

**CITY OF WOOSTER**

**WAYNE COUNTY**

**JANUARY 1, 2003 TO DECEMBER 31, 2003**

**PREPARED BY: REA & ASSOCIATES, INC.**





**Auditor of State  
Betty Montgomery**

Members of Council  
City of Wooster

We have reviewed the Independent Auditor's Report of the City of Wooster, Wayne County, prepared by Rea & Associates, Inc. for the audit period January 1, 2003 through December 31, 2003. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

BETTY MONTGOMERY  
Auditor of State

October 25, 2004

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**CITY OF WOOSTER**

**REPORT LETTERS**

**DECEMBER 31, 2003**

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# Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

July 27, 2004

To the Honorable Mayor and City Council  
City of Wooster  
Wayne County, Ohio

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

We have audited the financial statements the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City of Wooster as of and for the year ended December 31, 2003, which collectively comprise the City's basic financial statements and have issued our report thereon dated July 27, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the City of Wooster's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the City of Wooster in a separate letter dated July 27, 2004.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Wooster's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the City of Wooster in a separate letter dated July 27, 2004.

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

*Rea & Associates, Inc.*

# Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

July 27, 2004

To the Honorable Mayor and City Council  
City of Wooster  
Wayne County, Ohio

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

### Compliance

We have audited the compliance of the City of Wooster 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, 2003. The City of Wooster'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 Wooster's management. Our responsibility is to express an opinion on the City of Wooster'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 that 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 Wooster'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 Wooster's compliance with those requirements.

In our opinion, the City of Wooster 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, 2003.

### Internal Control Over Compliance

The management of the City of Wooster 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 Wooster's internal control over compliance with requirements that could have a direct and material effect on a major Federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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

#### Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the City of Wooster as of and for the year ended December 31, 2003, and have issued our report thereon dated July 27, 2004. Our audit was performed for the purpose of forming an opinion on the basic 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

*Kea & Associates, Inc.*

CITY OF WOOSTER  
WAYNE COUNTY

SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2003

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	PASS THROUGH ENTITY NUMBER	FEDERAL CFDA NUMBER	RECEIPTS	EXPENDITURES
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>				
(Passed through the State Department of Development)				
Community Development Block Grants	A-F-00-202-1	14.228	\$ 7,212	\$ 0
	A-F-01-202-1		107,000	39,278
	A-F-02-202-1		111,599	112,877
	A-C-01-202-1		92,014	78,879
	A-C-03-202-1		3,311	0
Home Investment Partnership Program	A-C-01-202-2	14.239	189,557	114,557
	A-C-03-202-2		2,463	0
<b><u>U.S. DEPARTMENT OF JUSTICE</u></b>				
COPS Grant	N/A	16.710	33,219	21,189
<b><u>NATIONAL HIGHWAY TRAFFIC SAFETY ADMIN., DEPT. OF TRANSPORTATION</u></b>				
(Passed through the Ohio Department of Public Safety)				
State and Community Highway Safety	N/A	20.600	10,543	10,543
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>				
Special Programs for the Aging - Title III	N/A	93.043	2,000	2,000
Total			<u>\$ 558,918</u>	<u>\$ 379,323</u>

**CITY OF WOOSTER  
WAYNE COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
OMB CIRCULAR A-133 , Section .505  
DECEMBER 31, 2003**

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

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

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

None were noted.

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

None were noted.



## **The City of Wooster, Ohio**

# **Comprehensive Annual Financial Report for the year ended December 31, 2003**



**CITY OF WOOSTER, OHIO  
Comprehensive Annual Financial Report  
For the year ended December 31, 2003**

**Prepared by Finance Department**

**CITY OFFICIALS  
As of January 1, 2004**

**MAYOR**

**James A. Howey  
Third Term Expires 12-31-07**

**CITY COUNCIL**

**Judi Mitten  
President  
First Term Expires 12-31-07**

**Mindy Cavin  
Term Expires 12-31-07  
First Term - Ward 1**

**Robert Breneman  
Term Expires 12-31-07  
Third Term - At Large**

**Barbara Hustwit  
Term Expires 12-31-05  
Third Term - Ward 2**

**Jon Ulbright  
Term Expires - 12-31-05  
First Term - At Large**

**David Silvestri  
Term Expires 12-31-07  
First Term - Ward 3**

**John Robison  
Term Expires 12-31-05  
First Term - At Large**

**Jeff Griffin  
Term Expires 12-31-05  
Filling Unexpired Term - Ward 4**

**DIRECTOR OF FINANCE**

**Andrei A. Dordea, CPA - 2nd year of service**

**DIRECTOR OF LAW**

**Richard Benson - 13 years of service**

**DIRECTOR OF ADMINISTRATION**

**Michael Sigg - 4 years of service**

**WOOSTER COMMUNITY HOSPITAL ADMINISTRATOR**

**William Sheron - 9 years of service**

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James A. Howey  
Mayor  
Andrei A. Dordea, CPA  
Director of Finance

Finance Department  
PO Box 1128  
Wooster, OH 44691  
(330) 263-5225

## CITY OF WOOSTER

July 27, 2004

City Council and Citizens of Wooster  
Wooster, Ohio

### The Comprehensive Annual Financial Report

The Comprehensive Annual Financial Report (CAFR) of the City of Wooster (the City) for the fiscal year ended December 31, 2003, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City's management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. Disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included. The reader is encouraged to review the contents of Management's Discussion and Analysis which begins on page 15.

The CAFR is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, our organization chart, and a list of principal officials and Certificate of Achievement for Excellence in Financial Reporting. We have included in the transmittal letter a financial ratio and statistical overview of the city based on entity-wide financial reporting. The financial section includes, under the new Governmental Accounting Standard Board Statement No. 34 as amended, the Report of Independent Accountants, the Management Discussion and Analysis, the basic financial statements, required supplementary information, and the combining and individual fund financial statements. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The City is located in the north central part of the State of Ohio, within the boundaries of Wayne County of which it is the county seat. The City is a home rule municipal corporation under the laws of the State of Ohio and, as such, operates under its own charter. The current charter was adopted in 1972 and has undergone two amendments since that time. The city government consists of a Mayor, a seven-member Council and a Council President. All of these officials are elected for four-year terms. The Mayor, three Council members and the Council President are elected on an at-large basis. The four remaining Council members are elected from their respective wards within the City.

For financial reporting purposes, the City includes in this report all funds, agencies, boards, and commissions that are controlled by, or dependent on, the City legislative branch. "Controlled by" or "dependent on" the City is determined on the basis of budget adoption, taxing authority, outstanding debts secured by revenues or general taxing authority of the City, and/or the City's obligation to fund any deficits that may occur.

The City provides a full range of municipal services contemplated by its charter. These services include police, fire, health care, recreation programs (including parks), transportation programs, water and water pollution control programs, planning and zoning, and general administrative services.

### Local Economy

The Economic Segment Mix and The Change of Economic Segment Mix as Measured by Total Income Tax Receipts for the Tax Years 1997 through 2003

	1997	1998	1999	2000	2001	2002	2003	Change% 97/03
Industrial	44.4%	41.1%	45.9%	39.1%	36.9%	34.2%	33.0%	-25.7%
Construction	4.2	4.2	3.9	4.4	4.8	4.9	4.7	11.9
Retail	9.7	10.0	8.8	9.0	9.3	8.6	9.0	-7.2
Oil	1.9	1.6	1.6	1.9	2.0	2.2	2.3	21.1
Services	9.6	10.4	9.2	10.1	10.6	11.1	12.0	25.0
Education/Govt.	10.0	11.7	11.1	13.3	14.6	17.4	17.8	78.0
Financial	3.7	5.2	4.3	4.3	4.3	3.9	4.3	16.2
Restaurants	1.6	1.9	1.8	2.1	2.2	2.2	2.3	43.8
Medical	6.9	7.5	7.0	8.4	9.0	7.1	7.1	2.9
Miscellaneous	8.2	6.1	6.3	7.4	6.4	8.4	7.5	-8.5
Chg. in \$ by Yr.	7.39%	5.78%	14.59%	-11.14%	0.79%	1.77%	-0.63%	

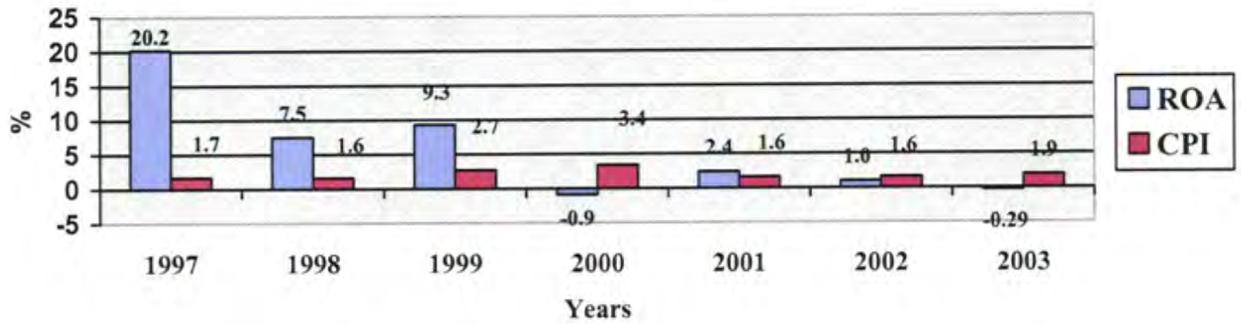
The chart displayed above demonstrates past economic trends in the community and provides indications of possible future trends. The Industrial segment continues to lead our economy. Through economic diversification, the City has become less reliant on the industrial sector. We view this trend as positive and expect this pattern to continue. We anticipate, as indicated by the strength of the construction segment and building permits issued during the last three years, future economic expansion. (See Statistical Table 2) The significant dollar permits issued in 2003 were: The College of Wooster \$6.3 million (residence hall); West View Manor \$6.0 million (assisted living facility); Wooster Church of the Nazarene \$6.0 million (church); Best Buy \$1.6 million (retail space); City of Wooster \$1.3 million (building renovations); CVS Pharmacy \$0.629 million (pharmacy); Buffalo Wild Wings \$0.525 million (restaurant). To strengthen financial management practices, Council adopted certain financial policies as detailed below.

### Financial Management Initiatives

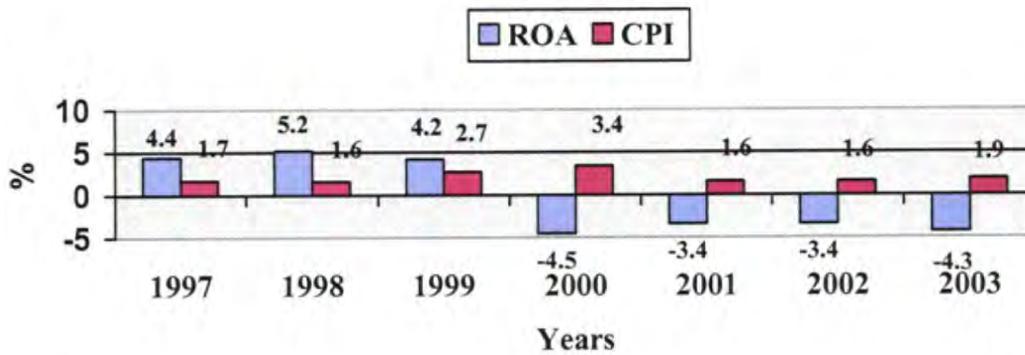
On January 17, 1995, and amended in 1999, Council passed and the Mayor approved new financial policies for the governmental funds of the City. In part, the ordinance states: (1) The governmental funds shall be budgeted to have a rate of return on all assets greater than or equal to the rate of inflation; (2) Council will not provide new services unless new revenue is available or there is a cost reduction in another service; (3) By 1999, the General Fund shall have an unencumbered cash balance of at least 60 days of expenditures, but no more than 240 days; (4) By 2001, the Capital Improvements Fund shall have a cash balance at least equal to the value of the annual depreciation of the governmental fund assets; and, (5) If the General Fund cash exceeds the 240 day requirement and the Capital Improvements Fund cash requirement is achieved and the return on assets in the governmental funds is greater than the rate of inflation Council will lower either the property tax rate or the income tax rate.

GASB Statement No. 34 financial reporting requirements facilitate monitoring actual results with these City policies. Our positions on each measurable point as of December 31 are presented in the following graphs:

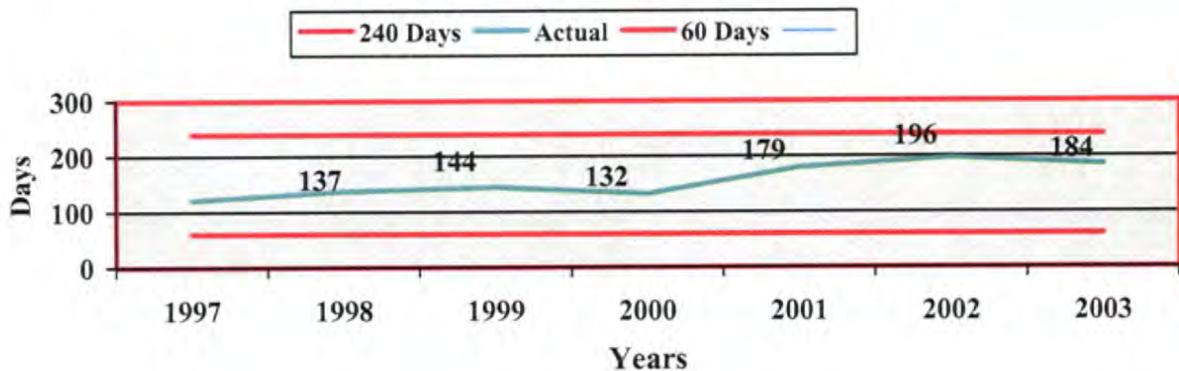
### Total Return on Assets (Governmental Operations) vs CPI



### Return on Assets From Operations (Governmental Operations) vs CPI



### General Fund Days In Unencumbered Cash



**Unencumbered Cash Balance (Capital Improvement Fund) to  
Annual Depreciation (Governmental Activities)**



**Risk Management**

The City is self-insured for general liability for \$25,000 per occurrence. No material losses are anticipated. An Insurance Claims Board consisting of the Directors of Administration, Law and Finance has been established to review and settle all claims of less than \$5,000.

All full-time employees are provided with traditional health care insurance that covers hospitalization and major medical expenses within specified limits. The plan is self-funded by the City and administered by a third-party administrator. The City pays the administrator a monthly fixed fee for various claim administration services on a per enrolled employee basis.

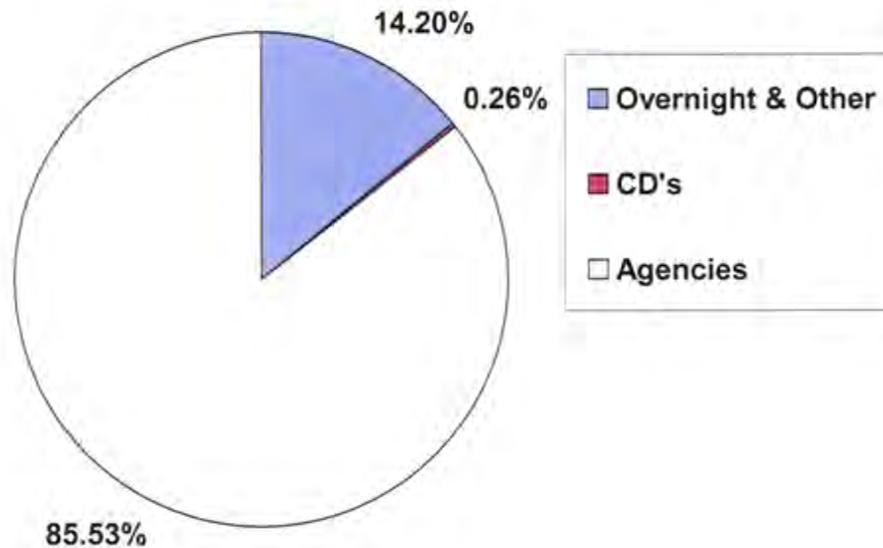
The City pays all claims. The third-party administrator submits weekly preliminary check registers for all processed claims. The City issues payment to the plan administrator who in turn issues individual claim checks.

The City carries stop-loss insurance against catastrophic losses. The premiums for these coverages are billed monthly by the third-party administrator on a per enrolled employee basis.

### Cash Management

As of December 31, 2003, the City of Wooster had approximately \$100 million in cash and investments. Through a series of contractual agreements, all but a small amount of cash (less than \$100,000) is invested at all times. The weighted average length of maturity of these investments was approximately 570 days with a weighted yield to maturity of 2.02%. The allocation of these investment resources is included in the chart below.

**Allocation of Investment Resources**



### Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Wooster, Ohio, for its CAFR for the fiscal year ended December 31, 2002. The Certificate of Achievement is a prestigious national award, which recognizes conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such CAFR must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The City has received a Certificate of Achievement for the last twenty-three consecutive years. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA for their review.

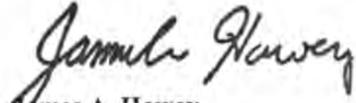
### Independent Audit

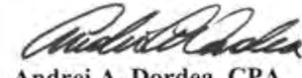
Rea & Associates, Inc., has audited the financial statements and related notes of the City of Wooster. As stated in the auditor's report, the audit was conducted in accordance with Generally Accepted Government

Auditing Standards, and included a financial compliance evaluation as well as a review of internal accounting controls. See page 13 of the Financial Section of this report for their unqualified opinion.  
Acknowledgements

The preparation of this report would not have been possible without the dedicated and efficient services of the Finance Department, and the various managers, directors, and employees who contributed to this report. Our sincere appreciation is given not only for the preparation of this report, but also for the efforts expended throughout the year. A special thanks to members of City Council for their support in managing the affairs of the City. We would like to recognize Gary Thompson, President of Council and Rick Oswald, City Engineer for their countless hours of public service and wish them well in their retirement. We also express our appreciation to our independent accounting firm of Rea & Associates, Inc., for their thoroughness and professionalism in conducting our audit.

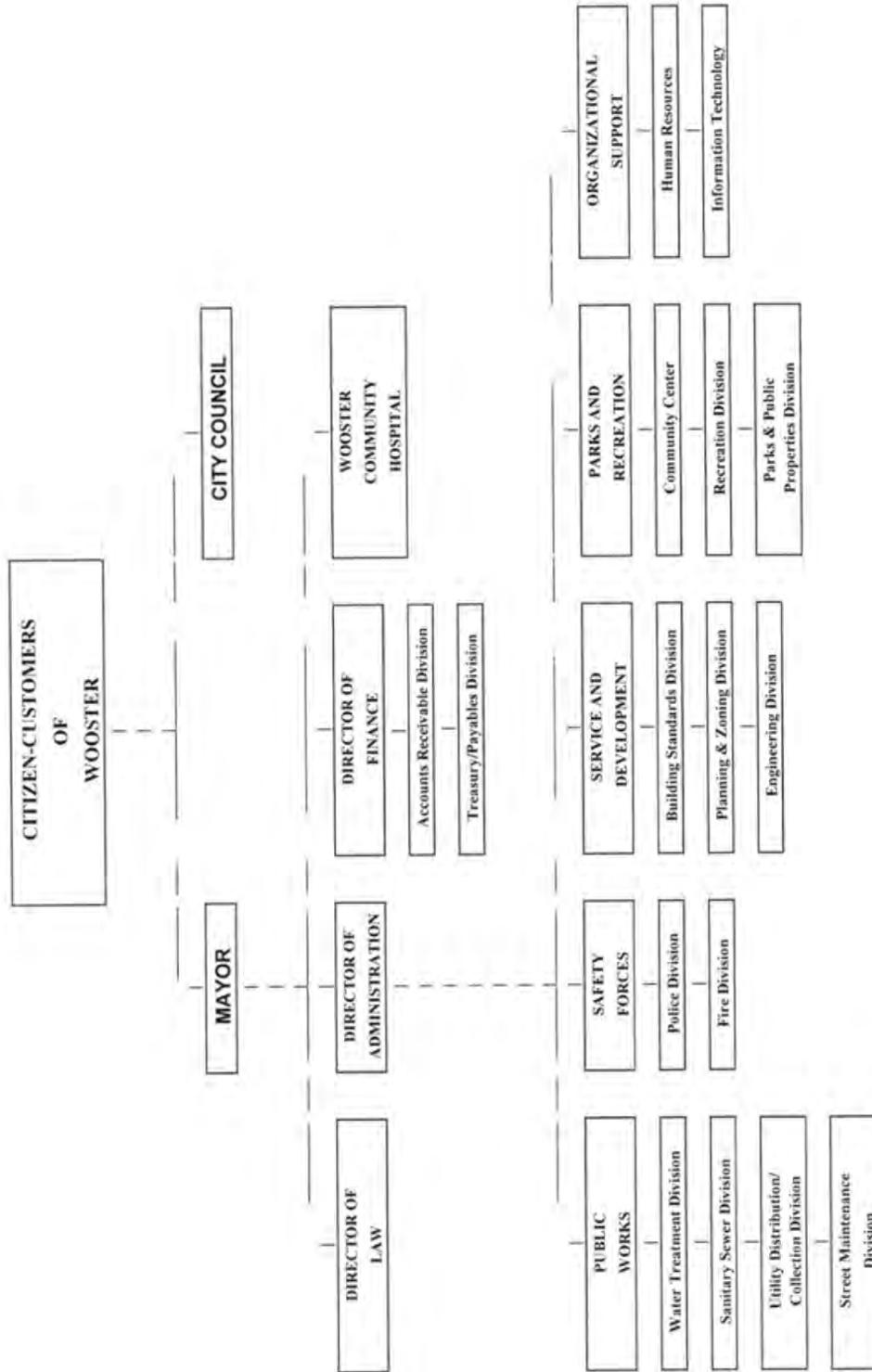
Respectfully submitted,

  
James A. Howey  
Mayor

  
Andrei A. Dordea, CPA  
Director of Finance

**CITY OF WOOSTER, OHIO  
ORGANIZATION CHART**

As of December 31, 2003



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Wooster,  
Ohio

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

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



President

Executive Director

# Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

July 27, 2004

To the Honorable Mayor and City Council  
City of Wooster  
Wayne County, Ohio

## INDEPENDENT AUDITOR'S REPORT

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wooster, Wayne County, Ohio, as of December 31, 2003, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated July 27, 2004 on our consideration of the City of Wooster'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 Audit Standards and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis and the Budgetary Comparison are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Wooster, Wayne County, Ohio's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and other schedules, and statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. We subjected the combining and individual nonmajor fund financial statements to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relationship to the basic financial statement taken as a whole. We did not subject the introductory section and statistical section to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Rea & Associates, Inc.*

CITY OF WOOSTER, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED DECEMBER 31, 2003

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis (MD&A) of the City of Wooster's financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2003. Descriptions and definitions follow the highlights below. Please read the MD&A in conjunction with our letter of transmittal, which begins on page 5, and the City's basic financial statements, which begin immediately following the MD&A. Some prior period comparatives have been restated (see notes to the basic financial statements).

FINANCIAL HIGHLIGHTS

- The City's net assets (total assets minus total liabilities) increased \$8.2 million as a result of this year's operations.
- The City-wide total return on assets was 3.45%.
- Total expenses of all City services was \$88.68 million in 2003 compared to \$82.22 million in 2002.
- Net assets of our business-type activities increased by \$8.33 million. Of these amounts Wooster Community Hospital net assets increased \$7.68 million while the City's utility service and economic development funds net assets increased \$0.65 million.
- The return on total assets for the business-type activities was 4.75% with the Hospital returning 7.3% on its total assets and the city's utility and economic development services returning 0.7%.
- Net assets of the governmental activities decreased by \$1.176 million. The return on total assets for the governmental activities was (-0.29%).
- The capital improvements fund ended the year with a cash balance of \$3,774,758. Depreciation expense for all governmental capital assets for 2003 was \$2,633,427. The city budgeted \$2,953,469 (including carry-over projects) from the capital improvements fund (for governmental capital projects) in 2004.
- Net governmental capital assets increased by \$1,273,988 in 2003.

USING THIS ANNUAL REPORT

The major portion of this annual report consists of a series of financial statements and explanatory notes. The Statement of Net Assets and the Statement of Activities (on pages 27 and 28 & 29) provide information about the services provided by the City of Wooster as a whole and present a longer-term view of the City's finances. Fund financial statements start on page 30. For governmental activities, these statements demonstrate how these services were financed in the short term as well as what remains for future spending. Individual fund financial statements also report the City's operations in more detail than the government-wide statements.

Reporting the City as a Whole

The Statement of Net Assets and the Statement of Activities

One of the most important questions asked about the City's finances is "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. Recognition of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's *net assets* and changes in them. We can think of the City's net assets, the difference between assets (what the citizens own) and liabilities (what the citizens owe) as one

CITY OF WOOSTER, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED DECEMBER 31, 2003

way to measure the City's financial health, or *financial position*. Over time, *increases or decreases* in the City's net assets are one indicator of whether its *financial health* is improving or deteriorating. We also must consider other nonfinancial factors, however, such as changes in the City's property tax base, income tax base, and the condition of the City's capital assets (roads, buildings, water and sewer lines) to assess the *overall health* of the City. Each factor is important to sustaining levels of service.

In the Statement of Net Assets and the Statement of Activities, we divide the City into two kinds of activities:

- **Governmental activities:** most of the City's basic services are reported here, including the police, fire, street maintenance, parks and recreation, and general administration (City Council, Mayor and Clerk of Council, Director of Administration, Law, Finance, Engineer and Information Technology). Income taxes, property taxes, state and federal grants, and several user fees finance most of these activities.
- **Business-type activities:** water, sanitary sewer, storm drainage, trash collection, and hospital services are reported here. The City charges fees to its customers to cover the cost of these services.

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

##### Fund Financial Statements

Our analysis of the City's major funds begins on page 21. The fund financial statements begin on page 30 and provide detailed information about the most significant funds—not the City as a whole. Some funds are required to be established by State law. However, City Council establishes many other funds to help it control and manage money for particular purposes (e.g., Economic Development Capital Improvements Fund) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (e.g., grants received from the U.S. Department of Housing and Urban Development). The City's three kinds of funds, governmental, proprietary and fiduciary, use different accounting techniques.

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

*Proprietary funds:* when the City charges customers for the full cost of the services it provides whether to outside customers or to other units of the City, these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the City's enterprise funds (a component of business-type funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. We use internal service funds, such as the City's Garage Fund, (the other component of proprietary funds) to report activities that provide supplies and services to the City's other programs and activities.

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

*Fiduciary funds:* Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources are not available to support the City's own programs. The City of Wooster has only agency funds to report within the Fiduciary Fund category. Agency funds are reported on a full accrual basis and only present a statement of assets and liabilities.

**THE CITY AS A WHOLE**

The City's combined net assets increased from \$189.2 million to \$200.0 million. Our analysis below focuses on the assets, liabilities and net assets (Table 1) and changes in net assets (Table 2) of the City's governmental and business-type activities.

**Table 1**

Net Assets (in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2002	2003	2002	2003	2002	2003
Current assets	\$ 24,426	\$24,488	\$93,734	\$95,103	\$118,160	\$119,591
Long-term receivables	2,833	2,701	730	630	3,563	3,331
Net Capital assets	<u>32,357</u>	<u>33,631</u>	<u>74,641</u>	<u>79,829</u>	<u>106,998</u>	<u>113,460</u>
Total assets	59,616	60,820	169,105	175,562	228,721	236,382
Current liabilities	(8,061)	(7,399)	(18,078)	(13,314)	(26,139)	(20,713)
Long-term liabilities	<u>(2,809)</u>	<u>(4,350)</u>	<u>(10,603)</u>	<u>(11,277)</u>	<u>(13,412)</u>	<u>(15,627)</u>
Total liabilities	(10,870)	(11,749)	(28,681)	(24,591)	(39,551)	(36,340)
Net assets:						
Invested in capital assets, net of debt	28,520	29,069	60,200	67,989	88,720	96,118
Restricted	10,258	8,803	2,267	2,156	12,525	10,959
Unrestricted (deficit)	<u>9,968</u>	<u>11,199</u>	<u>77,957</u>	<u>80,826</u>	<u>87,925</u>	<u>92,965</u>
Total net assets	\$ <u>48,746</u>	\$ <u>49,071</u>	\$ <u>140,424</u>	\$ <u>150,971</u>	\$ <u>189,170</u>	\$ <u>200,042</u>

Unrestricted net assets, the portion of net assets that can be used to finance day-to-day governmental operations (without constraints established by debt covenants, enabling legislation, or other legal requirements), increased 12.3% from \$9.97 million at December 31, 2002 to \$11.20 million at December 31, 2003. Restricted net assets, those restricted mainly for capital projects and special purposes such as street cleaning or maintenance, decreased 1.5 million (-14.2%). Investment in governmental capital assets increased by \$.5 million (1.9%).

The net assets of our business-type activities increased by \$10.55 million or 7.5% (\$140.4 million to \$151.0 million) in 2003. The majority of this was in the hospital fund increase of \$7.68 million. The City is required to use these net assets for sustaining services of the water, sanitary sewer, storm sewer and hospital funds.

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

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**Financial Ratios  
(dollars in thousands)**

The following Financial Ratios may be used to assess the financial stability of the City over an extended period of time. The City has adopted guidelines regarding return on assets as discussed under the Governmental Activities section and the Business-type Activities section.

“Working capital” balances demonstrate the continuing ability to finance operations with cash. The relative stability of the “current ratio” and the “liabilities to net assets” demonstrate the fact that the City has not financed its working capital with an increasing proportion of debt.

“Working Capital” is the amount by which current assets exceed current liabilities. The “Current Ratio” compares current assets to current liabilities and is an indicator of the ability to pay current obligations.

<b>Working Capital (S in thousands)</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>
<b>Entity Wide Summary</b>	\$ 72,583	\$ 69,950	\$ 70,927	\$ 79,564	\$ 87,483	\$ 92,021	\$ 98,878
<b>Governmental</b>	\$ 13,641	\$ 15,729	\$ 16,706	\$ 16,839	\$ 17,255	\$ 16,365	\$ 17,089
<b>Business-type</b>	\$ 58,942	\$ 54,221	\$ 54,221	\$ 62,725	\$ 70,228	\$ 75,656	\$ 81,789

<b>Current Ratio</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>
<b>Entity Wide Summary</b>	9.47	6.34	4.74	5.02	4.86	4.52	5.77
<b>Governmental</b>	8.40	8.33	4.29	4.12	3.93	3.03	3.31
<b>Business-type</b>	9.77	5.95	4.91	5.36	5.21	5.19	7.14

“Liabilities to Net Assets” indicates the extent of borrowing.

<b>Liabilities to Net Assets</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>
<b>Entity Wide Summary</b>	23%	23%	22%	21%	22%	21%	18%
<b>Governmental</b>	16%	14%	18%	21%	22%	22%	24%
<b>Business-type</b>	26%	27%	24%	21%	22%	20%	16%

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

“Return on assets (ROA) from operations” illustrates to what extent there will be sufficient funds from normal operations to replace assets in the future.

ROA from operations	1997	1998	1999	2000	2001	2002	2003
Entity Wide Summary	7%	6%	4%	5%	3%	3%	2%
Governmental	5%	5%	4%	-4%	-3%	-3%	-4%
Business-type	8%	6%	4%	8%	4%	4%	4%

“Total return on assets” includes all operating and non-operating revenues and expenses.

Total Return on Assets	1997	1998	1999	2000	2001	2002	2003
Entity Wide Summary	7%	6%	9%	5%	5%	6%	3%
Governmental	20%	8%	9%	-1%	2%	2%	0%
Business-type	9%	6%	8%	7%	6%	7%	5%

“Capital Asset Change” from previous year indicates whether the City of Wooster financially maintains infrastructure for future generations.

Capital Asset Change	1997	1998	1999	2000	2001	2002	2003
Entity Wide Summary	26%	14%	6%	0%	3%	5%	6%
Governmental	39%	4%	7%	-1%	-1%	1%	4%
Business-type	20%	20%	6%	0%	5%	7%	7%

“Days in Receivable” determines how many days it takes to collect amounts billed to customers.

Days In Receivable	1997	1998	1999	2000	2001	2002	2003
Entity Wide Summary	66	66	65	67	58	60	67
Governmental	85	85	91	102	97	109	111
Business-type	61	61	57	58	48	50	57

“Personal Services to Total Costs” measures the percentage of personal service costs to total cost.

Personal Service %	1997	1998	1999	2000	2001	2002	2003
Entity Wide Summary	57%	56%	56%	54%	53%	56%	59%
Governmental	67%	64%	63%	61%	63%	60%	60%
Business-type	55%	54%	53%	52%	50%	54%	58%

CITY OF WOOSTER, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED DECEMBER 31, 2003

**Table 2**

Changes in Net Assets (in thousands)

	Governmental Activities		Business-type Activities		Total Primary	
	2002	2003	2002	2003	2002	2003
<b>Program revenues:</b>						
Charges for Services	\$ 1,363	\$ 1,385	\$ 74,406	\$ 77,236	\$ 75,769	\$ 78,621
Operating Grants and Contributions	1,957	1,759	320	333	2,277	2,092
Capital Grants and Contributions	80	372	-	581	80	953
<b>General revenues:</b>						
Income Taxes (net of refunds)	7,868	7,819	-	-	7,868	7,819
Property Taxes	2,051	2,170	-	-	2,051	2,170
Other Taxes	1,274	985	-	-	1,274	985
Grants and Contributions	1,907	1,732	-	-	1,907	1,732
Interest and Investment Earnings	744	445	2,742	1,588	3,486	2,033
Other revenues	313	256	100	173	413	429
<b>Total Revenues:</b>	<b>17,557</b>	<b>16,923</b>	<b>77,568</b>	<b>79,911</b>	<b>95,125</b>	<b>96,834</b>
<b>Governmental program expenses including indirect expenses:</b>						
Safety Services	9,014	9,531	-	-	9,014	9,531
Health and Social Services	142	141	-	-	142	141
Leisure Services	2,348	2,402	-	-	2,348	2,402
Environment and Development	1,185	1,186	-	-	1,185	1,186
Transportation Services	3,376	3,198	-	-	3,376	3,198
Administrative Services	360	504	-	-	360	504
Interest on Long Term Debt	192	140	-	-	192	140
<b>Business-type services:</b>						
Wooster Community Hospital	-	-	56,940	62,195	56,940	62,195
Water	-	-	3,838	4,028	3,838	4,028
Water Pollution Control	-	-	3,667	3,778	3,667	3,778
Storm Drainage	-	-	378	666	378	666
Refuse Collection	-	-	779	908	779	908
<b>Total expenses</b>	<b>16,617</b>	<b>17,102</b>	<b>65,602</b>	<b>71,575</b>	<b>82,219</b>	<b>88,677</b>
Excess (deficiency) before transfers	\$940	\$(179)	\$11,966	\$8,336	\$12,906	\$8,157
Transfers	2	3	52	(3)	54	-
<b>Change in Net Assets (Restated, Note 1)</b>	<b>942</b>	<b>(176)</b>	<b>12,018</b>	<b>8,333</b>	<b>12,960</b>	<b>8,157</b>
<b>Net Assets Beginning</b>	<b>47,804</b>	<b>49,247</b>	<b>128,406</b>	<b>142,638</b>	<b>176,210</b>	<b>191,885</b>
<b>Net Assets Ending</b>	<b>\$ 48,746</b>	<b>\$ 49,071</b>	<b>\$140,424</b>	<b>\$150,971</b>	<b>\$189,170</b>	<b>\$200,042</b>

CITY OF WOOSTER, OHIO  
 MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
 FOR THE YEAR ENDED DECEMBER 31, 2003

Governmental Activities

Table 3 below presents the cost of each of the City's four largest Governmental programs: Safety Services, Transportation Services, Leisure Services, and Environment and Development Services as well as each program's *net* cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions. The increase in the net cost demonstrates the inability to recover increased cost of the program under the current revenue policies.

**Table 3**  
 Statement of Activities  
 Governmental Activities (in thousands)

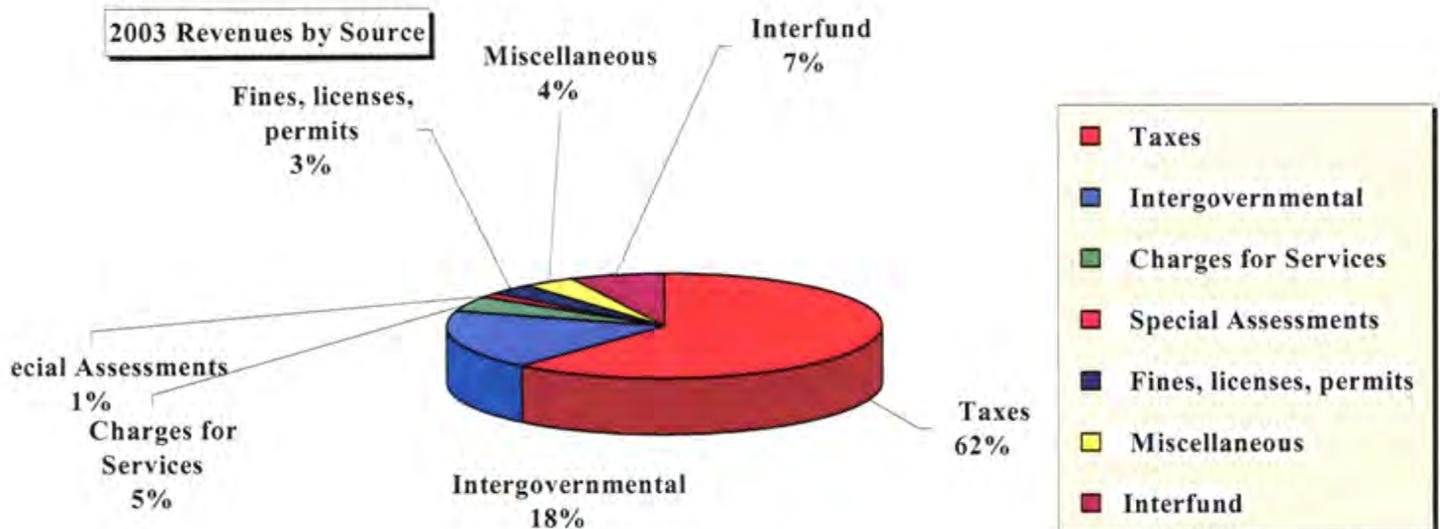
	Total Cost of Services		Net Cost of Services	
	2002	2003	2002	2003
Safety Services	\$9,014	\$9,531	\$8,570	\$9,048
Transportation Services	3,376	3,198	1,937	1,599
Leisure Services	2,348	2,402	1,894	1,920
Environment and Development Services	1,185	1,186	318	571

Statement of Revenues, Expenditures and Changes in Fund Balances  
 Governmental Funds

Information below compares revenues and expenditures for all governmental fund types for 2002 and 2003.

(in thousands)

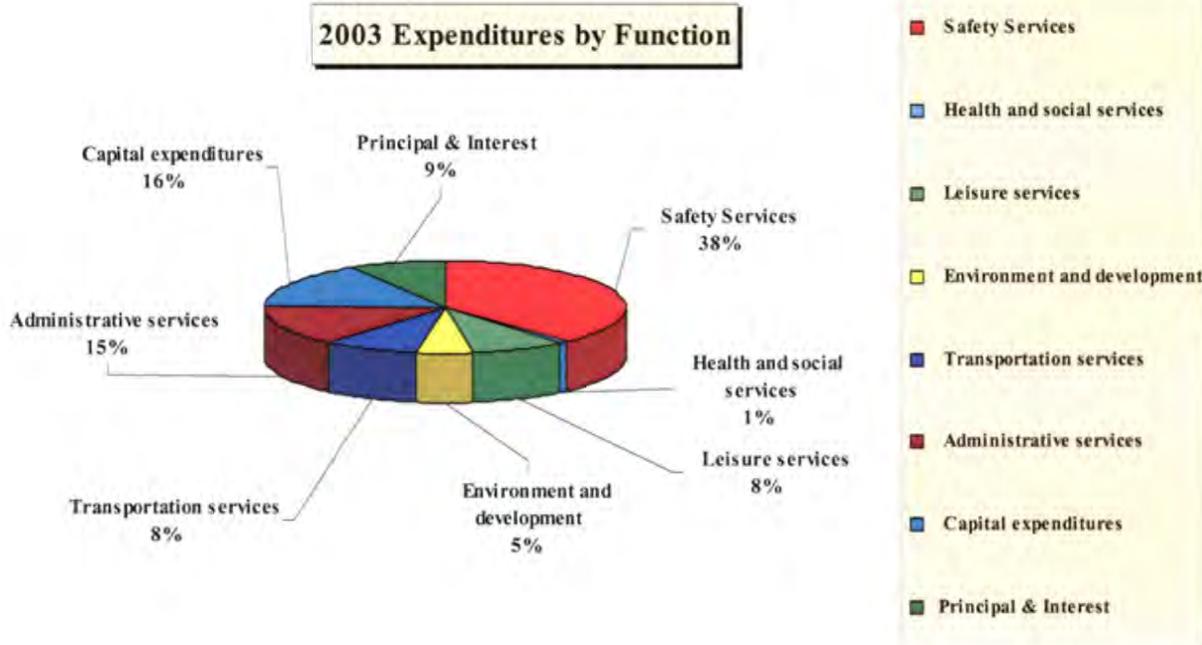
<u>Revenues by Source:</u>	<u>2002</u>	<u>2003</u>	<u>% Change</u>
Taxes	\$11,374	\$11,128	-2.2
Intergovernmental	3,431	3,338	-2.7
Charges for Services	867	857	-1.2
Special Assessments	194	250	+28.9
Fines, licenses, permits	618	629	+1.8
Miscellaneous	1,183	709	-40.1
Interfund	1,014	1,248	+23.1
<b>Total Revenues</b>	<b>\$18,681</b>	<b>\$18,159</b>	<b>-2.9</b>



CITY OF WOOSTER, OHIO  
 MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
 FOR THE YEAR ENDED DECEMBER 31, 2003

(in thousands)

<u>Expenditures by Function:</u>	<u>2002</u>	<u>2003</u>	<u>% Change</u>
Safety Services	\$7,888	\$8,203	+4.0
Health and social services	142	141	-0.7
Leisure services	1,733	1,783	+2.9
Environment and development	1,097	1,091	-0.5
Transportation services	1,830	1,806	-1.3
Administrative services	3,109	3,096	-0.4
Capital expenditures	2,559	3,357	+31.2
Debt service:			
Principal	2,186	1,691	-22.6
Interest	177	161	-9.0
<b>Total Expenditures</b>	<b>\$20,721</b>	<b>\$21,329</b>	<b>+2.9</b>



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

**Business-type Funds**

The City's major Enterprise Funds consist of the Water Fund, the Water Pollution Control Fund, the Storm Drainage Utility Fund, the Hospital Fund and the Refuse Collection Fund. The basic financial statements for the major funds are included in this report. Because the focus on business-type funds is a cost of service measurement or capital maintenance, we have included these funds in Table 4, below, which demonstrates return on ending assets and return on ending net assets.

In November of 1989, Council passed an ordinance that set forth the following policy regarding all enterprise funds user charges (rates).

1. Sufficient revenue must be generated by the charges to ensure high quality service for an indefinite period of time. Therefore, the return on assets must approximate inflation after consideration of gifts, donations, grants and subsidized loans.
2. Sufficient cash flow must be generated by the charges to ensure all expenditures, including debt service, can be paid in a timely manner.

The Water Pollution Control plant will undergo upgrades over the next two years to comply with EPA regulations which will affect us approximately three years from now.

Rates for the Storm Water Utility were increased by 60% in November of 2001, the first adjustment since inception in 1987.

**Table 4 - Proprietary Funds Statements**

(in thousands)	Hospital	Water	Water Pollution Control	Storm Drainage	Refuse	Non-major Enterprise Funds
Total Assets	\$108,242	\$31,606	\$26,242	\$8,437	\$324	\$712
Net Assets	99,255	18,826	25,856	6,059	263	712
Change in Net Assets	8,987	259	(156)	537	(10)	18
Return on Ending Total Assets	7.1%	0.8%	0.6%	6.4%	-3.1%	2.5%
Return on Ending Net Assets	7.7%	1.4%	0.6%	8.9%	-3.8%	2.5%

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At December 31, 2003, the City had \$221.7 million invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads, bridges, and water and sewer lines. (See Table 5). This amount represents a net increase (including additions and deductions) of \$14.3 million, or 6.9% over last year.

CITY OF WOOSTER, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED DECEMBER 31, 2003

**Table 5**

Capital Assets at Year-end  
(Net of Depreciation, in thousands)

	Governmental Activities		Business-type Activities		Totals	
	2002	2003	2002	2003	2002	2003
	Land	\$2,095	\$2,095	\$1,425	\$1,836	\$3,520
Buildings	4,871	4,881	54,591	62,142	59,462	67,023
Improvements	62,569	63,152	39,515	43,629	102,084	106,781
Equipment	7,078	7,657	27,716	30,694	34,794	38,351
Construction-in-progress	303	2,883	7,183	2,692	7,486	5,575
Subtotal	76,916	80,668	130,430	140,993	207,346	221,661
Accumulated Depreciation	(44,559)	(47,037)	(55,790)	(61,164)	(100,349)	(108,201)
Totals	\$32,357	\$33,631	\$74,640	\$79,829	\$106,997	\$113,460

The City's 2004 capital budget anticipates a spending level of \$26.6 million for capital projects, exclusive of the hospital. More detailed information about the City's capital assets is presented in Note 6 to the basic financial statements.

**Debt**

At year-end, the City had \$16.4 million in bonds, notes and loans outstanding versus \$18.3 million last year representing a decrease of 10.4% as shown in table 6 below.

**Table 6**

Outstanding Debt, at Year-end  
(in thousands)

	Governmental Activities		Business-type Activities		Totals	
	2002	2003	2002	2003	2002	2003
General obligation bonds and notes, special assessment bonds and notes, and land debt (backed by the City)	\$3,833	\$4,562	\$ 0.0	\$ 0.0	\$3,833	\$4,562
General obligation revenue bonds and notes (backed by specific revenues and the City of Wooster)	0.0	0.0	14,431	11,840	14,431	11,840
Totals	\$3,833	\$4,562	\$14,431	\$11,840	\$18,264	\$16,402

At December 31, 2003 the City's general obligation bonds are rated Aa3 by Moody's and A+ by Standard and Poor's. Other obligations include accrued vacation pay and sick leave. More detailed information about the City's long-term liabilities is presented in the notes to the basic financial statements.

CITY OF WOOSTER, OHIO  
 MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
 FOR THE YEAR ENDED DECEMBER 31, 2003

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City is a stand-alone community with the nearest large city twenty-five miles distant. The City has in the diversified mix of economic sectors a relatively strong, greater than 32%, industrial sector. Because the community is stand-alone and derives its tax revenue from income taxes, the government budgets are forecast relying on employment conditions. Below is a table that demonstrates the changes in employment of those employers that employed 500 or more individuals as of December 31.

<u>Employer</u>	<u>Nature of Activity</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Newell Rubbermaid	Rubber Plastics Manuf.	1,550	1,250	1,250	1,300	1,200
Worthington Industries	Auto Parts Fabricator	1,050	1,000	900	850	650
The County of Wayne	Government	800	800	850	850	850
The City of Wooster	Government/Hospital	650	600	600	750	800
Luk, Inc	Auto Parts Fabricator	650	650	750	750	750
College of Wooster	Education	800	800	800	550	350
Rexroth Corporation	Hydraulics Manuf.	650	650	550	550	450
Wal-Mart	Retail	500	650	400	550	450
Wooster Brush Company	Manufacturer of Paint Applicators	500	500	500	550	600
Wooster City Schools	Education	550	600	600	500	500
Total of Above		<u>7,700</u>	<u>7,500</u>	<u>7,200</u>	<u>7,200</u>	<u>6,600</u>

In June 2004, Newell Rubbermaid Incorporated closed its Wooster Rubbermaid factory and headquarters as part of the company's restructuring efforts. The company's distribution center will continue operating. As a result of the closure, approximately 1,050 jobs were lost. The distribution center employs approximately 150 workers.

BUDGETS

The Mayor proposed and Council adopted an original budget for the year 2003, which, if necessary, adjusted rates for any revenues for inflation. The target of 60 to 240 days of unencumbered cash in the General Fund is budgeted to be maintained. The variances between the originally adopted budget for the year 2003 and the final budget are caused by adding year-end encumbrances to the original budget. (See NOTE 2.)

The variance between the final budget and the actual ending fund balance in the General Fund was a result of slightly better than anticipated revenues and actual expenditures and encumbrances lower than appropriated due to a combination of cost saving measures.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, employees, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. This report is also available on the City's website at [www.woosteroh.com](http://www.woosteroh.com). If you have questions about this report or need additional financial information, contact the Director of Finance, City of Wooster, 538 North Market Street, Wooster, Ohio 44691, (330) 263-5225.



CITY OF WOOSTER, OHIO  
STATEMENT OF NET ASSETS  
DECEMBER 31, 2003

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
<b>Current assets:</b>			
Equity in city treasury cash	\$ 18,991,079	\$ 80,409,569	\$ 99,400,648
Net receivables	5,324,086	13,120,299	18,444,385
Inventory	172,714	1,048,192	1,220,905
Prepaid expenses	0	525,044	525,044
Total current assets	<u>24,487,879</u>	<u>95,103,103</u>	<u>119,590,982</u>
<b>Noncurrent assets:</b>			
Long term receivables	2,701,302	630,231	3,331,533
<b>Capital assets (net of accumulated depreciation):</b>			
Land	2,094,563	1,836,103	3,930,666
Buildings	1,727,041	38,237,162	39,964,203
Improvements/Infrastructure	24,170,763	24,348,895	48,519,658
Equipment	2,754,981	12,715,172	15,470,153
Construction in progress	2,883,267	2,691,746	5,575,013
Net capital assets	<u>33,630,615</u>	<u>79,829,078</u>	<u>113,459,693</u>
Total noncurrent assets	<u>36,331,917</u>	<u>80,459,309</u>	<u>116,791,227</u>
Total assets	<u>\$ 60,819,796</u>	<u>\$ 175,562,412</u>	<u>\$ 236,382,208</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable	\$ 881,633	\$ 2,481,108	\$ 3,362,740
Accrued wages and benefits	2,429,719	4,710,841	7,140,560
Other accrued liabilities	45,089	4,542,131	4,587,220
Current portion long term debt	516,684	1,511,084	2,027,768
Current portion special assessment debt with government commitment	107,984	0	107,984
Unearned revenue	3,417,541	69,393	3,486,934
Total current liabilities	<u>7,398,650</u>	<u>13,314,558</u>	<u>20,713,207</u>
<b>Noncurrent liabilities</b>			
Bonds and notes	2,508,669	10,255,700	12,764,369
Special assessment debt with governmental commitment	1,324,584	0	1,324,584
Loans	104,198	72,962	177,160
Compensated absences	412,748	948,287	1,361,035
Total noncurrent liabilities	<u>4,350,199</u>	<u>11,276,949</u>	<u>15,627,148</u>
Total liabilities	<u>11,748,849</u>	<u>24,591,507</u>	<u>36,340,355</u>
<b>NET ASSETS</b>			
Invested in capital assets , net of related debt	29,068,496	67,989,332	97,057,828
<b>Restricted for:</b>			
Capital projects	3,864,880	0	3,864,880
Debt service	2,547,230	0	2,547,230
Other purposes	2,391,185	2,155,623	4,546,808
Unrestricted	<u>11,199,157</u>	<u>80,825,950</u>	<u>92,025,107</u>
Total net assets	<u>49,070,948</u>	<u>150,970,905</u>	<u>200,041,853</u>
Total liabilities and net assets	<u>\$ 60,819,796</u>	<u>\$ 175,562,412</u>	<u>\$ 236,382,208</u>

See accompanying notes to the basic financial statements

CITY OF WOOSTER, OHIO  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2003

Functions/Programs	Expenses	Indirect Expense Allocation	Program Revenues		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government</b>					
<b>Governmental activities:</b>					
Safety services	\$ 8,527,103	\$ 1,003,971	\$ 377,120	\$ 106,324	\$ 0
Health and social services	140,855	0	0	0	0
Leisure services	2,049,932	351,900	385,431	96,712	0
Environment and development	1,112,871	72,943	316,626	298,108	0
Transportation services	2,876,041	322,555	97,739	1,249,774	252,379
Administrative services	3,168,599	(2,664,188)	207,712	8,000	119,460
Central services and gifts	360,045	(359,514)	0	0	0
Interest expense	139,755	0	0	0	0
<b>Total governmental activities</b>	<b>18,375,201</b>	<b>(1,272,334)</b>	<b>1,384,628</b>	<b>1,758,918</b>	<b>371,839</b>
<b>Business-type activities:</b>					
Wooster Community Hospital	62,113,683	81,186	68,493,187	304,757	0
Water	3,756,407	271,614	3,864,670	0	144,441
Water pollution control	3,064,197	714,225	3,261,084	0	70,020
Storm drainage	518,684	146,733	759,431	0	367,137
Refuse collection	849,180	58,577	849,331	28,101	0
CDBG development loans	356	0	8,299	0	0
<b>Total business-type activities</b>	<b>70,302,507</b>	<b>1,272,334</b>	<b>77,236,001</b>	<b>332,857</b>	<b>581,598</b>
<b>Total primary government</b>	<b>\$ 88,677,707</b>	<b>\$ 0</b>	<b>\$ 78,620,629</b>	<b>\$ 2,091,775</b>	<b>\$ 953,437</b>

General revenues:

Taxes:

City income taxes

Property taxes

Estate taxes

Other taxes

Grants and contributions

Interest and investment earnings

Miscellaneous

Total general revenues

Transfers

Change in net assets

Net assets -- beginning (Restated, Note 1)

Net assets -- ending

See accompanying notes to the basic financial statements

Net (Expense) Revenue and  
Changes in Net Assets

Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (9,047,631)	\$ 0	\$ (9,047,631)
(140,855)	0	(140,855)
(1,919,689)	0	(1,919,689)
(571,081)	0	(571,081)
(1,598,704)	0	(1,598,704)
(169,239)	0	(169,239)
(530)	0	(530)
(139,755)	0	(139,755)
<u>(13,587,483)</u>		<u>(13,587,483)</u>
0	6,603,075	6,603,075
0	(18,910)	(18,910)
0	(447,318)	(447,318)
0	461,152	461,152
0	(30,326)	(30,326)
0	7,942	7,942
	<u>6,575,616</u>	<u>6,575,616</u>
<u>\$ (13,587,483)</u>	<u>\$ 6,575,616</u>	<u>\$ (7,011,867)</u>
\$ 7,819,106	\$ 0	\$ 7,819,106
2,170,403	0	2,170,403
873,090	0	873,090
112,158	0	112,158
1,731,790	0	1,731,790
445,165	1,588,243	2,033,407
256,092	172,623	428,715
<u>13,407,804</u>	<u>1,760,866</u>	<u>15,168,670</u>
3,496	(3,496)	0
(176,183)	8,332,986	8,156,803
49,247,131	142,637,919	191,885,050
<u>\$ 49,070,948</u>	<u>\$ 150,970,905</u>	<u>\$ 200,041,853</u>

CITY OF WOOSTER, OHIO  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2003

	General Fund	Street Construction Maintenance and Repair Fund	Capital Improvements Fund	Debt Service Fund
<b>Assets:</b>				
Equity in city treasury cash	\$ 11,932,528	\$ 964,236	\$ 3,774,758	\$ 504,201
Taxes receivable	3,367,476	0	0	0
Accounts receivable	33,504	22,070	0	0
Due from other governments	722,841	430,377	0	0
Due from other funds	19,700	0	0	0
Accrued interest receivable	29,621	4,346	12,783	1,451
Inventory	61,640	76,770	0	0
Long term receivables	0	0	0	0
Special assessments receivable	0	0	0	2,061,028
<b>Total assets</b>	<b>16,167,310</b>	<b>1,497,799</b>	<b>3,787,541</b>	<b>2,566,680</b>
<b>Liabilities:</b>				
Accounts payable	335,065	85,153	383,904	0
Accrued salaries, wages and benefits	1,163,123	1,101	1,556	0
Due to other funds	0	0	0	0
Deferred revenue	2,783,732	350,626	0	2,061,028
<b>Total liabilities</b>	<b>4,281,920</b>	<b>436,880</b>	<b>385,460</b>	<b>2,061,028</b>
<b>Fund balances:</b>				
Reserved for encumbrances	3,010,790	131,745	1,114,304	0
Unreserved, reported in:				
General fund	8,874,600	0	0	0
Special revenue funds	0	929,174	0	0
Capital projects funds	0	0	2,287,777	0
Debt service funds	0	0	0	505,652
<b>Total fund balances</b>	<b>11,885,390</b>	<b>1,060,919</b>	<b>3,402,081</b>	<b>505,652</b>
<b>Total liabilities and fund balances</b>	<b>\$ 16,167,310</b>	<b>\$ 1,497,799</b>	<b>\$ 3,787,541</b>	<b>\$ 2,566,680</b>

See accompanying notes to the basic financial statements

**CITY OF WOOSTER, OHIO  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE  
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2003**

<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>		
		<b>Total Governmental Fund Balances</b>	<b>\$ 18,676,332</b>
		<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>	
\$ 1,765,849	\$ 18,941,572		
346,404	3,713,880	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	33,630,615
0	55,574		
78,978	1,232,196		
0	19,700		
5,882	54,083		
34,304	172,714	Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	3,008,238
831,753	831,753		
0	2,061,028		
<u>3,063,170</u>	<u>27,082,500</u>		
		Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(6,244,237)
12,809	816,931		
1,015	1,166,795		
19,700	19,700		
1,207,356	6,402,742		
<u>1,240,880</u>	<u>8,406,168</u>		
		<i>Net Assets of Governmental Activities</i>	<u><u>\$ 49,070,948</u></u>
387,274	4,644,113		
0	8,874,600		
972,218	1,901,392		
462,798	2,750,575		
0	505,652		
<u>1,822,290</u>	<u>18,676,332</u>		
<u>\$ 3,063,170</u>	<u>\$ 27,082,500</u>		

CITY OF WOOSTER, OHIO  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2003

	General Fund	Street Construction Maintenance and Repair Fund	Capital Improvements Fund	Debt Service Fund
<b>Revenues :</b>				
Taxes	\$ 10,634,059	\$ 0	\$ 0	\$ 0
Intergovernmental	1,830,615	850,351	119,460	0
Charges for services	857,203	0	0	0
Special assessments	0	0	0	250,145
Fines, licenses, permits	618,513	0	0	0
Interfund services provided	1,248,397	0	0	0
Interest income	241,859	21,156	67,274	12,898
Miscellaneous	102,506	28,776	52,396	0
<b>Total Revenues</b>	<u>15,533,152</u>	<u>900,283</u>	<u>239,130</u>	<u>263,043</u>
<b>Expenditures :</b>				
<b>Current operations :</b>				
Safety services	7,598,756	251,362	0	0
Health and social services	140,855	0	0	0
Leisure services	1,783,469	0	0	0
Environment and development	764,842	0	0	0
Utility services	0	0	0	0
Transportation services	1,017,259	698,902	0	0
Administrative services	2,865,185	0	163,452	0
Capital expenditures	0	1,835	3,202,996	0
<b>Debt service :</b>				
Principal	108,621	400,000	0	330,410
Interest	39,500	11,153	0	84,953
<b>Total Expenditures</b>	<u>14,318,487</u>	<u>1,363,252</u>	<u>3,366,448</u>	<u>415,363</u>
<b>Excess revenues over(under) expenditures</b>	<u>1,214,665</u>	<u>(462,969)</u>	<u>(3,127,318)</u>	<u>(152,320)</u>
<b>Other financing sources (uses) :</b>				
Proceeds from debt issues	0	203,338	1,770,000	141,000
Transfers in	31,000	0	860,772	0
Transfers (out)	(860,772)	0	(31,000)	0
<b>Net changes in fund balances</b>	<u>384,893</u>	<u>(259,631)</u>	<u>(527,546)</u>	<u>(11,320)</u>
<b>Fund balances at beginning of year</b>	<u>11,500,497</u>	<u>1,320,551</u>	<u>3,929,628</u>	<u>516,972</u>
<b>Fund balances at end of year</b>	<u>\$ 11,885,390</u>	<u>\$ 1,060,920</u>	<u>\$ 3,402,082</u>	<u>\$ 505,652</u>

See accompanying notes to the basic financial statements



CITY OF WOOSTER, OHIO  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
DECEMBER 31, 2003

	Business-type Activities			
	Wooster Community Hospital	Water	Water Pollution Control	Storm Drainage
<b>Assets</b>				
<b>Current Assets</b>				
Equity in city treasury cash	\$ 56,674,339	\$ 8,398,130	\$ 11,894,904	\$ 2,716,143
Receivables - net of allowances:				
Accounts	11,509,893	531,089	446,029	92,490
Accrued interest	253,713	58,894	75,200	14,664
Inventory	944,818	79,352	5,608	18,413
Prepaid expenses	525,044	0	0	0
Total Current Assets	<u>69,907,806</u>	<u>9,067,466</u>	<u>12,421,742</u>	<u>2,841,711</u>
<b>Noncurrent assets</b>				
Long term receivables	0	0	458,358	0
Net capital assets	38,333,816	22,538,119	13,362,129	5,595,014
Total Noncurrent assets	<u>38,333,816</u>	<u>22,538,119</u>	<u>13,820,487</u>	<u>5,595,014</u>
<b>Total Assets</b>	<u>108,241,622</u>	<u>31,605,585</u>	<u>26,242,228</u>	<u>8,436,725</u>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts Payable	2,071,683	170,562	109,602	68,102
Accrued salaries, wages and benefits	4,146,051	262,922	200,651	101,217
Other accrued liabilities	990,685	3,430,475	0	0
Interest payable	2,559	100,854	0	17,558
Current portion of long term debt	485,000	903,372	0	122,712
Deferred revenues	0	0	0	69,393
Total Current Liabilities	<u>7,695,978</u>	<u>4,868,185</u>	<u>310,253</u>	<u>378,982</u>
<b>Noncurrent Liabilities</b>				
Long term debt	505,000	7,840,752	0	1,982,910
Compensated absences	785,640	70,338	76,020	16,288
Total Noncurrent Liabilities	<u>1,290,640</u>	<u>7,911,090</u>	<u>76,020</u>	<u>1,999,198</u>
<b>Total Liabilities</b>	<u>8,986,618</u>	<u>12,779,275</u>	<u>386,273</u>	<u>2,378,180</u>
<b>Net Assets</b>				
Invested in capital assets, net of related debt	37,343,816	13,793,995	13,362,129	3,489,392
Restricted for				
Other purpose	1,443,819	0	0	0
Unrestricted	60,467,369	5,032,315	12,493,826	2,569,153
Total net assets	<u>99,255,004</u>	<u>18,826,310</u>	<u>25,855,955</u>	<u>6,058,544</u>
Total liabilities and net assets	<u>\$ 108,241,622</u>	<u>\$ 31,605,585</u>	<u>\$ 26,242,228</u>	<u>\$ 8,436,725</u>

See accompanying notes to the basic financial statements

Business-type Activities			Governmental Activities
Refuse	Nonmajor Enterprise Funds	Totals	Internal Service
\$ 187,979	\$ 538,074	\$ 80,409,569	\$ 49,507
134,766	0	12,714,268	0
1,702	1,858	406,031	0
0	0	1,048,192	0
0	0	525,044	0
<u>324,447</u>	<u>539,931</u>	<u>95,103,103</u>	<u>49,507</u>
0	171,873	630,231	0
0	0	79,829,078	0
<u>0</u>	<u>171,873</u>	<u>80,459,309</u>	<u>0</u>
<u>324,447</u>	<u>711,805</u>	<u>175,562,412</u>	<u>49,507</u>
61,159	0	2,481,108	11,394
0	0	4,710,841	27,912
0	0	4,421,160	0
0	0	120,971	0
0	0	1,511,084	0
0	0	69,393	0
<u>61,159</u>	<u>0</u>	<u>13,314,558</u>	<u>39,307</u>
0	0	10,328,662	0
0	0	948,287	10,730
<u>0</u>	<u>0</u>	<u>11,276,949</u>	<u>10,730</u>
<u>61,159</u>	<u>0</u>	<u>24,591,507</u>	<u>50,037</u>
0	0	67,989,332	0
0	711,805	2,155,623	0
263,287	0	80,825,950	(530)
<u>263,287</u>	<u>711,805</u>	<u>150,970,905</u>	<u>(530)</u>
\$ <u>324,447</u>	\$ <u>711,805</u>	\$ <u>175,562,412</u>	\$ <u>49,507</u>

CITY OF WOOSTER, OHIO  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2003

	Business-type Activities			
	Wooster Community Hospital	Water	Water Pollution Control	Storm Drainage
Operating Revenues :				
Charges for services	\$ 68,493,187	\$ 3,864,670	\$ 3,261,084	\$ 759,431
Interfund services provided	0	0	0	0
Operating subsidies	304,757	63,060	0	47,460
Miscellaneous	0	97,534	120,398	7,042
Total operating revenues	<u>68,797,944</u>	<u>4,025,264</u>	<u>3,381,481</u>	<u>813,934</u>
Operating expenses:				
Personal services	34,758,499	1,326,728	1,087,147	245,951
Operations and maintenance	23,224,054	923,245	978,383	49,227
Depreciation	4,087,495	1,071,357	997,446	166,923
Interfund services used	81,186	271,614	714,225	146,733
Total operating expenses	<u>62,151,234</u>	<u>3,592,943</u>	<u>3,777,200</u>	<u>608,834</u>
Operating income (loss)	<u>6,646,710</u>	<u>432,320</u>	<u>(395,719)</u>	<u>205,100</u>
Non-operating revenues (expenses):				
Interest & investment earnings	1,081,716	184,258	239,598	68,518
Capital grant	0	81,381	0	319,677
Miscellaneous	0	0	1,525	0
Interest expense	(43,635)	(435,077)	(1,221)	(56,583)
Net non-operating revenues (expenses)	<u>1,038,081</u>	<u>(169,438)</u>	<u>239,903</u>	<u>331,613</u>
Income before contributions and transfers	7,684,791	262,882	(155,816)	536,712
Transfers	0	(3,496)	0	0
Change in net assets	7,684,791	259,387	(155,816)	536,712
Total net assets at beginning of year (Restated, Note 1)	<u>91,570,213</u>	<u>18,566,923</u>	<u>26,011,771</u>	<u>5,521,832</u>
Total net assets at end of year	<u>\$ 99,255,004</u>	<u>\$ 18,826,310</u>	<u>\$ 25,855,955</u>	<u>\$ 6,058,544</u>

See accompanying notes to the basic financial statements

Business-type Activities			Governmental Activities
Refuse	Nonmajor Enterprise Funds	Totals	Internal Service
\$ 849,331	\$ 8,299	\$ 77,236,001	\$ 0
0	0	0	359,514
28,101	0	443,377	0
16,144	0	241,118	0
<u>893,575</u>	<u>8,299</u>	<u>77,920,496</u>	<u>359,514</u>
0	0	37,418,326	228,846
849,180	356	26,024,446	131,199
0	0	6,323,221	0
58,577	0	1,272,334	0
<u>907,757</u>	<u>356</u>	<u>71,038,326</u>	<u>360,045</u>
<u>(14,182)</u>	<u>7,942</u>	<u>6,882,170</u>	<u>(530)</u>
4,506	9,647	1,588,243	0
0	0	401,058	0
0	0	1,525	0
0	0	(536,515)	0
<u>4,506</u>	<u>9,647</u>	<u>1,454,311</u>	<u>0</u>
<u>(9,677)</u>	<u>17,589</u>	<u>8,336,481</u>	<u>(530)</u>
<u>0</u>	<u>0</u>	<u>(3,496)</u>	<u>0</u>
<u>(9,677)</u>	<u>17,589</u>	<u>8,332,986</u>	<u>(530)</u>
<u>272,964</u>	<u>694,216</u>	<u>142,637,919</u>	<u>0</u>
<u>\$ 263,287</u>	<u>\$ 711,805</u>	<u>\$ 150,970,905</u>	<u>\$ (530)</u>

CITY OF WOOSTER, OHIO  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2003

	Business-type Activities		
	Wooster Community Hospital	Water	Water Pollution Control
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$ 67,802,539	\$ 3,861,813	\$ 3,297,044
Cash paid to suppliers	(24,149,196)	(1,015,908)	(1,007,909)
Cash paid to employees	(35,020,459)	(1,267,731)	(1,099,593)
Cash received from interfund services provided	0	0	0
Cash paid for internal services used	(81,186)	(271,614)	(714,225)
Other revenue (expense)	304,757	160,594	120,398
Net cash provided by operating activities	<u>8,856,455</u>	<u>1,467,155</u>	<u>595,715</u>
<b>Cash flows from capital and related financing activities:</b>			
Proceeds from capital debt	0	0	0
Capital grants/donations	0	95,741	0
Proceeds from sale of assets	0	0	1,525
Principal received on connection loans	0	0	35,403
Purchases of capital assets	(6,506,299)	(1,526,701)	(1,546,639)
Principal paid on capital debt	(470,000)	(1,497,399)	(42,095)
Interest paid on capital debt	(44,810)	(454,830)	(1,673)
Net cash (used) for capital and related financing activities	<u>(7,021,109)</u>	<u>(3,383,189)</u>	<u>(1,553,479)</u>
<b>Cash flows from investing activities:</b>			
Interest and dividends	1,234,301	226,555	283,498
Net cash provided (used) by investing activities	<u>1,234,301</u>	<u>226,555</u>	<u>283,498</u>
Net increase (decrease) in cash and cash equivalents	3,069,647	(1,689,480)	(674,266)
Cash and cash equivalents at beginning of year	53,604,692	10,087,609	12,569,170
Cash and cash equivalents at end of year	<u>\$ 56,674,339</u>	<u>\$ 8,398,130</u>	<u>\$ 11,894,904</u>
<b>Noncash Investing, Capital and Financing Activities:</b>			
Acquisition of capital assets on account	\$ 0	\$ 3,946	\$ 72,418
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ 6,646,710	\$ 432,320	\$ (395,719)
<b>Adjustments to reconcile operating income to net cash provided (used) by operating activities:</b>			
Depreciation expense	4,087,495	1,071,357	997,446
<b>Changes in assets and liabilities:</b>			
Receivables - net of allowances	(690,649)	(2,857)	35,959
Inventory	(101,621)	(7,044)	7,629
Prepaid expenses	(167,344)	0	0
Accounts and other payables	(725,595)	(85,618)	(37,154)
Accrued expenses	69,419	58,997	(12,446)
Other accrued liabilities	(261,960)	0	0
Net cash provided by operating activities	<u>\$ 8,856,455</u>	<u>\$ 1,467,155</u>	<u>\$ 595,715</u>

See accompanying notes to the basic financial statements

Business-type Activities				Governmental
Storm Drainage	Refuse	Nonmajor Enterprise Funds	Totals	Internal Service
\$ 738,814	\$ 869,779	\$ 67,679	\$ 76,637,668	\$ 0
8,567	(821,346)	(357)	(26,986,149)	(128,500)
(131,636)	0	0	(37,519,419)	(259,789)
0	0	0	0	359,514
(146,733)	(58,577)	0	(1,272,335)	0
54,502	28,101	0	668,352	0
<u>523,514</u>	<u>17,957</u>	<u>67,322</u>	<u>11,528,118</u>	<u>(28,774)</u>
2,035,000	0	0	2,035,000	0
394,155	0	0	489,896	0
0	0	0	1,525	0
0	0	0	35,403	0
(1,856,111)	0	0	(11,435,750)	0
(2,705,823)	0	0	(4,715,317)	0
(84,340)	0	0	(585,653)	0
<u>(2,217,119)</u>	<u>0</u>	<u>0</u>	<u>(14,174,896)</u>	<u>0</u>
88,543	4,592	10,792	1,848,281	0
<u>88,543</u>	<u>4,592</u>	<u>10,792</u>	<u>1,848,281</u>	<u>0</u>
(1,605,062)	22,549	78,114	(798,498)	(28,774)
4,321,205	165,430	459,960	81,208,066	76,259
<u>\$ 2,716,143</u>	<u>\$ 187,979</u>	<u>\$ 538,074</u>	<u>\$ 80,409,569</u>	<u>\$ 47,485</u>
\$ 0	0	0	76,364	0
\$ 205,100	\$ (14,182)	\$ 7,942	\$ 6,882,171	\$ (530)
166,923	0	0	6,323,221	0
(20,617)	4,303	59,380	(614,481)	0
(2,100)	0	0	(103,136)	0
0	0	0	(167,344)	0
59,895	27,836	0	(760,636)	2,699
114,313	0	0	230,283	(30,943)
0	0	0	(261,960)	0
<u>\$ 523,514</u>	<u>\$ 17,957</u>	<u>\$ 67,322</u>	<u>\$ 11,528,118</u>	<u>\$ (28,774)</u>

CITY OF WOOSTER, OHIO  
 STATEMENT OF ASSETS & LIABILITIES  
 AGENCY FUNDS  
 DECEMBER 31, 2003

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	Total Agency Funds
<b>Assets:</b>	
Equity in city treasury cash	\$ 223,455
Accrued interest receivable	423
<b>Total assets</b>	<u><u>223,878</u></u>
<b>Liabilities:</b>	
Accounts payable	2,572
Accrued wages and benefits	663
Due to agency recipient	220,643
<b>Total liabilities</b>	<u><u>\$ 223,878</u></u>

See accompanying notes to the basic financial statements

CITY OF WOOSTER, OHIO  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2003

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CITY OF WOOSTER, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2003

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The City of Wooster (City) was incorporated on October 13, 1817 under the laws of the State of Ohio. In 1973 a voter-approved charter became effective. The City provides various services and consists of many different activities and smaller accounting entities. These include a community hospital, an economic development loan program, a police force, a fire fighting and prevention force, a sewage treatment plant, a water treatment plant, a storm water drainage system, a traffic control system, street lighting, a street maintenance force (including construction, repair, and snow and ice removal), a parks and recreation system, a community center, rubbish collection and recycling service and staff to provide the necessary support to these service providers. All are responsible to the citizens of Wooster and are therefore included within the reporting entity.

The criteria used to determine which accounting entities, agencies, commissions, boards and authorities are part of the City's operations include how the budget is adopted, whether debt is secured by general obligations of the City, the City's duty to cover any deficits that may occur, and supervision over the accounting functions. There are no agencies, organizations or activities meeting any of the above criteria that are excluded from the City reporting entity.

Basis of Presentation - Fund Accounting

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The City's funds are grouped into two broad fund categories and six generic fund types for financial statement presentation purposes. Governmental funds include the general, special revenue, debt service and capital projects funds. Proprietary funds include enterprise funds and an internal service fund. The City has four fiduciary agency funds.

Basis of Accounting

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which primarily rely on fees and charges for support. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses. Fiduciary funds are also excluded from the government-wide financial statements.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. The primary effect of internal activity has been eliminated from the government-wide financial statements.

**CITY OF WOOSTER, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

The government-wide Statement of Activities presents a comparison between expenses, both direct and indirect, and program revenues for each segment of the business-type activities of the City and for each governmental program. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Indirect expenses for centralized services and administrative overhead are allocated among the programs, functions and segments using a full cost allocation approach and are presented separately to enhance comparability of direct expenses between governments that allocate direct expenses and those that do not. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the City.

Net assets should be reported as restricted when constraints placed on net asset use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net assets restricted for other purposes result from special revenue funds and the restrictions on their net asset use.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City revised estimates of accounts receivable and other accrued liabilities (third party settlement payable) relating to the Hospital. Also revised was an estimate of unearned revenue relating to the City's governmental funds. Each of these changes is delineated below.

	Governmental Funds	Businesses-type Funds	Totals
Beginning Net Asset Balance	48,746,084	140,493,710	189,239,794
Accounts Receivable-Allowance		1,500,000	1,500,000
Other Accrued Liabilities		644,209	644,209
Unearned Revenue	501,047		501,047
Adjusted Beginning Net Asset Balance	49,247,131	142,637,919	191,885,050

**FUND FINANCIAL STATEMENTS**

Fund financial statements report detailed information about the City. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements.

**GOVERNMENTAL FUNDS**

All governmental funds are accounted for using modified accrual basis of accounting and the current financial resources measurement focus. Under this basis revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

CITY OF WOOSTER, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2003

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The major governmental funds are:

- General Fund – This is the City’s primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.
- Street Construction Maintenance and Repair Fund– Required by the Ohio Revised Code to account for that portion of the state gasoline tax and motor vehicle registration fees designated for maintenance of streets within the City.
- Capital Improvements Fund – To account for various capital projects financed by general fund revenues.
- Debt Service Fund – To accumulate special assessment revenues collected by the County Treasurer and remitted to the City by the County Auditor for payment of special assessment principal and interest. These debt issues were sold to finance construction of various projects that were deemed to benefit only those residents in the immediate area of the projects and are paid for by those residents through assessments against their property.

Revenue Recognition

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available (i.e., collectible within the current year or within one month of year-end and available to pay obligations of the current period). This includes investment earnings, income taxes withheld by employers, estate taxes, and fines and forfeitures. In accordance with GASB 36, certain state-levied locally shared taxes including motor vehicle license tax and gasoline taxes are considered voluntary non-exchange transactions. These types of transactions are subject to six months accrual and income recognition. Reimbursements due for federally funded projects are accrued as revenue at the time the expenditures are made, or when received in advance, deferred until expenditures are made.

Property taxes and special assessments (in the debt service funds), though measurable, are not available soon enough in the subsequent year to finance current period obligations. Therefore, property tax and special assessment receivables are recorded and deferred until they become available.

Other revenues, including licenses and permits, certain charges for services, income taxes other than those withheld by employers and miscellaneous revenues, are recorded as revenue when received in cash because they are generally not measurable until actually received.

Expenditure Recognition

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, principal and interest on general long-term debt, which has not matured, are recognized when paid. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

**PROPRIETARY FUNDS**

All proprietary funds are accounted for using the accrual basis of accounting. The City applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued after November 30, 1989, to its proprietary funds provided they do not conflict with or contradict Governmental Accounting Standards Board (GASB) pronouncements. These funds account for operations that are primarily financed by user charges. The economic resource focus concerns determining costs as a means of maintaining the capital investment and management control. Revenues are recognized when earned and expenses are recognized when incurred. Allocations of costs, such as depreciation, are recorded in proprietary funds. Unbilled utility and hospital service receivables are recorded at each year-end. City Council granted certain residents a credit against storm drainage user charges for amounts paid by them for special assessments levied. The amount of

CITY OF WOOSTER, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2003

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the credit is recorded as deferred revenue and will be credited against each customer's monthly storm drainage charge. The receivable and revenue from such assessments are reported as accounts receivable and user charges (or deferred revenue), respectively.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of all the city's enterprise funds and internal service fund are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The major proprietary funds are:

- **Wooster Community Hospital Fund** – To account for the health care services provided by the City owned and operated hospital.
- **Water Production Fund** – To account for the provision of water treatment and distribution to the residential and commercial users of the City and some residents of the county.
- **Water Pollution Control Fund** – To account for sanitary sewer services provided to the residential and commercial users of the City and some residents of the county.
- **Storm Drainage Fund** – To account for the storm drainage runoff service provided to the residential and commercial users of the City.
- **Refuse Collection Fund** – To account for trash collection services provided to the residential and some commercial users of the City.

The City's only internal service fund is the Municipal Garage Fund. This fund accounts for the costs of maintaining automotive equipment used by various City departments. Costs are billed to the departments for labor and materials at actual cost with the elimination of the effect of internal service fund activity adjusted to break even.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as they are needed.

#### FIDUCIARY FUNDS

The City currently has four agency fiduciary funds. Agency funds are unlike all other types of funds, reporting only assets and liabilities. Therefore agency funds cannot be said to have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables.

#### Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Cash and cash equivalents are combined with investments and displayed as Equity in city treasury cash in all funds.

#### Investments

Governmental Accounting Standards Board Statement No. 31, "Accounting and Financial Reporting for Certain Investments" was implemented during 1997. In accordance with this statement, investments held at December 31, 2003 with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost.

CITY OF WOOSTER, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2003

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Receivables

Hospital Fund accounts receivable is stated at billed charges less the difference between billed charges and the amount payable under third-party payor contractual agreements, and net of allowance for doubtful accounts. The \$4,597,213 allowance for uncollectibles represents estimates of uncollectible patient receivables in the accounts (user charge) classification and third party contractual adjustments for hospital fund receivables.

Other receivables at December 31, 2003 consist of property tax, income taxes withheld by employers, accounts (billings for user charged services, including utility services), special assessments, and accrued interest on investments. Taxes, special assessments, utility charges and accrued interest are deemed collectible in full.

Receivables not expected to be collected within the subsequent year include loans in the HUD Home non-major special revenue fund, deferred special assessments receivable in the debt service fund, and long-term receivables in the Water Pollution Control and Economic/Downtown Development Loan funds.

Reimbursements

Hospital Fund net operating revenues include amounts received or are receivable from Medicare, Medicaid, and other third party payors under the provisions of reimbursement agreements. Inpatient services rendered to Medicare and Medicaid program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Outpatient services rendered to Medicare program beneficiaries are paid based on a combination of fee schedules, prospectively determined rates and a cost reimbursement methodology. Outpatient services rendered to the Medicaid program beneficiaries are generally paid based on fee schedules and prospectively determined rates.

Other third party payors may provide for payments at amounts different from established rates. Payment arrangements may include prospectively determined rates per discharge, discounted charges and per diem payments.

Wooster Community Hospital accepts all patients, regardless of their ability to pay. Care is provided without charge, or at amounts less than established rates, to patients who meet certain criteria under a charity care policy. Wooster Community Hospital provided \$815,959 in charity care in 2003.

Inventory of Supplies

Inventories are stated at cost, on the first-in, first-out basis. The costs of inventory items are recorded as expenditures in the governmental fund types and expenses in the proprietary fund types when used.

Capital Assets and Depreciation

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the City as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. Infrastructure such as streets, traffic signals and signs are capitalized. The valuation bases for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. The minimum capitalization threshold is any individual item with a total cost greater than \$5,000.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at estimated fair market value on the date donated.

CITY OF WOOSTER, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2003

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Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows:

Buildings/interior: 5-50 years

Improvements/Infrastructure: streets 10-50 years, land improvements 10-20 years, water, sewer, storm lines 40 years

Equipment: vehicles 2-6 years, other moveable equipment 10-15 years, fire equipment 12 years.

Reservations of Fund Balance

Fund balances are reserved for encumbrances outstanding and carried forward and added to the subsequent year's appropriation. The fund balance in the Debt Service Fund is restricted to retirement of debt principal and interest.

Unpaid Compensated Absences

The City accrues unused portions of vacation pay in the period the fund liability is incurred. As permitted by Governmental Accounting Standards Board Statement No. 16, the vesting method is used to accrue sick leave liability. The liability is based on the sick leave accumulated at year-end by those employees who are currently eligible to receive termination payments as well as other employees who are expected to become eligible to receive such payments. Even though the City has appropriated, accumulated and earmarked expendable available fund resources for these amounts, the portion not normally expected to be liquidated with expendable available financial resources is not reported as a fund liability in accordance with Interpretation No. 6 of the Governmental Accounting Standards Board – Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements.

NOTE 2 - COMPLIANCE AND ACCOUNTABILITY

Budget Requirements, Accounting, and Reporting

Requirements for all funds:

- A. Annual budgets are adopted for all City funds. Under state law, the Mayor submits an annual budget (a preliminary financial plan often referred to as the 'tax budget') to Council for consideration and approval no later than July 15. Such budget is based on expected expenditures by program within a fund and estimated resources by source for all funds.
- B. By Charter the Mayor must submit an annual appropriation ordinance to City Council. This ordinance builds upon the tax budget of the previous July and is updated for any estimate revisions as well as year-end encumbrances and may include any additional information requested by Council. Council may subsequently amend such ordinance. Amendments to the appropriation ordinance during 2002 were approved by City Council as provided by the Charter.
- C. For day-to-day management control, expenditures plus encumbrances may not exceed budget at the expenditure-type (i.e., personal services, operations and maintenance, capital, etc.) level of each cost center (activity within a program within a fund). The Mayor may transfer unencumbered appropriations within programs within funds.
- D. Appropriation control (City Council appropriated budget) is by program (i.e., safety, leisure, health, etc.) within a fund. City Council may, by ordinance, transfer amounts among programs within and between funds. Budgetary comparison schedules are presented in the Supplemental Section as Required

CITY OF WOOSTER, OHIO  
 NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2003

Supplemental Information. The budgetary basis is the modified accrual basis of accounting with encumbrances included as actual.

Interfund Transactions

<u>Purpose</u>	<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Transfers:			
Provide Capital Funding	Capital Improvements	General	\$ 450,772
Transfer of Capital Asset	General Fund	Water Fund	\$3,496
Interfund Loan Repayment	Refuse	General	\$ 31,000

NOTE 3 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental fund balance sheet includes reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds”. The details of that difference of \$6,244,237 are as follows:

Bonds payable	\$ 4,457,921
Loans payable	104,198
Accrued interest payable	45,089
Compensated absences and accrued wages	1,637,029
	<hr/>
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	\$ 6,244,237

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$1,207,450 difference are as follows:

Capital outlay	\$ 3,840,877
Depreciation	(2,633,427)
	<hr/>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	\$ 1,207,450

CITY OF WOOSTER, OHIO  
 NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2003

**NOTE 4 - DEPOSITS AND INVESTMENTS**

Policies and Practices

The City's Charter specifies that the Director of Finance is responsible for selecting depositories and investing idle funds. The Director of Finance also has the authority to choose the types of deposits and investments made by the City. Various federal deposit insurance corporations provide protection of City cash and investments as well as qualified pledged or pooled securities by the institutions holding the assets. The various institutions, or their trustees, including the Federal Home Loan Bank and the Federal Reserve Bank hold such collateral. The City does not enter into reverse repurchase agreements.

The City pools all individual fund cash balances. Each fund's portion of this pool is displayed on the statements of net assets or balance sheets as 'Equity in city treasury cash'. Income is distributed to the funds based on contribution to the pool.

Deposits

At year-end, the carrying amount of the City's deposits was (\$118,948) and the bank balances totaled \$759,810. Of the bank balances, \$446,481 was insured by federal deposit insurance and \$318,504 was covered by pooled and/or pledged collateral, as allowed by the Ohio Revised Code, but not necessarily held in the City's name (uncollateralized, risk Category 3).

Investments

The City's investments are categorized to give an indication of the level of custodial credit risk assumed by the City at year-end. Category 1 includes investments that are insured or registered or where the securities are held by the City or its agent, in the City's name. Category 2 includes uninsured and unregistered investments for which the counterparty's trust department or agent in the City's name holds the securities. Category 3 includes uninsured and unregistered investments where the securities are held by the financial institution's trust department or agent but not in the City's name. Investments in the State Treasurer's Investment Pool are not categorized because they do not represent securities existing in physical or book entry form. The State Treasurer manages the pool in accordance with Section 135.45 of the Ohio Revised Code. It is similar in concept to a registered investment company commonly called a money market mutual fund. The pool's investments are valued using the amortized cost method (which approximates fair value).

	Category			Carrying Amount	Fair Value
	1	2	3		
Repurchase Agreements	\$ 0	\$ 0	\$ 7,753,570	\$ 7,753,570	\$ 7,753,570
U.S. Government Securities		85,211,851		85,211,851	85,218,254
Special Assessment Bonds & Notes	396,785			396,785	396,785
Subtotal	\$ 396,785	\$ 85,211,851	\$ 7,753,570	93,362,205	93,368,608
State Treasurer's Investment Pool				6,380,844	6,380,844
Total				\$ 99,743,050	\$ 99,749,452

CITY OF WOOSTER, OHIO  
 NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2003

Net increase in the fair value of applicable investments during 2003 per Governmental Accounting Standards Board Statement No. 31:

Fair value at December 31, 2003	\$ 66,863,015
Proceeds of investments sold in 2003	50,239,753
Cost of investments purchased in 2003	(61,738,044)
Fair Value at December 31, 2002	<u>(55,518,308)</u>
Change in fair value of investments during 2003	<u>\$ (153,584)</u>

**NOTE 5 - PROPERTY TAX**

Property taxes include amounts levied against all real and public utility property and tangible personal property, which are used in businesses located in the City. Real property taxes are levied before the first day of October on the assessed value listed as of the prior January 1st. The due date for the 2003 levy is February of October on the assessed value listed as of the prior January 1st. The due date for the 2003 levy is February 2004 for all or one-half of taxes due. The remaining balance of the 2003 levy is due in July 2004. The lien of the county for taxes levied each year attaches on the first day of January and continues until such taxes and any penalty, interest or other charges accruing thereon are paid.

Assessed values are established by the County Auditor at 35% of appraised market value for real property, 100% for public utilities, and 25% for tangible personal property. A revaluation of all property is required to be completed no less than every six years. A revaluation was completed in 2002. The City's tax rate applicable to 2003 was \$4.20 on each \$1,000 of tax valuation.

**NOTE 6 - CAPITAL ASSETS AND DEPRECIATION**

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
<i>Assets not being depreciated:</i>				
Land	\$ 2,094,563	\$ 0	\$ 0	\$ 2,094,563
Construction in progress	302,688	2,760,794	(180,214)	2,883,268
Subtotal	<u>2,397,251</u>	<u>2,760,794</u>	<u>(180,214)</u>	<u>4,977,831</u>
<i>Assets being depreciated:</i>				
Buildings	4,871,000	184,566	(174,023)	4,881,543
Improvements/infrastructure	62,569,052	583,511	0	63,152,563
Equipment	7,078,796	594,082	(16,284)	7,656,594
Subtotal	<u>74,518,848</u>	<u>1,362,159</u>	<u>(190,307)</u>	<u>75,690,700</u>
<i>Accumulated depreciation:</i>				
Buildings	(3,130,945)	(166,872)	143,314	(3,154,503)
Improvements/infrastructure	(37,206,778)	(1,775,022)	0	(38,981,800)
Equipment	(4,221,749)	(692,355)	12,491	(4,901,613)
Subtotal	<u>(44,559,472)</u>	<u>(2,634,249)</u>	<u>155,805</u>	<u>(47,037,916)</u>
Net depreciated capital assets	29,959,376	(1,272,090)	(34,502)	28,652,784
Net capital assets	<u>\$32,356,627</u>	<u>\$ 1,488,704</u>	<u>\$ (214,716)</u>	<u>\$33,630,615</u>

CITY OF WOOSTER, OHIO  
 NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2003

Depreciation was charged to functions as follows:

Governmental activities:	
Safety services	\$ 442,440
Leisure services	304,040
Environment and development	2,938
Transportation services	1,614,684
Administrative services	270,147
Total governmental activities depreciation expense	<u>\$2,634,249</u>

Business-type activities:	Beginning Balance	Increases	Decreases	Ending Balance
<i>Assets not being depreciated:</i>				
Land	\$ 1,425,141	\$ 410,962	\$ 0	\$ 1,836,103
Construction in progress	7,183,201	3,609,244	(8,100,699)	2,691,746
Subtotal	8,608,342	4,020,206	(8,100,699)	4,527,849
<i>Assets being depreciated:</i>				
Buildings	54,591,136	7,578,276	(27,009)	62,142,403
Improvements/infrastructure	39,515,148	4,114,033	0	43,629,181
Equipment	27,716,026	4,104,795	(1,127,025)	30,693,796
Subtotal	121,822,310	15,797,104	(1,154,034)	136,465,380
<i>Accumulated depreciation:</i>				
Buildings	(22,142,467)	(1,773,077)	10,303	(23,905,241)
Improvements/infrastructure	(17,786,769)	(1,493,519)	0	(19,280,286)
Equipment	(15,860,749)	(3,052,314)	934,439	(17,978,624)
Subtotal	(55,789,985)	(6,318,910)	944,742	(61,164,151)
Net depreciated capital assets	66,032,325	9,478,194	(209,292)	75,301,229
Net capital assets	<u>\$74,640,667</u>	<u>\$13,498,400</u>	<u>\$ (8,309,991)</u>	<u>\$ 79,829,078</u>

Depreciation was charged to functions as follows:

Business-type activities:	
Wooster Community Hospital	\$4,083,184
Water	1,071,357
Water Pollution Control	997,446
Storm Drainage	166,923
Total business-type activities depreciation expense	<u>\$6,318,910</u>

CITY OF WOOSTER, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2003

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NOTE 7 - PENSIONS AND OTHER POST EMPLOYMENT BENEFITS

Employees and Plans

All employees of the City belong to one of two state operated cost-sharing multiple-employer pension plans. Non-uniformed employees (including employees of the Wooster Community Hospital) are members of the Ohio Public Employees Retirement System of Ohio (OPERS). All police and fire personnel are members of the Ohio Police and Fire Pension Fund (OP&F). Elected officials participate in PERS on a voluntary basis.

Benefit Provisions

**OPERS**

Ohio Public Employees Retirement System (OPERS) is a defined benefit plan created by the Ohio General Assembly. OPERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits of OPERS members are calculated on the basis of age, final average salary, and service credit. OPERS also provides survivor, disability and health care coverage. Authority to establish and amend benefits is provided by state statute within Chapter 145 of the Ohio Revised Code. The Ohio Public Employees Retirement System (OPERS) issues a stand-alone financial report. 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-PERS.

**OP&F**

The City contributes to the Ohio Police and Fire Pension Fund (OP&F); a cost-sharing multiple-employer defined benefit pension plan. OP&F 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 OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Contributions to Plans

Employee Contributions

The Ohio Revised Code provides statutory authority for employee and employer contributions. Employees covered under OPERS are required to contribute 8.5% of their gross wages to the plan. Members of the Wooster Employees Association bargaining unit have 5.25% of the 8.5% paid by the City. Members of OP&F are required to contribute 10% of their gross wages to their plan.

Employer Contributions

The 2003 employer contribution rate for local government employer units was 13.55% of covered payroll for the year. The OPERS portion of the City's employer contributions used to fund post-employment benefits was \$1,498,995 in 2003. The City is obligated to pay 24.0% of each firefighter's gross payroll and 19.5% of each police officer's gross payroll. The OP&F portion of the City's employer contributions used to fund post-employment benefits was \$329,517.

CITY OF WOOSTER, OHIO  
 NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2003

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Both the City and the employees made one hundred percent of the required contributions for years 1994 through 2003. The City's contributions for the years ending December 31 were as follows:

<u>Year</u>	<u>OPERS</u>	<u>OP&amp;F</u>
1994	\$2,470,286	\$661,998
1995	2,509,155	662,540
1996	2,699,727	652,674
1997	2,716,873	693,067
1998	2,870,405	740,943
1999	2,979,632	798,993
2000	2,989,123	878,110
2001	3,445,256	865,105
2002	3,849,302	914,681
2003	4,062,316	931,003

Post employment Benefits Other Than Pensions

OPERS provides post retirement health care coverage to age and service retirants with 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in Governmental Accounting Standards Board Statement No. 12. The Ohio Revised Code provides statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. (See "Contributions to Plans", above.)

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 will incorporate a cafeteria approach, offering a more broad range of healthcare options. The Plan uses a graded scale from ten to thirty years to calculate a monthly health care benefit. Recipients will fund health care costs in excess of their month health care benefit.

The assumptions and calculations below were based on the system's latest actuarial review performed as of December 31, 2002. OPERS uses an entry age normal actuarial cost method of valuation in determining the present value of benefits liabilities and normal cost. 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 2002 was 8.00%. An annual increase of 4.00% 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 4.00% base increase, were assumed to range from .50% to 6.30%. Health care costs were assumed to increase 4.00% annually.

OPEBs are advance-funded on an actuarially determined basis. The number of active contributing participants was 364,881. The actuarial value of the retirement System's net assets available for OPEB at December 31, 2002, is \$10.0 billion. The actuarially accrued liability and the unfounded actuarial accrued liability, based on the actuarial cost method used, were \$18.7 billion and \$8.7 billion, respectively.

The Ohio Revised Code provides the statutory authority allowing the Fund's Board of Trustees to provide health care coverage to all eligible individuals. OP&F provides post retirement health care coverage to any

CITY OF WOOSTER, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2003

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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 full-time or on a 2/3 basis. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in Governmental Accounting Standards Board Statement No. 12. The Ohio Revised code provides that health care cost paid from the funds of the OP&F shall be included in the employer's contribution rate. (See "Contributions to Plans", above.)

OP&F health care funding and accounting is on a pay-as-you-go basis. A percentage of covered payroll as defined by the Board, is used to pay retiree health care expenses. The Board defined allocation was 7.75% of covered payroll in 2002 and 2003. In addition, since July 1, 1992 most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. The number of participants eligible to receive health care benefits as of December 31, 2002, the date of the last actuarial valuation available, is 13,527 for police and 10,396 for firefighters statewide. Total expense for health care for the year ending December 31, 2002 was \$141,028,006 statewide, which was net of member contributions of \$12,623,875.

#### NOTE 8 - OTHER EMPLOYEE BENEFITS

##### Compensated Absences

###### Accumulated Unpaid Vacation and Compensatory Time

Each bargaining unit and the management staff earn vacation at different rates, which are based upon length of service. Vacation accumulation is limited to two and three years, respectively. Any unused excess is eliminated from the employee's leave balance. In the case of death, termination, or retirement an employee (or their estate) is paid for his unused vacation to a maximum of the above limitations. The total obligation for vacation and compensatory time accrual for the City and Hospital amounted to \$2,335,669 at December 31, 2003.

###### Accumulated Unpaid Sick Leave

Each bargaining unit and the management staff earn sick leave at different rates. Employees with at least 10 years service upon retirement are paid for thirty-three percent (City) and twenty-five percent (Hospital) of their accumulated sick leave, not to exceed various ceilings depending on bargaining unit or management staff status. This obligation amounted to \$2,249,015 for the City and Hospital at December 31, 2003 for those employees who are eligible, or are expected to become eligible, to retire with at least 10 years of service at retirement. Employees are expected to become eligible after 5 years of service in safety forces, and 7 or 10 years for all others.

#### NOTE 9 - OTHER COMMITMENTS

##### Justice Center Contract

The City has a continuous agreement with Wayne County to share in the costs of operating the Justice Center. The agreement calls for the City to pay 29% of the operating costs of the Justice Center (subject to annual updates based on actual use) except for staffing of shared areas for which costs are shared equally. The 2003 contract cost for the Justice Center was \$527,915.

CITY OF WOOSTER, OHIO  
 NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2003

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Operating Leases

The Wooster Community Hospital leases medical and office equipment under noncancelable operating leases. Total costs for such leases were \$264,069 for the year ended December 31, 2003. The future minimum lease payments for these leases are as follows:

Year Ending December 31	Amount
2004	\$ 597,984
2005	597,984
2006	592,282
2007	<u>297,352</u>
Total	\$ 2,085,602

City Construction Commitments

The City began renovation of the Municipal building in January 2003. The project includes internal building construction, HVAC renovation, and updates to the existing communication and fire alarm systems. The renovation cost of \$1.7 million is being financed through the capital projects fund and the project is expected to be completed during Summer 2004. At year end, the City had \$368,698 remaining commitment for the project. The City has also committed to design drawings to begin external renovation of the Municipal Building. Renovations include changes of driveway, signs and lighting, stair access, and retaining wall. Additional landscaping and a new garage are also planned.

City Council approved the upgrading of Traffic Signals throughout the City. The project was scheduled to begin in April 2004 with an expected completion in Summer 2004. The City's commitment for this project was \$258,790.

In 2002, City Council approved the Director of Administration to enter into a contract with Hansen Information Systems, Inc. The legislation recognized that the software would upgrade the City's address permitting and planning, inventory, pavement management, asset management, and work order software in addition to software used for other basic municipal services. The project is being financed through the Capital Improvements, Water, Water Pollution Control, and Storm Drainage Funds. As of December 31, 2003, the outstanding project commitment was \$232,981.

As part of the City's Master Plan for Sewer separation, City Council has approved the installation of new sanitary and storm sewers on Grant Street and Foster Path. The City has outstanding commitments of \$43,547 for this project. The project is expected to be completed in May 2004.

The City Engineer completed traffic studies in 2003 which indicated that the intersection of Burbank Road and Riffel Road and the intersection at State Route 585 and Old Airport Road warranted traffic signals. The projects were combined into one bid for a total of \$197,006. Construction began in January 2004 and both projects are expected to be completed in Summer 2004.

City Council approved the construction of new sanitary sewer lines on Sherwood Avenue. Prior to this project, City sanitary sewer service was not available to residents in this area. The contract for this project was awarded in December 2003 and the project is expected to be completed in June 2004 for a cost of \$41,154.

The Board of Governors of Wooster Community Hospital authorized the construction of a new oxygen line between the Hospital's main facility and the Wound Healing Center, and the removal of the old liquid oxygen

CITY OF WOOSTER, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2003

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cryogen vessels on the north side of the Hospital. Construction began in 2003 with completion expected in May 2004. The outstanding amount for the project at December 31, 2003, was \$72,186.

The Hospital's Board of Governors also approved the replacement of a walk-in freezer unit and the consolidation of two existing cooling units into one unit. The outstanding amount for the new units is \$26,385 and will be purchased from the Hospital Fund's capital budget.

The City of Wooster is also preparing to renovate the Water Pollution Control facilities. Financing of the approximately \$14.5 million project will come from low interest state loans and existing cash balances.

NOTE 10 - CONTINGENCIES

Enterprise and Special Assessment Bonded Debt

Certain general obligation bonds are being retired by use of revenues generated by the Water, Water Pollution Control, Hospital, and Special Assessment Debt Service Funds. These bonds are general obligation issues backed by the full faith and credit of the City. Management does not foresee any circumstance that would change the current source of funding for these obligations.

Litigation

There are two cases pending against the City. The maximum exposure of the city is the deductible of \$25,000 per suit. There are six cases pending involving Wooster Community Hospital. The maximum exposure of the Wooster Community Hospital would be the deductible of \$25,000 per case with a total limit of \$75,000.

Contingencies Under Grant Provisions

The City participates in several federally assisted programs and is a recipient of several grants. These programs and grants are subject to financial and compliance audits by the grantors or their representatives. As of December 31, 2003, the audits of these grants and programs were complete through 2002 and City's compliance with applicable requirements has been established. The City's compliance with applicable requirements for 2003 will be established at a future date. The City does not expect any disallowance of grant expenditures.

Other Contingencies

Donated Property

During 1989, City Council accepted a donation of real property from a downtown merchant. Council then turned over the property to the Wooster Growth Corporation (WGC). The WGC then contracted with a management group to lease the property. A condition of the City's agreement with the WGC guarantees return of proceeds of any sale of the property to the City of Wooster.

Low Income Housing

The City has an ongoing contract with the Wooster Interfaith Housing Corporation (WIHC) for the acquisition, rehabilitation and management of properties to be made available as low income housing under grant provisions approved by the Secretary of Housing and Urban Development (HUD). A total of 16 properties are now owned and managed by the WIHC. Terms of the agreement call for title to the properties to be conveyed to the City upon termination of the agreement.

CITY OF WOOSTER, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2003

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NOTE 11 - CONDUIT DEBT OBLIGATIONS

From time to time, the City has issued certain limited-obligation revenue bonds on behalf of private sector and nonprofit entities for the acquisition and construction of facilities deemed to be in the public interest. The bonds are secured by the property and revenues of those entities, and are payable solely from the resources of those entities. The City is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2003 there were two series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$8.685 million. One series of adjustable rate demand health care facilities bonds was issued in 2003 of which \$6.985 million was outstanding at December 31, 2003. The aggregate amount of all conduit debt obligations at December 31, 2003 was \$15.67 million.

NOTE 12 - RISK MANAGEMENT

Risk Pool Membership

The City belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. PEP is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Coverage

PEP retains casualty risks up to \$250,000 per claim, including loss adjustment expenses. PEP pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$5,000,000 in the aggregate per year. Governments can elect additional coverage, from \$2,000,000 to \$10,000,000 from the General Reinsurance Corporation.

If losses exhaust PEP's retained earnings, APEEP covers PEP losses up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000.

Property Coverage

PEP retains property risks, including automobile physical damage, up to \$100,000 on any specific loss with an annual aggregate of \$1,250,000 for 2002. There is no aggregate for 2003 and future accident years. Beginning in 2003, PEP retains property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsures losses exceeding \$100,000. APEEP's Guarantee Fund pays losses and loss adjustment expenses exceeding operating contributions.

The aforementioned casualty and property reinsurance agreements do not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective local government.

CITY OF WOOSTER, OHIO  
 NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2003

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2003 and 2002:

<u>Casualty Coverage</u>	<u>2003</u>	<u>2002</u>
Assets	\$25,288,098	\$20,174,977
Liabilities	(12,872,985)	(8,550,749)
Retained earnings	<u>\$12,415,113</u>	<u>\$11,624,228</u>

<u>Property Coverage</u>	<u>2003</u>	<u>2002</u>
Assets	\$3,158,813	\$2,565,408
Liabilities	(792,061)	(655,318)
Retained earnings	<u>\$2,366,752</u>	<u>\$1,910,090</u>

Self-insured Health Care

City employees are provided traditional health care insurance that covers hospitalization and major medical expenses within specified limits. The plan is self-funded by the City and administered by a third-party administrator. The City pays the administrator a monthly fixed fee for various claim administration services on a per enrolled employee basis.

The City pays all claims. The third-party administrator submits weekly preliminary check registers for all processed claims. The City issues payment to the plan administrator who in turn issues individual claim checks. The City carries stop-loss insurance against catastrophic losses. The premiums for these policies are billed monthly by the third-party administrator on a per enrolled employee basis. Third party administrators estimated the claims liability reported in the fund at December 31, 2003. It is based on the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported.

As of December 31, 2003, the outstanding claims liability was \$991,894, whereby \$862,072 is attributed to the Hospital and \$129,822 is attributed to the City.

Changes in the fund's claims liability amounts 1999 to 2003 are:

	1999	2000	2001	2002	2003
Balance at beginning of year	\$ 581,586	\$ 530,851	\$ 632,713	\$ 703,686	\$ 964,510
Current year claims	2,712,832	3,680,578	4,062,203	5,312,349	6,020,066
Claim payments	(2,763,567)	(3,578,716)	(3,991,230)	(5,051,525)	(5,992,682)
Balance at end of year	<u>\$ 530,851</u>	<u>\$ 632,713</u>	<u>\$ 703,686</u>	<u>\$ 964,510</u>	<u>\$991,894</u>

CITY OF WOOSTER, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2003

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NOTE 13 – PLANT CLOSURE COSTS

State and Federal regulations require the City to close its original water production plant once taken completely out of service. The City built a new water production plant, which started production in January 1999. The original plant will be closed in accordance with regulatory requirements in the next few years. Based on current information, the cost of this closure is estimated to be \$3,430,475. This amount has been recorded as a long-term liability in the Water Fund. An updated cost estimate by an independent engineering firm should be completed in 2004 and demolition is schedule to begin in 2005.

NOTE 14 – DEBT

Governmental Activities

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for compensated absences related to internal services are included in governmental activities. Also, for governmental activities, compensated absences and land debt are generally liquidated by the general fund. All special assessment debt is paid through the debt service fund. All of the City's special assessment debt is full commitment with \$396,785 held by the City. There are no legal funding restraints on the remainder of the outstanding special assessment debt, and the amount of delinquent accounts at year-end is \$6,537. The remaining general portion of bonds and notes are liquidated by general, special revenue, and capital project funds.

Current Year Activity

On August 1, 2003, the City issued \$4,455,000 in various purpose general obligation bonds to finance various storm drainage projects, renovations to City Hall, and improvements to portions of Quinby Avenue, Park Avenue, Milltown Road, and Friendsville Road. The bonds were issued for a fifteen-year period with final maturity at December 31, 2018.

During 2003, the Ohio Public Works Commission (OPWC) extended two loans to the City for storm drainage projects. The loan for the Quinby Avenue storm drainage project in the amount of \$23,931 matures on July 1, 2008. The loan for the Mulberry Avenue storm drainage project in the amount of \$46,691 matures on July 1, 2023.

CITY OF WOOSTER, OHIO  
 NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2003

Debt service requirements to maturity

The City's legal debt margin within the 10 1/2% limitation was approximately \$56.57 million at December 31, 2003. Principal and interest requirements to retire the City's long-term obligations are as follows:

Year	G.O. Bonds		Special Assessments		OPWC Loan	Land Debt	Totals
	Principal	Interest	Principal	Interest	Principal	Principal	
<b>Business-type Activities:</b>							
2004	\$ 1,500,500	504,360	0	0	10,584	\$	2,015,444
2005	1,555,500	448,693	0	0	10,584	0	2,014,777
2006	1,098,200	388,508	0	0	10,584	0	1,497,293
2007	1,138,300	341,633	0	0	10,584	0	1,490,518
2008	1,185,800	292,295	0	0	6,489	0	1,484,584
2009-2013	4,195,000	667,118	0	0	11,972	0	4,874,090
2014-2018	982,000	163,440	0	0	11,972	0	1,157,413
2019-2023	100,900	8,775	0	0	10,775	0	120,449
Subtotal	11,756,200	2,814,822	0	0	83,546	0	14,654,568
<b>Governmental Activities:</b>							
2004	224,348	102,555	107,984	77,800	10,336	282,000	805,023
2005	223,818	95,080	110,184	72,072	10,336	0	511,490
2006	222,163	86,971	120,909	66,178	10,336	0	506,557
2007	221,563	78,919	128,285	59,727	10,336	0	498,829
2008	225,910	70,898	133,427	52,867	10,336	0	493,438
2009-2013	744,447	260,432	441,265	174,850	51,682	0	1,672,675
2014-2018	870,768	110,175	296,415	71,883	11,171	0	1,360,412
2019-2023	0	0	94,100	8,188	0	0	102,288
Subtotal	2,733,017	805,029	1,432,568	583,563	114,534	282,000	5,950,712
Total	\$ 14,489,217	3,619,851	1,432,568	583,563	198,081	282,000	\$ 20,605,280

Short-term debt

	Beginning Balances	New Issues	Amounts Repaid	Ending Balances
Milltown/Friendsville note	\$1,161,992	0	\$1,161,992	0
Quinby waterlines note	626,218	0	626,218	0
Quinby sanitary sewer note	9,823	0	9,823	0
Quinby storm drainage note	2,701,967	0	2,701,967	0
	\$4,500,000	0	\$4,500,000	0

CITY OF WOOSTER, OHIO  
 NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2003

Changes in balances of long-term liabilities including current portions are as follows:

BUSINESS-TYPE ACTIVITIES:

	Balance January 1,2003	Increases	(Decreases)	Balance December 31,2003	Amount Due in 2004
<b>Wooster Community Hospital Fund:</b>					
3.0-3.4% 2001 G.O. Bonds	1,460,000	0	(470,000)	990,000	485,000
Compensated Absences	743,443	90,593	(48,396)	785,640	49,848
WCH Fund Total	2,203,443	90,593	(518,396)	1,775,640	534,848
<b>Water Fund:</b>					
5.4-5.75% 1995 G.O. Bonds	595,945	0	(19,745)	576,200	20,500
4.9-5% 1996 G.O. Bonds	6,305,000	0	(550,000)	5,755,000	580,000
3.0-3.85% 2001 G.O. Bonds	2,700,000	0	(300,000)	2,400,000	300,000
1.565% Various Purpose Note (8/13/02-8/13/03)	628,005		(628,005)	0	0
2003 0% OPWC Loan-Quinby Waterlines(1/1/04-7/1/08)	0	12,924	0	12,924	2,872
Compensated Absences	44,783	53,613	(28,058)	70,338	28,900
Water Fund Total	10,273,733	66,537	(1,525,808)	8,814,462	932,272
<b>Water Pollution Control Fund:</b>					
5.25% O.W.D.A. Loan	32,272	0	(32,272)	0	0
1.565% Various Purpose Note (8/13/02-8/13/03)	9,851	0	(9,851)	0	0
Compensated Absences	93,692	10,238	(27,910)	76,020	28,747
WPC Fund Total	135,815	10,238	(70,033)	76,020	28,747
<b>Storm Water Fund:</b>					
Variable Rate 2003 G.O. Bonds	0	2,035,000	0	2,035,000	115,000
1.565% Various Purpose Note (8/13/02-8/13/03)	2,709,679	0	(2,709,679)	0	0
2003 0% OPWC Loan-Quinby Storm Drainage(1/1/04-7/1/08)	0	23,931	0	23,931	5,318
2003 0% OPWC Loan-Mulberry Ave Storm Drainage(1/1/04-7/1/23)	0	46,691	0	46,691	2,394
Compensated Absences	0	19,628	(3,339)	16,288	3,440
Storm Water Fund Total	2,709,679	2,105,622	(2,713,018)	2,121,911	122,712
Business-type Activities Total	15,322,670	2,272,990	(4,827,256)	12,788,034	1,618,579
<b>GOVERNMENTAL ACTIVITIES:</b>					
<b>Old Mansfield/Portage/Downtown 5.2-5.25% 1992 G.O. Bonds</b>					
General portion	596,467	0	(142,450)	454,017	91,940
Special Assessment portion	53,533	0	(7,550)	45,983	8,060
<b>Downtown/Oldman/Madisonburg 5.4-5.75% 1995 G.O. Bonds</b>					
Special Assessment portion	909,055	0	(60,255)	848,800	64,500
Buena Vista 6% S.A. Bonds (12/1/98-12/1/20)	11,660	0	(454)	11,206	481
0% OPWC Loan (1/9/98-1/1/14)	25,728	0	(1,715)	24,013	1,715
0% OPWC Loan (9/15/98-1/1/18)	99,143	0	(8,621)	90,522	8,621
Oak Hill 6% S.A. Bond (12/31/99-12/31/14)	91,543	0	(5,426)	86,117	5,752
E Liberty 6% S.A. Bond (12/31/99-12/31/14)	258,454	0	(15,321)	243,133	16,240
Burbank/Friendsville 6% S.A. Note (12/31/00-12/31/15)	23,852	0	(1,264)	22,588	1,339
Burbank/Riffel 6% S.A. Note (12/31/00-12/31/10)	37,533	0	(3,792)	33,741	4,020
<b>1.565% Various Purpose Note (8/13/02-8/13/03)</b>					
Special Revenue portion	928,286	0	(928,286)	0	0
Special Assessment portion	237,023	0	(237,023)	0	0
0% Besancon Farm Debt (1/15/01-1/15/04)	564,000	0	(282,000)	282,000	282,000
2003 Municipal Building Renovation (12/01/2004-		1,770,000		1,770,000	105,000
2003 Milltown City Portion-SCM&R Var Rates		203,600		203,600	10,963
2003 Milltown City Portion-Perm Tax Var Rates		305,400		305,400	16,445
2003 Milltown Ave Special Assessment-Var Rates		141,000		141,000	7,592
Compensated Absences	667,073	13,366	(267,691)	412,748	275,722
Governmental Funds Total	4,503,350	2,433,366	(1,961,848)	4,974,868	900,390
Total All Long-Term Liabilities	\$ 19,826,020	\$ 4,706,356	\$ (6,789,104)	\$ 17,762,902	\$ 2,518,969

Required Supplementary Information

CITY OF WOOSTER, OHIO  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)  
 GENERAL AND MAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2003

	General Fund		
	Original Budget	Final Budget	Actual Plus Encumbrances
<b>Revenues :</b>			
Taxes	\$ 10,889,920	\$ 10,819,920	\$ 10,634,059
Intergovernmental	1,757,590	1,757,590	1,836,438
Charges for services	873,427	873,427	857,203
Fines, licenses, permits	572,307	572,307	618,513
Interfund services provided	1,164,473	1,164,473	1,248,397
Interest income	269,766	269,766	241,859
Miscellaneous	69,929	70,929	102,505
<b>Total Revenues</b>	<b>15,597,412</b>	<b>15,528,412</b>	<b>15,538,974</b>
<b>Expenditures :</b>			
Safety services	7,905,234	9,291,527	8,992,358
Health and social services	140,900	140,900	140,855
Leisure services	1,860,719	2,181,751	2,043,251
Environment & development	742,017	1,377,730	1,413,435
Transportation services	1,463,125	1,729,015	1,365,441
Administrative services	3,300,820	3,900,100	3,348,698
<b>Total Expenditures</b>	<b>15,412,815</b>	<b>18,621,023</b>	<b>17,304,038</b>
Excess revenues over(under) expenditures	184,597	(3,092,611)	(1,765,064)
Transfers in	0	0	31,000
Proceeds from debt issues	2,000,000	2,000,000	0
Transfers out	(2,300,000)	(2,030,300)	(829,772)
Encumbrances	0	0	3,010,790
Fund balances at beginning of year	11,500,497	11,500,497	11,500,497
<b>Fund balances at end of year</b>	<b>\$ 11,385,094</b>	<b>\$ 8,377,586</b>	<b>\$ 11,947,451</b>

	Street Construction Maintenance & Repair Fund		
	Original Budget	Final Budget	Actual Plus Encumbrances
<b>Revenues :</b>			
Intergovernmental	\$ 747,780	\$ 747,780	\$ 830,343
Interest income	39,286	39,286	21,156
Miscellaneous	2,575	2,575	28,776
<b>Total Revenues</b>	<b>789,641</b>	<b>789,641</b>	<b>880,275</b>
<b>Expenditures :</b>			
Safety services	273,788	283,637	262,371
Transportation services	1,307,806	1,418,042	1,232,625
<b>Total Expenditures</b>	<b>1,581,594</b>	<b>1,701,679</b>	<b>1,494,996</b>
Excess revenues over(under) expenditures	(791,953)	(912,038)	(614,721)
Proceeds from debt issues	400,000	400,000	203,338
Encumbrances	0	0	131,744
Fund balances at beginning of year	1,320,551	1,320,551	1,320,551
<b>Fund balances at end of year</b>	<b>\$ 928,598</b>	<b>\$ 808,513</b>	<b>\$ 1,040,912</b>

Modified accrual is the budgetary basis used in the preparation of these schedules.

## GENERAL FUND

GENERAL FUND – To account for all financial resources except those required to be accounted for in another fund.

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## SPECIAL REVENUE FUNDS

To account for the proceeds of specific revenue sources (other than fiduciary funds or capital project funds) legally restricted to expenditure for specified purposes.

**STREET CONSTRUCTION MAINTENANCE AND REPAIR** – Required by the Ohio Revised Code to account for that portion of the state gasoline tax and motor vehicle registration fees designated for maintenance of streets within the City.

**STATE HIGHWAY** – Required by the Ohio Revised Code to account for that portion of the state gasoline tax and motor vehicle registration fees designated for maintenance of state highways within the City.

**PERMISSIVE TAX** – Required by the Ohio Revised Code to account for that portion of motor vehicle registration fees allocated to assist in maintaining those city streets designated as contributing to the effective and efficient flow of traffic through and within the county.

**ENFORCEMENT AND EDUCATION** – To account for funds from the Municipal Court designated to enforce drunk driving laws and related educational programs.

**MANDATORY DRUG FINES** - To account for fines from the Municipal Court designated to subsidize each agency's law enforcement efforts that pertain to drug offenses.

**LOCAL LAW ENFORCEMENT BLOCK GRANT**– To account for receipts and expenditures of Local Law Enforcement Block Grants, funded by the U.S. Department of Justice. Grant proceeds are used to fund law enforcement employees.

**COMMUNITY DEVELOPMENT BLOCK GRANT**– To account for monies received from the federal government under the Community Development Block Grant program for providing decent housing and a suitable living environment, and expanded economic opportunities principally for persons of low and moderate income and the allowable administrative costs associated with those projects.

**ECONOMIC DEVELOPMENT (Hotel Tax)** – To account for the portion of the transient occupancy tax designated for promoting economic development within the City.

**HUD HOME** – To account for monies received from the federal government under the HOME investment Partnerships Program for providing decent housing and a suitable living environment principally for persons of low and moderate income and the allowable administrative costs associated with those projects.

**LAW ENFORCEMENT TRUST** - Established for deposit of funds from sale of contraband. These funds can only be expended to pay the costs of protracted or complex investigations or prosecutions, to provide reasonable technical training or expertise, to provide matching funds to obtain federal grants to aid law enforcement, or for such other law enforcement purposes that Council determines to be appropriate.

**POLICE PENSION** – To accumulate property taxes levied for the partial payment of the current and accrued liability for police disability and pension. Amounts collected for the police disability and pension are periodically remitted to the state operated Police and Firemen's Disability and Pension Fund.

**FIRE PENSION** – To accumulate property taxes levied for the partial payment of the current and accrued liability for firemen's disability and pension. Amounts collected for the firemen's disability and pension are periodically remitted to the state operated Police and Firemen's Disability and Pension Fund.

**CHRISTMAS RUN PARK RESTORATION** – Established to collect donations intended for the restoration of Christmas Run Park necessitated by the damage done from the November 2003 tornado.

**SHADE TREE** – Was established so that individuals or organizations could donate money to the City for the purpose of providing trees throughout the City in the public right-of-way.

**FIREWORKS** – Was established so that individuals or organizations could donate money to the City for the purpose of providing a fireworks display at the City's Independence Day celebration.

**LILLIAN LONG ESTATE** – To account for a bequest from the estate of Lillian Long for the purpose of acquiring additional land for use as a part of Wooster Memorial Park and/or making improvements to that park.

**INVESTMENT** – Was established by statute to accumulate interest earnings from certain pooled investments and to pay expenses incurred in the handling of fiscal matters with third parties until such time as the net proceeds can be distributed to the other funds.

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#### CAPITAL PROJECTS FUNDS

These funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary or trust funds.

**CAPITAL IMPROVEMENTS** – To account for various capital projects financed by general fund revenues.

**ECONOMIC DEVELOPMENT CAPITAL IMPROVEMENT FUND** – To account for "one-time" revenues (revenues which are generated only one time and usually in connection with an event such as a sale of major assets, the merger or sale of a company, or insurance proceeds where the asset will not be replaced). These resources can be appropriated for capital expenditures intended to promote economic development within the community. Economic development may be defined as the retention of existing jobs or businesses; the creation of new jobs or businesses; the creation of capital investment through construction of new or the renovation of existing buildings; and the purchase of real estate, buildings or machinery.

**LONG ROAD** – To provide for improved service for the industrial park located on Long Road. Improvements are funded by Tax Increment Financing, and note proceeds.

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#### DEBT SERVICE FUND

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

**DEBT SERVICE FUND** – To accumulate special assessment revenues collected by the County Treasurer and remitted to the City by the County Auditor for payment of special assessment principal and interest. These debt issues were sold to finance construction of various projects that were deemed to benefit only those residents in the immediate area of the projects and are paid for by those residents through assessments against their property.

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#### ENTERPRISE FUNDS

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

**WOOSTER COMMUNITY HOSPITAL** - To account for the health care services provided by the City owned and operated hospital.

**WATER** - To account for the provision of water treatment and distribution to the residents and commercial users of the City and some residents of the county.

**WATER POLLUTION CONTROL** - To account for sanitary sewer services provided to the residential and commercial users of the City and some residents of the county.

**STORM DRAINAGE** - To account for the storm drainage runoff service provided to the residential and commercial users of the City.

**REFUSE COLLECTION** - To account for trash collection services provided to the residential and some commercial users of the City.

**ECONOMIC/DOWNTOWN DEVELOPMENT LOANS** - To account for the loans, repayments, and subsequent loans provided for economic development purposes and downtown revitalization. This fund was established as a result of the City's obtaining a federal grant (HUD) with the requirements for establishing the loan program to maintain the contributed capital (grant/loan principal).

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#### INTERNAL SERVICE FUND

To account for the financing of goods or services provided by one department or agency to other departments or agencies other governmental unit, or to other governmental units, on a cost-reimbursement basis.

**MUNICIPAL GARAGE** - To account for the costs of a maintenance facility for automotive equipment used by various City departments. Costs are billed to the departments for labor and materials at actual cost with the elimination of the effect of internal service fund activity to adjust to break even.

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#### AGENCY FUNDS

To account for assets held by the City in a custodial capacity or as an agent for individuals, private organization, or other governmental units.

**WOOSTER GROWTH CORPORATION** - Designated by the City of Wooster as the agency for development of industry, commercial, distribution, and research development within the City. The City serves as fiscal agent for the Corporation.

**GUARANTEED DEPOSITS** - Established to hold in trust funds held by the City and received from a contractor, developer, or individual to insure compliance with the ordinances of the City in maintaining or establishing certain appurtenances (sidewalks, curbs, and gutters) to be installed by an individual developer or contractor. Upon completion of the appurtenances the deposit is returned to the individual developer or contractor, after deducting any inspection charges.

**CLEARING** - Established to hold in trust monies received for bid bonds, insurance premiums or proceeds on behalf of certain individuals, and any unclaimed municipal checks. The insurance premiums are to pay for retired employees or spouses still participating in our group health insurance program. The insurance proceeds are for certain damages to City owned property.

**RECREATION SUPPLEMENT** - Established to accept donations from individuals and organizations that wish to specify that their gifts and donations support recreational opportunities for underprivileged youth in the community.

CITY OF WOOSTER, OHIO  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 DECEMBER 31, 2003

	Special Revenue Funds	Economic Development Capital Improvement Fund	Total Nonmajor Governmental Funds
<b>Assets:</b>			
Equity in city treasury cash	\$ 1,304,292	\$ 461,557	\$ 1,765,849
Taxes receivable	346,404	0	346,404
Due from other governments	78,978	0	78,978
Accrued interest receivable	4,641	1,241	5,882
Inventory	34,304	0	34,304
Long term receivables	831,753	0	831,753
<b>Total assets</b>	<b>2,600,372</b>	<b>462,798</b>	<b>3,063,170</b>
<b>Liabilities:</b>			
Accounts payable	12,809	0	12,809
Accrued salaries, wages and benefits	1,015	0	1,015
Due to other funds	19,700	0	19,700
Deferred revenue	1,207,356	0	1,207,356
<b>Total liabilities</b>	<b>1,240,880</b>	<b>0</b>	<b>1,240,880</b>
<b>Fund balances:</b>			
Reserved for encumbrances	387,274	0	387,274
Unreserved	972,218	462,798	1,435,016
<b>Total fund balances</b>	<b>1,359,492</b>	<b>462,798</b>	<b>1,822,290</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,600,372</b>	<b>\$ 462,798</b>	<b>\$ 3,063,170</b>

CITY OF WOOSTER, OHIO  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2003

	Special Revenue Funds	Economic Development Capital Improvement Fund	Total Nonmajor Governmental Funds
<b>Revenues :</b>			
Taxes	\$ 493,753	\$ 0	\$ 493,753
Intergovernmental	537,137	0	537,137
Fines, licenses, permits	10,505	0	10,505
Interest income	93,434	8,544	101,978
Contributions and donations	68,081	0	68,081
Miscellaneous	12,291	0	12,291
<b>Total Revenues</b>	<u>1,215,201</u>	<u>8,544</u>	<u>1,223,745</u>
<b>Expenditures :</b>			
<b>Current operations :</b>			
Safety services	352,698	0	352,698
Environment and development	326,180	0	326,180
Transportation services	89,467	0	89,467
Administrative services	67,653	0	67,653
Capital expenditures	152,137	0	152,137
<b>Debt service :</b>			
Principal	569,809	282,000	851,809
Interest	25,366	0	25,366
<b>Total Expenditures</b>	<u>1,583,310</u>	<u>282,000</u>	<u>1,865,310</u>
<b>Excess revenues over(under) expenditures</b>	<u>(368,109)</u>	<u>(273,456)</u>	<u>(641,565)</u>
<b>Other financing sources (uses) :</b>			
Proceeds from debt issues	305,662	0	305,662
Operating transfers in (out)	10,000	0	10,000
<b>Net change in fund balances</b>	<u>(52,447)</u>	<u>(273,456)</u>	<u>(325,903)</u>
<b>Fund balances at beginning of year</b>	<u>1,411,939</u>	<u>736,254</u>	<u>2,148,193</u>
<b>Fund balances at end of year</b>	<u>\$ 1,359,492</u>	<u>462,798</u>	<u>\$ 1,822,290</u>

**CITY OF WOOSTER, OHIO  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 DECEMBER 31, 2003**

	State Highway Fund	Permissive Tax Fund	Enforcement Education Fund	Mandatory Drug Fines Fund
<b>Assets:</b>				
Equity in city treasury cash	\$ 169,458	\$ 905,945	\$ 22,088	\$ 18,071
Taxes receivable	0	0	0	0
Due from other governments	36,446	36,030	0	0
Accrued interest receivable	643	3,219	68	60
Inventory	34,304	0	0	0
Long term receivables	0	0	0	0
<b>Total assets</b>	<b>240,851</b>	<b>945,194</b>	<b>22,156</b>	<b>18,131</b>
<b>Liabilities:</b>				
Accounts payable	0	0	0	0
Accrued salaries, wages and benefits	0	1,015	0	0
Due to other funds	0	0	0	0
Deferred revenue	31,602	0	0	0
<b>Total liabilities</b>	<b>31,602</b>	<b>1,015</b>	<b>0</b>	<b>0</b>
<b>Fund balances:</b>				
Reserved for encumbrances	74,284	265,248	0	0
Unreserved	134,965	678,931	22,156	18,131
<b>Total fund balances</b>	<b>209,249</b>	<b>944,179</b>	<b>22,156</b>	<b>18,131</b>
<b>Total liabilities and fund balances</b>	<b>\$ 240,851</b>	<b>\$ 945,194</b>	<b>\$ 22,156</b>	<b>\$ 18,131</b>

Local Law Enforcement Block Grant Fund	Community Development Block Grant Fund	Economic Development Fund	HUD Home Fund
\$ 1,087	\$ 15,484	\$ 6,961	\$ 0
0	0	2,404	0
0	5,774	0	0
6	0	55	0
0	0	0	0
0	0	0	831,754
<u>1,093</u>	<u>21,258</u>	<u>9,420</u>	<u>831,754</u>
0	5,774	7,035	0
0	0	0	0
0	19,700	0	0
0	0	0	831,754
<u>0</u>	<u>25,474</u>	<u>7,035</u>	<u>831,754</u>
0	47,050	0	0
<u>1,093</u>	<u>(51,266)</u>	<u>2,385</u>	<u>0</u>
<u>1,093</u>	<u>(4,216)</u>	<u>2,385</u>	<u>0</u>
<u>\$ 1,093</u>	<u>\$ 21,258</u>	<u>\$ 9,420</u>	<u>\$ 831,754</u>

(Continued)

CITY OF WOOSTER, OHIO  
 COMBINING BALANCE SHEET (CONTINUED)  
 NONMAJOR SPECIAL REVENUE FUNDS  
 DECEMBER 31, 2003

	Law Enforcement Trust Fund	Police Pension Fund	Fire Pension Fund	Christmas Run Park Restoration Fund
<b>Assets:</b>				
Equity in city treasury cash	\$ 7,541	\$ 23,078	\$ 25,129	\$ 78,091
Taxes receivable	0	172,000	172,000	0
Due from other governments	0	0	0	0
Accrued interest receivable	28	163	211	51
Inventory	0	0	0	0
Long term receivables	0	0	0	0
<b>Total assets</b>	<u>7,569</u>	<u>195,241</u>	<u>197,340</u>	<u>78,142</u>
<b>Liabilities:</b>				
Accounts payable	0	0	0	0
Accrued salaries, wages and benefits	0	0	0	0
Due to other funds	0	0	0	0
Deferred revenue	0	172,000	172,000	0
<b>Total liabilities</b>	<u>0</u>	<u>172,000</u>	<u>172,000</u>	<u>0</u>
<b>Fund balances:</b>				
Reserved for encumbrances	692	0	0	0
Unreserved	6,877	23,241	25,340	78,142
<b>Total fund balances</b>	<u>7,569</u>	<u>23,241</u>	<u>25,340</u>	<u>78,142</u>
<b>Total liabilities and fund balances</b>	<u>\$ 7,569</u>	<u>\$ 195,241</u>	<u>\$ 197,340</u>	<u>\$ 78,142</u>

Shade Tree Fund	Fireworks Fund	Lillian Long Estate Fund	Investment Fund	Total Nonmajor Special Revenue Funds
\$ 16,080	\$ 1,496	\$ 13,783	\$ 0	\$ 1,304,292
0	0	0	0	346,404
0	0	0	0	78,250
74	5	58	0	4,641
0	0	0	0	34,304
0	0	0	0	831,754
<u>16,154</u>	<u>1,501</u>	<u>13,841</u>	<u>0</u>	<u>2,599,645</u>
0	0	0	0	12,809
0	0	0	0	1,015
0	0	0	0	19,700
0	0	0	0	1,207,356
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,240,880</u>
0	0	0	0	387,274
<u>16,154</u>	<u>1,501</u>	<u>13,841</u>	<u>0</u>	<u>971,491</u>
<u>16,154</u>	<u>1,501</u>	<u>13,841</u>	<u>0</u>	<u>1,358,765</u>
<u>\$ 16,154</u>	<u>\$ 1,501</u>	<u>\$ 13,841</u>	<u>\$ 0</u>	<u>\$ 2,599,645</u>

CITY OF WOOSTER, OHIO  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2003

	State Highway Fund	Permissive Tax Fund	Enforcement Education Fund	Mandatory Drug Fines Fund
<b>Revenues :</b>				
Taxes	\$ 0	\$ 153,055	\$ 0	\$ 0
Intergovernmental	68,052	139,201	0	0
Fines, licenses, permits	0	0	1,985	8,520
Interest income	3,653	17,988	436	275
Contributions and donations	0	0	0	0
Miscellaneous	10,974	0	0	0
<b>Total Revenues</b>	<u>82,679</u>	<u>310,244</u>	<u>2,421</u>	<u>8,795</u>
<b>Expenditures :</b>				
<b>Current operations :</b>				
Safety services	18,128	0	0	0
Leisure services	0	0	0	0
Environment and development	0	0	0	0
Transportation services	66,342	23,125	0	0
Administrative services	0	0	0	0
Capital expenditures	18,255	39,745	0	0
<b>Debt service :</b>				
Principal	1,715	568,095	0	0
Interest	0	25,366	0	0
<b>Total Expenditures</b>	<u>104,440</u>	<u>656,331</u>	<u>0</u>	<u>0</u>
<b>Excess revenues over(under) expenditures</b>	<u>(21,761)</u>	<u>(346,087)</u>	<u>2,421</u>	<u>8,795</u>
<b>Other financing sources (uses) :</b>				
Proceeds from debt issues	0	305,662	0	0
Operating transfers in	0	0	0	0
<b>Net change in fund balance</b>	<u>(21,761)</u>	<u>(40,425)</u>	<u>2,421</u>	<u>8,795</u>
<b>Fund balances at beginning of year</b>	<u>231,737</u>	<u>984,604</u>	<u>19,735</u>	<u>9,336</u>
<b>Fund balances at end of year</b>	<u>\$ 209,976</u>	<u>\$ 944,179</u>	<u>\$ 22,156</u>	<u>\$ 18,131</u>

Local Law Enforcement Block Grant Fund	Community Development Block Grant Fund	Economic Development Fund	HUD Home Fund
\$ 0	\$ 0	\$ 49,838	\$ 0
0	298,108	0	0
0	0	0	0
24	0	175	0
0	0	0	0
45	0	0	0
<u>69</u>	<u>298,108</u>	<u>50,013</u>	<u>0</u>
0	0	0	0
0	0	0	0
0	247,880	78,300	0
0	0	0	0
0	0	0	0
0	94,137	0	0
0	0	0	0
0	0	0	0
<u>0</u>	<u>342,017</u>	<u>78,300</u>	<u>0</u>
<u>69</u>	<u>(43,909)</u>	<u>(28,287)</u>	<u>0</u>
0	0	0	0
0	0	0	0
<u>69</u>	<u>(43,909)</u>	<u>(28,287)</u>	<u>0</u>
<u>1,024</u>	<u>39,693</u>	<u>30,672</u>	<u>0</u>
<u>\$ 1,093</u>	<u>\$ (4,216)</u>	<u>\$ 2,385</u>	<u>\$ 0</u>

(Continued)

CITY OF WOOSTER, OHIO  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES (CONTINUED)  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2003

	Law Enforcement Trust Fund	Police Pension Fund	Fire Pension Fund	Christmas Run Park Restoration Fund
<b>Revenues :</b>				
Taxes	\$ 0	\$ 145,430	\$ 145,430	\$ 0
Intergovernmental	0	15,888	15,889	0
Fines, licenses, permits	0	0	0	0
Interest income	149	1,041	1,363	61
Contributions and donations	0	0	0	68,081
Miscellaneous	1,022	0	0	0
<b>Total Revenues</b>	<u>1,171</u>	<u>162,359</u>	<u>162,682</u>	<u>68,142</u>
<b>Expenditures :</b>				
<b>Current operations :</b>				
Safety services	0	167,285	167,285	0
Leisure services	0	0	0	0
Environment and development	0	0	0	0
Transportation services	0	0	0	0
Administrative services	0	0	0	0
Capital expenditures	0	0	0	0
<b>Debt service :</b>				
Principal	0	0	0	0
Interest	0	0	0	0
<b>Total Expenditures</b>	<u>0</u>	<u>167,285</u>	<u>167,285</u>	<u>0</u>
<b>Excess revenues over(under) expenditures</b>	<u>1,171</u>	<u>(4,926)</u>	<u>(4,603)</u>	<u>68,142</u>
<b>Other financing sources (uses) :</b>				
Proceeds from debt issues	0	0	0	0
Operating transfers in	0	0	0	10,000
<b>Excess revenues and other sources over expenditures and other uses</b>	<u>1,171</u>	<u>(4,926)</u>	<u>(4,603)</u>	<u>78,142</u>
<b>Fund balances at beginning of year</b>	<u>6,398</u>	<u>28,167</u>	<u>29,943</u>	<u>0</u>
<b>Fund balances at end of year</b>	<u>\$ 7,569</u>	<u>\$ 23,241</u>	<u>\$ 25,340</u>	<u>\$ 78,142</u>

Shade Tree Fund	Fireworks Fund	Lillian Long Estate Fund	Investment Fund	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 493,753
0	0	0	0	537,138
0	0	0	0	10,505
316	24	276	67,653	93,434
0	0	0	0	68,081
0	250	0	0	12,291
<u>316</u>	<u>274</u>	<u>276</u>	<u>67,653</u>	<u>1,215,202</u>
0	0	0	0	352,698
0	0	0	0	0
0	0	0	0	326,180
0	0	0	0	89,467
0	0	0	67,653	67,653
0	0	0	0	152,137
0	0	0	0	569,810
0	0	0	0	25,366
<u>0</u>	<u>0</u>	<u>0</u>	<u>67,653</u>	<u>1,583,311</u>
<u>316</u>	<u>274</u>	<u>276</u>	<u>0</u>	<u>(368,109)</u>
0	0	0	0	305,662
0	0	0	0	10,000
<u>316</u>	<u>274</u>	<u>276</u>	<u>0</u>	<u>(52,447)</u>
<u>15,838</u>	<u>1,227</u>	<u>13,565</u>	<u>0</u>	<u>1,411,939</u>
<u>\$ 16,154</u>	<u>\$ 1,501</u>	<u>\$ 13,841</u>	<u>\$ 0</u>	<u>\$ 1,359,492</u>



Local Law Enforcement Block Grant Fund		
Original Budget	Final Budget	Actual Plus Encumbrances
\$ 0	\$ 0	\$ 0
7,995	7,995	0
105	105	24
0	0	45
<u>8,100</u>	<u>8,100</u>	<u>69</u>
7,995	7,995	0
0	0	0
0	0	0
0	0	0
<u>7,995</u>	<u>7,995</u>	<u>0</u>
105	105	69
0	0	0
0	0	0
<u>1,024</u>	<u>1,024</u>	<u>1,024</u>
<u>\$ 1,129</u>	<u>\$ 1,129</u>	<u>\$ 1,093</u>

Economic Development Fund		
Original Budget	Final Budget	Actual Plus Encumbrances
\$ 45,000	\$ 45,000	\$ 49,838
0	0	0
0	0	0
314	314	175
0	0	0
<u>45,314</u>	<u>45,314</u>	<u>50,013</u>
0	0	0
0	0	0
45,000	79,969	78,300
0	0	0
<u>45,000</u>	<u>79,969</u>	<u>78,300</u>
314	(34,655)	(28,287)
0	0	0
0	0	0
<u>30,672</u>	<u>30,672</u>	<u>30,672</u>
<u>\$ 30,986</u>	<u>\$ (3,983)</u>	<u>\$ 2,385</u>

Community Development Block Grant Fund		
Original Budget	Final Budget	Actual Plus Encumbrances
\$ 0	\$ 0	\$ 0
131,206	131,206	298,107
0	0	0
0	0	0
<u>131,206</u>	<u>131,206</u>	<u>298,107</u>
0	0	0
0	0	0
226,106	505,870	389,066
0	0	0
<u>226,106</u>	<u>505,870</u>	<u>389,066</u>
(94,900)	(374,664)	(90,959)
0	0	0
0	0	47,050
<u>39,693</u>	<u>39,693</u>	<u>39,693</u>
<u>\$ (55,207)</u>	<u>\$ (334,971)</u>	<u>\$ (4,216)</u>

HUD Home Fund		
Original Budget	Final Budget	Actual Plus Encumbrances
\$ 0	\$ 0	\$ 0
0	0	0
0	0	0
0	0	0
0	0	0
<u>0</u>	<u>0</u>	<u>0</u>
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

(Continued)



Fire Pension Fund			Shade Tree Fund		
Original Budget	Final Budget	Actual Plus Encumbrances	Original Budget	Final Budget	Actual Plus Encumbrances
\$ 165,350	\$ 165,350	\$ 145,430	\$ 0	\$ 0	\$ 0
0	0	15,888	0	0	0
2,500	2,500	1,363	402	402	316
0	0	0	0	0	0
<u>167,850</u>	<u>167,850</u>	<u>162,681</u>	<u>402</u>	<u>402</u>	<u>316</u>
167,850	167,850	167,285	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>167,850</u>	<u>167,850</u>	<u>167,285</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	(4,604)	402	402	316
0	0	0	0	0	0
<u>29,943</u>	<u>29,943</u>	<u>29,943</u>	<u>15,838</u>	<u>15,838</u>	<u>15,838</u>
<u>\$ 29,943</u>	<u>\$ 29,943</u>	<u>\$ 25,339</u>	<u>\$ 16,240</u>	<u>\$ 16,240</u>	<u>\$ 16,154</u>

Investment Fund		
Original Budget	Final Budget	Actual Plus Encumbrances
\$ 0	\$ 0	\$ 0
0	0	0
0	0	0
100,000	100,000	67,653
0	0	0
<u>100,000</u>	<u>100,000</u>	<u>67,653</u>
0	0	0
0	0	0
0	0	0
<u>100,000</u>	<u>102,600</u>	<u>67,653</u>
<u>100,000</u>	<u>102,600</u>	<u>67,653</u>
0	(2,600)	0
0	0	0
0	0	0
0	0	0
<u>\$ 0</u>	<u>\$ (2,600)</u>	<u>\$ 0</u>

CITY OF WOOSTER, OHIO  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND EQUITY - BUDGET AND ACTUAL (BUDGETARY BASIS)  
 INTERNAL SERVICE FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2003

	Municipal Garage		
	Original Budget	Final Budget	Actual Plus Encumbrances
Revenues:			
Interfund services provided	\$ 380,888	\$ 380,888	\$ 359,514
<b>Total Revenues</b>	<u>380,888</u>	<u>380,888</u>	<u>359,514</u>
Expenditures:			
Transportation services	380,888	470,409	413,894
<b>Total Expenditures</b>	<u>380,888</u>	<u>470,409</u>	<u>413,894</u>
Excess revenues over(under) expenditures	0	(89,521)	(54,380)
Encumbrances	0	0	31,059
Fund balance at beginning of year	<u>46,118</u>	<u>46,118</u>	<u>46,118</u>
Fund balance at end of year	<u>\$ 46,118</u>	<u>\$ (43,403)</u>	<u>\$ 22,797</u>

SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)  
 CAPITAL IMPROVEMENTS AND DEBT SERVICE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2003

	Capital Improvements Fund		
	Original Budget	Final Budget	Actual Plus Encumbrances
Revenues :			
Special assessments	\$ 0	\$ 0	\$ 119,460
Interest income	104,763	104,763	67,274
Miscellaneous	0	0	52,395
Total Revenue	<u>104,763</u>	<u>104,763</u>	<u>239,129</u>
Expenditures :			
Administrative services	3,655,500	4,600,453	4,480,752
Total Expenditures	<u>3,655,500</u>	<u>4,600,453</u>	<u>4,480,752</u>
Excess revenues over(under) expenditures	(3,550,737)	(4,495,690)	(4,241,623)
Operating transfers in	2,300,000	2,269,000	1,770,000
Proceeds from debt issues	0	0	860,772
Operating transfers out	0	0	(31,000)
Encumbrances	0	0	1,114,304
Fund balances at beginning of year	<u>3,929,628</u>	<u>3,929,628</u>	<u>3,929,628</u>
Fund balances at end of year	<u>\$ 2,678,891</u>	<u>\$ 1,702,938</u>	<u>\$ 3,402,081</u>

	Debt Service Fund		
	Original Budget	Final Budget	Actual Plus Encumbrances
Revenues :			
Special assessments	\$ 173,015	\$ 173,015	\$ 250,146
Interest income	10,738	10,738	12,898
Total Revenue	<u>183,753</u>	<u>183,753</u>	<u>263,044</u>
Expenditures :			
Transportation services	445,249	446,949	415,364
Total Expenditures	<u>445,249</u>	<u>446,949</u>	<u>415,364</u>
Excess revenues over(under) expenditures	(261,496)	(263,196)	(152,320)
Proceeds from debt issues	486,349	486,349	141,000
Fund balances at beginning of year	<u>516,972</u>	<u>516,972</u>	<u>516,972</u>
Fund balances at end of year	<u>\$ 741,825</u>	<u>\$ 740,125</u>	<u>\$ 505,652</u>

CITY OF WOOSTER, OHIO  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)  
 NONMAJOR CAPITAL PROJECTS FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2003

	Economic Development Capital Improvements Fund		
	Original Budget	Final Budget	Actual Plus Encumbrances
<b>Revenues:</b>			
Interest income	\$ 17,066	\$ 17,066	\$ 8,544
Contributions and donations	0	0	0
<b>Total Revenues</b>	<b>17,066</b>	<b>17,066</b>	<b>8,544</b>
<b>Expenditures:</b>			
Environment and development	282,000	282,000	282,000
Transportation services	0	0	0
<b>Total Expenditures</b>	<b>282,000</b>	<b>282,000</b>	<b>282,000</b>
Excess revenues over (under) expenditures	(264,934)	(264,934)	(273,456)
Encumbrances	0	0	0
Fund balances at beginning of year	736,254	736,254	736,254
<b>Fund balances at end of year</b>	<b>\$ 471,320</b>	<b>\$ 471,320</b>	<b>\$ 462,798</b>



CITY OF WOOSTER, OHIO  
SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)  
ALL ENTERPRISE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2003

	Wooster Community Hospital			Water		
	Original Budget	Final Budget	Actual Plus Encumbrances	Original Budget	Final Budget	Actual Plus Encumbrances
<b>Revenues :</b>						
Charges for services	\$ 67,142,724	\$ 69,797,186	\$ 64,166,427	\$ 4,275,900	\$ 4,275,931	\$ 3,863,699
Fines, licenses and permits	0	0	0	5,000	5,000	77,428
Interest income	1,382,651	1,382,651	1,081,715	261,909	261,909	184,258
Miscellaneous	0	0	264,909	17	17	179,878
<b>Total Revenues</b>	<b>68,525,375</b>	<b>71,179,837</b>	<b>65,513,051</b>	<b>4,542,826</b>	<b>4,542,857</b>	<b>4,305,263</b>
<b>Expenditures :</b>						
Health and social services	58,352,694	87,743,308	66,470,804	0	0	0
Utility services	0	0	0	6,342,708	8,834,702	8,139,795
<b>Total Expenditures</b>	<b>58,352,694</b>	<b>87,743,308</b>	<b>66,470,804</b>	<b>6,342,708</b>	<b>8,834,702</b>	<b>8,139,795</b>
Excess revenues over (under) expenditures	10,172,681	(16,563,471)	(957,753)	(1,799,882)	(4,291,845)	(3,834,532)
<b>Other financing sources (uses):</b>						
Transfers in (out)	0	0	0	0	0	0
Proceeds from debt issues	0	0	0	626,218	626,218	0
Excess revenues and other sources over (under) expenditures and other uses	10,172,681	(16,563,471)	(957,753)	(1,173,664)	(3,665,627)	(3,834,532)
Encumbrances	0	0	3,559,594	0	0	2,232,419
Fund balances at beginning of year	44,688,040	44,688,040	44,688,040	10,415,498	10,415,498	10,415,498
Fund balances at end of year	\$ 54,860,721	\$ 28,124,569	\$ 47,289,881	\$ 9,241,834	\$ 6,749,871	\$ 8,813,385

	Refuse Collection			Economic Development Loans		
	Original Budget	Final Budget	Actual Plus Encumbrances	Original Budget	Final Budget	Actual Plus Encumbrances
<b>Revenues :</b>						
Charges for services	\$ 844,205	\$ 844,205	\$ 849,331	\$ 5,000	\$ 5,000	\$ 8,298
Fines, licenses and permits	1,000	1,000	16,144	0	0	0
Operating subsidies	20,000	20,000	28,100	0	0	0
Interest income	3,143	3,143	4,505	10,626	10,626	7,785
<b>Total Revenue</b>	<b>868,348</b>	<b>868,348</b>	<b>898,080</b>	<b>15,626</b>	<b>15,626</b>	<b>16,083</b>
<b>Expenditures :</b>						
Utility services	857,755	1,053,394	907,757	0	0	0
Environment and Development	0	0	0	50,000	120,000	70,356
<b>Total Expenditures</b>	<b>857,755</b>	<b>1,053,394</b>	<b>907,757</b>	<b>50,000</b>	<b>120,000</b>	<b>70,356</b>
Excess revenues over expenditures	10,593	(185,046)	(9,677)	(34,374)	(104,374)	(54,273)
Encumbrances	0	0	0	0	0	70,000
Fund balances at beginning of year	272,964	272,964	272,964	322,088	322,088	322,088
Fund balances at end of year	\$ 283,557	\$ 87,918	\$ 263,287	\$ 287,714	\$ 217,714	\$ 337,815

Water Pollution Control			Storm Drainage		
Original Budget	Final Budget	Actual Plus Encumbrances	Original Budget	Final Budget	Actual Plus Encumbrances
\$ 3,734,162	\$ 3,734,162	\$ 3,255,826	\$ 799,897	\$ 799,897	\$ 742,265
20,836	20,836	51,627	185	185	7,132
318,104	318,104	239,598	112,621	112,621	68,518
0	0	73,622	0	0	441,615
<u>4,073,102</u>	<u>4,073,102</u>	<u>3,620,673</u>	<u>912,703</u>	<u>912,703</u>	<u>1,259,530</u>
0	0	0	0	0	0
17,591,158	19,480,256	5,231,442	4,365,984	6,691,564	6,467,514
<u>17,591,158</u>	<u>19,480,256</u>	<u>5,231,442</u>	<u>4,365,984</u>	<u>6,691,564</u>	<u>6,467,514</u>
(13,518,056)	(15,407,154)	(1,610,769)	(3,453,281)	(5,778,861)	(5,207,984)
0	0	0	0	0	0
<u>14,042,271</u>	<u>14,042,271</u>	<u>44,351</u>	<u>2,701,967</u>	<u>2,701,967</u>	<u>2,035,000</u>
524,215	(1,364,883)	(1,566,418)	(751,314)	(3,076,894)	(3,172,984)
0	0	879,355	0	0	1,449,517
12,919,029	12,919,029	12,919,029	4,449,760	4,449,760	4,449,760
<u>\$ 13,443,244</u>	<u>\$ 11,554,146</u>	<u>\$ 12,231,966</u>	<u>\$ 3,698,446</u>	<u>\$ 1,372,866</u>	<u>\$ 2,726,293</u>

Downtown Development Loans		
Original Budget	Final Budget	Actual Plus Encumbrances
\$ 15,400	\$ 15,400	\$ 2,670
0	0	0
2,027	2,027	1,861
<u>17,427</u>	<u>17,427</u>	<u>4,531</u>
0	0	0
20,000	20,000	0
<u>20,000</u>	<u>20,000</u>	<u>0</u>
(2,573)	(2,573)	4,531
0	0	0
90,181	90,181	90,181
<u>\$ 87,608</u>	<u>\$ 87,608</u>	<u>\$ 94,712</u>

CITY OF WOOSTER, OHIO  
SCHEDULE OF GOVERNMENTAL CAPITAL ASSETS  
BY FUNCTION AND ACTIVITY  
AS OF DECEMBER 31, 2003

Function and Activity:	Total	Land	Buildings	Infrastructure/ Improvements	Equipment	Construction in Progress
<b>Safety Services:</b>						
Police	\$ 1,039,903	\$ 0	\$ 360,698	\$ 50,000	\$ 629,205	\$ 0
Traffic	3,227,660	0	0	2,900,203	276,345	51,112
Fire	3,306,294	8,513	440,018	9,638	2,327,665	520,460
Total Safety Services	<u>7,573,857</u>	<u>8,513</u>	<u>800,716</u>	<u>2,959,841</u>	<u>3,233,215</u>	<u>571,572</u>
<b>Leisure Services:</b>						
Community Center	656,749	0	616,117	30,438	10,194	0
Parks	3,159,322	174,988	1,221,552	1,204,272	551,056	7,454
Pools	1,207,654	0	502,782	569,553	135,319	0
Recreation Programs	283,919	0	129,342	75,565	79,012	0
Total Leisure Services	<u>5,307,644</u>	<u>174,988</u>	<u>2,469,793</u>	<u>1,879,828</u>	<u>775,581</u>	<u>7,454</u>
<b>Environment &amp; Development:</b>						
Planning	19,643	0	0	0	19,643	0
Inspections	104,120	0	0	0	104,120	0
Total Environment & Development	<u>123,763</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>123,763</u>	<u>0</u>
<b>Transportation Services:</b>						
Street Cleaning	289,444	0	0	0	289,444	0
Snow Removal	107,981	0	91,184	0	16,797	0
Parking	480,297	172,956	0	307,341	0	0
Transit System	11,741	0	0	0	11,741	0
Street Construction	60,705,934	0	683,236	57,796,508	1,506,863	719,327
Total Transportation Services	<u>61,595,397</u>	<u>172,956</u>	<u>774,420</u>	<u>58,103,849</u>	<u>1,824,845</u>	<u>719,327</u>
<b>Administrative Services:</b>						
Administration	1,032,151	203,544	0	180,985	589,130	58,492
Finance	684,222	0	0	0	684,222	0
Law	1,000	0	0	0	1,000	0
Lands & Buildings	4,087,521	1,534,562	836,614	18,060	171,862	1,526,423
Engineer	262,976	0	0	10,000	252,976	0
Total Administrative Services	<u>6,067,870</u>	<u>1,738,106</u>	<u>836,614</u>	<u>209,045</u>	<u>1,699,190</u>	<u>1,584,915</u>
<b>Governmental Capital Assets</b>	<u>\$ 80,668,531</u>	<u>\$ 2,094,563</u>	<u>\$ 4,881,543</u>	<u>\$ 63,152,563</u>	<u>\$ 7,656,594</u>	<u>\$ 2,883,268</u>

CITY OF WOOSTER, OHIO  
SCHEDULE OF CHANGES IN GOVERNMENTAL CAPITAL ASSETS  
BY FUNCTION AND ACTIVITY  
FOR THE YEAR ENDED DECEMBER 31, 2003

Function and Activity:	Governmental Capital Assets 01/01/2003	Additions	Deductions	Net Transfers	Governmental Capital Assets 12/31/2003
<b>Safety Services:</b>					
Police	\$ 958,887	\$ 81,016	\$ 0	\$ 0	\$ 1,039,903
Traffic	2,864,327	363,333	0	0	3,227,660
Fire	2,622,460	683,834	0	0	3,306,294
Total Safety Services	<u>6,445,674</u>	<u>1,128,183</u>	<u>0</u>	<u>0</u>	<u>7,573,857</u>
<b>Leisure Services:</b>					
Community Center	673,033	0	(16,284)		656,749
Parks	2,945,394	362,296	(148,368)	0	3,159,322
Pools	1,189,621	36,066	(18,033)	0	1,207,654
Recreation Programs	282,350	1,569	0	0	283,919
Total Leisure Services	<u>5,090,398</u>	<u>399,931</u>	<u>(182,685)</u>	<u>0</u>	<u>5,307,644</u>
<b>Environment &amp; Development:</b>					
Planning	19,643	0	0	0	19,643
Inspections	112,645	0	0	(8,525)	104,120
Total Environment & Development	<u>132,288</u>	<u>0</u>	<u>0</u>	<u>(8,525)</u>	<u>123,763</u>
<b>Transportation Services:</b>					
Street Cleaning	289,444	0	0	0	289,444
Snow Removal	107,981	0	0	0	107,981
Parking	480,297	0	0	0	480,297
Transit System	11,741	0	0	0	11,741
Street Construction	59,830,315	889,432	(13,813)	0	60,705,934
Total Transportation Services	<u>60,719,778</u>	<u>889,432</u>	<u>(13,813)</u>	<u>0</u>	<u>61,595,397</u>
<b>Administrative Services:</b>					
Administration	840,113	192,038	0	0	1,032,151
Finance	683,907	315	0	0	684,222
Law	1,000	0	0	0	1,000
Lands & Buildings	2,755,255	1,506,289	(174,023)	0	4,087,521
Engineer	247,686	0	0	15,290	262,976
Total Administrative Services	<u>4,527,961</u>	<u>1,698,642</u>	<u>(174,023)</u>	<u>15,290</u>	<u>6,067,870</u>
<b>Governmental Capital Assets</b>	<u>\$ 76,916,099</u>	<u>\$ 4,116,188</u>	<u>\$ (370,521)</u>	<u>\$ 6,765</u>	<u>\$ 80,668,531</u>

CITY OF WOOSTER, OHIO  
 COMBINING STATEMENT OF ASSETS & LIABILITIES  
 AGENCY FUNDS  
 DECEMBER 31, 2003

	Guaranteed Deposit	Clearing Fund	Recreation Supplement	Wooster Growth Corporation	Total Agency Funds
<b>Assets:</b>					
Equity in city treasury cash	\$ 73,552	\$ 25,003	\$ 5,169	\$ 119,731	\$ 223,455
Accrued interest receivable	0	0	0	423	423
<b>Total assets</b>	<u>73,552</u>	<u>25,003</u>	<u>5,169</u>	<u>120,154</u>	<u>223,878</u>
<b>Liabilities:</b>					
Accounts payable	0	2,449	43	80	2,572
Accrued wages and benefits	0	663	0	0	663
Due to agency recipient	73,552	21,891	5,126	120,074	220,643
<b>Total liabilities</b>	<u>\$ 73,552</u>	<u>\$ 25,003</u>	<u>\$ 5,169</u>	<u>\$ 120,154</u>	<u>\$ 223,878</u>

**CITY OF WOOSTER, OHIO**  
**COMBINING STATEMENT OF CHANGES IN ASSETS & LIABILITIES**  
**AGENCY FUNDS**  
**DECEMBER 31, 2003**

	Guarantee Deposit	Clearing Fund	Recreation Supplement	Wooster Growth Corporation	Total Agency Funds
<b>Additions:</b>					
Deposits & gifts	\$ 44,520	\$ 58,453	\$ 1,938	\$ 0	\$ 104,911
Fees & charges	0	0	0	13,862	13,862
Rental income	0	0	0	530,168	530,168
Miscellaneous	0	0	0	0	0
Investment interest	0	0	0	3,096	3,096
<b>Total additions</b>	<b>44,520</b>	<b>58,453</b>	<b>1,938</b>	<b>547,126</b>	<b>652,037</b>
<b>Deductions:</b>					
Refunds	33,985	43,389	0	0	77,374
Transfer of equity	0	10,000	0	0	10,000
Loan payments	0	0	0	532,245	532,245
Administrative fees	0	0	0	3,060	3,060
Miscellaneous	0	0	1,439	10,811	12,250
<b>Total deductions</b>	<b>33,985</b>	<b>53,389</b>	<b>1,439</b>	<b>546,116</b>	<b>634,929</b>
Change in net assets	10,535	5,064	499	1,010	17,108
Beginning Due to agency recipient	63,017	16,827	4,627	119,064	203,535
Ending Due to agency recipient	\$ 73,552	\$ 21,891	\$ 5,126	\$ 120,074	\$ 220,643



Table 1

City of Wooster, Ohio  
General Revenue by Source and  
General Expenditures by Function  
Last Ten Years All Governmental Funds  
(\$000 omitted)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
<b>Revenues:</b>										
Taxes	\$ 9,071	\$ 10,226	\$ 9,826	\$ 10,693	\$ 11,765	\$ 11,927	\$ 10,941	\$ 10,647	\$ 11,374	\$ 11,128
Intergovernmental	1,839	1,952	1,507	1,607	2,163	3,062	2,837	2,977	3,431	3,323
Charges for service	1,321	1,338	1,365	1,451	1,562	797	770	773	867	857
Special assessments	244	190	158	218	191	241	233	202	194	250
Fines, licenses, permits	328	452	429	510	441	451	477	532	618	629
Interfund services provided	655	644	563	706	750	829	2,527	1,006	1,014	1,248
Interest income	198	524	548	745	826	859	1,297	1,112	744	445
Miscellaneous	614	302	325	353	597	236	334	191	239	264
<b>Total revenues</b>	<b>14,270</b>	<b>15,628</b>	<b>14,721</b>	<b>16,283</b>	<b>18,295</b>	<b>18,402</b>	<b>19,416</b>	<b>17,440</b>	<b>18,481</b>	<b>18,144</b>
<b>Expenditures:</b>										
Safety services	5,531	5,417	5,510	6,307	6,200	6,786	7,095	7,286	7,888	8,203
Health & social services	92	104	106	111	131	133	136	142	142	141
Leisure services	1,329	1,151	1,094	1,291	1,285	1,416	1,631	1,651	1,733	1,783
Environment & development	465	986	432	478	561	560	689	692	1,097	1,091
Utility services	802	833	860	788	893	65	0	0	0	0
Transportation services	1,406	1,064	1,109	996	1,049	1,335	1,941	1,510	1,830	1,805
Administrative services	2,052	2,016	1,990	2,241	2,184	2,314	3,001	2,317	3,109	3,096
Capital expenditures	837	594	1,213	2,724	3,081	2,669	3,396	1,891	2,559	3,357
Debt service:										
Principal	2,453	1,652	194	194	342	547	229	1,138	2,186	1,691
Interest	198	181	158	155	171	185	165	156	177	161
<b>Total expenditures</b>	<b>15,165</b>	<b>13,998</b>	<b>12,666</b>	<b>15,285</b>	<b>15,897</b>	<b>16,010</b>	<b>18,283</b>	<b>16,783</b>	<b>20,721</b>	<b>21,328</b>
Excess of revenues over (under) expenditures	(895)	1,630	2,055	998	2,398	2,392	1,133	657	(2,240)	(3,184)
Other financing sources:	1,800	589	0	990	13	405	1,199	1,563	1,424	2,430
Excess of revenues & other sources over (under) expenditures & other uses	905	2,219	2,055	1,988	2,411	2,797	2,332	2,220	(816)	(754)
Beginning fund balances	4,050	4,955	7,174	9,223	11,211	a 15,031	17,828	b 18,423	20,232	19,416
<b>Fund balances at year end</b>	<b>\$ 4,955</b>	<b>\$ 7,174</b>	<b>\$ 9,229</b>	<b>\$ 11,211</b>	<b>\$ 13,622</b>	<b>\$ 17,828</b>	<b>\$ 20,160</b>	<b>\$ 20,643</b>	<b>\$ 19,416</b>	<b>\$ 18,662</b>

a Restatement due to GASB 34 along with Interpretation 6 for Compensated Absences and elimination of the effect of Internal Service Fund activity.

b Restatement due to GASB 36 and reclassification of several special revenue funds as agency funds.

Table 2

City of Wooster, Ohio  
 Schedule of Property Tax, Tangible Tax, Special Assessments,  
 Levied/Billed and Collectors,  
 and Economic Indicators  
 (\$ 000 omitted)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
<b>PROPERTY TAX LEVY &amp; COLLECTIONS</b>										
Real and public property:										
Net tax levy	\$ 957	\$ 1,149	\$ 1,236	\$ 1,419	\$ 1,548	\$ 1,659	\$ 1,641	\$ 1,741	\$ 1,769	\$ 1,925
Current collections	\$ 949	\$ 1,087	\$ 1,165	\$ 1,398	\$ 1,448	\$ 1,501	\$ 1,594	\$ 1,625	\$ 1,620	\$ 1,733
Percentage of current collection to net levy	99%	95%	94%	99%	94%	90%	97%	93%	92%	90%
Prior year collections	\$ 11	\$ 12	\$ 21	\$ 18	\$ 23	\$ 30	\$ 24	\$ 26	\$ 35	\$ 38
Total Collections	\$ 960	\$ 1,099	\$ 1,186	\$ 1,416	\$ 1,471	\$ 1,531	\$ 1,618	\$ 1,651	\$ 1,655	\$ 1,771
Percentage of total collections to net levy	100%	96%	96%	100%	95%	92%	99%	95%	94%	92%
<b>TANGIBLE TAX</b>										
Billed	\$ 311	\$ 363	\$ 425	\$ 474	\$ 480	\$ 520	\$ 541	\$ 516	\$ 504	\$ 481,312
Collected	\$ 298	\$ 359	\$ 416	\$ 458	\$ 471	\$ 506	\$ 533	\$ 507	\$ 481	\$ 470,018
Percentage collected	96%	99%	98%	97%	98%	97%	99%	98%	95%	98%
Delinquent	\$ 13	\$ 4	\$ 9	\$ 16	\$ 9	\$ 14	\$ 8	\$ 9	\$ 23	\$ 12
<b>SPECIAL ASSESSMENTS</b>										
Billed	\$ 23	\$ 93	\$ 165	\$ 200	\$ 165	\$ 274	\$ 380	\$ 361	\$ 423	\$ 515
Collected	\$ 19	\$ 92	\$ 162	\$ 197	\$ 156	\$ 253	\$ 329	\$ 304	\$ 342	\$ 448
Percentage collected	83%	99%	98%	99%	95%	92%	87%	84%	81%	87%
Delinquent	\$ 4	\$ 1	\$ 3	\$ 3	\$ 9	\$ 21	\$ 51	\$ 57	\$ 81	\$ 70
<b>COMMUNITY ECONOMIC INDICATORS</b>										
(in millions of dollars)										
Building permits issued	41	55	53	45	36	38	40	74	69	60
Employment (Wayne County)	53,000	55,000	54,800	54,400	55,100	54,800	56,000	56,200	55,700	57,200
Registered Voters:										
November Elections	13,210	13,368	14,222	14,418	15,027	14,074	15,137	14,082	14,482	14,966

Local financial deposit information no longer available due to merger of local financial institutions.

Sources: Wayne County Auditor, Wayne County Board of Elections, Ohio Bureau of Employment Services

City of Wooster, Ohio  
 Schedule of Assessed Valuation, Estimated True Value and  
 Property Tax Rates - Direct and Overlapping Governments  
 (\$ 000 omitted)

Tax Year/Collection Year	1994/1995	1995/1996	1996/1997	1997/1998	1998/1999	1999/2000	2000/2001	2001/2002	2002/2003	2003/2004
<b>ASSESSED VALUATION</b>										
Real Property	257,920 \$	272,513 \$	337,862 \$	336,429 \$	352,489 \$	376,452 \$	383,712 \$	392,592 \$	419,524 \$	437,860
Public Utility Property	16,171	15,515	15,359	15,712	16,077	14,373	15,113	10,291	10,602	10,432
Tangible Personal Property	72,926	87,250	99,645	105,015	114,342	123,488	128,468	123,315	117,373	111,693
<b>Total</b>	<b>347,017 \$</b>	<b>375,278 \$</b>	<b>452,866 \$</b>	<b>457,156 \$</b>	<b>482,908 \$</b>	<b>514,313 \$</b>	<b>527,293 \$</b>	<b>526,198 \$</b>	<b>547,499 \$</b>	<b>559,985</b>

**ESTIMATED TRUE VALUE**

Real Property	736,914 \$	778,609 \$	965,320 \$	961,225 \$	1,007,111 \$	1,075,577 \$	1,096,320 \$	1,121,690	1,198,640	1,251,029
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**PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS (Mills per \$1.00 valuation)**

County levy	8.35	8.35	8.35	8.35	8.35	8.75	8.75	8.75	8.75	8.75
School levy	62.15	62.15	62.15	62.15	59.15	65.20	65.20	65.20	65.20	65.20
Vocational school	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10
Mental Health	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
City levy	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20
Library	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>Total levy</b>	<b>80.80</b>	<b>80.80</b>	<b>80.80</b>	<b>80.80</b>	<b>77.80</b>	<b>84.25</b>	<b>84.25</b>	<b>84.25</b>	<b>84.25</b>	<b>84.25</b>
<b>Debt service:</b>										
Included in city levy	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Included in total levy	6.80	6.80	6.80	6.80	3.80	0.00	0.00	0.00	0.00	0.00

Sources: Wayne County Auditor

City of Wooster, Ohio  
December 31, 2003

Schedule of Legal Debt Margin, Computation of Direct and Overlapping Debt,  
and Ratio of Net Bonded Debt to Assessed Value and Net Bonded Debt Per Capita  
( \$ 000 omitted)

	2002	2003	RATIO OF NET BONDED DEBT TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA									
<b>LEGAL DEBT MARGIN</b>												
Overall debt limitation - 10.5% of assessed valuation	\$ 57,487	\$ 58,798										
Gross indebtedness	17,075	16,402										
Less debt outside limitations	14,396	13,669										
Debt within 10.5% limitations	2,679	2,733										
Less amount available in debt service funds applicable to debt margin	514	506										
Net debt within 10.5% limitation	2,165	2,227										
Legal debt margin within 10.5% limitation	\$ 55,322	\$ 56,571										
Unvoted debt limitation 5.5% of assessed valuation	\$ 30,112	\$ 30,799										
Gross indebtedness	17,075	16,402										
Less debt outside limitations:												
Debt within 5.5% limitations	2,679	2,733										
Less amount available in debt service funds applicable to debt margin	514	506										
Net debt within 5.5% limitation	2,165	2,227										
Legal debt margin within 5.5% limitation	\$ 27,947	\$ 28,572										
<b>COMPUTATION OF DIRECT AND OVERLAPPING DEBT</b>												
	Assessed											
City of Wooster	Valuation (1)	Net General Tax	Percent	Net Tax Supported								
Wooster City Schools	\$ 559,985	Supported Debt (2)	Overlapping	Overall Debt								
Wayne County	\$ 642,651	\$ 2,733	100.00%	\$ 2,733								
Total	2,007,643	\$ 23,627	87.14%	20,587								
		\$ 12,322	27.89%	3,437								
		\$ 38,681		\$ 26,757								
<b>RATIO OF NET BONDED DEBT TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA</b>												
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		
Net general debt	\$ 3,026	\$ 1,589	\$ 1,404	\$ 1,241	\$ 1,081	\$ 1,576	\$ 1,383	\$ 2,324	\$ 2,679	\$ 2,733		
Assessed value	347,017	375,278	452,866	457,156	482,908	514,313	527,294	526,199	547,499	559,985		
Population	23,204	23,465	23,728	23,994	24,264	24,536	24,811	25,002	25,184	25,420		
Ratio of net bonded debt to assessed value	0.87%	0.42%	0.31%	0.27%	0.22%	0.31%	0.26%	0.44%	0.49%	0.49%		
Net bonded debt per capita (full \$)	\$ 130	\$ 68	\$ 59	\$ 52	\$ 45	\$ 64	\$ 56	\$ 93	\$ 106	\$ 108		

Sources (1) Wayne County, Ohio; County Auditor (2) Fiscal Offices of Subdivision

Table 5

City of Wooster, Ohio  
Ratio of Annual Debt Service for General Obligation Debt to Total General Expenditures and Revenue Bond Coverage  
(\$ 000 omitted)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
<b>RATIO OF ANNUAL DEBT SERVICE FOR GENERAL OBLIGATION DEBT TO TOTAL GENERAL EXPENDITURES</b>										
Debt Service on general obligation debt	\$ 2,651	\$ 1,833	\$ 352	\$ 349	\$ 512	\$ 609	\$ 230	\$ 504	\$ 1,948	\$ 1,436
General Expenditures	15,165	13,998	12,666	14,990	15,897	16,010	18,283	16,783	20,721	21,329
Ratio	17.48%	13.09%	2.78%	2.33%	3.22%	3.80%	1.26%	3.00%	9.40%	6.73%
<b>REVENUE BOND COVERAGE</b>										
Water:										
Direct Revenue	\$ 3,478	\$ 3,422	\$ 4,887	\$ 5,145	\$ 4,872	\$ 4,353	\$ 4,464	\$ 4,521	\$ 4,530	\$ 3,962
Operating Expense	1,964	1,906	1,822	1,928	2,188	2,296	2,107	2,262	2,233	2,522
Net Available	1,514	1,516	3,065	3,217	2,684	2,057	2,357	2,259	2,297	1,440
Principal	153	170	193	588	631	666	706	748	1,093	1,498
Interest	169	257	551	678	637	581	580	558	598	435
Total debt service	322	427	744	1,266	1,268	1,247	1,286	1,306	1,691	1,933
Water Coverage	4.70	3.55	4.12	2.54	2.12	1.65	1.83	1.73	1.36	0.74
Water Pollution Control (WPC):										
Direct revenue	\$ 3,632	\$ 3,577	\$ 4,189	\$ 4,519	\$ 3,749	\$ 3,928	\$ 4,136	\$ 4,356	\$ 4,156	\$ 3,621
Operating expenses	2,019	1,995	2,063	2,364	2,107	2,167	2,275	2,561	2,663	2,780
Net available	1,613	1,582	2,126	2,155	1,642	1,761	1,861	1,795	1,493	841
Principal	255	247	269	259	260	262	253	264	276	42
Interest	138	123	107	93	78	62	49	32	17	1
Total debt service	393	370	376	352	338	324	302	296	293	43
WPC Coverage	4.10	4.28	5.65	6.12	4.86	5.44	6.16	6.06	5.10	19.47
Storm Drainage:										
Direct revenue	\$ 0	\$ 0	\$ 0	\$ 0	\$ 523	\$ 516	\$ 553	\$ 626	\$ 914	\$ 836
Operating expenses	0	0	0	0	229	233	248	262	179	442
Net available	0	0	0	0	294	284	305	364	735	394
Principal	0	0	0	0	0	0	0	0	0	675
Interest	0	0	0	0	0	0	0	0	64	57
Total debt service	0	0	0	0	0	0	0	0	64	732
Storm Coverage	n/a	11.48	0.54							
Hospital:										
Direct revenue	\$ 32,623	\$ 37,199	\$ 41,559	\$ 45,131	\$ 45,630	\$ 45,350	\$ 51,810	\$ 57,771	\$ 66,619	\$ 69,575
Operating expenses	28,361	30,199	32,153	34,137	35,563	36,515	40,371	46,262	53,297	58,064
Net available	4,262	7,000	9,406	10,994	10,067	8,835	11,439	11,509	13,322	11,511
Principal	240	260	280	300	320	340	365	350	440	470
Interest	287	272	255	236	217	195	173	143	59	44
Total debt service	527	532	535	536	537	535	538	493	499	514
Hospital Coverage	8.09	13.16	17.58	20.51	18.75	16.51	21.26	23.34	26.70	22.41

City of Wooster, Ohio  
Schedules of Principal Taxpayers,  
Miscellaneous Statistics and Demographic Statistics

PRINCIPAL TAXPAYERS REAL ESTATE & PUBLIC UTILITY	ASSESSED VALUATION (\$000 omitted)	PERCENTAGE OF TOTAL ASSESSED VALUATION	MISCELLANEOUS STATISTICS	
			Date of incorporation	1817
Ohio Power	\$ 7,528	1.34%	Form of government	Mayor-Council
Luk	6,019	1.07%	Area	15.873 square miles
College of Wooster	5,996	1.07%	Miles of streets	121.76 miles
Newell/Rubbermaid	5,750	1.03%	Number of street lights	2,366
Wooster Brush	4,426	0.79%	Fire protection:	
Buchlers	3,483	0.62%	Number of stations	2
Wayne Towne Plaza	3,094	0.55%	Number of firemen and officers	34
Wooster Associates	2,338	0.42%	Police protection:	
Gertenslager	2,127	0.38%	Number of stations	1
United Telephone	1,795	0.32%	Number of policemen and officers	38
Total of Above	\$ 42,556	7.60%	Parking lots	7/120,492 sq ft
			Traffic lights	55
Total Assessed Valuation of City	\$ 559,985			

Source: Wayne County, Ohio; County Auditor

Year	Total Population	Population in Group Quarters	Total Dwelling Units	Occupied Dwelling Units/ Households	Persons Per Household	Owner	
						Occupied Housing Units %	Median Family Income
1950	14,005	1,039	4,330	4,218	3.10	59.20%	\$ 3,432
1960	17,046	1,205	5,504	5,284	3.00	61.50%	6,425
1970	18,703	1,627	6,410	6,088	2.80	60.20%	10,880
1980	19,289	1,871	7,626	7,105	2.45	58.10%	21,116
1990	22,191	1,720	8,989	8,568	2.39	57.50%	32,500
2000	24,811	1,967	10,674	10,040	2.28	59.37%	47,118
2001	25,002	1,737	10,759	10,120	2.28	59.70%	48,343
2002	25,184	1,967	10,966	10,140	2.30	59.80%	49,020
2003	25,420	1,967	10,994	10,166	2.31	59.85%	50,049

Sources: U.S. Censuses 1950, 1960, 1970, 1980, 1990, 2000; Wooster Planning Department 2001, 2002, 2003



**Auditor of State  
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**CITY OF WOOSTER**

**WAYNE COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
NOVEMBER 9, 2004**