loans	(492,855)	0	0	(492,855)
Principal Paid on Ohio Public Works Commission Loan	(10,704)	0	0	(10,704)
Interest Paid on All Debt	<u>(1,084,877)</u>	<u>0</u>	<u>0</u>	<u>(1,084,877)</u>
Net Cash Used for Capital and Related Financing Activities	<u>(2,067,732)</u>	<u>0</u>	<u>0</u>	<u>(2,067,732)</u>
<b><u>Cash Flows from Investing Activities:</u></b>				
Sale of Investments	64,680	0	4,300	68,980
Purchase of Investments	(557,151)	(67,598)	0	(624,749)
Receipts of Interest	<u>19,808</u>	<u>0</u>	<u>(4,300)</u>	<u>15,508</u>
Net Cash Used for Investing Activities	<u>(472,663)</u>	<u>(67,598)</u>	<u>0</u>	<u>(540,261)</u>
Net Decrease in Cash and Cash Equivalents	(395,770)	(68,198)	0	(463,968)
Cash and Cash Equivalents at Beginning of Year	<u>410,776</u>	<u>97,700</u>	<u>0</u>	<u>508,476</u>
Cash and Cash Equivalents at End of Year	<u>\$15,006</u>	<u>\$29,502</u>	<u>\$0</u>	<u>\$44,508</u>
<b><u>Reconciliation of Cash and Cash Equivalents per the Balance Sheet:</u></b>				
Cash and Cash Equivalents	\$13,459	\$29,502	\$74,992	\$117,953
Restricted Cash and Cash Equivalents	0	0	58,680	58,680
Restricted Cash With Fiscal Agent	1,547	0	0	1,547
Less Cash and Cash Equivalents in the Expendable Trust Funds	0	0	(74,992)	(74,992)
Less Restricted Cash and Cash Equivalents	<u>0</u>	<u>0</u>	<u>(58,680)</u>	<u>(58,680)</u>
Cash and Cash Equivalents at End of Year	<u>\$15,006</u>	<u>\$29,502</u>	<u>\$0</u>	<u>\$44,508</u>

(Continued)

**THE CITY OF OREGON, OHIO**  
**COMBINED STATEMENT OF CASH FLOWS**  
**ALL PROPRIETARY FUND TYPES AND NONRENDERABLE TRUST FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

	<i>Proprietary</i>		<i>Fiduciary</i>	Totals (Memorandum Only)
	<i>Fund Types</i>	Internal Service Funds	Nonexpendable Trust Funds	
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</u>				
Operating Income (Loss)	(\$1,454,916)	(\$5,769)	\$2,911	(\$1,457,774)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Miscellaneous Nonoperating Income	35	0	0	35
Depreciation Expense	2,194,126	0	0	2,194,126
Interest on Investments	0	0	(2,911)	(2,911)
Changes in Assets and Liabilities:				
Increase in Accounts Receivable	(116,724)	0	0	(116,724)
Decrease in Intergovernmental Receivable	153,977	0	0	153,977
Increase in Inventory	(16,334)	0	0	(16,334)
Decrease (Increase) in Prepaid Items	(44,502)	5,169	0	(39,333)
Increase in Accounts Payable	19,395	0	0	19,395
Increase in Accrued Wages and Benefits	13,483	0	0	13,483
Increase in Compensated Absences	58,386	0	0	58,386
Total Adjustments	<u>2,261,842</u>	<u>5,169</u>	<u>(2,911)</u>	<u>2,264,100</u>
Net Cash Provided (Used) by Operating Activities	<u>\$806,926</u>	<u>(\$600)</u>	<u>\$0</u>	<u>\$806,326</u>

Schedule of Noncash Investing, Capital and Financing Activities:

As of December 31, 2002, the Sewer Fund had an outstanding liability of \$97,232 for the purchase of certain capital assets.

In addition, the Water Fund received capital assets from various sources in the amount of \$4,376,301.

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

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

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Oregon, Ohio (the "City") is a home rule municipal corporation created under the laws of the State of Ohio. The City operates under its own Charter. The current Charter, which provides for a Mayor/Council form of government, was adopted in 1958 and has been amended several times, most recently in 1993.

**A. Reporting Entity**

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

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

Based on the foregoing, the City's financial reporting entity has no component units but includes all funds, account groups, agencies, boards and commissions that are part of the primary government, which includes the following services: police and fire protection, emergency medical, parks, recreation, cemetery, planning, zoning, street maintenance, judicial administration and other governmental services. In addition, the City owns and operates a water treatment and distribution system and a wastewater treatment and collection system which are reported as enterprise funds.

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

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

**Debt Service Funds** - These funds are used for the accumulation of resources for the payment of general long-term debt principal and interest.

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

***Proprietary Funds*** - The proprietary funds are accounted for on a "economic resources" measurement focus. This measurement focus provides that all assets and liabilities associated with the operation of the proprietary funds are included on the balance sheet. Fund equity (i.e., net assets) are segregated into contributed capital and retained earnings components. The proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

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

**Internal Service Funds** - These funds are used to account for the financing of services provided by one department to other departments or agencies of the governmental unit or to other governmental units on a cost-reimbursement basis.

***Fiduciary Funds*** - These funds are used to account for assets held by a government unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**B. Basis of Presentation - Fund Accounting** (Continued)

Trust and Agency Funds - The City maintains an expendable trust fund, nonexpendable trust funds and agency funds. The expendable trust fund is accounted for and reported similarly to a governmental fund. The nonexpendable trust funds are accounted for and reported similarly to proprietary funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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

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

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

**C. Basis of Accounting**

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

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

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. Revenue from income taxes is recognized in the period in which the income is earned and is available. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the revenue is available. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. Revenues considered susceptible to accrual at year end include income taxes withheld by employers, interest on investments, special assessment, and state levied locally shared taxes (including motor vehicle license fees, and local government assistance). Other revenues, including licenses, permits, certain charges for services and miscellaneous revenues, are recorded as revenues when received in cash because generally these revenues are not measurable until actually received.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Accounting (Continued)**

Special assessment installments which are measurable, but not available at December 31, are recorded as deferred revenue. Property taxes measurable as of December 31, 2002, but which are not intended to finance 2002 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred revenue as further described in Note 4.

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

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

**D. Budgetary Process**

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

All funds other than agency funds are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. Budgetary control is maintained by not permitting expenditures to exceed appropriations by fund at the major object level (personal services, materials and supplies, contractual services, capital outlay, and transfers) by department without the approval of City Council. Budgetary modifications above the major object level by fund may only be made by ordinance of the City Council.

**1. Tax Budget**

The Finance Director submits an annual tax budget for the following fiscal year to City Council by July 15 for consideration and passage. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year for the period January 1 to December 31 of the following year.

**2. Estimated Resources**

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Budgetary Process** (Continued)

2. Estimated Resources (Continued)

amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or if actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2002.

3. Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 through March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 through December 31. The appropriation ordinance establishes spending controls at the fund, department and object level. The appropriation ordinance may be amended during the year as additional information becomes available, provided that total fund appropriations do not exceed the current estimated resources as certified. The allocation of appropriations among departments and objects within a fund may be modified during the year by an ordinance of City Council. During the year several supplemental appropriations were necessary to budget the use of contingency funds, major capital improvement projects and intergovernmental grant proceeds. Administrative control is maintained through the establishment of more detailed line-item budgets. The Finance Director may transfer appropriations among line items within a department, within a major object. The budgetary figures which appear in the "Combined Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual-All Governmental Fund Types" are provided on the budgetary basis to provide a comparison of actual results to the final budget, including all amendments and modifications.

4. Encumbrances

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

5. Lapsing of Appropriations

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

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**D. Budgetary Process** (Continued)6. Budgetary Basis of Accounting

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

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

	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses				
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Expendable Trust Fund
GAAP Basis (as reported)	(\$1,611,766)	\$905,628	(\$58,028)	\$700,492	\$39,930
Increase (Decrease):					
Accrued Revenues at December 31, 2002 received during 2003	(1,509,706)	(412,257)	0	(322,903)	0
Accrued Revenues at December 31, 2001 received during 2002	1,195,735	334,308	0	90,078	0
Accrued Expenditures at December 31, 2002 paid during 2003	899,237	403,359	0	120,715	0
Accrued Expenditures at December 31, 2001 paid during 2002	(938,468)	(402,342)	0	(518,689)	0
2001 Prepays for 2002	58,755	4,382	0	33	0
2002 Prepays for 2003	(91,961)	(8,535)	0	0	0
Fund Debt:					
Note Proceeds	0	0	0	1,440,000	0
Note Retirements	0	0	0	(1,740,000)	0
Outstanding Encumbrances	(558,538)	(675,624)	0	(1,551,785)	0
Budget Basis	<u>(\$2,556,712)</u>	<u>\$148,919</u>	<u>(\$58,028)</u>	<u>(\$1,782,059)</u>	<u>\$39,930</u>

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Cash and Cash Equivalents**

Cash and cash equivalents include amounts in demand deposits, short-term certificates of deposit and the State Treasury Asset Reserve (STAR Ohio). STAR Ohio is a very liquid investment and is reported as a cash equivalent in the general purpose financial statements. The certificates of deposit are considered cash equivalents because they are highly liquid investments with original maturity dates of three months or less.

The City pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintained its own cash and investment account. For purposes of the statement of cash flows, the proprietary funds' shares of equity in pooled certificates of deposit are considered to be cash equivalents. See Note 3, "Cash, Cash Equivalents and Investments."

**F. Investments**

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution, the Ohio Revised Code and the Oregon Municipal Code. In accordance with GASB Statement No. 31, "*Accounting and Financial Reporting for Certain Investments and for External Investment Pools*", the City records all its investments at fair value except for nonparticipating investment contracts (certificates of deposit) which are reported at cost, which approximates fair value. All investment income, including changes in the fair value of investments, are recognized as revenue in the operating statements. Fair value is determined by quoted market prices. See Note 3, "Cash, Cash Equivalents and Investments."

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

**G. Inventory**

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****H. Fixed Assets and Depreciation**

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

**1. Property, Plant and Equipment - General Governmental Purposes**

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

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

General fixed asset values were initially determined at December 31, 1986 by identifying historical costs when such information was available. In cases where information supporting original cost was not obtainable, estimated historical costs were developed. For certain fixed assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition.

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

**2. Property, Plant and Equipment - Proprietary Funds**

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

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

<u>Description</u>	<u>Estimated Lives (Years)</u>
Buildings	20 - 40
Improvements Other Than Buildings	20 - 40
Machinery, Equipment, Furniture and Fixtures	5 - 10

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**I. Long-Term Obligations**

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

Obligation	Fund
General Obligation Bonds	General Obligation Bond Retirement Fund Sewer Fund
Special Assessment Bonds	Special Assessment Bond Retirement Fund
Ohio Water Development Authority Loans	Special Assessment Bond Retirement Fund Sewer Fund
Ohio Public Works Commission Loan	General Obligation Bond Retirement Fund Sewer Fund
Promissory Notes	General Obligation Bond Retirement Fund
Police and Firemen's Pension Accrued Liability	General Fund
Compensated Absences	General Fund Emergency Medical Services Operating Fund Recreation Fund, Water Fund, Sewer Fund

**J. Compensated Absences**

All full-time City employees earn vacation at varying rates based upon length of service. Carryovers are allowed by contracts up to 40 hours for bargaining contracts and 120 hours for nonbargaining legislation. Any additions require legislative approval. Upon separation from the City, the employee (or his estate) is paid for his accumulated unused vacation leave balance.

All full-time City employees earn sick leave at the rate of 1.25 days per calendar month of active service. Upon retirement from the City's service, an employee receives one hour of monetary compensation for each two hours of unused sick leave. The monetary compensation is equal to the hourly rate of compensation of the employee at the time of retirement.

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

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**K. Pensions**

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

**L. Interfund Transactions**

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

- Operating transfers are reported as "other financing sources and uses" in the governmental funds, as "operating transfers in" by the recipient fund, and "operating transfers out" by the disbursing fund.
- Residual equity transfers are nonroutine or nonrecurring transfers between funds and are reported as additions to or deductions from the fund equity balance. The City did not perform any residual equity transfers in 2002.

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

**M. Reservations of Fund Balance**

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

**N. Contributed Capital**

Proprietary fund type contributed capital is recorded at the fair market value of the related assets at the date received. Depreciation on contributed fixed assets resulting from grants, entitlements, shared revenues and user fees is recorded as an operating expense and closed along with other operating expenses directly to retained earnings.

**O. Total Columns on Combined Financial Statements - Overview**

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

**NOTE 2 - COMPLIANCE AND ACCOUNTABILITY**

**Fund Deficits** - The fund deficit at December 31, 2002 of \$92,223 in the Police Fund (special revenue fund) was created by the recognition of expenditures on the modified accrual basis which are greater than expenditures on a cash basis. The fund deficits at December 31, 2002 of \$467,694 in the Fire Pumper Equipment Fund and \$574,505 in the Street Construction Fund (capital projects funds) were created from recording notes payable amounts in the individual fund balance sheets. Deficits do not exist under the cash basis of accounting. The general fund provides operating transfers when cash is required, not when accruals occur.

**NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS**

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

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

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

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

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;

**NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Based upon criteria described in GASB Statement No. 3, "*Deposits With Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements*," collateral held in single financial collateral pools with securities being held by the pledging financial institution's agent in the pool's name are classified as Category 3.

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

*Deposits:*

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

*Investments:*

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

## NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

**A. Deposits**

At year end the carrying amount of the City's deposits was \$17,431,964 and the bank balance was \$18,091,325. The Federal Deposit Insurance Corporation (FDIC) covered \$379,216 of the bank balance. All remaining deposits were classified as Category 3.

Investment earnings of \$677,394 earned by other funds were credited to the General Fund as required by local statute.

**B. Investments**

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

<u>Categorized Investments</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Fair Value</u>
U.S. Government Securities	\$0	\$1,001,875	\$1,001,875
City of Oregon Special Assessment Bonds	1,143,154	0	1,143,154
Total Categorized Investments	1,143,154	1,001,875	2,145,029
<u>Non-Categorized Investments</u>			
STAR Ohio	N/A	N/A	1,668,539
Total Investments	\$1,143,154	\$1,001,875	\$3,813,568

**C. Reconciliation of Cash, Cash Equivalents and Investments**

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

	<u>Cash and Cash Equivalents *</u>	<u>Investments</u>
Per Combined Balance Sheet	\$3,090,834	\$18,154,698
Certificates of Deposit (with maturities of more than 3 months)	16,009,669	(16,009,669)
Investments:		
STAR Ohio	(1,668,539)	1,668,539
Per GASB Statement No. 3	\$17,431,964	\$3,813,568

\* Includes cash with fiscal agent.

**NOTE 4 - TAXES**

**A. Property Taxes**

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the City. Real property taxes (other than public utility) collected during 2002 were levied after October 1, 2001 on assessed values as of January 1, 2001, the lien date. Assessed values were established by the County Auditor at 35% of appraised market value. All property is required to be revalued every six years. The last revaluation was completed in 2000 and the equalization adjustment was completed in 1997. Real property taxes are payable annually or semi-annually. The first payment is due January 20; the remainder is payable by June 20.

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

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property is currently assessed at 100% of its true value. Public utility property taxes are payable on the same dates as real property described previously.

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

The full property tax rate for all City operations for the year ended December 31, 2002 was \$3.50 per \$1,000 of assessed value. The assessed value upon which the 2002 tax receipts were based was \$532,627,556. This amount constitutes \$362,119,680 in real property assessed value, \$43,975,230 in public utility assessed value and \$126,532,646 in tangible personal property assessed value.

Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people. Under current procedures, the City's share is 0.350% (3.50 mills) of assessed value.

**B. Income Tax**

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

**NOTE 5 - RECEIVABLES**

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

**NOTE 6 - OPERATING TRANSFERS**

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

Fund	Transfer In	Transfer Out
General Fund	\$848,517	\$3,209,311
Special Revenue Funds:		
Police Fund	3,028	0
DARE Program Fund	0	21,716
Fire Fund	0	73,760
Emergency Medical Services Operating Fund	220,000	32,632
Recreation Fund	316,100	30,000
Community Development Block Grant Fund	10,000	0
Solid Waste, Bonds, and C.I.P. Fund	0	514,850
Housing Assistance Fund	0	10,000
Local Law Enforcement Block Grant Fund	0	0
Storm Sewer Project Fund	0	143,820
Drug Law Enforcement and Education Fund	14,100	0
Police Grants Fund	12,183	0
Total Special Revenue Funds	<u>575,411</u>	<u>826,778</u>
Debt Service Funds:		
General Obligation Bond Retirement Fund	435,408	0
Special Assessment Bond Retirement Fund	917,143	0
Total Debt Service Funds	<u>1,352,551</u>	<u>0</u>
Capital Projects Funds:		
Fire Pumper Equipment Fund	75,360	0
Street/Recreation Building Fund	191,150	0
Water Construction Fund	1,388,000	1,069,700
Sewer Construction Fund	1,200,000	1,392,490
Storm Sewer Construction Fund	97,000	0
Parkland Acquisition Fund	100,000	0
Total Capital Projects Funds	<u>3,051,510</u>	<u>2,462,190</u>
Enterprise Funds:		
Water Fund	189,450	442,906
Sewer Fund	1,478,559	554,813
Total Enterprise Funds	<u>1,668,009</u>	<u>997,719</u>
Internal Service Funds:		
Self Insurance Dental Fund	30,000	0
Workers' Compensation Fund	0	30,000
Total Internal Service Funds	<u>30,000</u>	<u>30,000</u>
Total Operating Transfers	<u><u>\$7,525,998</u></u>	<u><u>\$7,525,998</u></u>

## NOTE 7 - FIXED ASSETS

**A. General Fixed Assets**

Summary by category of changes in general fixed assets:

Category	December 31, 2001	Additions	Deletions	December 31, 2002
Land and Improvements	\$3,043,997	\$18,000	(\$24,039)	\$3,037,958
Buildings and Improvements	6,946,777	62,604	0	7,009,381
Machinery and Equipment	4,868,876	79,314	(66,453)	4,881,737
Vehicles	3,915,005	511,863	(289,864)	4,137,004
Furniture and Fixtures	178,673	0	(4,300)	174,373
Construction in Progress	216,088	396,065	0	612,153
Totals	<u>\$19,169,416</u>	<u>\$1,067,846</u>	<u>(\$384,656)</u>	<u>\$19,852,606</u>

Schedule of General Fixed Assets at December 31, 2002:

General Fixed Assets		Investment in General Fixed Assets	
Land and Improvements	\$3,037,958	General Fund	\$10,064,497
Buildings and Improvements	7,009,381	Special Revenue Funds	2,582,805
Machinery and Equipment	4,881,737	Capital Projects Funds	5,694,362
Vehicles	4,137,004	Proprietary Funds	410,307
Furniture and Fixtures	174,373	Grants	589,457
Construction in Progress	612,153	Donations	511,178
Total	<u>\$19,852,606</u>	Total	<u>\$19,852,606</u>

**B. Proprietary Fixed Assets**

Summary by Category at December 31, 2002:

Category	Historic Cost	Accumulated Depreciation	Book Value
Land	\$760,316	\$0	\$760,316
Buildings and Distribution	65,864,678	(34,633,750)	31,230,928
Machinery and Equipment	954,972	(810,770)	144,202
Vehicles	544,621	(487,556)	57,065
Furniture and Fixtures	18,833	(3,198)	15,635
Construction in Progress	8,642,815	7,109,293	15,752,108
Property, Plant and Equipment	<u>\$76,786,235</u>	<u>(\$28,825,981)</u>	<u>\$47,960,254</u>

**NOTE 8 – DEFINED BENEFIT PENSION PLANS**

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

**A. Ohio Public Employees Retirement System (the "Ohio PERS")**

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

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

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate is 8.5%. The 2002 employer contribution rate for local government employer units was 13.55%, of covered payroll, 8.55% to fund the pension and 5.0% to fund health care. The contribution requirements of plan members and the City are established and may be amended by the Public Employees Retirement Board. The City's contributions to the Ohio PERS for the years ending December 31, 2002, 2001 and 2000 were \$917,237, \$896,060 and \$687,219, respectively, which were equal to the required contributions for each year.

The Ohio PERS provides postemployment health care benefits to age and service retirants with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirants. Health care coverage for disability recipients is also available. The health care coverage provided by the Ohio PERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to the Ohio PERS is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority requiring public employers to fund postemployment health care through their contributions to the Ohio PERS. The portion of the 2002 employer contribution rate (identified above) that was used to fund health care for the year 2002 was 5.0% of covered payroll which amounted to \$338,464.

The significant actuarial assumptions and calculations relating to postemployment health care benefits were based on the Ohio Public Employees Retirement System's latest actuarial review performed as of December 31, 2001. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized

market appreciation or depreciation on investment assets. The investment assumption rate for 2001 was 8.0%. An annual increase of 4.0% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.0% base increase, were assumed to range from 0.5% to 6.3%. Health care costs were assumed to increase 4.0% annually.

**NOTE 8 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

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

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

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

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

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

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. The City's contributions to the OP&F Fund for the years ending December 31, 2002, 2001 and 2000 were \$482,638, \$478,517 and \$470,024 for police and \$148,692, \$135,660 and \$140,223 for firefighters, respectively, which were equal to the required contributions for each year.

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

**NOTE 8 – DEFINED BENEFIT PENSION PLANS (Continued)****B. Ohio Police and Fire Pension Fund (the “OP&F Fund”) (Continued)**

The portion of the 2002 covered payroll that was used to fund postemployment health care benefits was \$191,818 representing 7.75% of covered payroll for police and \$48,015 representing 7.75% of covered payroll for fire. Health care funding and accounting was on a pay-as-you-go basis. In addition, since July 1, 1992 most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. As of December 31, 2001, the date of the last actuarial evaluation available, the number of participants eligible to receive health care benefits was 13,174 for police and 10,239 for firefighters. The OP&F Fund does not provide separate data on the funded status and funding progress of postemployment health care benefits. The Fund's total health care expenses for the year ended December 31, 2001 were \$122,298,771, which was net of member contributions of \$6,874,699.

**NOTE 9 - COMPENSATED ABSENCES**

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

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

Accrued employee benefits for governmental funds not currently due and payable at year end are recorded in the General Long-Term Obligations Account Group.

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

	<u>Hours</u>	<u>Amount</u>
Sick Leave	45,232	\$1,057,014
Vacation	19,942	456,424
Compensatory Time	<u>3,816</u>	<u>87,339</u>
Total	<u>68,990</u>	<u>\$1,600,777</u>

The portion attributable to the enterprise funds has been recorded within the respective fund and is not included in the figures presented above.

**NOTE 10 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS**

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

	Balance December 31, 2001	Issued (Retired)	Balance December 31, 2002
<b>General Long-Term Debt:</b>			
General Obligation Bond:			
3.20% Court Administration Building	\$1,475,000	(\$160,000)	\$1,315,000
Special Assessment Bonds Payable with Governmental Commitment:			
6.95% Wynnscape/Lallendorf	244,900	(17,800)	227,100
6.75% Lallendorf/Dustin	66,000	(7,110)	58,890
5.50% Pickle Road Sewer Construction	17,596	(867)	16,729
5.62% Coy Road Sanitary Sewer	70,757	(3,129)	67,628
5.25% York Street Waterline	296,000	(12,000)	284,000
5.00% Lallendorf Road Sanitary Sewer	17,553	(1,100)	16,453
5.00% Corduroy Road Waterline	93,989	(5,285)	88,704
5.00% Shore/Yarrow Waterline Ext.	45,851	(2,329)	43,522
5.50% Navarre Sanitary Sewer	143,471	(7,033)	136,438
5.50% Spartan Infrastructure	299,341	(14,673)	284,668
5.03% Lallendorf Sewer Phase 1	159,505	(7,375)	152,130
5.03% Lallendorf Sewer Phase 2	40,668	(1,880)	38,788
5.03% Lallendorf Sewer Phase 3	47,694	(2,205)	45,489
5.03% Stadium Road Waterline	160,662	(7,429)	153,233
5.03% Sugarbush Waterline	42,445	(1,963)	40,482
Total Special Assessment Bonds Payable with Governmental Commitment	1,746,432	(92,178)	1,654,254
Promissory Notes Payable:			
7.38% Ackerman Property	132,000	(66,000)	66,000
3.00% Lucas County Engineer	40,000	(20,000)	20,000
0.00% Lucas County Engineer	45,000	(22,500)	22,500
Total Promissory Notes Payable	217,000	(108,500)	108,500
Ohio Public Works Commission Loans:			
0.00% Sanitary Sewer Reconstruction	47,099	(7,850)	39,249
0.00% Lallendorf Road Storm Sewer Improvements	280,927	(46,821)	234,106
0.00% Raw Water Intake Rehabilitation	203,690	(25,461)	178,229
0.00% Zebra Mussel Control - Raw Water Intake	309,386	(15,470)	293,916
0.00% Water Plant Renovations - Phase I	253,892	111,812	365,704
0.00% Water Treatment Plant Improvements - Phase II	0	309,096	309,096
Total Ohio Public Works Commission Loans	1,094,994	325,306	1,420,300

(Continued)

**NOTE 10 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)**

Ohio Water Development Authority Loans:				
2.00%	Oakdale Sanitary Sewer	40,322	(4,134)	36,188
7.36%	Norden/Cedar Point Waterline	61,170	(8,474)	52,696
8.35%	Brown Road Waterline	8,846	(1,082)	7,764
4.28%	Waterplant Renovation - Phase I & II	5,848,351	3,867,284	
			(400,201)	9,315,434
Total Ohio Water Development Authority Loans Payable		5,958,689	3,453,393	9,412,082
Total General Long-Term Debt		10,492,115	3,418,021	13,910,136
<b>Other General Long-Term Obligations:</b>				
	Compensated Absences	1,513,452	87,325	1,600,777
	Police and Firemen's Pension Accrued Liability	59,030	(822)	58,208
Total Other General Long-Term Obligations		1,572,482	86,503	1,658,985
Total General Long-Term Debt and Other General Long-Term Obligations		<u>\$12,064,597</u>	<u>\$3,504,524</u>	<u>\$15,569,121</u>
<b>Enterprise Funds Long-Term Debt:</b>				
General Obligation Bond:				
3.25%	Sewer Improvement	\$2,930,000	(\$120,000)	\$2,810,000
Ohio Public Works Commission Loan:				
0.00%	Sanitary Sewer Reconstruction	26,761	(10,704)	16,057
Ohio Water Development Authority Loans:				
7.76%	Sewer (0505)	168,157	(168,157)	0
7.76%	Sewer (0505A)	3,686	(3,686)	0
7.51%	Bayshore Sewer (1063)	2,000,753	(163,530)	1,837,223
8.35%	Chlorination (0954)	457,118	(55,898)	401,220
2.20%	North Oregon Sewer (SRFA)	415,561	(27,940)	387,621
4.80%	North Oregon Sewer (SRFB)	303,434	(16,980)	286,454
3.80%	Seaman Road Trunk Sewer - Phanse I	0	1,535,371	
			(56,664)	1,478,707
3.95%	Seaman Road Trunk Sewer - Phanse II	0	985,409	985,409
Total Ohio Water Development Authority Loans		3,348,709	2,027,925	5,376,634
Total Enterprise Long-Term Debt		<u>\$6,305,470</u>	<u>\$1,897,221</u>	<u>\$8,202,691</u>

**A. Special Assessments**

The principal amount of the City's special assessment debt outstanding at December 31, 2002, \$1,654,254, is general obligation debt (backed by the full faith and credit of the City) that is being retired with the proceeds from special assessments levied against benefited property owners. The City is obligated to repay the debt irrespective of the amount of special assessments collected from property owners. The fund balance of \$30,395 in the Special Assessment Bond Retirement Fund at December 31, 2002 is reserved for the retirement of outstanding special assessment bonds. Delinquent special assessments at year end were \$66,993.

**NOTE 10 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)****B. Ohio Water Development Authority Loans**

In 2001, the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive two loans of \$12,175,838 and \$1,664,972, respectively. The amounts are subject to change and have not been finalized. The interest rates on the loans are 4.28% and 3.8%, respectively, per annum. These loans are payable from sewer charges and are received by the City in increments as the projects are completed. As of December 31, 2002, the City had received \$9,715,635 towards the first loan from OWDA and \$1,535,371 towards the second loan from OWDA. Subsequent amounts will be received in future years. An estimate of future financing requirements has been made based on the loan balances of \$9,315,434 and \$1,478,707 at December 31, 2002.

In 2002, the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan of \$2,386,204. The amount is subject to change and has not been finalized. The interest rate on the loan is 3.95% per annum. The loan is payable from sewer charges and is received by the City in increments as the project is completed. As of December 31, 2002, the City had received \$985,409 towards this loan from OWDA. Subsequent amounts will be received in future years. An estimate of future financing requirements has been made based on the loan balance of \$985,409 at December 31, 2002.

**C. Police and Firemen's Pension Fund**

The City's liability for past service costs relating to the Police and Firemen's Pension Fund at December 31, 2002 was \$58,208 in principal and \$49,621 in interest payments through the year 2035. Only the principal amount is included in the General Long-Term Obligations Account Group.

**D. Principal and Interest Requirements**

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

Years	General Obligation Bonds		Special Assessment Bonds		Promissory Notes	
	Principal	Interest	Principal	Interest	Principal	Interest
2003	\$290,000	\$180,625	\$97,782	\$91,195	\$108,500	\$4,251
2004	300,000	169,605	103,671	85,601	0	0
2005	310,000	159,631	108,863	79,666	0	0
2006	330,000	147,229	115,467	73,425	0	0
2007	345,000	133,701	122,293	66,799	0	0
2008-2012	1,260,000	451,462	643,789	224,441	0	0
2013-2017	1,050,000	199,635	462,389	58,147	0	0
2018	240,000	6,695	0	0	0	0
Totals	<u>\$4,125,000</u>	<u>\$1,448,583</u>	<u>\$1,654,254</u>	<u>\$679,274</u>	<u>\$108,500</u>	<u>\$4,251</u>

**NOTE 10 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)****D. Principal and Interest Requirements (Continued)**

Years	OWDA Loans		OPWC Loans		Police/Firemen's Pension Accrued Liability	
	Principal	Interest	Principal	Interest	Principal	Interest
2003	\$682,072	\$685,107	\$140,046	\$0	\$858	\$2,465
2004	719,118	648,064	134,694	0	894	2,428
2005	758,397	608,785	129,342	0	933	2,390
2006	800,052	567,130	129,342	0	973	2,349
2007	844,245	522,936	129,342	0	1,015	2,308
2008-2012	3,748,585	1,953,487	296,967	0	5,766	10,846
2013-2017	3,313,666	1,178,867	246,045	0	7,116	9,496
2018-2022	3,922,581	432,496	230,579	0	8,781	7,832
2023-2035	0	0	0	0	31,872	9,507
Totals	<u>\$14,788,716</u>	<u>\$6,596,872</u>	<u>\$1,436,357</u>	<u>\$0</u>	<u>\$58,208</u>	<u>\$49,621</u>

**E. Defeasance of General Obligation Debt**

In December 1998, the City defeased \$1,810,000 of General Obligation Bonds for Municipal Building Improvements dated June 1, 1989 (the "1989 Bonds") through the issuance of \$1,800,000 of General Obligation Bonds for Municipal Building Improvements (the "1998 Bonds"). The net proceeds of the 1998 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$1,310,000 at December 31, 2002 are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

**NOTE 11 - NOTES PAYABLE**

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

**NOTE 11 - NOTES PAYABLE (Continued)**

The following general obligation notes were payable at December 31, 2002:

	Maturity Date	Balance December 31, 2001	Issued (Retired)	Balance December 31, 2002
Capital Projects Notes Payable:				
3.65% Fire Equipment	2002	\$610,000	(\$610,000)	\$0
3.65% Court Improvement	2002	100,000	(100,000)	0
3.65% Seaman Road Overpass	2002	400,000	(400,000)	0
3.65% Bay Shore Bridge Replacement	2002	230,000	(230,000)	0
3.65% Pickle/Wheeling Intersection Imp.	2002	400,000	(400,000)	0
2.58% Fire Equipment	2003	0	460,000	460,000
2.58% Seaman Road Overpass	2003	0	350,000	350,000
2.58% Bay Shore Bridge Replacement	2003	0	230,000	230,000
2.58% Pickle/Wheeling Intersection Imp.	2003	0	400,000	400,000
Total Notes Payable		<u>\$1,740,000</u>	<u>(\$300,000)</u>	<u>\$1,440,000</u>

**NOTE 12 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS**

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

	Water	Sewer	Total
Operating Revenues	\$2,398,831	\$2,462,877	\$4,861,708
Depreciation Expense	591,052	1,603,074	2,194,126
Operating Loss	(663,031)	(791,885)	(1,454,916)
Operating Transfers In	189,450	1,478,559	1,668,009
Operating Transfers Out	442,906	554,813	997,719
Net Income (Loss)	3,456,255	(237,897)	3,218,358
Current Capital Contributions	4,376,301	31,565	4,407,866
Property, Plant and Equipment:			
Additions	4,376,301	2,928,704	7,305,005
Deletions	6,280	6,561	12,841
Assets	20,606,297	31,354,794	51,961,091
Net Working Capital	1,570,469	2,027,365	3,597,834
General Obligation Bonds Payable	0	2,810,000	2,810,000
OWDA Loans Payable	0	5,376,634	5,376,634
OPWC Loan Payable	0	16,057	16,057
Total Equity	20,111,021	22,701,616	42,812,637

**NOTE 13 - CONTRIBUTED CAPITAL**

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

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Balance December 31, 2002	\$8,550,840	\$6,649,143	\$15,199,983

**NOTE 14 - CONSTRUCTION COMMITMENTS**

As of December 31, 2002, the City had the following commitments with respect to capital projects:

<u>Capital Projects</u>	<u>Remaining Construction Commitment</u>	<u>Expected Date of Completion</u>
Bayshore Bridge Repair	\$62,785	March 2003
Security WTP - Lighting & Fence	10,713	April 2003
Wynn Road Sanitary Sewer	91,142	April 2003
Water Treatment Plant, Phase I	214,718	April 2003
Water Treatment Plant, Phase II	285,105	April 2003
Stadium Road Sanitary Sewer	3,234,053	June 2003
Lighting & Electric Imp. Ousky Field	123,946	June 2003
Seaman Road Trunkline	568,840	June 2003
Seaman Road Overpass	2,920,547	July 2003
Woodville Road Rehab/Resurface	91,180	September 2003
Municipal Connector Bikeway	278,315	September 2003
Water Treatment Plant, Phase IV	3,238,012	March 2004
Eastwyck Pumping Station	533,968	June 2004
Water Treatment Plant, Phase III	2,829,945	November 2004
Pearson Park Connector	282,715	December 2004
Wheeling Street Improvements	5,544,430	December 2006
Total	<u>\$20,310,414</u>	

**NOTE 15 - INSURANCE AND RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In 1999 the City joined the Ohio Municipal League Joint Self-Insurance Pool (the "Pool"). The Pool was established in 1987 and is administered under contract by the Ohio Municipal League to provide a program of property and casualty insurance for its member organizations throughout the State of Ohio.

The Pool's general objectives are to formulate, develop and administer a program of insurance, to obtain lower costs for that coverage, and to develop a comprehensive loss control program on behalf of the member political subdivisions. Political subdivisions joining the Pool may withdraw at the end of any coverage period upon 60 days prior written notice to the Pool. Under agreement, members who terminate participation in the Pool, as well as current members, are subject to a supplemental assessment or a refund, at the discretion of the Board of Trustees, depending on the ultimate loss experience of all the entities it insures for each coverage year. To date there have been no assessments or refunds due to the limited period of time that the Pool has been in existence and the nature of the coverage that is afforded to the participants.

**NOTE 15 - INSURANCE AND RISK MANAGEMENT (Continued)**

The City of Oregon obtained insurance coverage from the Pool for 2002 for losses relating to general liability, law enforcement liability, public officials liability and emergency medical services liability coverage.

Each participant makes an annual "contribution" to the Pool for the coverage they are provided based on rates established by the Pool using anticipated and actual results of operation for the various coverages provided. Participants are also charged a "surplus contribution" used to build the Pools retained earnings account to fund the activities of the Pool. The City's contribution to the Pool was \$209,213 for 2002.

In the ordinary course of business, the Pool cedes a portion of its exposure to other insurers. These arrangements limit the Pool's maximum net loss on individual risks.

Treaty basis casualty excess of loss contracts in force at December 31, 2002 generally protects the Pool against individual losses over \$125,000. For the preceding two year period, the Pool was reinsured for casualty losses as follows:

Policy Period	Stop Loss Amount
April 1, 2001 to April 1, 2002	\$125,000
April 1, 2002 to April 1, 2003	125,000

Additionally, treaty basis property coverage protects the Pool against losses subject to a deductible of the lesser of \$50,000 per location or \$100,000 per occurrence. Since November 1, 1990, the Pool is limited to an annual aggregate loss of \$300,000 (\$150,000) prior to November 1, 1990) under this treaty.

The Pool is, and the participants are, contingently liable should any reinsurer become unable to meet its obligations under the reinsurance agreements.

The City participates in the Ohio Rural Water Association Group Rating Plan (the ORWA), an insurance purchasing pool. The group rating plan for workers' compensation was established under Section 4123.29 of the Ohio Revised Code. The intent of the ORWA is to achieve the benefit of a reduced premium for the City by virtue of its grouping and representation with other participants in the ORWA. The workers' compensation experience of the participating entities is calculated as one experience and a common premium rate is applied to all participants in the ORWA. Each participant pays its workers' compensation premium to the State based on the rate for the ORWA rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the ORWA. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the ORWA. Participation in the ORWA is limited to entities that can meet the ORWA's selection criteria. The firm of CompManagement Inc. provides administrative, cost control and actuarial services to the ORWA.

**NOTE 15 - INSURANCE AND RISK MANAGEMENT (Continued)**

The City continues to carry commercial insurance for other risks of loss, including employee health and life insurance. There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverages in any of the past three fiscal years.

**A. Dental Self Insurance Fund**

On January 1, 2002, the City entered its eighth year of dental insurance coverage with Medical Benefits Administrators, Inc. ("MBA") as its third party administrator. MBA reviews all claims which are then paid by the Dental Self Insurance Fund. The City established an internal service fund, the Self Insurance Dental Fund, to receive payments from each fund based upon employee participation, to cover the cost of participant and dependent coverage under the plan. GASB 10 requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Claims incurred but not reported at year end were determined to be immaterial, therefore no liability has been recorded. Changes in the fund's claims liability amount for the past two years are as follows:

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year End</u>
2001	\$0	\$107,607	(\$107,607)	\$0
2002	0	126,785	(126,785)	0

**B. Workers' Compensation Internal Service Fund**

The City previously participated in the Ohio Bureau of Workers' Compensation (Bureau) Retrospective Rating Program for premium periods 1996 and 1997. Retrospective (Retro) Rating is best described as a quasi self-insured program, which shifts a selected level of risk to the employer in return for a reduction in premium. Under the Retro plan employers are responsible for actual claims cost on all claims occurring within the program period. Retro claims have a ten-year life commencing with the date of injury. Claims cost for Retro claims incurred beyond ten years from the date of injury will be assumed by the Bureau. The City has a claims limit of \$250,000 per claim with a billable ceiling of \$600,867 for 1996 and \$524,238 for 1997. Changes in the Workers' Compensation Internal Service Fund's claims liability amount in fiscal 2002 were as follows:

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year End</u>
2001	\$234,842	\$16,942	(\$14,783)	\$237,001
2002	237,001	18,465	(18,465)	237,001

**NOTE 16 - CONTINGENCIES**

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

The City has received several federal and state grants for specific purposes which are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based upon prior experience, City management believes such disallowances, if any, will be immaterial.



*City of Opportunity*

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

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

***GENERAL FUND***

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

**THE CITY OF OREGON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NONGAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

**GENERAL FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$10,232,900	\$10,254,157	\$21,257
Intergovernmental Revenues	1,484,980	1,513,632	28,652
Charges for Services	168,926	192,085	23,159
Licenses and Permits	259,000	262,031	3,031
Investment Earnings	750,000	757,712	7,712
Special Assessments	500	857	357
Fines and Forfeitures	290,600	336,204	45,604
All Other Revenues	36,100	20,858	(15,242)
Total Revenues	13,223,006	13,337,536	114,530
<u>Expenditures</u>			
Security of Persons and Property:			
Prisoner Care:			
Contractual Services	1,116,562	1,097,829	18,733
Total Prisoner Care	1,116,562	1,097,829	18,733
Police:			
Personal Services	4,018,136	3,973,499	44,637
Contractual Services	302,348	258,239	44,109
Materials and Supplies	135,535	123,092	12,443
Capital Outlay	380,080	371,271	8,809
Total Police	4,836,099	4,726,101	109,998
Fire:			
Personal Services	966,900	912,533	54,367
Contractual Services	133,963	112,014	21,949
Materials and Supplies	32,353	29,977	2,376
Capital Outlay	63,244	59,878	3,366
Total Fire	1,196,460	1,114,402	82,058
Non-Departmental:			
Contractual Services	5,226	5,226	0
Total Non-Departmental	5,226	5,226	0
Total Security of Persons and Property	7,154,347	6,943,558	210,789

(Continued)

**THE CITY OF OREGON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NONGAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

**GENERAL FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Public Health and Welfare Services:			
Cemetery Maintenance:			
Personal Services	184,574	183,732	842
Contractual Services	27,953	25,442	2,511
Materials and Supplies	5,678	4,669	1,009
Capital Outlay	6,039	4,669	1,370
Total Cemetery Maintenance	<u>224,244</u>	<u>218,512</u>	<u>5,732</u>
Non-Departmental:			
Contractual Services	135,996	135,996	0
Total Non-Departmental	<u>135,996</u>	<u>135,996</u>	<u>0</u>
Total Public Health and Welfare Services	<u>360,240</u>	<u>354,508</u>	<u>5,732</u>
Leisure Time Activities:			
Non-Departmental:			
Contractual Services	40,000	29,575	10,425
Total Leisure Time Activities	<u>40,000</u>	<u>29,575</u>	<u>10,425</u>
Community Environment:			
Building and Zoning Inspection:			
Personal Services	415,200	412,538	2,662
Contractual Services	30,783	26,361	4,422
Materials and Supplies	19,004	13,223	5,781
Capital Outlay	28,679	17,537	11,142
Total Building and Zoning Inspection	<u>493,666</u>	<u>469,659</u>	<u>24,007</u>
Non-Departmental:			
Contractual Services	60,900	60,588	312
Total Non-Departmental	<u>60,900</u>	<u>60,588</u>	<u>312</u>
Total Community Environment	<u>554,566</u>	<u>530,247</u>	<u>24,319</u>
Transportation:			
Service - Administration:			
Personal Services	380,438	364,233	16,205
Contractual Services	63,801	63,336	465
Materials and Supplies	5,967	5,644	323
Capital Outlay	55,854	55,782	72
Total Service - Administration	<u>506,060</u>	<u>488,995</u>	<u>17,065</u>

(Continued)

**THE CITY OF OREGON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NONGAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

**GENERAL FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Street Maintenance:			
Personal Services	1,847,258	1,611,724	235,534
Contractual Services	345,344	282,386	62,958
Materials and Supplies	95,305	68,730	26,575
Capital Outlay	259,655	240,445	19,210
Total Street Maintenance	<u>2,547,562</u>	<u>2,203,285</u>	<u>344,277</u>
Tree Commission:			
Contractual Services	68,990	38,179	30,811
Materials and Supplies	3,985	0	3,985
Capital Outlay	132,341	76,729	55,612
Total Tree Commission	<u>205,316</u>	<u>114,908</u>	<u>90,408</u>
Total Transportation	<u>3,258,938</u>	<u>2,807,188</u>	<u>451,750</u>
General Government:			
Legislative/City Council:			
Personal Services	62,404	61,674	730
Contractual Services	3,587	2,971	616
Materials and Supplies	4,926	4,292	634
Capital Outlay	6,311	6,173	138
Total Legislative/City Council	<u>77,228</u>	<u>75,110</u>	<u>2,118</u>
Mayor's Office:			
Personal Services	19,796	19,795	1
Contractual Services	4,539	4,389	150
Materials and Supplies	3,940	3,447	493
Capital Outlay	4,530	4,120	410
Total Mayor's Office	<u>32,805</u>	<u>31,751</u>	<u>1,054</u>
Administrator's Office:			
Personal Services	193,370	166,180	27,190
Contractual Services	21,204	17,269	3,935
Materials and Supplies	7,115	4,194	2,921
Capital Outlay	6,161	6,156	5
Total Administrator's Office	<u>227,850</u>	<u>193,799</u>	<u>34,051</u>

(Continued)

**THE CITY OF OREGON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NONGAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

**GENERAL FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Civil Service:			
Personal Services	69,400	68,443	957
Contractual Services	19,722	17,708	2,014
Materials and Supplies	6,386	5,887	499
Capital Outlay	2,862	2,564	298
Total Civil Service	<u>98,370</u>	<u>94,602</u>	<u>3,768</u>
Finance/Clerk Auditor:			
Personal Services	403,700	400,286	3,414
Contractual Services	147,863	146,489	1,374
Materials and Supplies	20,372	19,814	558
Capital Outlay	8,333	8,296	37
Total Finance/Clerk Auditor	<u>580,268</u>	<u>574,885</u>	<u>5,383</u>
Law Director:			
Personal Services	127,900	127,310	590
Contractual Services	199,281	190,726	8,555
Materials and Supplies	1,000	0	1,000
Total Law Director	<u>328,181</u>	<u>318,036</u>	<u>10,145</u>
Data Processing:			
Personal Services	134,200	132,030	2,170
Contractual Services	46,700	36,897	9,803
Materials and Supplies	18,173	16,642	1,531
Capital Outlay	45,731	45,730	1
Total Data Processing	<u>244,804</u>	<u>231,299</u>	<u>13,505</u>
Municipal Court:			
Personal Services	681,000	674,849	6,151
Contractual Services	135,625	106,991	28,634
Materials and Supplies	45,878	41,483	4,395
Capital Outlay	8,338	7,915	423
Total Municipal Court	<u>870,841</u>	<u>831,238</u>	<u>39,603</u>
Income Tax:			
Personal Services	259,000	228,099	30,901
Contractual Services	25,438	22,562	2,876
Materials and Supplies	31,840	28,809	3,031
Capital Outlay	58,001	57,687	314
Total Income Tax	<u>374,279</u>	<u>337,157</u>	<u>37,122</u>

(Continued)

**THE CITY OF OREGON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NONGAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

**GENERAL FUND**

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
Non-Departmental:			
Contractual Services	197,236	134,894	62,342
Other Expenditures	36,730	36,658	72
Capital Outlay	73,852	73,826	26
Total Non-Departmental	<u>307,818</u>	<u>245,378</u>	<u>62,440</u>
Total General Government	<u>3,142,444</u>	<u>2,933,255</u>	<u>209,189</u>
Total Expenditures	<u>14,510,535</u>	<u>13,598,331</u>	<u>912,204</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 (1,287,529)	 (260,795)	 1,026,734
 Other Financing Sources (Uses):			
Proceeds from Sale of Fixed Assets	60,000	64,877	4,877
Operating Transfers In	891,526	848,517	(43,009)
Operating Transfers Out	<u>(3,232,333)</u>	<u>(3,209,311)</u>	<u>23,022</u>
Total Other Financing Sources (Uses)	<u>(2,280,807)</u>	<u>(2,295,917)</u>	<u>(15,110)</u>
 Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	 (3,568,336)	 (2,556,712)	 1,011,624
Fund Balance at Beginning of Year	6,894,776	6,894,776	0
Prior Year Encumbrances	<u>739,332</u>	<u>739,332</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$4,065,772</u></u>	<u><u>\$5,077,396</u></u>	<u><u>\$1,011,624</u></u>

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## ***SPECIAL REVENUE FUNDS***

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

**Street Construction, Maintenance and Repair Fund**

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

**State Highway Improvement Fund**

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

**Permissive Auto Tax Fund**

To account for revenues received from motor vehicle taxes. Expenditures may only be used for street construction, maintenance and repair.

**Police Fund**

To account for revenues received from real and personal property taxes. Expenditures may only be used for police department operations and police pension.

**Drug Law Enforcement Fund**

To account for revenues from municipal court fines as defined in the Ohio Revised Code. Expenditures may only be used by the police department for drug related programs.

**DUI and Seatbelt Grant Fund**

To account for revenues received from grants. Expenditures may only be used for DUI and seatbelt enforcement.

**D.A.R.E. Program Fund**

To account for revenues received from D.A.R.E. activities and transfers from the General Fund. Expenditures may only be used for D.A.R.E. activities.

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***SPECIAL REVENUE FUNDS***

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**Fire Fund**

To account for revenues received from real and personal property taxes. Expenditures may only be used for fire department operations and fire pension.

**Emergency Medical Services Operating Fund**

To account for revenues received from Lucas County and transfers from the General Fund. Expenditures may only be used for Emergency Medical Services operations, including capital improvements.

**Electronic Monitor Device Fund**

To account for revenues received and specially designated according to the Ohio Revised Code from municipal court fines. Expenditures may only be used by the municipal court for electronic device use.

**Indigent Drivers Alcohol Treatment Fund**

To account for the revenues from fines as established by the state to pay for alcohol treatment related training programs for indigent persons.

**Recreation Fund**

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

**Legal Computer Research and Equipment Fund**

To account for revenues from a \$3.00 surcharge on municipal court fines. Expenditures may only be used for data processing equipment and training for the municipal court.

**Community Development Block Grant Fund**

To account for federal and state grants which are designated for community and environmental improvements.

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***SPECIAL REVENUE FUNDS***

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**Solid Waste, Bonds and C.I.P. Fund**

To account for revenues from income tax designated for expenditures for solid waste programs, the transfers for payment of debt on the municipal complex and capital improvements.

**Oregon Hazardous Waste Landfill Environment Fund**

There is a privately owned and operated hazardous waste disposal landfill in the City of Oregon. The City receives funds from a 10% surcharge levied by the State of Ohio on waste disposal fees. The money received by the City may only be used for monitoring the private waste facility, permit review and training for City firefighting personnel in hazardous waste emergency response.

**Special Assessment - Street Lighting Fund**

To account for revenues from general fund transfers and from assessments on real property. Expenditures may only be used to pay for street light operations, including capital improvements.

**Special Assessment - Sewer Maintenance Fund**

To account for revenues from real and personal property taxes and for general fund transfers. Expenditures may only be used for sanitary sewer maintenance costs.

**Court Special Projects Fund**

To account for revenues received from the Oregon Municipal Court as authorized by the Ohio Revised Code. Expenditures are restricted to court facility rehabilitation, hiring staff, community service programs and mediation.

**Housing Assistance Fund**

To account for revenues received from state and federal grants for housing assistance and local fund transfers and revenues from loan payments. Expenditures are restricted to professional services, personnel costs, grants and loans for the housing assistance program. Expenditures from grant monies must meet the grant requirements.

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***SPECIAL REVENUE FUNDS***

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**Local Law Enforcement Block Grant Fund**

To account for revenues received from local law enforcement grants from the US Department of Justice for Law Enforcement. Expenditures are restricted to law enforcement including restricted personnel costs and equipment as defined in the grants.

**Storm Sewer Project Fund**

To account for revenues from the allocated portion of the local income tax as approved by the voters. Expenditures for this fund are restricted to storm drainage improvement projects.

**Cedar Point Development Fund**

To account for revenues from state grants, sale of notes, sale of land and local funds transfers. Expenditures for this fund are restricted to cost associated with the development of the industrial park.

**Probation Services Fund**

To account for revenues from probation service fees. Expenditures for this fund are restricted to specialized programs for victims and offenders and other similar probation related services.

**Drug Law Enforcement and Education Fund**

To account for revenues received from drug law enforcement. Expenditures are restricted to drug law enforcement including restricted personnel costs and equipment.

**Police Grants Fund**

To account for revenues, including transfers for police department grants. Expenditures may only be used for police grant purposes as stated in the individual grants.

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

	Street Construction, Maintenance and Repair	State Highway Improvement	Permissive Auto Tax	Police	Drug Law Enforcement
<u>Assets:</u>					
Cash and Cash Equivalents	\$1,208	\$14,222	\$18	\$50,113	\$133,947
Investments	240,394	0	3,593	0	0
Receivables (net of allowances for doubtful accounts):					
Taxes	0	0	0	328,199	0
Accounts	470	0	0	0	4,473
Special Assessments	0	0	0	0	0
Intergovernmental Receivables	247,048	20,031	69,800	10,132	0
Prepaid Items	0	0	0	0	0
Total Assets	<u>\$489,120</u>	<u>\$34,253</u>	<u>\$73,411</u>	<u>\$388,444</u>	<u>\$138,420</u>
<u>Liabilities and Fund Equity:</u>					
<u>Liabilities:</u>					
Accounts Payable	\$17,186	\$0	\$0	\$0	\$2,973
Accrued Wages and Benefits	0	0	0	142,336	0
Deferred Revenue	164,699	13,354	46,533	338,331	0
Total Liabilities	<u>181,885</u>	<u>13,354</u>	<u>46,533</u>	<u>480,667</u>	<u>2,973</u>
<u>Fund Equity:</u>					
Reserved for Encumbrances	94,133	0	2,385	194	6,771
Reserved for Prepaid Items	0	0	0	0	0
Unreserved	213,102	20,899	24,493	(92,417)	128,676
Total Fund Equity/(Deficit)	<u>307,235</u>	<u>20,899</u>	<u>26,878</u>	<u>(92,223)</u>	<u>135,447</u>
Total Liabilities and Fund Equity	<u>\$489,120</u>	<u>\$34,253</u>	<u>\$73,411</u>	<u>\$388,444</u>	<u>\$138,420</u>

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

DUI and Seatbelt Grant	D.A.R.E. Program	Fire	Emergency Medical Services Operating	Electronic Monitor Device	Indigent Drivers Alcohol Treatment
\$14,729	\$526	\$135,559	\$114,682	\$17,354	\$53,065
0	0	0	0	0	0
0	0	166,297	0	0	0
0	0	0	0	510	532
0	0	0	0	0	0
0	0	4,145	21,141	0	0
0	0	0	0	0	0
<u>\$14,729</u>	<u>\$526</u>	<u>\$306,001</u>	<u>\$135,823</u>	<u>\$17,864</u>	<u>\$53,597</u>
\$0	\$0	\$5,588	\$4,800	\$0	\$208
0	0	0	62,375	0	0
0	0	169,587	0	0	0
0	0	175,175	67,175	0	208
0	0	1,603	2,820	0	0
0	0	0	0	0	0
14,729	526	129,223	65,828	17,864	53,389
14,729	526	130,826	68,648	17,864	53,389
<u>\$14,729</u>	<u>\$526</u>	<u>\$306,001</u>	<u>\$135,823</u>	<u>\$17,864</u>	<u>\$53,597</u>

(Continued)

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

	Recreation	Legal Computer Research and Equipment	Community Development Block Grant	Solid Waste, Bonds and C.I.P.	Oregon Hazardous Waste Landfill Environment
<u>Assets:</u>					
Cash and Cash Equivalents	\$614	\$172,062	\$10,131	\$3,331	\$337,345
Investments	122,201	0	0	768,558	0
Receivables (net of allowances for doubtful accounts):					
Taxes	166,297	0	0	214,132	0
Accounts	685	3,469	0	0	37,703
Special Assessments	0	0	0	0	0
Intergovernmental Receivables	3,290	0	58,487	0	0
Prepaid Items	73	913	0	0	1,357
Total Assets	<u>\$293,160</u>	<u>\$176,444</u>	<u>\$68,618</u>	<u>\$986,021</u>	<u>\$376,405</u>
<u>Liabilities and Fund Equity:</u>					
Liabilities:					
Accounts Payable	\$27,348	\$3,105	\$6,063	\$54,942	\$5,426
Accrued Wages and Benefits	17,261	0	0	0	0
Deferred Revenue	172,713	0	0	58,453	0
Total Liabilities	<u>217,322</u>	<u>3,105</u>	<u>6,063</u>	<u>113,395</u>	<u>5,426</u>
Fund Equity:					
Reserved for Encumbrances	6,435	2,500	229	372,552	3,500
Reserved for Prepaid Items	73	913	0	0	1,357
Unreserved	69,330	169,926	62,326	500,074	366,122
Total Fund Equity/(Deficit)	<u>75,838</u>	<u>173,339</u>	<u>62,555</u>	<u>872,626</u>	<u>370,979</u>
Total Liabilities and Fund Equity	<u>\$293,160</u>	<u>\$176,444</u>	<u>\$68,618</u>	<u>\$986,021</u>	<u>\$376,405</u>

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

Special Assessment - Street Lighting	Special Assessment - Sewer Maintenance	Court Special Projects	Housing Assistance	Local Law Enforcement Block Grant	Storm Sewer Project
\$188,624	\$49,221	\$132,649	\$248,859	\$21,283	\$829,070
0	0	0	0	0	0
0	0	0	0	0	0
0	0	3,187	0	0	0
1,708,852	1,442,701	0	0	0	0
0	0	0	500,000	0	0
0	0	0	0	463	5,729
<u>\$1,897,476</u>	<u>\$1,491,922</u>	<u>\$135,836</u>	<u>\$748,859</u>	<u>\$21,746</u>	<u>\$834,799</u>
\$22,843	\$1,778	\$18,696	\$1,224	\$0	\$0
0	1,972	0	150	0	0
1,708,852	1,442,701	0	500,000	0	0
<u>1,731,695</u>	<u>1,446,451</u>	<u>18,696</u>	<u>501,374</u>	<u>0</u>	<u>0</u>
1,321	3,555	2,024	2,683	0	35,000
0	0	0	0	463	5,729
164,460	41,916	115,116	244,802	21,283	794,070
<u>165,781</u>	<u>45,471</u>	<u>117,140</u>	<u>247,485</u>	<u>21,746</u>	<u>834,799</u>
<u>\$1,897,476</u>	<u>\$1,491,922</u>	<u>\$135,836</u>	<u>\$748,859</u>	<u>\$21,746</u>	<u>\$834,799</u>

(Continued)

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

	Cedar Point Development	Probation Services	Drug Law Enforcement and Education	Police Grants	Totals
<u>Assets:</u>					
Cash and Cash Equivalents	\$22,057	\$18,865	\$17,467	\$10,723	\$2,597,724
Investments	0	0	0	0	1,134,746
Receivables (net of allowances for doubtful accounts):					
Taxes	0	0	0	0	874,925
Accounts	0	1,818	0	0	52,847
Special Assessments	0	0	0	0	3,151,553
Intergovernmental Receivables	0	0	0	14,081	948,155
Prepaid Items	0	0	0	0	8,535
Total Assets	<u>\$22,057</u>	<u>\$20,683</u>	<u>\$17,467</u>	<u>\$24,804</u>	<u>\$8,768,485</u>
<u>Liabilities and Fund Equity:</u>					
Liabilities:					
Accounts Payable	\$0	\$1,075	\$0	\$6,010	\$179,265
Accrued Wages and Benefits	0	0	0	0	224,094
Deferred Revenue	0	0	0	0	4,615,223
Total Liabilities	<u>0</u>	<u>1,075</u>	<u>0</u>	<u>6,010</u>	<u>5,018,582</u>
Fund Equity:					
Reserved for Encumbrances	0	1,613	0	50	539,368
Reserved for Prepaid Items	0	0	0	0	8,535
Unreserved	22,057	17,995	17,467	18,744	3,202,000
Total Fund Equity/(Deficit)	<u>22,057</u>	<u>19,608</u>	<u>17,467</u>	<u>18,794</u>	<u>3,749,903</u>
Total Liabilities and Fund Equity	<u>\$22,057</u>	<u>\$20,683</u>	<u>\$17,467</u>	<u>\$24,804</u>	<u>\$8,768,485</u>

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

	Street Construction, Maintenance and Repair	State Highway Improvement	Permissive Auto Tax	Police	Drug Law Enforcement
<b>Revenues:</b>					
Taxes	\$0	\$0	\$0	\$305,907	\$0
Intergovernmental Revenues	594,695	47,375	144,329	9,758	0
Charges for Services	19,300	0	0	0	0
Investment Earnings	29	0	0	0	0
Special Assessments	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	99,923
All Other Revenues	0	0	0	18	8,394
Total Revenues	614,024	47,375	144,329	315,683	108,317
<b>Expenditures:</b>					
Security of Persons and Property	0	0	0	331,332	19,713
Public Health and Welfare Services	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0
Community Environment	0	0	0	0	0
Basic Utility Services	0	0	0	0	0
Transportation	488,751	40,000	162,834	0	0
General Government	0	0	0	0	0
Total Expenditures	488,751	40,000	162,834	331,332	19,713
Excess (Deficiency) of Revenues Over (Under) Expenditures	125,273	7,375	(18,505)	(15,649)	88,604
<b>Other Financing Sources (Uses):</b>					
Proceeds from Sale of Fixed Assets	0	0	0	0	0
Operating Transfers In	0	0	0	3,028	0
Operating Transfers Out	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	3,028	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	125,273	7,375	(18,505)	(12,621)	88,604
Fund Balance (Deficit) at Beginning of Year	181,962	13,524	45,383	(79,602)	46,843
Fund Balance (Deficit) at End of Year	\$307,235	\$20,899	\$26,878	(\$92,223)	\$135,447

(Continued)

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

	DUI and Seatbelt Grant	D.A.R.E. Program	Fire	Emergency Medical Services Operating	Electronic Monitor Device
<u>Revenues:</u>					
Taxes	\$0	\$0	\$147,476	\$0	\$0
Intergovernmental Revenues	29,784	0	3,981	628,892	0
Charges for Services	0	0	0	0	0
Investment Earnings	0	0	0	0	0
Special Assessments	0	0	0	0	0
Fines and Forfeitures	1,040	0	0	0	3,661
All Other Revenues	0	0	42,230	0	0
Total Revenues	30,824	0	193,687	628,892	3,661
<u>Expenditures:</u>					
Security of Persons and Property	23,090	0	92,062	736,387	0
Public Health and Welfare Services	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0
Community Environment	0	0	0	0	0
Basic Utility Services	0	0	0	0	0
Transportation	0	0	0	0	0
General Government	0	0	0	0	0
Total Expenditures	23,090	0	92,062	736,387	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,734	0	101,625	(107,495)	3,661
<u>Other Financing Sources (Uses):</u>					
Proceeds from Sale of Fixed Assets	0	0	0	0	0
Operating Transfers In	0	0	0	220,000	0
Operating Transfers Out	0	(21,716)	(73,760)	(32,632)	0
Total Other Financing Sources (Uses)	0	(21,716)	(73,760)	187,368	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	7,734	(21,716)	27,865	79,873	3,661
Fund Balance (Deficit) at Beginning of Year	6,995	22,242	102,961	(11,225)	14,203
Fund Balance (Deficit) at End of Year	\$14,729	\$526	\$130,826	\$68,648	\$17,864

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

Indigent Drivers Alcohol Treatment	Recreation	Legal Computer Research and Equipment	Community Development Block Grant	Solid Waste, Bonds and C.I.P.	Oregon Hazardous Waste Landfill Environment
\$0	\$147,476	\$0	\$0	\$1,323,443	\$0
0	0	0	103,356	0	0
0	154,654	0	0	0	204,636
0	0	0	0	0	0
0	0	0	0	0	0
8,158	0	57,817	0	0	0
0	6,886	0	3,500	689	0
8,158	309,016	57,817	106,856	1,324,132	204,636
0	0	0	0	0	102,936
8,856	0	0	0	0	0
0	666,666	0	0	0	0
0	0	0	82,234	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	27,546	0	977,552	0
8,856	666,666	27,546	82,234	977,552	102,936
(698)	(357,650)	30,271	24,622	346,580	101,700
0	0	0	0	43,381	0
0	316,100	0	10,000	0	0
0	(30,000)	0	0	(514,850)	0
0	286,100	0	10,000	(471,469)	0
(698)	(71,550)	30,271	34,622	(124,889)	101,700
54,087	147,388	143,068	27,933	997,515	269,279
<u>\$53,389</u>	<u>\$75,838</u>	<u>\$173,339</u>	<u>\$62,555</u>	<u>\$872,626</u>	<u>\$370,979</u>

(Continued)

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

	Special Assessment - Street Lighting	Special Assessment - Sewer Maintenance	Court Special Projects	Housing Assistance	Local Law Enforcement Block Grant
<u>Revenues:</u>					
Taxes	\$0	\$0	\$0	\$0	\$0
Intergovernmental Revenues	0	0	0	301,027	0
Charges for Services	0	0	0	26,180	14,771
Investment Earnings	0	0	0	0	4,789
Special Assessments	202,789	148,405	0	0	0
Fines and Forfeitures	0	0	53,840	0	0
All Other Revenues	0	0	0	0	0
Total Revenues	<u>202,789</u>	<u>148,405</u>	<u>53,840</u>	<u>327,207</u>	<u>19,560</u>
<u>Expenditures:</u>					
Security of Persons and Property	202,867	0	0	0	19,018
Public Health and Welfare Services	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0
Community Environment	0	0	0	241,004	0
Basic Utility Services	0	132,058	0	0	0
Transportation	0	0	0	0	0
General Government	0	0	27,831	0	0
Total Expenditures	<u>202,867</u>	<u>132,058</u>	<u>27,831</u>	<u>241,004</u>	<u>19,018</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(78)	16,347	26,009	86,203	542
<u>Other Financing Sources (Uses):</u>					
Proceeds from Sale of Fixed Assets	0	0	0	0	0
Operating Transfers In	0	0	0	0	0
Operating Transfers Out	0	0	0	(10,000)	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>(10,000)</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(78)	16,347	26,009	76,203	542
Fund Balance (Deficit) at Beginning of Year	<u>165,859</u>	<u>29,124</u>	<u>91,131</u>	<u>171,282</u>	<u>21,204</u>
Fund Balance (Deficit) at End of Year	<u><u>\$165,781</u></u>	<u><u>\$45,471</u></u>	<u><u>\$117,140</u></u>	<u><u>\$247,485</u></u>	<u><u>\$21,746</u></u>

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

Storm Sewer Project	Cedar Point Development	Probation Services	Drug Law Enforcement and Education	Police Grants	Totals
\$647,797	\$0	\$0	\$0	\$0	\$2,572,099
0	0	0	0	49,267	1,912,464
0	0	0	0	0	419,541
0	0	0	0	0	4,818
0	0	0	0	0	351,194
0	0	15,066	3,367	0	242,872
0	0	0	0	0	61,717
647,797	0	15,066	3,367	49,267	5,564,705
0	0	0	0	49,829	1,577,234
0	0	0	0	0	8,856
0	0	0	0	0	666,666
0	0	0	0	0	323,238
7,793	0	0	0	0	139,851
0	0	0	0	0	691,585
0	0	10,732	0	0	1,043,661
7,793	0	10,732	0	49,829	4,451,091
640,004	0	4,334	3,367	(562)	1,113,614
0	0	0	0	0	43,381
0	0	0	14,100	12,183	575,411
(143,820)	0	0	0	0	(826,778)
(143,820)	0	0	14,100	12,183	(207,986)
496,184	0	4,334	17,467	11,621	905,628
338,615	22,057	15,274	0	7,173	2,844,275
\$834,799	\$22,057	\$19,608	\$17,467	\$18,794	\$3,749,903

**THE CITY OF OREGON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NONGAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

**STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$510,000	\$563,878	\$53,878
Charges for Services	13,000	19,220	6,220
Investment Earnings	0	29	29
Total Revenues	523,000	583,127	60,127
<u>Expenditures:</u>			
Transportation:			
Contractual Services	112,919	77,338	35,581
Materials and Supplies	143,746	136,003	7,743
Capital Outlay	369,800	369,704	96
Total Expenditures	626,465	583,045	43,420
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(103,465)	82	103,547
Fund Balance at Beginning of Year	114,985	114,985	0
Prior Year Encumbrances	16,134	16,134	0
Fund Balance at End of Year	\$27,654	\$131,201	\$103,547

**THE CITY OF OREGON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NONGAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

**STATE HIGHWAY IMPROVEMENT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$40,000	\$44,876	\$4,876
Total Revenues	40,000	44,876	4,876
<u>Expenditures:</u>			
Transportation:			
Capital Outlay	40,000	40,000	0
Total Expenditures	40,000	40,000	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	4,876	4,876
Fund Balance at Beginning of Year	9,346	9,346	0
Fund Balance at End of Year	\$9,346	\$14,222	\$4,876

**THE CITY OF OREGON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NONGAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

**PERMISSIVE AUTO TAX FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$140,000	\$143,092	\$3,092
Total Revenues	140,000	143,092	3,092
<u>Expenditures:</u>			
Transportation:			
Contractual Services	500	500	0
Capital Outlay	165,500	164,719	781
Total Expenditures	166,000	165,219	781
Excess (Deficiency) of Revenues Over (Under) Expenditures	(26,000)	(22,127)	3,873
Fund Balance at Beginning of Year	23,353	23,353	0
Fund Balance at End of Year	<u>(\$2,647)</u>	<u>\$1,226</u>	<u>\$3,873</u>

**THE CITY OF OREGON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL NONGAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

**POLICE FUND**

	<u>Revised</u> <u>Budget</u>	<u>Actual</u>	<u>Variance:</u> <u>Favorable</u> <u>(Unfavorable)</u>
<u>Revenues:</u>			
Taxes	\$304,000	\$305,907	\$1,907
Intergovernmental Revenues	9,000	9,758	758
All Other Revenues	0	18	18
Total Revenues	<u>313,000</u>	<u>315,683</u>	<u>2,683</u>
<u>Expenditures:</u>			
Security of Persons and Property:			
Personal Services	327,000	327,000	0
Contractual Services	<u>2,487</u>	<u>1,137</u>	<u>1,350</u>
Total Expenditures	<u>329,487</u>	<u>328,137</u>	<u>1,350</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(16,487)	(12,454)	4,033
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	<u>1,674</u>	<u>3,028</u>	<u>1,354</u>
Total Other Financing Sources (Uses)	<u>1,674</u>	<u>3,028</u>	<u>1,354</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(14,813)	(9,426)	5,387
Fund Balance at Beginning of Year	58,891	58,891	0
Prior Year Encumbrances	<u>454</u>	<u>454</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$44,532</u></u>	<u><u>\$49,919</u></u>	<u><u>\$5,387</u></u>

**THE CITY OF OREGON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL NONGAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

**DRUG LAW ENFORCEMENT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Fines and Forfeitures	\$7,000	\$98,051	\$91,051
All Other Revenues	0	8,394	8,394
Total Revenues	7,000	106,445	99,445
<u>Expenditures:</u>			
Security of Persons and Property:			
Personal Services	10,000	0	10,000
Contractual Services	17,956	16,041	1,915
Capital Outlay	11,394	11,378	16
Total Expenditures	39,350	27,419	11,931
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(32,350)	79,026	111,376
Fund Balance at Beginning of Year	40,437	40,437	0
Prior Year Encumbrances	4,750	4,750	0
Fund Balance at End of Year	<u>\$12,837</u>	<u>\$124,213</u>	<u>\$111,376</u>

**THE CITY OF OREGON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL NONGAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

**DUI AND SEATBELT GRANT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$15,205	\$29,784	\$14,579
Fines and Forfeitures	1,000	1,040	40
Total Revenues	16,205	30,824	14,619
<u>Expenditures:</u>			
Security of Persons and Property:			
Personal Services	23,200	23,090	110
Total Expenditures	23,200	23,090	110
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,995)	7,734	14,729
Fund Balance at Beginning of Year	6,995	6,995	0
Fund Balance at End of Year	\$0	\$14,729	\$14,729

**THE CITY OF OREGON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL NONGAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

**D.A.R.E. PROGRAM FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
<u>Other Financing Sources (Uses):</u>			
Operating Transfers Out	(21,716)	(21,716)	0
Total Other Financing Sources (Uses)	(21,716)	(21,716)	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(21,716)	(21,716)	0
Fund Balance at Beginning of Year	21,717	21,717	0
Prior Year Encumbrances	525	525	0
Fund Balance at End of Year	<u>\$526</u>	<u>\$526</u>	<u>\$0</u>

**THE CITY OF OREGON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL NONGAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

**FIRE FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$155,000	\$147,476	(\$7,524)
Intergovernmental Revenues	6,000	3,126	(2,874)
All Other Revenues	24,000	42,230	18,230
Total Revenues	185,000	192,832	7,832
<u>Expenditures:</u>			
Security of Persons and Property:			
Contractual Services	16,217	14,433	1,784
Materials and Supplies	9,809	9,565	244
Capital Outlay	79,896	69,066	10,830
Total Expenditures	105,922	93,064	12,858
Excess (Deficiency) of Revenues Over (Under) Expenditures	79,078	99,768	20,690
<u>Other Financing Sources (Uses):</u>			
Operating Transfers Out	(73,760)	(73,760)	0
Total Other Financing Sources (Uses)	(73,760)	(73,760)	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	5,318	26,008	20,690
Fund Balance at Beginning of Year	101,609	101,609	0
Prior Year Encumbrances	1,783	1,783	0
Fund Balance at End of Year	\$108,710	\$129,400	\$20,690

**THE CITY OF OREGON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL NONGAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

**EMERGENCY MEDICAL SERVICES OPERATING FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$607,750	\$607,751	\$1
Total Revenues	607,750	607,751	1
<u>Expenditures:</u>			
Security of Persons and Property:			
Personal Services	741,600	690,816	50,784
Contractual Services	35,709	26,839	8,870
Materials and Supplies	17,507	14,768	2,739
Total Expenditures	794,816	732,423	62,393
Excess (Deficiency) of Revenues Over (Under) Expenditures	(187,066)	(124,672)	62,394
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	220,000	220,000	0
Operating Transfers Out	(43,510)	(32,632)	10,878
Total Other Financing Sources (Uses)	176,490	187,368	10,878
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(10,576)	62,696	73,272
Fund Balance at Beginning of Year	46,843	46,843	0
Prior Year Encumbrances	2,153	2,153	0
Fund Balance at End of Year	\$38,420	\$111,692	\$73,272

**THE CITY OF OREGON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NONGAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

**ELECTRONIC MONITOR DEVICE FUND**

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Fines and Forfeitures	\$1,500	\$3,345	\$1,845
Total Revenues	1,500	3,345	1,845
<u>Expenditures:</u>			
Total Expenditures	0	0	0
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	1,500	3,345	1,845
Fund Balance at Beginning of Year	14,009	14,009	0
Fund Balance at End of Year	\$15,509	\$17,354	\$1,845

**THE CITY OF OREGON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL NONGAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

**INDIGENT DRIVERS ALCOHOL TREATMENT FUND**

	<u>Revised</u> <u>Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Fines and Forfeitures	\$8,000	\$7,964	(\$36)
Total Revenues	8,000	7,964	(36)
<u>Expenditures:</u>			
Public Health and Welfare Services:			
Contractual Services	20,067	8,648	11,419
Total Expenditures	20,067	8,648	11,419
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(12,067)	(684)	11,383
Fund Balance at Beginning of Year	50,249	50,249	0
Prior Year Encumbrances	3,500	3,500	0
Fund Balance at End of Year	\$41,682	\$53,065	\$11,383

**THE CITY OF OREGON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL NONGAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

**RECREATION FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$155,000	\$147,476	(\$7,524)
Intergovernmental Revenues	6,000	3,126	(2,874)
Charges for Services	158,752	154,654	(4,098)
All Other Revenues	5,500	8,924	3,424
Total Revenues	325,252	314,180	(11,072)
<u>Expenditures:</u>			
Leisure Time Activities:			
Personal Services	384,114	382,319	1,795
Contractual Services	109,031	99,766	9,265
Materials and Supplies	115,732	110,292	5,440
Other Expenditures	750	420	330
Capital Outlay	100,205	93,609	6,596
Total Expenditures	709,832	686,406	23,426
Excess (Deficiency) of Revenues Over (Under) Expenditures	(384,580)	(372,226)	12,354
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	333,750	316,100	(17,650)
Operating Transfers Out	(30,000)	(30,000)	0
Total Other Financing Sources (Uses)	303,750	286,100	(17,650)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(80,830)	(86,126)	(5,296)
Fund Balance at Beginning of Year	159,219	159,219	0
Prior Year Encumbrances	18,940	18,940	0
Fund Balance at End of Year	\$97,329	\$92,033	(\$5,296)

**THE CITY OF OREGON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NONGAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

**LEGAL COMPUTER RESEARCH AND EQUIPMENT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Fines and Forfeitures	\$50,000	\$58,125	\$8,125
Total Revenues	50,000	58,125	8,125
<u>Expenditures:</u>			
General Government:			
Contractual Services	158,836	14,664	144,172
Capital Outlay	18,033	17,382	651
Total Expenditures	176,869	32,046	144,823
Excess (Deficiency) of Revenues Over (Under) Expenditures	(126,869)	26,079	152,948
Fund Balance at Beginning of Year	135,999	135,999	0
Prior Year Encumbrances	4,379	4,379	0
Fund Balance at End of Year	\$13,509	\$166,457	\$152,948

**THE CITY OF OREGON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL NONGAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

**COMMUNITY DEVELOPMENT BLOCK GRANT FUND**

	<u>Revised</u> <u>Budget</u>	<u>Actual</u>	<u>Variance:</u> <u>Favorable</u> <u>(Unfavorable)</u>
<u>Revenues:</u>			
Intergovernmental Revenues	\$78,159	\$68,553	(\$9,606)
All Other Revenues	3,100	3,500	400
Total Revenues	81,259	72,053	(9,206)
<u>Expenditures:</u>			
Community Environment:			
Contractual Services	19,553	19,362	191
Capital Outlay	67,620	67,598	22
Total Expenditures	87,173	86,960	213
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,914)	(14,907)	(8,993)
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	0	10,000	10,000
Total Other Financing Sources (Uses)	0	10,000	10,000
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(5,914)	(4,907)	1,007
Fund Balance at Beginning of Year	5,914	5,914	0
Prior Year Encumbrances	7,603	7,603	0
Fund Balance at End of Year	\$7,603	\$8,610	\$1,007

**THE CITY OF OREGON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL NONGAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

**SOLID WASTE, BONDS AND C.I.P. FUND**

	<u>Revised</u> <u>Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$1,115,154	\$1,294,604	\$179,450
All Other Revenues	<u>0</u>	<u>689</u>	<u>689</u>
Total Revenues	<u>1,115,154</u>	<u>1,295,293</u>	<u>180,139</u>
<u>Expenditures:</u>			
General Government:			
Contractual Services	574,934	573,824	1,110
Capital Outlay	<u>837,367</u>	<u>836,268</u>	<u>1,099</u>
Total Expenditures	<u>1,412,301</u>	<u>1,410,092</u>	<u>2,209</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(297,147)	(114,799)	182,348
<u>Other Financing Sources (Uses):</u>			
Proceeds from Sale of Fixed Assets	0	43,381	43,381
Operating Transfers Out	<u>(524,750)</u>	<u>(514,850)</u>	<u>9,900</u>
Total Other Financing Sources (Uses)	<u>(524,750)</u>	<u>(471,469)</u>	<u>53,281</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(821,897)	(586,268)	235,629
Fund Balance at Beginning of Year	821,897	821,897	0
Prior Year Encumbrances	<u>108,766</u>	<u>108,766</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$108,766</u></u>	<u><u>\$344,395</u></u>	<u><u>\$235,629</u></u>

**THE CITY OF OREGON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL NONGAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

**OREGON HAZARDOUS WASTE LANDFILL ENVIRONMENT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Charges for Services	\$150,000	\$199,475	\$49,475
Total Revenues	150,000	199,475	49,475
<u>Expenditures:</u>			
Security of Persons and Property:			
Personal Services	2,900	2,802	98
Contractual Services	150,802	110,290	40,512
Total Expenditures	153,702	113,092	40,610
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,702)	86,383	90,085
Fund Balance at Beginning of Year	219,737	219,737	0
Prior Year Encumbrances	27,725	27,725	0
Fund Balance at End of Year	\$243,760	\$333,845	\$90,085

**THE CITY OF OREGON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL NONGAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

**SPECIAL ASSESSMENT - STREET LIGHTING FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Special Assessments	\$195,706	\$202,789	\$7,083
Total Revenues	195,706	202,789	7,083
<u>Expenditures:</u>			
Security of Persons and Property:			
Contractual Services	205,290	179,917	25,373
Materials and Supplies	4,200	2,618	1,582
Total Expenditures	209,490	182,535	26,955
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(13,784)	20,254	34,038
Fund Balance at Beginning of Year	164,540	164,540	0
Prior Year Encumbrances	2,509	2,509	0
Fund Balance at End of Year	\$153,265	\$187,303	\$34,038

**THE CITY OF OREGON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NONGAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

**SPECIAL ASSESSMENT - SEWER MAINTENANCE FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Special Assessments	\$148,867	\$148,405	(\$462)
Total Revenues	<u>148,867</u>	<u>148,405</u>	<u>(462)</u>
<u>Expenditures:</u>			
Basic Utility Services:			
Personal Services	100,800	100,643	157
Contractual Services	42,775	29,976	12,799
Materials and Supplies	<u>8,843</u>	<u>3,315</u>	<u>5,528</u>
Total Expenditures	<u>152,418</u>	<u>133,934</u>	<u>18,484</u>
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(3,551)	14,471	18,022
Fund Balance at Beginning of Year	21,309	21,309	0
Prior Year Encumbrances	<u>8,108</u>	<u>8,108</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$25,866</u></u>	<u><u>\$43,888</u></u>	<u><u>\$18,022</u></u>

**THE CITY OF OREGON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NONGAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

**COURT SPECIAL PROJECTS FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Fines and Forfeitures	\$50,000	\$54,153	\$4,153
Total Revenues	50,000	54,153	4,153
<u>Expenditures:</u>			
General Government:			
Contractual Services	75,147	22,849	52,298
Capital Outlay	25,500	7,153	18,347
Total Expenditures	100,647	30,002	70,645
Excess (Deficiency) of Revenues Over (Under) Expenditures	(50,647)	24,151	74,798
<u>Other Financing Sources (Uses):</u>			
Operating Transfers Out	(25,000)	0	25,000
Total Other Financing Sources (Uses)	(25,000)	0	25,000
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(75,647)	24,151	99,798
Fund Balance at Beginning of Year	79,778	79,778	0
Prior Year Encumbrances	8,000	8,000	0
Fund Balance at End of Year	\$12,131	\$111,929	\$99,798

**THE CITY OF OREGON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL NONGAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

**HOUSING ASSISTANCE FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$244,700	\$357,839	\$113,139
Charges for Services	0	26,180	26,180
Total Revenues	244,700	384,019	139,319
<u>Expenditures:</u>			
Community Environment:			
Personal Services	9,500	9,198	302
Contractual Services	44,283	43,456	827
Capital Outlay	318,110	250,711	67,399
Total Expenditures	371,893	303,365	68,528
Excess (Deficiency) of Revenues Over (Under) Expenditures	(127,193)	80,654	207,847
<u>Other Financing Sources (Uses):</u>			
Operating Transfers Out	(10,000)	(10,000)	0
Total Other Financing Sources (Uses)	(10,000)	(10,000)	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(137,193)	70,654	207,847
Fund Balance at Beginning of Year	33,965	33,965	0
Prior Year Encumbrances	140,493	140,493	0
Fund Balance at End of Year	\$37,265	\$245,112	\$207,847

**THE CITY OF OREGON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NONGAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

**LOCAL LAW ENFORCEMENT BLOCK GRANT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Charges for Services	\$4,473	\$14,771	\$10,298
Investment Earnings	0	4,789	4,789
Total Revenues	4,473	19,560	15,087
<u>Expenditures:</u>			
Security of Persons and Property:			
Personal Services	17,544	15,792	1,752
Contractual Services	1,474	0	1,474
Materials and Supplies	2,969	2,969	0
Capital Outlay	3,226	3,226	0
Total Expenditures	25,213	21,987	3,226
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(20,740)	(2,427)	18,313
Fund Balance at Beginning of Year	20,741	20,741	0
Prior Year Encumbrances	2,969	2,969	0
Fund Balance at End of Year	\$2,970	\$21,283	\$18,313

**THE CITY OF OREGON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL NONGAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

**STORM SEWER PROJECT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$611,600	\$647,797	\$36,197
Total Revenues	611,600	647,797	36,197
<u>Expenditures:</u>			
Basic Utility Services:			
Personal Services	3,600	912	2,688
Contractual Services	100,000	5,729	94,271
Capital Outlay	238,296	43,052	195,244
Total Expenditures	341,896	49,693	292,203
Excess (Deficiency) of Revenues Over (Under) Expenditures	269,704	598,104	328,400
<u>Other Financing Sources (Uses):</u>			
Operating Transfers Out	(143,820)	(143,820)	0
Total Other Financing Sources (Uses)	(143,820)	(143,820)	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	125,884	454,284	328,400
Fund Balance at Beginning of Year	329,728	329,728	0
Prior Year Encumbrances	10,058	10,058	0
Fund Balance at End of Year	<u>\$465,670</u>	<u>\$794,070</u>	<u>\$328,400</u>

**THE CITY OF OREGON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NONGAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

**CEDAR POINT DEVELOPMENT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
Fund Balance at Beginning of Year	22,057	22,057	0
Fund Balance at End of Year	\$22,057	\$22,057	\$0

**THE CITY OF OREGON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NONGAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

**PROBATION SERVICES FUND**

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Fines and Forfeitures	<u>\$17,000</u>	<u>\$14,124</u>	<u>(\$2,876)</u>
Total Revenues	<u>17,000</u>	<u>14,124</u>	<u>(2,876)</u>
<u>Expenditures:</u>			
General Government:			
Contractual Services	<u>28,334</u>	<u>15,139</u>	<u>13,195</u>
Total Expenditures	<u>28,334</u>	<u>15,139</u>	<u>13,195</u>
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(11,334)	(1,015)	10,319
Fund Balance at Beginning of Year	14,925	14,925	0
Prior Year Encumbrances	<u>2,267</u>	<u>2,267</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$5,858</u></u>	<u><u>\$16,177</u></u>	<u><u>\$10,319</u></u>

**THE CITY OF OREGON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL NONGAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

**DRUG LAW ENFORCEMENT AND EDUCATION FUND**

	<u>Revised</u> <u>Budget</u>	<u>Actual</u>	<u>Variance:</u> <u>Favorable</u> <u>(Unfavorable)</u>
<u>Revenues:</u>			
Fines and Forfeitures	\$3,000	\$3,367	\$367
Total Revenues	3,000	3,367	367
<u>Expenditures:</u>			
Security of Persons and Property:			
Personal Services	3,377	0	3,377
Contractual Services	10,000	0	10,000
Total Expenditures	13,377	0	13,377
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,377)	3,367	13,744
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	14,100	14,100	0
Total Other Financing Sources (Uses)	14,100	14,100	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	3,723	17,467	13,744
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$3,723	\$17,467	\$13,744

**THE CITY OF OREGON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL NONGAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

**POLICE GRANTS FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$49,459	\$37,477	(\$11,982)
Total Revenues	49,459	37,477	(11,982)
<u>Expenditures:</u>			
Security of Persons and Property:			
Personal Services	550	350	200
Contractual Services	63,434	61,552	1,882
Capital Outlay	1,653	1,653	0
Total Expenditures	65,637	63,555	2,082
Excess (Deficiency) of Revenues Over (Under) Expenditures	(16,178)	(26,078)	(9,900)
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	12,180	12,183	3
Total Other Financing Sources (Uses)	12,180	12,183	3
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(3,998)	(13,895)	(9,897)
Fund Balance at Beginning of Year	3,998	3,998	0
Prior Year Encumbrances	14,570	14,570	0
Fund Balance at End of Year	\$14,570	\$4,673	(\$9,897)



*City of Opportunity*

## ***DEBT SERVICE FUNDS***

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The Debt Service Funds are used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment levies when the government is obligated in some manner for the payment.

### **General Obligation Bond Retirement Fund**

To account for the accumulation of resources for the payments of general obligation long-term debt of the City including self-supporting obligations not otherwise paid from proprietary funds.

### **Special Assessment Bond Retirement Fund**

To accumulate special assessment revenues collected by the County Treasurer and remitted to the City by the County Auditor for payment of assessment bonds.

**THE CITY OF OREGON, OHIO**  
**COMBINING BALANCE SHEET**  
**DEBT SERVICE FUNDS**  
**DECEMBER 31, 2002**

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Totals
	<u>          </u>	<u>          </u>	<u>          </u>
<u>Assets:</u>			
Cash and Cash Equivalents	\$1,699	\$30,395	\$32,094
Receivables (net of allowance for doubtful accounts):			
Special Assessments	<u>0</u>	<u>3,854,904</u>	<u>3,854,904</u>
Total Assets	<u>\$1,699</u>	<u>\$3,885,299</u>	<u>\$3,886,998</u>
<u>Liabilities:</u>			
Deferred Revenue	<u>\$0</u>	<u>\$3,854,904</u>	<u>\$3,854,904</u>
Total Liabilities	<u>0</u>	<u>3,854,904</u>	<u>3,854,904</u>
<u>Fund Equity:</u>			
Fund Balances:			
Reserved for Debt Service	<u>1,699</u>	<u>30,395</u>	<u>32,094</u>
Total Fund Equity	<u>1,699</u>	<u>30,395</u>	<u>32,094</u>
Total Liabilities and Fund Equity	<u>\$1,699</u>	<u>\$3,885,299</u>	<u>\$3,886,998</u>

**THE CITY OF OREGON, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**DEBT SERVICE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Totals
<u>Revenues:</u>			
Special Assessments	\$0	\$150,108	\$150,108
Total Revenues	<u>0</u>	<u>150,108</u>	<u>150,108</u>
<u>Expenditures:</u>			
Debt Service:			
Principal Retirement	364,102	506,069	870,171
Interest and Fiscal Charges	71,030	619,486	690,516
Total Expenditures	<u>435,132</u>	<u>1,125,555</u>	<u>1,560,687</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(435,132)	(975,447)	(1,410,579)
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	<u>435,408</u>	<u>917,143</u>	<u>1,352,551</u>
Total Other Financing Sources (Uses)	<u>435,408</u>	<u>917,143</u>	<u>1,352,551</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	276	(58,304)	(58,028)
Fund Balance at Beginning of Year	<u>1,423</u>	<u>88,699</u>	<u>90,122</u>
Fund Balance End of Year	<u>\$1,699</u>	<u>\$30,395</u>	<u>\$32,094</u>

**THE CITY OF OREGON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL NONGAAP BUDGETARY BASIS)**  
**DEBT SERVICE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

**GENERAL OBLIGATION BOND RETIREMENT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
Debt Service:			
Principal Retirement	388,500	388,500	0
Interest and Fiscal Charges	201,025	200,764	261
Total Expenditures	589,525	589,264	261
Excess (Deficiency) of Revenues Over (Under) Expenditures	(589,525)	(589,264)	261
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	589,540	589,540	0
Total Other Financing Sources (Uses)	589,540	589,540	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	15	276	261
Fund Balance at Beginning of Year	1,423	1,423	0
Fund Balance at End of Year	\$1,438	\$1,699	\$261

**THE CITY OF OREGON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL NONGAAP BUDGETARY BASIS)**  
**DEBT SERVICE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

**SPECIAL ASSESSMENT BOND RETIREMENT FUND**

	<u>Revised</u> <u>Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Special Assessments	\$244,157	\$187,037	(\$57,120)
Total Revenues	<u>244,157</u>	<u>187,037</u>	<u>(57,120)</u>
<u>Expenditures:</u>			
Debt Service:			
Principal Retirement	151,630	133,808	17,822
Interest and Fiscal Charges	<u>120,530</u>	<u>111,533</u>	<u>8,997</u>
Total Expenditures	<u>272,160</u>	<u>245,341</u>	<u>26,819</u>
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(28,003)	(58,304)	(30,301)
Fund Balance at Beginning of Year	<u>88,699</u>	<u>88,699</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$60,696</u></u>	<u><u>\$30,395</u></u>	<u><u>(\$30,301)</u></u>

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***CAPITAL PROJECTS FUNDS***

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

**Fire Pumper Equipment Fund**

To account for revenues and expenditures designated for major capital improvements in the fire department.

**Street / Recreation Building Fund**

To account for revenues and expenditures designated for constructing new operations and storage areas for the street and recreation departments.

**Municipal Improvements Fund**

To account for revenues and expenditures designated for right of way acquisitions and easements for construction of a bikeway and streetscape projects.

**Water Construction Fund**

To account for revenues and expenditures designated for the construction and acquisition of capital water projects.

**Sewer Construction Fund**

To account for revenues and expenditures designated for the construction and acquisition of capital sewer projects.

**Storm Sewer Construction Fund**

To account for revenues and expenditures designated for the construction and acquisition of capital storm sewer projects.

**Street Construction Fund**

To account for revenues and expenditures designated for the improvement of City streets.

**Water Project Fund**

To account for revenues and expenditures designated for construction of City waterlines.

**Special Assessment - Dustin Road Improvement Fund**

To account for revenues and expenditures designated for the improvement project of Dustin Road.

(Continued)

***CAPITAL PROJECTS FUNDS***

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**Economic Development Assessment Fund**

To account for revenues and expenditures designated for economic development in the industrial park.

**Parkland Acquisition Fund**

To account for revenues, including transfers for the acquisition of Parkland.

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

	Fire Pumper Equipment	Street/ Recreation Building	Municipal Improvements	Water Construction	Sewer Construction
<u>Assets:</u>					
Cash and Cash Equivalents	\$185	\$693	\$61,214	\$16,062	\$10,577
Investments	0	138,040	0	3,607,839	2,731,907
Intergovernmental Receivables	0	57,463	0	0	0
Total Assets	<u>\$185</u>	<u>\$196,196</u>	<u>\$61,214</u>	<u>\$3,623,901</u>	<u>\$2,742,484</u>
<u>Liabilities and Fund Equity:</u>					
Liabilities:					
Accounts Payable	\$0	\$3,129	\$0	\$27,507	\$27,989
Accrued Interest Payable	7,879	0	0	0	0
General Obligation Notes Payable	460,000	0	0	0	0
Total Liabilities	<u>467,879</u>	<u>3,129</u>	<u>0</u>	<u>27,507</u>	<u>27,989</u>
Fund Equity:					
Reserved for Encumbrances	0	21,118	0	61,300	3,948
Unreserved	(467,694)	171,949	61,214	3,535,094	2,710,547
Total Fund Equity/(Deficit)	<u>(467,694)</u>	<u>193,067</u>	<u>61,214</u>	<u>3,596,394</u>	<u>2,714,495</u>
Total Liabilities and Fund Equity	<u>\$185</u>	<u>\$196,196</u>	<u>\$61,214</u>	<u>\$3,623,901</u>	<u>\$2,742,484</u>

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

Storm Sewer Construction	Street Construction	Water Project	Special Assessment - Dustin Road Improvement	Economic Development Assessment	Parkland Acquisition	Totals
\$846	\$2,204	\$5,739	\$1,402	\$5,745	\$150,000	\$254,667
168,378	438,784	1,142,475	0	0	0	8,227,423
0	0	265,440	0	0	0	322,903
<u>\$169,224</u>	<u>\$440,988</u>	<u>\$1,413,654</u>	<u>\$1,402</u>	<u>\$5,745</u>	<u>\$150,000</u>	<u>\$8,804,993</u>
\$0	\$18,707	\$18,718	\$0	\$0	\$0	\$96,050
0	16,786	0	0	0	0	24,665
0	980,000	0	0	0	0	1,440,000
<u>0</u>	<u>1,015,493</u>	<u>18,718</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,560,715</u>
90,567	204,249	1,040,901	0	0	0	1,422,083
78,657	(778,754)	354,035	1,402	5,745	150,000	5,822,195
<u>169,224</u>	<u>(574,505)</u>	<u>1,394,936</u>	<u>1,402</u>	<u>5,745</u>	<u>150,000</u>	<u>7,244,278</u>
<u>\$169,224</u>	<u>\$440,988</u>	<u>\$1,413,654</u>	<u>\$1,402</u>	<u>\$5,745</u>	<u>\$150,000</u>	<u>\$8,804,993</u>

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

	Fire Pumper Equipment	Street/ Recreation Building	Municipal Improvements	Water Construction	Sewer Construction
<u>Revenues:</u>					
Intergovernmental Revenues	\$0	\$57,463	\$0	\$0	\$0
All Other Revenues	0	50	0	0	1,000
Total Revenues	0	57,513	0	0	1,000
<u>Expenditures:</u>					
Capital Outlay	1,112	113,015	0	264,027	99,722
Debt Service:					
Interest and Fiscal Charges	15,672	1,280	0	0	0
Total Expenditures	16,784	114,295	0	264,027	99,722
Excess (Deficiency) of Revenues Over (Under) Expenditures	(16,784)	(56,782)	0	(264,027)	(98,722)
<u>Other Financing Sources (Uses):</u>					
Proceeds from Sale of Fixed Assets	0	0	0	0	19,090
Proceeds from Ohio Public Works Commission Loans	0	0	0	0	0
Proceeds from Ohio Water Development Authority Loans	0	0	0	0	0
Operating Transfers In	75,360	191,150	0	1,388,000	1,200,000
Operating Transfers Out	0	0	0	(1,069,700)	(1,392,490)
Total Other Financing Sources (Uses)	75,360	191,150	0	318,300	(173,400)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	58,576	134,368	0	54,273	(272,122)
Fund Balance (Deficit) at Beginning of Year	(526,270)	58,699	61,214	3,542,121	2,986,617
Fund Balance (Deficit) at End of Year	(\$467,694)	\$193,067	\$61,214	\$3,596,394	\$2,714,495

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

Storm Sewer Construction	Street Construction	Water Project	Special Assessment - Dustin Road Improvement	Economic Development Assessment	Parkland Acquisition	Totals
\$0	\$0	\$744,893	\$0	\$0	\$0	\$802,356
0	140,948	27,988	0	0	0	169,986
0	140,948	772,881	0	0	0	972,342
4,000	500,958	4,138,690	0	0	0	5,121,524
0	29,976	0	0	0	0	46,928
4,000	530,934	4,138,690	0	0	0	5,168,452
(4,000)	(389,986)	(3,365,809)	0	0	0	(4,196,110)
0	0	0	0	0	0	19,090
0	0	420,908	0	0	0	420,908
0	0	3,867,284	0	0	0	3,867,284
97,000	0	0	0	0	100,000	3,051,510
0	0	0	0	0	0	(2,462,190)
97,000	0	4,288,192	0	0	100,000	4,896,602
93,000	(389,986)	922,383	0	0	100,000	700,492
76,224	(184,519)	472,553	1,402	5,745	50,000	6,543,786
<u>\$169,224</u>	<u>(\$574,505)</u>	<u>\$1,394,936</u>	<u>\$1,402</u>	<u>\$5,745</u>	<u>\$150,000</u>	<u>\$7,244,278</u>

**THE CITY OF OREGON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL NONGAAP BUDGETARY BASIS)**  
**CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

**FIRE PUMPER EQUIPMENT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
Capital Outlay	1,200	1,112	88
Debt Service:			
Principal Retirement	610,000	610,000	0
Interest and Fiscal Charges	22,575	22,574	1
Total Expenditures	633,775	633,686	89
Excess (Deficiency) of Revenues Over (Under) Expenditures	(633,775)	(633,686)	89
<u>Other Financing Sources (Uses):</u>			
Proceeds from General Obligation Notes	460,000	460,000	0
Operating Transfers In	75,264	75,360	96
Total Other Financing Sources (Uses)	535,264	535,360	96
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(98,511)	(98,326)	185
Fund Balance at Beginning of Year	98,511	98,511	0
Fund Balance at End of Year	\$0	\$185	\$185

**THE CITY OF OREGON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL NONGAAP BUDGETARY BASIS)**  
**CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

**STREET / RECREATION BUILDING FUND**

	Revised		Variance:
	Budget	Actual	Favorable
	<u>Budget</u>	<u>Actual</u>	<u>(Unfavorable)</u>
<u>Revenues:</u>			
Intergovernmental Revenues	\$151,371	\$90,078	(\$61,293)
All Other Revenues	0	50	50
Total Revenues	<u>151,371</u>	<u>90,128</u>	<u>(61,243)</u>
<u>Expenditures:</u>			
Capital Outlay	194,303	191,239	3,064
Debt Service:			
Principal Retirement	100,000	100,000	0
Interest and Fiscal Charges	<u>3,703</u>	<u>3,703</u>	<u>0</u>
Total Expenditures	<u>298,006</u>	<u>294,942</u>	<u>3,064</u>
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(146,635)	(204,814)	(58,179)
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	<u>103,650</u>	<u>191,150</u>	<u>87,500</u>
Total Other Financing Sources (Uses)	<u>103,650</u>	<u>191,150</u>	<u>87,500</u>
Excess (Deficiency) of Revenues			
and Other Financing Sources Over (Under)			
Expenditures and Other Financing Uses	(42,985)	(13,664)	29,321
Fund Balance at Beginning of Year	42,984	42,984	0
Prior Year Encumbrances	<u>85,166</u>	<u>85,166</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$85,165</u></u>	<u><u>\$114,486</u></u>	<u><u>\$29,321</u></u>

**THE CITY OF OREGON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NONGAAP BUDGETARY BASIS)**  
**CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

**MUNICIPAL IMPROVEMENTS FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
Fund Balance at Beginning of Year	61,214	61,214	0
Fund Balance at End of Year	<u>\$61,214</u>	<u>\$61,214</u>	<u>\$0</u>

**THE CITY OF OREGON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL NONGAAP BUDGETARY BASIS)**  
**CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

**WATER CONSTRUCTION FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
Capital Outlay	677,418	384,133	293,285
Total Expenditures	677,418	384,133	293,285
Excess (Deficiency) of Revenues Over (Under) Expenditures	(677,418)	(384,133)	293,285
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	1,388,000	1,388,000	0
Operating Transfers Out	(1,069,700)	(1,069,700)	0
Total Other Financing Sources (Uses)	318,300	318,300	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(359,118)	(65,833)	293,285
Fund Balance at Beginning of Year	3,536,335	3,536,335	0
Prior Year Encumbrances	64,592	64,592	0
Fund Balance at End of Year	<u>\$3,241,809</u>	<u>\$3,535,094</u>	<u>\$293,285</u>

**THE CITY OF OREGON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL NONGAAP BUDGETARY BASIS)**  
**CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

**SEWER CONSTRUCTION FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
All Other Revenues	\$0	\$1,000	\$1,000
Total Revenues	0	1,000	1,000
<u>Expenditures:</u>			
Capital Outlay	350,000	103,670	246,330
Total Expenditures	350,000	103,670	246,330
Excess (Deficiency) of Revenues Over (Under) Expenditures	(350,000)	(102,670)	247,330
<u>Other Financing Sources (Uses):</u>			
Proceeds from Sale of Fixed Assets	0	19,090	19,090
Operating Transfers In	1,200,000	1,200,000	0
Operating Transfers Out	(1,392,490)	(1,392,490)	0
Total Other Financing Sources (Uses)	(192,490)	(173,400)	19,090
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(542,490)	(276,070)	266,420
Fund Balance at Beginning of Year	2,986,617	2,986,617	0
Fund Balance at End of Year	<u>\$2,444,127</u>	<u>\$2,710,547</u>	<u>\$266,420</u>

**THE CITY OF OREGON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL NONGAAP BUDGETARY BASIS)**  
**CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

**STORM SEWER CONSTRUCTION FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
Capital Outlay	104,457	94,707	9,750
Total Expenditures	104,457	94,707	9,750
Excess (Deficiency) of Revenues Over (Under) Expenditures	(104,457)	(94,707)	9,750
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	0	97,000	97,000
Total Other Financing Sources (Uses)	0	97,000	97,000
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(104,457)	2,293	106,750
Fund Balance at Beginning of Year	35,393	35,393	0
Prior Year Encumbrances	40,971	40,971	0
Fund Balance at End of Year	<u>(\$28,093)</u>	<u>\$78,657</u>	<u>\$106,750</u>

**THE CITY OF OREGON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL NONGAAP BUDGETARY BASIS)**  
**CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

**STREET CONSTRUCTION FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
All Other Revenues	\$150,000	\$140,948	(\$9,052)
Total Revenues	150,000	140,948	(9,052)
<u>Expenditures:</u>			
Capital Outlay	772,797	767,978	4,819
Debt Service:			
Principal Retirement	1,030,000	1,030,000	0
Interest and Fiscal Charges	38,345	38,116	229
Total Expenditures	1,841,142	1,836,094	5,048
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,691,142)	(1,695,146)	(4,004)
<u>Other Financing Sources (Uses):</u>			
Proceeds from General Obligation Notes	1,067,758	980,000	(87,758)
Total Other Financing Sources (Uses)	1,067,758	980,000	(87,758)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(623,384)	(715,146)	(91,762)
Fund Balance at Beginning of Year	569,382	569,382	0
Prior Year Encumbrances	363,796	363,796	0
Fund Balance at End of Year	<u>\$309,794</u>	<u>\$218,032</u>	<u>(\$91,762)</u>

**THE CITY OF OREGON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL NONGAAP BUDGETARY BASIS)**  
**CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

**WATER PROJECT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$605,293	\$479,453	(\$125,840)
All Other Revenues	27,000	27,988	988
Total Revenues	<u>632,293</u>	<u>507,441</u>	<u>(124,852)</u>
<u>Expenditures:</u>			
Capital Outlay	<u>5,604,777</u>	<u>5,510,946</u>	<u>93,831</u>
Total Expenditures	<u>5,604,777</u>	<u>5,510,946</u>	<u>93,831</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,972,484)	(5,003,505)	(31,021)
<u>Other Financing Sources (Uses):</u>			
Proceeds from Ohio Public Works Commission Loans	1,105,200	420,908	(684,292)
Proceeds from Ohio Water Development Authority Loans	<u>3,867,284</u>	<u>3,867,284</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>4,972,484</u>	<u>4,288,192</u>	<u>(684,292)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	0	(715,313)	(715,313)
Fund Balance at Beginning of Year	(4,188,181)	(4,188,181)	0
Prior Year Encumbrances	<u>4,958,437</u>	<u>4,958,437</u>	<u>0</u>
Fund Deficit at End of Year	<u><u>\$770,256</u></u>	<u><u>\$54,943</u></u>	<u><u>(\$715,313)</u></u>

**THE CITY OF OREGON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NONGAAP BUDGETARY BASIS)**  
**CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

**SPECIAL ASSESSMENT - DUSTIN ROAD IMPROVEMENT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
Total Expenditures	0	0	0
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	0	0	0
Fund Balance at Beginning of Year	1,402	1,402	0
Fund Balance at End of Year	<u>\$1,402</u>	<u>\$1,402</u>	<u>\$0</u>

**THE CITY OF OREGON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NONGAAP BUDGETARY BASIS)**  
**CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

**ECONOMIC DEVELOPMENT ASSESSMENT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
Fund Balance at Beginning of Year	5,745	5,745	0
Fund Balance at End of Year	<u>\$5,745</u>	<u>\$5,745</u>	<u>\$0</u>

**THE CITY OF OREGON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL NONGAAP BUDGETARY BASIS)**  
**CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

**PARKLAND ACQUISITION FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	100,000	100,000	0
Total Other Financing Sources (Uses)	100,000	100,000	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	100,000	100,000	0
Fund Balance at Beginning of Year	50,000	50,000	0
Fund Balance at End of Year	<u>\$150,000</u>	<u>\$150,000</u>	<u>\$0</u>

## ***ENTERPRISE FUNDS***

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

### **Water Fund**

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

### **Sewer Fund**

To account for the operation of the City's sewerage treatment and sanitary sewer collection service.

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

	Water	Sewer	Totals
<u>Assets:</u>			
Cash and Cash Equivalents	\$5,802	\$7,657	\$13,459
Investments	1,155,082	1,524,250	2,679,332
Receivables (net of allowances for doubtful accounts):			
Accounts	319,990	441,507	761,497
Intergovernmental Loan Receivable	0	211,544	211,544
Inventory of Supplies at Cost	230,114	19,244	249,358
Prepaid Items	32,047	52,053	84,100
Restricted Assets:			
Cash with Fiscal Agent	0	1,547	1,547
Property, Plant and Equipment	31,584,135	52,311,393	83,895,528
Less Accumulated Depreciation	<u>(12,720,873)</u>	<u>(23,214,401)</u>	<u>(35,935,274)</u>
Net Fixed Assets	<u>18,863,262</u>	<u>29,096,992</u>	<u>47,960,254</u>
Total Assets	<u><u>\$20,606,297</u></u>	<u><u>\$31,354,794</u></u>	<u><u>\$51,961,091</u></u>
<u>Liabilities and Fund Equity:</u>			
Liabilities:			
Accounts Payable	\$73,188	\$148,885	\$222,073
Accrued Wages and Benefits	99,378	72,395	171,773
Matured Bonds and Interest	0	1,547	1,547
Accrued Interest Payable	0	7,610	7,610
Compensated Absences Payable	322,710	220,050	542,760
General Obligation Bonds Payable	0	2,810,000	2,810,000
Ohio Public Works			
Commission Loan Payable	0	16,057	16,057
Ohio Water Development			
Authority Loans Payable	<u>0</u>	<u>5,376,634</u>	<u>5,376,634</u>
Total Liabilities	<u>495,276</u>	<u>8,653,178</u>	<u>9,148,454</u>
Fund Equity:			
Contributed Capital	8,550,840	6,649,143	15,199,983
Retained Earnings:			
Unreserved	<u>11,560,181</u>	<u>16,052,473</u>	<u>27,612,654</u>
Total Fund Equity	<u>20,111,021</u>	<u>22,701,616</u>	<u>42,812,637</u>
Total Liabilities and Fund Equity	<u><u>\$20,606,297</u></u>	<u><u>\$31,354,794</u></u>	<u><u>\$51,961,091</u></u>

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

	Water	Sewer	Totals
<u>Operating Revenues:</u>			
Charges for Services	\$2,378,760	\$2,383,326	\$4,762,086
Other Charges for Services	19,620	67,388	87,008
Other Operating Revenues	451	12,163	12,614
Total Operating Revenues	<u>2,398,831</u>	<u>2,462,877</u>	<u>4,861,708</u>
<u>Operating Expenses:</u>			
Personal Services	1,491,861	1,008,415	2,500,276
Materials and Supplies	293,370	64,771	358,141
Contractual Services	426,690	247,661	674,351
Utilities	258,889	330,841	589,730
Depreciation	591,052	1,603,074	2,194,126
Total Operating Expenses	<u>3,061,862</u>	<u>3,254,762</u>	<u>6,316,624</u>
Operating Loss	(663,031)	(791,885)	(1,454,916)
<u>Non-Operating Revenues (Expenses):</u>			
Investment Earnings	0	19,808	19,808
Interest and Fiscal Charges	0	(417,143)	(417,143)
Capital Contributions	4,376,301	31,565	4,407,866
Proceeds from Sale of Fixed Assets	35	0	35
Loss on Disposal of Fixed Assets	(3,594)	(3,988)	(7,582)
Total Non-Operating Revenues (Expenses)	<u>4,372,742</u>	<u>(369,758)</u>	<u>4,002,984</u>
Income (Loss) Before Operating Transfers	3,709,711	(1,161,643)	2,548,068
<u>Operating Transfers:</u>			
Operating Transfers In	189,450	1,478,559	1,668,009
Operating Transfers Out	(442,906)	(554,813)	(997,719)
Total Operating Transfers	<u>(253,456)</u>	<u>923,746</u>	<u>670,290</u>
Net Income (Loss)	3,456,255	(237,897)	3,218,358
Retained Earnings at Beginning of Year	<u>8,103,926</u>	<u>16,290,370</u>	<u>24,394,296</u>
Retained Earnings at End of Year	<u>\$11,560,181</u>	<u>\$16,052,473</u>	<u>\$27,612,654</u>

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

	Water	Sewer	Totals
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$2,404,886	\$2,494,110	\$4,898,996
Cash Payments for Goods and Services	(991,520)	(672,143)	(1,663,663)
Cash Payments to Employees	(1,451,098)	(977,309)	(2,428,407)
Net Cash Provided (Used) by Operating Activities	(37,732)	844,658	806,926
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers In from Other Funds	189,450	2,145,968	2,335,418
Transfers Out to Other Funds	(442,906)	(554,813)	(997,719)
Net Cash Provided (Used) by Noncapital Financing Activities	(253,456)	1,591,155	1,337,699
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Intergovernmental Grants	0	31,565	31,565
Acquisition and Construction of Assets	(811)	(2,910,830)	(2,911,641)
Principal Paid on General Obligation Bond	0	(120,000)	(120,000)
Proceeds from Ohio Water Development Authority Loans	0	2,520,780	2,520,780
Principal Paid on Ohio Water Development Authority Loans	0	(492,855)	(492,855)
Principal Paid on Ohio Public Works Commission Loan	0	(10,704)	(10,704)
Interest Paid on All Debt	0	(1,084,877)	(1,084,877)
Net Cash Used by Capital and Related Financing Activities	(811)	(2,066,921)	(2,067,732)
<u>Cash Flows from Investing Activities:</u>			
Sale of Investments	64,680	0	64,680
Purchase of Investments	0	(557,151)	(557,151)
Receipts of Interest	0	19,808	19,808
Net Cash Provided (Used) by Investing Activities	64,680	(537,343)	(472,663)
Net Decrease in Cash and Cash Equivalents	(227,319)	(168,451)	(395,770)
Cash and Cash Equivalents at Beginning of Year	233,121	177,655	410,776
Cash and Cash Equivalents at End of Year	<u>\$5,802</u>	<u>\$9,204</u>	<u>\$15,006</u>
<u>Reconciliation of Cash and Cash Equivalents per the Balance Sheet:</u>			
Cash and Cash Equivalents	\$5,802	\$7,657	\$13,459
Restricted Cash With Fiscal Agent	0	1,547	1,547
Cash and Cash Equivalents at End of Year	<u>\$5,802</u>	<u>\$9,204</u>	<u>\$15,006</u>

(Continued)

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

	<u>Water</u>	<u>Sewer</u>	<u>Totals</u>
<u>Reconciliation of Operating Loss to Net Cash</u>			
<u>Provided (Used) by Operating Activities:</u>			
Operating Loss	(\$663,031)	(\$791,885)	(\$1,454,916)
Adjustments to Reconcile Operating Loss to			
Net Cash Provided (Used) by Operating Activities:			
Miscellaneous Nonoperating Income	35	0	35
Depreciation Expense	591,052	1,603,074	2,194,126
Changes in Assets and Liabilities:			
Decrease (Increase) in Accounts Receivable	6,020	(122,744)	(116,724)
Decrease in Intergovernmental Receivable	0	153,977	153,977
Increase in Inventory	(15,425)	(909)	(16,334)
Increase in Prepaid Items	(11,651)	(32,851)	(44,502)
Increase in Accounts Payable	14,505	4,890	19,395
Increase in Accrued Wages and Benefits	5,061	8,422	13,483
Increase in Compensated Absences	35,702	22,684	58,386
Total Adjustments	<u>625,299</u>	<u>1,636,543</u>	<u>2,261,842</u>
Net Cash Provided (Used) by Operating Activities	<u>(\$37,732)</u>	<u>\$844,658</u>	<u>\$806,926</u>

Schedule of Noncash Investing, Capital and Financing Activities:

As of December 31, 2002, the Sewer Fund had an outstanding liability of \$97,232 for the purchase of certain capital assets.

In addition, the Water Fund received capital assets from various sources in the amount of \$4,376,301.

## ***INTERNAL SERVICE FUNDS***

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The internal service funds are used to account for financing goods or services provided by one department to other departments of the City on a cost-reimbursement basis.

### **Self Insurance Dental Fund**

To account for funds designated for payment, by contract, of administration, claims and reserves for the self insurance program.

### **Workers' Compensation Fund**

To account for funds reserved for potential liability for workers' compensation and payment of actual workers' compensation claims.

### **Medical Spending Fund**

To account for deposits from employees for the Flex Benefit/Cafeteria Plan and reimbursements to employees for said purposes.

**THE CITY OF OREGON, OHIO**  
**COMBINING BALANCE SHEET**  
**INTERNAL SERVICE FUNDS**  
**DECEMBER 31, 2002**

	Self Insurance Dental	Workers' Compensation	Medical Spending	Totals
<u>Assets:</u>				
Cash and Cash Equivalents	\$21,108	\$2,139	\$6,255	\$29,502
Investments	0	425,889	0	425,889
Total Assets	<u>\$21,108</u>	<u>\$428,028</u>	<u>\$6,255</u>	<u>\$455,391</u>
<u>Liabilities and Fund Equity:</u>				
Liabilities:				
Workers' Compensation Liability	\$0	\$237,001	\$0	\$237,001
Total Liabilities	<u>0</u>	<u>237,001</u>	<u>0</u>	<u>237,001</u>
Fund Equity:				
Retained Earnings:				
Unreserved	21,108	191,027	6,255	218,390
Total Fund Equity	<u>21,108</u>	<u>191,027</u>	<u>6,255</u>	<u>218,390</u>
Total Liabilities and Fund Equity	<u>\$21,108</u>	<u>\$428,028</u>	<u>\$6,255</u>	<u>\$455,391</u>

**THE CITY OF OREGON, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

	Self Insurance Dental	Workers' Compensation	Medical Spending	Totals
<u>Operating Revenues:</u>				
Charges for Services	\$91,215	\$0	\$22,675	\$113,890
Other Operating Revenues	0	31,763	0	31,763
Total Operating Revenues	91,215	31,763	22,675	145,653
<u>Operating Expenses:</u>				
Personal Services	126,785	5,672	18,965	151,422
Total Operating Expenses	126,785	5,672	18,965	151,422
Operating Income (Loss)	(35,570)	26,091	3,710	(5,769)
<u>Operating Transfers:</u>				
Operating Transfers In	30,000	0	0	30,000
Operating Transfers Out	0	(30,000)	0	(30,000)
Total Non-Operating Revenues (Expenses)	30,000	(30,000)	0	0
Net Income (Loss)	(5,570)	(3,909)	3,710	(5,769)
Retained Earnings at Beginning of Year	26,678	194,936	2,545	224,159
Retained Earnings at End of Year	\$21,108	\$191,027	\$6,255	\$218,390

**THE CITY OF OREGON, OHIO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

	Self Insurance Dental	Workers' Compensation	Medical Spending	Totals
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Customers	\$91,215	\$31,763	\$22,675	\$145,653
Cash Payments to Employees	(126,785)	(503)	(18,965)	(146,253)
Net Cash Provided (Used) by Operating Activities	(35,570)	31,260	3,710	(600)
<u>Cash Flows from Noncapital Financing Activities:</u>				
Transfers In from Other Funds	30,000	0	0	30,000
Transfers Out to Other Funds	0	(30,000)	0	(30,000)
Net Cash Provided (Used) by Noncapital Financing Activities	30,000	(30,000)	0	0
<u>Cash Flows from Investing Activities:</u>				
Purchase of Investments	0	(67,598)	0	(67,598)
Net Cash Used by Investing Activities	0	(67,598)	0	(67,598)
Net Increase (Decrease) in Cash and Cash Equivalents	(5,570)	(66,338)	3,710	(68,198)
Cash and Cash Equivalents at Beginning of Year	26,678	68,477	2,545	97,700
Cash and Cash Equivalents at End of Year	\$21,108	\$2,139	\$6,255	\$29,502
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</u>				
Operating Income (Loss)	(\$35,570)	\$26,091	\$3,710	(\$5,769)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Changes in Assets and Liabilities:				
Decrease in Prepaid Items	0	5,169	0	5,169
Total Adjustments	0	5,169	0	5,169
Net Cash Provided (Used) by Operating Activities	(35,570)	\$31,260	\$3,710	(\$600)



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***FIDUCIARY FUND TYPES***

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

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***EXPENDABLE TRUST FUND***

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**Unclaimed Trust Fund**

To account for unclaimed checks not yet available to be placed in the general fund as required by the Ohio Revised Code.

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***NONEXPENDABLE TRUST FUNDS***

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**Perpetual Care Fund**

To account for the endowment principal and interest. Yields may only be used for maintenance and repair at the North Oregon and Willow Cemeteries.

**Dunbar Trust Fund**

To account for the endowment principal and interest. Yields may only be used for maintenance and repair of a one family mausoleum at Willow Cemetery.

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***AGENCY FUNDS***

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**Ohio Board of Building Standards Assessment Fund**

To account for funds from the three percent (3%) fees as required by Ohio Revised Code.

**Income Tax Joint District Fund**

To account for income tax funds to be distributed between the City of Oregon and the City of Northwood.

**Lucas County Water Collection Fund**

To account for a portion of the revenue from Lucas County (outside Oregon) users of Oregon water. Expenditures may only be used for contractually agreed upon payment to Lucas County and for contractually agreed upon payment for capitalization costs of the Water Plant Construction Fund.

**Municipal Court Fund**

To account for funds that flow through the municipal court office.

**THE CITY OF OREGON, OHIO**  
**COMBINING BALANCE SHEET**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2002**

	<i>Expendable</i>	<i>Nonexpendable</i>	
	<i>Trust Fund</i>	<i>Trust Funds</i>	
	Unclaimed Trust	Perpetual Care	Dunbar Trust
<u>Assets:</u>			
Cash and Cash Equivalents	\$74,992	\$0	\$0
Receivables (net of allowance for doubtful accounts):			
Interest	0	2,593	138
Restricted Assets:			
Cash and Cash Equivalents	0	0	0
Investments	0	73,742	3,926
Total Assets	<u>\$74,992</u>	<u>\$76,335</u>	<u>\$4,064</u>
<u>Liabilities and Fund Equity:</u>			
Liabilities:			
Intergovernmental Payables	\$0	\$0	\$0
Due to Others	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Equity:			
Reserved for Endowments	0	76,335	4,064
Unreserved	74,992	0	0
Total Fund Equity	<u>74,992</u>	<u>76,335</u>	<u>4,064</u>
Total Liabilities and Fund Equity	<u>\$74,992</u>	<u>\$76,335</u>	<u>\$4,064</u>

**THE CITY OF OREGON, OHIO  
COMBINING BALANCE SHEET  
FIDUCIARY FUNDS  
DECEMBER 31, 2002**

***Agency Funds***

Ohio Board of Building Standards Assessment	Income Tax Joint District	Lucas County Water Collection	Municipal Court	Totals
\$0	\$0	\$0	\$0	\$74,992
0	0	0	0	2,731
36	16,933	14,015	27,696	58,680
0	0	0	0	77,668
<u>\$36</u>	<u>\$16,933</u>	<u>\$14,015</u>	<u>\$27,696</u>	<u>\$214,071</u>
\$36	\$16,933	\$14,015	\$0	\$30,984
0	0	0	27,696	27,696
<u>36</u>	<u>16,933</u>	<u>14,015</u>	<u>27,696</u>	<u>58,680</u>
0	0	0	0	80,399
0	0	0	0	74,992
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>155,391</u>
<u>\$36</u>	<u>\$16,933</u>	<u>\$14,015</u>	<u>\$27,696</u>	<u>\$214,071</u>

**THE CITY OF OREGON, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES**  
**NONRENDERABLE TRUST FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

	Perpetual Care	Dunbar Trust	Totals
<u>Revenues:</u>			
Investment Earnings	\$2,764	\$147	\$2,911
Total Revenues	2,764	147	2,911
<u>Expenses:</u>			
Total Expenses	0	0	0
Net Income	2,764	147	2,911
Fund Balance at Beginning of Year	73,571	3,917	77,488
Fund Balance at End of Year	<u>\$76,335</u>	<u>\$4,064</u>	<u>\$80,399</u>

**THE CITY OF OREGON, OHIO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONRENDERABLE TRUST FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

	Perpetual Care	Dunbar Trust	Totals
<u>Cash Flows from Operating Activities:</u>			
Net Cash Provided by Operating Activities	\$0	\$0	\$0
<u>Cash Flows from Investing Activities:</u>			
Sale of Investments	4,083	217	4,300
Receipts of Interest	(4,083)	(217)	(4,300)
Net Cash Provided by Investing Activities	0	0	0
Net Increase in Cash and Cash Equivalents	0	0	0
Cash and Cash Equivalents at Beginning of Year	0	0	0
Cash and Cash Equivalents at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Reconciliation of Operating Income to Net Cash</u>			
<u>Provided by Operating Activities:</u>			
Operating Income	\$2,764	\$147	\$2,911
Adjustments to Reconcile Operating Income to			
Net Cash Provided by Operating Activities:			
Interest on Investments	(2,764)	(147)	(2,911)
Total Adjustments	(2,764)	(147)	(2,911)
Net Cash Provided by Operating Activities	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**THE CITY OF OREGON, OHIO**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

	Balance December 31, 2001	Additions	Deductions	Balance December 31, 2002
<u>Ohio Board of Building Standards Assessment</u>				
Restricted Assets:				
Cash and Cash Equivalents	\$30	\$3,156	(\$3,150)	\$36
Total Assets	<u>\$30</u>	<u>\$3,156</u>	<u>(\$3,150)</u>	<u>\$36</u>
Liabilities:				
Intergovernmental Payables	\$30	\$3,156	(\$3,150)	\$36
Total Liabilities	<u>\$30</u>	<u>\$3,156</u>	<u>(\$3,150)</u>	<u>\$36</u>
<u>Income Tax Joint District Fund</u>				
Restricted Assets:				
Cash and Cash Equivalents	\$17,336	\$30,383	(\$30,786)	\$16,933
Total Assets	<u>\$17,336</u>	<u>\$30,383</u>	<u>(\$30,786)</u>	<u>\$16,933</u>
Liabilities:				
Intergovernmental Payables	\$17,336	\$30,383	(\$30,786)	\$16,933
Total Liabilities	<u>\$17,336</u>	<u>\$30,383</u>	<u>(\$30,786)</u>	<u>\$16,933</u>
<u>Lucas County Water Collection Fund</u>				
Restricted Assets:				
Cash and Cash Equivalents	\$13,171	\$40,279	(\$39,435)	\$14,015
Total Assets	<u>\$13,171</u>	<u>\$40,279</u>	<u>(\$39,435)</u>	<u>\$14,015</u>
Liabilities:				
Intergovernmental Payables	\$13,171	\$40,279	(\$39,435)	\$14,015
Total Liabilities	<u>\$13,171</u>	<u>\$40,279</u>	<u>(\$39,435)</u>	<u>\$14,015</u>
<u>Municipal Court Fund</u>				
Restricted Assets:				
Cash and Cash Equivalents	\$27,701	\$1,028,356	(\$1,028,361)	\$27,696
Total Assets	<u>\$27,701</u>	<u>\$1,028,356</u>	<u>(\$1,028,361)</u>	<u>\$27,696</u>
Liabilities:				
Due to Others	\$27,701	\$1,028,356	(\$1,028,361)	\$27,696
Total Liabilities	<u>\$27,701</u>	<u>\$1,028,356</u>	<u>(\$1,028,361)</u>	<u>\$27,696</u>
<u>Totals - All Agency Funds</u>				
Restricted Assets:				
Cash and Cash Equivalents	\$58,238	\$1,102,174	(\$1,101,732)	\$58,680
Total Assets	<u>\$58,238</u>	<u>\$1,102,174</u>	<u>(\$1,101,732)</u>	<u>\$58,680</u>
Liabilities:				
Intergovernmental Payables	\$30,537	\$73,818	(\$73,371)	\$30,984
Due to Others	27,701	1,028,356	(1,028,361)	27,696
Total Liabilities	<u>\$58,238</u>	<u>\$1,102,174</u>	<u>(\$1,101,732)</u>	<u>\$58,680</u>

***GENERAL FIXED ASSETS ACCOUNT GROUP***

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



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

General Fixed Assets

Land and Improvements	\$3,037,958
Buildings and Improvements	7,009,381
Machinery and Equipment	4,881,737
Vehicles	4,137,004
Furniture and Fixtures	174,373
Construction in Progress	<u>612,153</u>
Total General Fixed Assets	<u><u>\$19,852,606</u></u>

Investment in General Fixed Assets

General Fund	\$10,064,497
Special Revenue Funds	2,582,805
Capital Projects Funds	5,694,362
Proprietary Funds	410,307
Grants	589,457
Donations	<u>511,178</u>
Total Investment in General Fixed Assets	<u><u>\$19,852,606</u></u>

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

<u>Function and Activity</u>	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Machinery and Equipment</u>
<b><u>General Government:</u></b>			
Municipal Complex	\$22,587	\$3,060,453	\$0
Council	0	0	0
Mayor / Civil Service	0	0	5,582
Administrator	0	0	4,918
Clerk / Auditor	635,362	0	125,159
Income Tax	0	0	22,399
Data Processing	0	0	229,300
Municipal Court	0	621,468	119,312
Miscellaneous	461,687	14,266	242,939
Total	<u>1,119,636</u>	<u>3,696,187</u>	<u>749,609</u>
<b><u>Security of Persons and Property:</u></b>			
Police	0	138,236	1,302,937
Fire	49,739	1,394,369	1,177,240
Total	<u>49,739</u>	<u>1,532,605</u>	<u>2,480,177</u>
<b><u>Transportation:</u></b>			
Service Director	230,788	0	72,678
Street	29,145	675,088	1,169,996
Total	<u>259,933</u>	<u>675,088</u>	<u>1,242,674</u>
<b><u>Leisure Time Activities:</u></b>			
Parks and Recreation	1,501,759	940,843	261,353
<b><u>Community Environment:</u></b>			
Inspection	0	90,569	16,114
Tree Commission	100,441	0	3,024
Total	<u>100,441</u>	<u>90,569</u>	<u>19,138</u>
<b><u>Public Health and Welfare:</u></b>			
Cemetery	6,450	74,089	128,786
Total General Fixed Assets	<u>\$3,037,958</u>	<u>\$7,009,381</u>	<u>\$4,881,737</u>

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

Vehicles	Furniture and Fixtures	Construction in Progress	Total
\$0	\$2,848	\$7,553	\$3,093,441
0	0	110,642	110,642
0	3,715	0	9,297
0	4,057	0	8,975
0	23,016	102,254	885,791
0	24,812	0	47,211
0	0	0	229,300
0	41,009	0	781,789
0	0	33,005	751,897
<u>0</u>	<u>99,457</u>	<u>253,454</u>	<u>5,918,343</u>
208,061	38,631	122,363	1,810,228
<u>2,300,277</u>	<u>9,500</u>	<u>19,450</u>	<u>4,950,575</u>
<u>2,508,338</u>	<u>48,131</u>	<u>141,813</u>	<u>6,760,803</u>
49,835	4,285	36,781	394,367
<u>1,373,637</u>	<u>10,135</u>	<u>3,214</u>	<u>3,261,215</u>
<u>1,423,472</u>	<u>14,420</u>	<u>39,995</u>	<u>3,655,582</u>
<u>55,168</u>	<u>3,556</u>	<u>139,784</u>	<u>2,902,463</u>
101,248	5,912	0	213,843
<u>0</u>	<u>2,897</u>	<u>0</u>	<u>106,362</u>
<u>101,248</u>	<u>8,809</u>	<u>0</u>	<u>320,205</u>
48,778	0	37,107	295,210
<u>\$4,137,004</u>	<u>\$174,373</u>	<u>\$612,153</u>	<u>\$19,852,606</u>

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

Function and Activity	December 31, 2001	Additions	Deletions	December 31, 2002
<u>General Government:</u>				
Municipal Complex	\$3,115,635	\$0	(\$22,194)	\$3,093,441
Council	0	110,642	0	110,642
Mayor / Civil Service	9,297	0	0	9,297
Administrator	8,975	0	0	8,975
Clerk / Auditor	783,537	102,254	0	885,791
Income Tax	47,211	0	0	47,211
Data Processing	238,386	0	(9,086)	229,300
Municipal Court	781,789	0	0	781,789
Miscellaneous	705,612	48,005	(1,720)	751,897
Total	<u>5,690,442</u>	<u>260,901</u>	<u>(33,000)</u>	<u>5,918,343</u>
<u>Security of Persons and Property:</u>				
Police	1,871,486	248,710	(309,968)	1,810,228
Fire	4,897,721	52,854	0	4,950,575
Total	<u>6,769,207</u>	<u>301,564</u>	<u>(309,968)</u>	<u>6,760,803</u>
<u>Transportation:</u>				
Service Director	387,212	7,155	0	394,367
Street	3,022,876	238,339	0	3,261,215
Total	<u>3,410,088</u>	<u>245,494</u>	<u>0</u>	<u>3,655,582</u>
<u>Leisure Time Activities:</u>				
Parks and Recreation	2,772,695	171,456	(41,688)	2,902,463
<u>Community Environment:</u>				
Inspection	209,822	4,021	0	213,843
Tree Commission	106,362	0	0	106,362
Total	<u>316,184</u>	<u>4,021</u>	<u>0</u>	<u>320,205</u>
<u>Public Health and Welfare:</u>				
Cemetery	210,800	84,410	0	295,210
Total General Fixed Assets	<u>\$19,169,416</u>	<u>\$1,067,846</u>	<u>(\$384,656)</u>	<u>\$19,852,606</u>

## *STATISTICAL SECTION*

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

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

Year	Public										Total
	Security of Persons and Property	Health and Welfare Services	Leisure Time Activities	Community Environment	Basic Utility Services	Trans- portation	General Government	Capital Outlay	Debt Service	Other	
1993	\$5,274,643	\$367,119	\$401,290	\$302,658	\$222,385	\$1,876,720	\$2,231,128	\$1,339,880	\$535,932	\$1,000	\$12,552,755
1994 a	5,391,818	322,007	352,986	394,803	238,195	2,593,945	2,707,042	0	524,021	15,256	12,540,073
1995 a	5,647,996	277,473	473,047	1,032,051	140,847	3,056,061	2,663,379	0	522,549	0	13,813,403
1996 a	6,170,972	362,120	446,946	419,396	144,538	3,057,246	3,122,224	0	369,848	0	14,093,290
1997 a	7,098,292	391,833	541,330	734,679	143,831	3,278,845	3,050,147	0	352,676	0	15,591,633
1998 a	6,522,915	395,950	522,753	1,502,212	371,875	2,996,623	2,789,600	0	469,671	0	15,571,599
1999 a	6,860,675	388,490	555,226	1,457,666	194,758	2,926,273	3,002,537	0	523,200	0	15,908,825
2000 a	6,957,408	321,370	754,951	905,692	151,747	3,134,325	3,481,355	0	554,476	0	16,261,324
2001 a	7,513,265	380,507	657,027	737,466	427,119	3,368,708	3,537,508	0	605,949	0	17,227,549
2002 a	8,277,181	353,550	689,201	847,210	139,851	3,380,881	3,730,573	0	1,560,687	0	18,979,134

a - Capital Outlay is reported as part of the function

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

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

Year	Taxes	Inter-Governmental Revenues	Charges for Services	Fines and Forfeitures/			Special Assessments	All Other	Total
				Licenses, Permits and Fees	Investment Earnings				
1993	\$9,251,711	\$2,020,546	\$406,546	\$474,957	\$443,572	\$575,535	\$122,655	\$13,295,522	
1994	10,157,047	2,321,180	409,554	474,929	463,757	589,077	69,721	14,485,265	
1995	10,375,709	3,086,515	348,908	504,217	752,477	585,386	58,805	15,712,017	
1996	10,418,179	2,579,640	481,663	514,958	897,970	458,949	108,615	15,459,974	
1997	11,005,965	2,753,923	796,900	528,829	1,008,928	475,607	81,171	16,651,323	
1998	12,373,636	3,104,223	949,862	663,463	871,315	562,715	165,158	18,690,372	
1999	13,035,879	3,559,490	562,785	706,976	983,567	484,113	91,746	19,424,556	
2000	12,448,957	3,341,693	627,286	635,435	1,083,496	457,923	75,110	18,669,900	
2001	17,118,366	3,275,389	689,601	693,642	1,096,332	487,447	129,541	23,490,318	
2002	13,006,783	3,440,070	615,488	844,311	873,423	502,159	84,086	19,366,320	

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

**THE CITY OF OREGON, OHIO**  
**PROPERTY TAXEVIES AND COLLECTIONS**  
**LAST TEN YEARS**

Collection Year	Total Tax Levy	Current Tax Collections	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Accumulated Delinquent Taxes to Total Tax Levy
1993	\$826,570	\$803,648	\$22,100	\$825,748	99.90%	\$61,497	7.44%
1994	863,190	792,346	69,898	862,244	99.89%	46,227	5.36%
1995	864,000	815,148	47,799	862,947	99.88%	56,904	6.59%
1996	863,997	867,445	12,782	880,227	101.88%	39,725	4.60%
1997	1,224,000	1,214,550	31,405	1,245,955	101.79%	42,333	3.46%
1998	1,364,916	1,340,215	34,136	1,374,351	100.69%	30,225	2.21%
1999	1,378,000	1,361,901	154,179	1,516,080	110.02%	30,091	2.18%
2000	1,402,500	1,381,205	48,976	1,430,181	101.97%	29,889	2.13%
2001	1,973,000	1,441,216	144,183	1,585,399	80.35%	52,567	2.66%
2002	1,446,409	1,379,930	30,319	1,410,249	97.50%	72,320	5.00%

Source: Lucas County Auditor

**THE CITY OF OREGON, OHIO  
TANGIBLE TAXCOLLECTED  
LAST TEN YEARS**

<u>Year Paid</u>	<u>Amount</u>
1993	\$319,097
1994	394,879
1995	314,317
1996	331,448
1997	342,350
1998	375,235
1999	502,731
2000	417,687
2001	466,655
2002	392,175

Source: Lucas County Auditor

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

Tax Year	Real Property		Public Utility Personal		Tangible Personal Property		Total		Assessed Value as a Percent of Actual Value
	Assessed	Actual	Assessed	Actual	Assessed	Actual	Assessed	Actual	
1993	\$212,854,220	\$608,154,914	\$92,678,710	\$105,316,715	\$100,055,838	\$370,577,177	\$405,588,768	\$1,084,048,806	37.41%
1994	222,230,170	634,943,343	87,816,760	99,791,773	110,038,202	440,152,808	420,085,132	1,174,887,924	35.76%
1995	227,618,400	650,338,286	89,269,180	101,442,250	89,493,915	344,207,365	406,381,495	1,095,987,901	37.08%
1996	232,962,860	665,608,171	95,241,070	108,228,489	96,804,733	387,218,932	425,008,663	1,161,055,592	36.61%
1997	267,195,920	763,416,914	90,991,610	103,399,557	102,404,075	409,616,300	460,591,605	1,276,432,771	36.08%
1998	274,967,220	785,620,629	91,808,030	104,327,307	107,685,579	430,742,316	474,460,829	1,320,690,252	35.93%
1999	283,472,680	826,246,686	87,082,370	92,464,443	90,095,364	360,381,456	460,650,414	1,279,092,585	36.01%
2000	344,472,900	984,208,286	87,399,690	99,317,830	119,988,283	479,953,132	551,860,873	1,563,479,248	35.30%
2001	362,119,680	1,034,627,657	43,975,230	49,971,852	126,532,646	506,130,584	532,627,556	1,590,730,093	33.48%
2002	373,201,700	1,066,290,571	43,878,130	49,861,511	114,530,269	458,121,076	531,610,099	1,574,273,158	33.77%

Source: Lucas County Auditor

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

Collection Year	City of Oregon					Oregon			Total
	General Fund	Police Fund	Fire Fund	Recreation Fund	Total City	School District	Lucas County	Total	
1993	1.70	0.80	0.50	0.50	3.50	42.30	15.85	61.65	
1994	1.70	0.80	0.50	0.50	3.50	45.80	15.85	65.15	
1995	1.70	0.80	0.50	0.50	3.50	45.80	17.20	66.50	
1996	1.70	0.80	0.50	0.50	3.50	49.20	17.35	70.05	
1997	1.70	0.80	0.50	0.50	3.50	49.20	17.35	70.05	
1998	1.70	0.80	0.50	0.50	3.50	49.20	17.35	70.05	
1999	1.70	0.80	0.50	0.50	3.50	49.20	17.75	70.45	
2000	1.70	0.80	0.50	0.50	3.50	49.20	17.95	70.65	
2001	1.70	0.80	0.50	0.50	3.50	49.20	17.80	70.50	
2002	1.70	0.80	0.50	0.50	3.50	49.20	17.80	70.50	

Source: Lucas County Auditor  
Lucas County Treasurer

**THE CITY OF OREGON, OHIO**  
**SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS**  
**LAST TEN YEARS**

<b>Collection Year</b>	<b>Amount Billed</b>	<b>Amount Collected</b>	<b>Percent Collected</b>
1993	\$578,656	\$553,464	95.65%
1994	581,900	567,735	97.57%
1995	567,487	547,309	96.44%
1996	493,228	496,142	100.59%
1997	534,784	515,998	96.49%
1998	349,049	606,233	173.68%
1999	307,780	528,201	171.62%
2000	313,544	505,981	161.37%
2001	350,380	529,180	151.03%
2002	401,487	548,148	136.53%

Uncollected as of 12/31/02 - \$102,260

Source: Lucas County Auditor.

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

	Total Debt	Unvoted Debt
Net Assessed Valuation	\$531,610,099	\$531,610,099
Legal Debt Limitation (%) (1)	10.50%	5.50%
Legal Debt Limitation (\$) (1)	55,819,060	29,238,555
Applicable City Debt Outstanding (2)	1,315,000	1,315,000
Less: Applicable Debt Service Fund Amounts	(32,094)	(32,094)
Net Indebtedness Subject to Limitation	1,282,906	1,282,906
Legal Debt Margin	\$54,536,154	\$27,955,649

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

(2) City Debt Outstanding Includes Non Self-Supporting General Obligation Bonds Only.  
Enterprise Debt is Not Considered in the Computation of the Legal Debt Margin.

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

Year	Population (1)	Assessed Value (2)	Gross General Obligation Bonded Debt (3)	Debt Service Funds Available	Net General Obligation Bonded Debt	Ratio of Net	
						General Obligation Bonded Debt to Assessed Valuation	Net General Obligation Bonded Debt Per Capita
1993	18,334	\$405,588,768	\$2,265,000	\$20	\$2,264,980	0.56%	\$123.54
1994	18,334	420,085,132	2,345,000	22	2,344,978	0.56%	127.90
1995	18,326	406,381,495	2,170,000	25	2,169,975	0.53%	118.41
1996	18,326	425,008,663	2,010,000	32	2,009,968	0.47%	109.68
1997	18,326	460,591,605	1,915,000	40	1,914,960	0.42%	104.49
1998	18,326	474,460,829	1,805,000	91,627	1,713,373	0.36%	93.49
1999	18,326	460,650,414	1,775,000	1,000	1,774,000	0.39%	96.80
2000	19,355	551,860,873	1,630,000	1,244	1,628,756	0.30%	84.15
2001	19,355	532,627,556	1,475,000	1,423	1,473,577	0.28%	76.13
2002	19,355	531,610,099	1,315,000	1,699	1,313,301	0.25%	67.85

(1) U.S. Department of Commerce;  
1993 to 1994; the 1990 Census of Population and Housing.  
1995 to 1999; Population Estimates Branch, Population Division of the U.S. Department of Commerce  
2000 to 2002; the 2000 Census of Population and Housing.  
(2) Source: Lucas County Auditor.  
(3) Includes all general obligation bonded debt supported by property taxes.

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

Year	Debt		Debt Interest	Total Debt Service	Total General Governmental Expenditures		Ratio of Tax Debt Service to General Governmental Expenditures
	Principal				General Governmental Expenditures		
1993	\$70,000	\$161,438	\$161,438	\$231,438	\$12,552,755		1.84%
1994	80,000	156,608	156,608	236,608	12,540,073		1.89%
1995	85,000	151,087	151,087	236,087	13,813,403		1.71%
1996	90,000	145,223	145,223	235,223	14,093,290		1.67%
1997	95,000	139,013	139,013	234,013	15,591,633		1.50%
1998	110,000	132,458	132,458	242,458	15,571,599		1.56%
1999	25,000	72,724	72,724	97,724	15,908,825		0.61%
2000	145,000	71,911	71,911	216,911	16,261,324		1.33%
2001	155,000	66,910	66,910	221,910	17,227,549		1.29%
2002	160,000	61,251	61,251	221,251	18,979,134		1.17%

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

<b>Jurisdiction</b>	<b>Net Debt Outstanding</b>	<b>Percentage Applicable to City of Oregon</b>	<b>Amount Applicable to City of Oregon</b>
<b>Direct</b>			
City of Oregon	\$1,477,152	100.00%	\$1,477,152
<b>Overlapping Subdivisions</b>			
Oregon City School District	415,000	90.26%	374,579
Lucas County	75,171,000	6.78%	5,096,594
		Subtotal	5,471,173
		Total	\$6,948,325

Source: Lucas County Auditor

**THE CITY OF OREGON, OHIO  
 DEMOGRAPHIC STATISTICS  
 DECEMBER 31, 2002**

<b>Year</b>	<b>City of Oregon Population (1)</b>	<b>Lucas County Population (2)</b>	<b>Unemployment Rate County Area (3)</b>	<b>Per Capita Income County Area (2)</b>	<b>School Enrollment (4)</b>
1993	18,334	461,508	6.9%	\$13,778	3,734
1994	18,334	458,702	5.8%	13,778	3,786
1995	18,276	455,018	4.9%	13,778	3,742
1996	18,326	452,691	5.1%	13,778	3,846
1997	18,326	452,691	5.2%	13,778	3,760
1998	18,326	452,691	5.5%	13,778	4,168
1999	18,326	446,871	5.2%	20,786	4,212
2000	19,355	455,054	4.7%	24,630	4,132
2001	19,355	455,054	5.1%	27,707	4,151
2002	19,355	455,054	7.6%	27,707	4,221

Source: (1) U.S. Department of Commerce;  
 1993 to 1994; the 1990 Census of Population and Housing.  
 1995 to 1999; Population Estimates Branch, Population Division of the U.S. Department of Commerce  
 2000 to 2002; the 2000 Census of Population and Housing.  
 (2) Lucas County Auditor, Toledo Metropolitan Area Council of Governments.  
 (3) Ohio Bureau of Employment Services.  
 (4) Oregon School District, Board of Education and Cardinal Stritch High School.

(Continued)

**THE CITY OF OREGON, OHIO  
DEMOGRAPHIC STATISTICS  
DECEMBER 31, 2002**

2002 Median Family Income (2)	Year	Sales within City (2)	County Average Price (2)	City Average Price (2)
City of Oregon	1996	262	\$81,500	\$87,750
Lucas County	1997	241	79,200	89,000
State of Ohio	1998	236	80,893	104,141
United States	1999	225	100,520	114,340
	2000	238	97,500	118,100
	2001	238	108,400	121,350
	2002	236	120,600	139,821

**Average Federal AGI for**

**Ohio School Districts - 2002 (4)**

Oregon City School District	\$37,130
All Lucas County Districts	38,798
All State of Ohio School Dist	42,238



**THE CITY OF OREGON, OHIO**  
**PRINCIPAL TAXPAYERS PUBLIC UTILITY AND PERSONAL PROPERTY TAX**  
**DECEMBER 31, 2002**

	<b>2002</b>		
<b>Taxpayer</b>	<b>Assessed Valuation (Tax Duplicate)</b>	<b>Type of Business</b>	<b>Percentage of Total Assessed Valuation</b>
1 Sun Co., Inc.	\$36,087,860	Refinery and Related Activities	22.77%
2 BP Oil Company	29,995,790	Refinery and Related Activities	18.93%
3 Marsulex Inc.	8,122,440	Refinery Related	5.13%
4 E.S. Wagner	3,176,180	Excavating	2.01%
5 Reiter Automotive of North America	2,908,080	Automobile Parts Manufacturer	1.84%
6 AK Steel Corporation	2,722,130	Steel Manufacturer	1.72%
7 Oregon Ford Inc.	2,182,190	Automobile Dealership	1.38%
8 Dunn Chevrolet Olds Inc.	2,169,310	Automobile Parts Manufacturer	1.37%
9 Meijer Properties, Inc.	1,986,810	Retail Sales	1.25%
10 Midwest Electrical Supply	1,833,300	Public Utility - Electric	1.16%
	<u>91,184,090</u>	Sub-Total	<u>57.56%</u>
	<u>67,224,309</u>	All Others	<u>42.44%</u>
	<u>\$158,408,399</u>	Total	<u>100.00%</u>

Based on valuation of property taxes levied in 2002.  
Source: Lucas County Auditor - Land and Buildings.

**THE CITY OF OREGON, OHIO**  
**PRINCIPAL TAXPAYERS REAL PROPERTY TAX**  
**DECEMBER 31, 2002**

	<b>Taxpayer</b>	<b>Type of Business</b>	<b>2002 Assessed Valuation (Tax Duplicate)</b>	<b>Percentage of Total Assessed Valuation</b>
1	Bay Park Community Hospital	Health Care Facility	\$13,568,770	3.64%
2	Toledo Edison	Public Utility - Electric	9,492,900	2.54%
3	Environsafe Services	Environmental Services	4,395,830	1.18%
4	B P Oil Company	Refinery and Related Activities	3,739,760	1.00%
5	Sun Co., Inc.	Refinery and Related Activities	3,550,550	0.95%
6	St. Charles Hospital	Health Care Facility	3,006,310	0.81%
7	Meijer Properties, Inc.	Retail Sales	2,905,490	0.78%
8	Robert Lloyd Trustee	Apartment Complex	2,233,110	0.60%
9	One Holdings Company	Retail	1,795,210	0.48%
10	Oregon Real Estate Co.	Real Estate	1,587,960	0.43%
		Sub-Total	46,275,890	12.41%
		All Others	326,925,810	87.59%
		Total	\$373,201,700	100.00%

Based on valuation of property taxes levied in 2002.  
Source: Lucas County Auditor - Land and Buildings.

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

	<b>Taxpayer</b>	<b>Type of Business</b>	<b>Amount of Tax Paid in 2002</b>	<b>Percentage of Total</b>
1	St. Charles Hospital	Hospital / Health Care	\$1,057,772	10.90%
2	BP Oil Company	Refinery and Related Activities	849,236	8.75%
3	Sun Co, Inc.	Refinery and Related Activities	817,606	8.43%
4	Oregon Board of Education	Education	433,840	4.47%
5	Bay Park Community Hospital	Hospital / Health Care	303,337	3.13%
6	First Energy Generation Corp.	Electric Utility	252,806	2.61%
7	City of Oregon	Local Government	247,347	2.55%
8	CSX Transportation	Railroad	243,633	2.51%
9	Washington Ohio Services LLC	Construction Contractor	174,429	1.80%
10	Gem Industrial Contractors	Construction Contractor	155,475	1.60%
	Sub-Total		4,535,481	46.75%
	All Others		5,167,098	53.25%
	Total		\$9,702,579	100.00%

Source: City of Oregon - Finance Department

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

	Employer	Type of Business	Number of Employees		
			Full-Time	Part-Time	Total
1	St. Charles Hospital	Hospital	885	320	1,205
2	GEM Industrial	Building Contractors	677	0	677
3	Oregon Board of Education	Education	427	55	482
4	B P Oil Company	Refinery	459	0	459
5	Sunoco Mid-America Marketing	Refinery	450	0	450
6	Meijer Properties, Inc.	Retail	192	207	399
7	Bay Park Hospital	Hospital	304	86	390
8	City of Oregon	Governmental	194	98	292
9	Toledo Edison	Public Utility - Electric	181	4	185
10	CSX Transportation*	Railroad	100	0	100

Source: City of Oregon Chamber of Commerce / Each Employer's Personnel Department.

\*Prior years reported regional employment

**THE CITY OF OREGON, OHIO**  
**MISCELLANEOUS STATISTICS**  
**DECEMBER 31, 2002**

Date of Incorporation	1958	Police Services:		Water System:	
Form of Government	Charter	Number of Stations	1	Number of Purification Plants	1
Area (square miles)	28.5	Number of Police Personnel and Officers	60	Miles of Water Mains	167.5
Facilities and Services:		Number of Patrol Units	12	Number of Fire Hydrants	1,915
Miles of Streets	148	Number of Law Violations:		Number of Service Connections	7,203
Number of Street Lights	1,424	Juvenile Citations	256	Average Daily Consumption (gallon)	6.41M
Recreation and Culture:		Criminal Juvenile Arrests	177	Maximum Daily Capacity of Plant (gallons)	12M
Number of Parks	4	Total Number of Criminal Arrt	1,905		
Park Area (acres)	2,216	Traffic Citations Issued	5,395	Sewerage System:	
Number of Ball Fields:		Parking Tickets Written	259	Number of Treatment Plants	2
Lighted	6	Fire/Emergency Medical Services:		Miles of Sanitary Sewers	65
Unlighted	13	Number of Stations	3	Miles of Storm Sewers	95
Number of Tennis Courts:		Number of Fire Officers and Fire Personnel	105	Average Daily Treatment (gallons)	5M
Lighted	18	Number of Calls Answered		Maximum Daily Capacity of Treatment (gallons)	36M
Boat Ramp	1	Fire	171	Number of Service Connections	5,883
Bike Path (miles)	1.5	EMS	1,515	Education:	
Bike Lanes (miles)	2.0	Life Squad	1,784	Public Elementary Schools	4
Land Usage - Percent by Area:		Number of Inspections	915	Public Elementary School Students	1,670
Residential	29.00%	Number of Hospitals	2	Public Elementary School Instructor	99
Commercial/Industrial	27.00%	Number of Patient Beds	294	Public Secondary Schools	3
Public Utility	4.00%	Number of Bassinets	36	Public Secondary School Students	2,152
Governmental (including parks) and Other Tax Exempt	8.00%	Number of Cemeteries	2	Public Secondary School Instructor	178
Agricultural and Undeveloped	32.00%	Cemetery Area (acres)	39	Private Secondary Schools Student:	336
Building Permits Issued in 2002	439	Number of Libraries	1	Private Secondary Schools Instruct	25
				Charter Schools (Special Education)	1
				Charter School Students	63
				Charter School Instructors	3
				Charter School Teacher's Assistant:	8







**Auditor of State  
Betty Montgomery**

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Facsimile 614-466-4490

**CITY OF OREGON**

**LUCAS COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
AUGUST 12, 2003**